

KELOWNA, BC, May 24, 2017 /CNW/ - [Georox Resources Inc.](#) ("Georox" or the "Corporation") (GXR: TSX-V; OF6A:FRA) is seeking to raise \$450,000 in a non-brokered private placement ("Private Placement").

Under the proposed terms of the Private Placement, and subject to TSXV approval, the Corporation will issue, up to 6,428,571 units at a price of \$0.07 per unit for gross cash proceeds of approximately \$450,000 the ("Offering").

Each unit will consist of one (1) Common Share and one (1) Common Share half purchase warrant. Each whole warrant will entitle the holder to acquire one (1) Common Share at a price of \$0.14 for a period of two years to and including May 22, 2019. The Offering will be completed in one or more tranches and the securities under the Offering will have a hold period of four (4) months from the applicable closing date of each tranche. Closing of the Offering is not subject to a minimum aggregate subscription amount but shall be subject to receipt of all required regulatory approvals, including the TSX Venture Exchange.

The Corporation may pay finders' fees to eligible persons consisting of cash of up to 10% of the proceeds from the units sold to investors introduced by and attributable to the efforts of the finders.

After giving effect to the maximum Offering, Georox will have 29,402,466 common shares outstanding on a basic basis. Any participation by insiders of the Corporation in the Offering will be on the same terms as the arm's length investors. The Corporation has no reason to believe that the Private Placement will result in a change of control of the Corporation.

The Offering is expected to be completed within thirty days.

The Private Placement proceeds will be used for the optimization of production on its Red Earth, Alberta Property for the completion of a water flood program, and for general corporate purposes.

The water flood program is scheduled to begin during the third week of June. Management believes that the implementation of water flood will result in a significant increase in recoverable reserves and in daily production rates and a decrease of operating costs.

About Georox:

Georox is a public oil and gas exploration, exploitation and development company focusing on conventional oil and gas reservoirs in Western Canada. Georox will use its experience to develop, acquire and drill assets with potential for primary and secondary recovery.

Production volumes are commonly expressed on a barrel of oil equivalent ("boe") basis whereby natural gas volumes are converted at a ratio of six thousand cubic feet to one barrel of oil. The intention is to convert oil and natural gas measurement units into one basis for improved analysis of results and comparisons with other industry participants. The term BOE may be misleading, particularly if used in isolation. The conversion ratio is based on an energy equivalent method and does not represent an economic value equivalency at the wellhead.

FORWARD-LOOKING STATEMENTS

This news release contains forward-looking statements relating to the future operations of the Corporation and other statements that are not historical facts. Forward-looking statements are often identified by terms such as "will", "may", "should", "anticipate", "expects" and similar expressions. All statements other than statements of historical fact, included in this release, including, without limitation, statements regarding future plans and objectives of the Corporation, are forward looking statements that involve risks and uncertainties. There can be no assurance that such statements will prove to be accurate and actual results and future events could differ materially from those anticipated in such statements. More particularly, it contains forward-looking statements concerning: (i) the completion and potential benefits of the Consolidation; (ii) the timing and completion of the Offering and the use of proceeds from the Private Placement; and (iii) the potential appointment of a new director to Georox's board of directors.

This news release does not constitute an offer to sell or a solicitation of an offer to buy any of the Units in the United States. The Units (or constituent securities) have not been and will not be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act") or any state securities laws and may not be offered or sold within the United States or to U.S. Persons unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration is available.

Neither the TSXV nor its Regulation Services Provider (as that term is defined in the policies of the TSXV) accepts responsibility

for the adequacy or accuracy of this release.

SOURCE [Georox Resources Inc.](#)

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