

# RUSORO MINING

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May 8, 2018

Trading symbol (TSX-V): RML

## **Rusoro Mining Files New Proceedings to Enforce US\$1.34 Billion Award Against Venezuela**

**Vancouver, Canada – Rusoro Mining Ltd. (the "Company" or "Rusoro")** announces that on May 7 and 8, the Company filed lawsuits in Houston and Calgary in connection with its ongoing effort to enforce judgments totaling approximately US\$1.34 billion entered by courts in the U.S. and Canada following Venezuela's expropriation of Rusoro's gold mining properties in Venezuela. These U.S. and Canadian judgments recognize and allow enforcement of an international arbitration award issued under the auspices of the World Bank in favor of Rusoro against Venezuela for its illegal expropriation. In addition to the Venezuelan state, the lawsuits name as defendants Petroleos de Venezuela, S.A. ("PDVSA"), PDVSA's U.S.-based subsidiaries PDV Holding, Inc., Citgo Holding, Inc., Citgo Petroleum Corporation, and several of the U.S. companies' directors.

Each case alleges that Venezuela orchestrated a series of fraudulent transactions, which were undertaken by the defendant corporations to remove Venezuelan assets from the United States, where they may be vulnerable to judicial seizure and execution, to Venezuela, where they almost surely will be unreachable by Venezuela's creditors. Specifically, Rusoro alleges that Venezuela instructed PDVSA, its state-owned oil conglomerate, and several of PDVSA's U.S.-based affiliates to engage in debt transactions that had the effect of leaving the U.S. companies highly leveraged, and ultimately insolvent. In one instance, Rusoro alleges that PDVSA directed Citgo Holding, the corporate parent of Citgo Petroleum, a U.S.-based petroleum refiner and retailer, to borrow US\$2.8 billion, and to pay the loan proceeds to PDVSA as a "dividend". In another instance, Rusoro alleges that PDVSA, acting at Venezuela's direction, restructured and delayed the maturity of certain bonds and pledged the stock of its U.S.-based affiliates as collateral for the new bonds. Rusoro alleges that neither of these transactions had any legitimate business purpose, and that each was undertaken for the improper purpose of frustrating the ability of Venezuela's creditors, including Rusoro, to enforce their claims against the country, which total in the tens of billions of dollars.

In addition to challenging these transactions, each of the cases asks the court to allow Rusoro to enforce the judgments it holds against Venezuela against PDVSA and the U.S.-based defendant corporations. Specifically, each lawsuit alleges that Venezuela, through both a series of formal government decrees and in practice, dominates the corporate entities so completely that they should be considered a part of the Venezuelan government and made liable for the judgments against Venezuela.

While Rusoro would prefer a consensual resolution of its dispute with Venezuela, if Venezuela continues in its refusal to settle its debts to Rusoro on a consensual basis, Rusoro will continue to take all measures available to it to enforce the judgments and, if necessary, to seize Venezuelan assets in order to satisfy them. Rusoro has served extensive discovery against Venezuela in the United States designed to locate Venezuelan assets around the world. Based on the information obtained in discovery, Rusoro will pursue enforcement against Venezuela in any country where it maintains assets until Venezuela has satisfied the award in full.

ON BEHALF OF THE BOARD

*"Andre Agapov"*

Andre Agapov, President & CEO

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