

# Securities Law Bulletin - OSC Hits Pause, and Potentially Rewinds, Eco Oro's Share Issuance

May 25, 2017

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On April 23, 2017, the Ontario Securities Commission issued an order with potentially broad implications regarding the acceptable actions that a board of directors may undertake in the context of a proxy battle. The Order, among other things, set aside the Toronto Stock Exchange's conditional approval of Eco Oro Minerals Corp.'s issuance of common shares in the midst of a proxy battle for control of Eco Oro's board. The Issuance resulted from the conversion of unsecured convertible notes held by certain investors of Eco Oro. Certain dissident shareholders alleged that the Issuance was used to place more votes in the management-friendly hands of the Note Holders prior to Eco Oro's contested shareholders' meeting.

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