



June 17, 2011

NEWS RELEASE

FOR IMMEDIATE RELEASE:

**OROCO SIGNS INDICATIVE TERM SHEET FOR CERRO PRIETO
CONSTRUCTION FINANCING**

VANCOUVER, British Columbia – (June 17, 2011) -- Oroco Resource Corp. (TSX VENTURE:OCO) ("Oroco" or "the Company") is pleased to announce that it has entered into an Indicative Term Sheet with a New York-based, private institutional investor in regard to a US\$18 million gold prepayment agreement. Under the terms of the Indicative Term Sheet:

1. Net proceeds from the prepayment agreement, after deduction of a 3% fee, are to be used to develop the Cerro Prieto Oxide Gold Project in Sonora State, Mexico;
2. The US\$18 million prepayment is to be satisfied by the delivery by Oroco of 21,000 ounces of gold to the lender over a period of 36 months following closing. Additionally, Oroco is to grant to the lender a series of warrants entitling the lender to purchase up to 8,400 ounces of gold from Oroco at a price of US\$1,550 per troy ounce over the 24 month period beginning two years after closing; and
3. Funding under the agreement will be subject to completion of legal documentation, receipt of regulatory approvals, including that of the TSX Venture Exchange, and conditions precedent typical of a transaction of this nature. The net prepayment proceeds will be fully drawn down to an escrow account at closing, anticipated to occur in August, 2011.

Craig Dalziel, Oroco's President, commented that "We are confident that utilizing our future gold production to fund the majority of our capital requirements at Cerro Prieto will be significantly less dilutive to Oroco and its shareholders than funding the mine construction and initial operations through share equity. We anticipate that the strong

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economic model at Cerro Prieto will assist Oroco in securing, on similarly favourable terms, the \$4,000,000 in additional working capital required to fund the project through to production."

About Oroco

Oroco is a Canadian-based mineral exploration company with its primary focus on the accelerated development of the gold-bearing oxide zones of its Cerro Prieto Oxide Gold Project in Sonora State, Mexico. The Cerro Prieto Project consists of the San Felix, San Francisco, Elba and Cerro Prieto concessions, totaling 2,729 ha, and the contiguous 4,224 ha Argonauta 6 concession. A Preliminary Economic Assessment relating to the Cerro Prieto Project, filed by the Company on January 29, 2011, cited a Capital Cost (including working capital) of US \$22.2 million, an IRR of over 90%, and a Payback Period of less than one year at \$1,000 per ounce gold.

This news release contains forward-looking statements, which address future events and conditions, which are subject to various risks and uncertainties. The Company's actual results, programs and financial position could differ materially from those anticipated in such forward-looking statements as a result of numerous factors, some of which may be beyond the Company's control. These factors include: the availability of funds; the timing and content of work programs; results of exploration activities and development of mineral properties, the interpretation of drilling results and other geological data, the uncertainties of resource and reserve estimations, receipt and security of mineral property titles; project cost overruns or unanticipated costs and expenses, fluctuations in metal prices; currency fluctuations; and general market and industry conditions.

Forward-looking statements are based on the expectations and opinions of the Company's management on the date the statements are made. The assumptions used in the preparation of such statements, although considered reasonable at the time of preparation, may prove to be imprecise and, as such, undue reliance should not be placed on forward-looking statements.

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