

SALAZAR RESOURCES LIMITED

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TSX Venture Exchange: SRL

NEWS RELEASE

May 31, 2007

SALAZAR CLOSES \$10,401,000 PRIVATE PLACEMENT

Salazar Resources Limited (the “Company”) has closed its financing by way of a bought deal private placement (the “Offering”) led by Canaccord Capital Corporation (“Canaccord”) and including Dundee Securities Corporation (collectively, the “Underwriters”), announced on May 11, 2007, for total gross proceeds of Cdn\$10,401,000. The Company issued an aggregate of 3,467,000 units at a purchase price of Cdn\$3.00 per unit. Each unit consists of one common share and one transferable common share purchase warrant. Each warrant entitles the holder to acquire one additional common share at a purchase price of Cdn\$4.00 per share until May 31, 2009. The Company also issued an additional 33,000 units on a non-brokered basis.

The Company plans to use the net proceeds from the Offering to continue exploration on the Company’s mineral properties in Ecuador and for general working capital purposes.

In consideration for its services with respect to the closing of the Offering, the Underwriters received a cash commission equal to 7% of the gross proceeds of the sale of units and 242,690 broker warrants, each broker warrant entitling the holder to purchase one common share at a price of \$3.50 per share until May 31, 2009. Canaccord was also paid a corporate finance fee of common shares, warrants and cash.

All securities issued in this offering are subject to a four month hold period expiring on October 1, 2007.

The securities issued under the Offering were offered by way of private placement exemptions in British Columbia, Alberta, Ontario and offshore.

***ON BEHALF OF THE BOARD OF
SALAZAR RESOURCES LIMITED***

“Nick DeMare”

Nick DeMare,
Secretary and Director

Salazar Resources Limited is a publicly-listed (TSX-V:SRL) mineral resource company engaged in the exploration and development of new highly prospective areas of Ecuador. Led by a senior Ecuadorian management team and most notably by its namesake Fredy Salazar, this team has been instrumental in other major discoveries throughout Ecuador, including Aurelian’s Fruta del Norte discovery, Quimsacocha Deposit, Mozo Deposit, Ex Newmont’s Cangrejos Project and International Minerals Rio Blanco and Gaby Deposit. Being an Ecuadorian based company gives us a strategic advantage enabling us to do the exploration at a rapid pace. With an excellent property portfolio, good geopolitical positioning and a number of strategic corporate and financial partnerships, Salazar has positioned itself to be a strategic player in Ecuador.

For further information, please
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The TSX Venture Exchange has not reviewed and does not accept responsibility for the adequacy or the accuracy of
this release.