Crown Gold Signs Letter Of Intent to Acquire Gold Property in Colombia

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TORONTO, CANADA, September 17, 2012 - Crown Gold Corporation ("Crown" or the "Company") (TSX Venture: CWM) announces that it has signed a letter of intent (the "LOI") with Pasofino Gold Corporation ("Pasofino"), an arm's length Canadian private company with a gold exploration property in the Caldas province of Colombia. Under the terms of the LOI, Crown will potentially acquire Pasofino (the "Transaction") for up to 35 million common shares of Crown subject to reduction in certain circumstances up until the signing of the Definitive Agreement (the "Agreement") which is expected to occur by September 30, 2012.

The LOI is subject to a number of conditions including completion of due diligence on title and geology, approval by each company's board of directors, completion of formal documentation, and any necessary shareholder and regulatory approvals. As part of the LOI, Crown has advanced to Pasofino US$100,000, which will be refundable in the event that the Agreement is not signed by September 30, 2012.

Closing of the Transaction is anticipated to occur by late November 2012. Further information will be made available upon signing of the Agreement.

This Transaction will not affect the payment of the previously announced dividend to current shareholders on September 25, 2012.

For more information please see the Crown website at www.crowngoldcorp.com.

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This press release contains forward-looking statements within the meaning of applicable Canadian and U.S. securities regulation, including statements regarding the future activities of the Company. Forward-looking statements reflect the current beliefs and expectations of management and are identified by the use of words including "will", "anticipates", "expected to", "plans", "planned" and other similar words. Actual results may differ significantly. The achievement of the results expressed in forward-looking statements is subject to a number of risks, including those described in the Company's management discussion and analysis as filed with the Canadian securities regulatory authorities which are available at www.sedar.com. Investors are cautioned not to place undue reliance upon forward-looking statements.