Crown Gold Corp. Signs Agreement to Acquire Gold Property in Colombia

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TORONTO, CANADA, October 10, 2012 - Crown Gold Corporation ("Crown" or the "Company") announces that it has signed a definitive agreement (the "Agreement") with Pasofino Gold Corporation ("Pasofino"), an arm's length Canadian private company with a gold exploration property in Colombia. Under the terms of the Agreement, Crown will potentially acquire Pasofino (the "Transaction") for 34,089,104 million common shares of Crown.

The Agreement is subject to a number of conditions including completion of due diligence and any necessary shareholder and regulatory approvals.

Pasofino owns the Mora property in the Caldas province of Colombia. The Mora property is over 700 hectares in size with numerous artisanal adits presently being worked, and is adjacent to Gran Colombia Gold Corporation's producing Marmato property which hosts over 14 million ounces of gold. Crown will be conducting field work over the next month as part of its due diligence. If the Transaction closes Crown will also assume $3.25 million in future property payments that Pasofino must make to complete its purchase of the Mora property.

Closing of the Transaction is anticipated to occur in December, 2012.

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

For Further Information Contact:

Crown Gold Corporation
Mr. Stephen Dunn, President and CEO
(416) 361-2827
info@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.