

Colombia Crest Signs Letter of Intent to Purchase Near-Term Gold-Silver Producer in Peru

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VANCOUVER, BRITISH COLUMBIA--(Marketwired - Aug 16, 2013) - [Colombia Crest Gold Corp.](#) ("**Colombia Crest**"; the "**Company**") (TSX VENTURE:CLB)(PINKSHEETS:ECRTF)(FRANKFURT:EAT) is pleased to announce that it has signed a Letter of Intent with Affinity Gold Corp. (OTC:AFYG) to earn a 30% interest in its Peruvian gold-silver project, Machacala. Machacala is located in a mining-friendly area near Trujillo, Peru and the project has had extensive exploration and mining activity completed to date - even today, artisanal miners continue to actively leach tailings from prior mining activities. Companies like Gold Hawk and Meridian have worked on the project, so there is an abundance of information confirming the technical merits of the project. These merits include average grades from 1.3 to 2.0 grams per tonne gold ("g/T Au") and 50.8 to 74.0 g/T silver ("Ag") from bulk sampling of the mine tailings, which are available on surface for near-term production. Sampling in the underground veins returned average grades of 5.0 g/T Au and 155.0 g/T Ag.

"The Machacala project gives us exposure to both gold and silver production in a mining-friendly jurisdiction," exclaimed Hans Rasmussen, President and CEO. "While the equity markets continue to linger, it is clear that cash-flow will minimize our dependency on venture capital in the future as we explore for more gold and silver. Diversification is also part of our new strategy and is very important. With annual cash infusions coming in from selling our Bolivian asset - this asset in Peru now diversifies the Company to three mineral-rich, mining friendly countries. We are confident that Machacala will deliver cash flow along with exploration upside, leveraging our exposure to my two favorite investment metals, gold and silver."

According to the terms of the Letter of Intent, Colombia Crest has the option to earn an undivided thirty percent (30%) legal and beneficial interest in and to Machacala Project in exchange for a total capital investment of one million five hundred thousand dollars (\$1,500,000) over the course of twelve (12) months following the signing of the Definitive Agreement. The terms and schedule of the capital investment are as follows, subject to modification with mutual consent of the parties:

1. \$10,000 upon execution of this Letter of Intent;
2. \$40,000 cash payment, 250,000 common shares and 250,000 warrants of the Company, both priced in accordance with TSX Guidelines upon execution of a Definitive Agreement, which will be not more than 120 days after executing this Letter of Intent;
3. \$250,000 within six (6) months from execution of Definitive Agreement for which proceeds are to be used towards development and production expenditures on the mine tailings;
4. \$1,200,000 additional over the 12 months following the execution of the Definitive Agreement for which proceeds are to be used towards accelerating production.

After 12 months and/or US\$1.5 million expenditure, Colombia Crest will have earned a 30% interest in Machacala Project and a Joint Venture arrangement will be formed between Colombia Crest, Affinity Gold Corp and Corizona Mining Partners, LLC, the underlying title owner.

1. Colombia Crest will receive 75% of net proceeds from the production at Machacala until full \$1.5 million of investment capital is recovered.
2. All capital costs will be divided 30% Colombia Crest, 30% Affinity Gold Corp and the balance 40% Corizona Mining Partners, LLC.

3. Upon Colombia Crest recovering its full \$1.5 million capital invested the net revenue percentages will revert to: 30% to Colombia Crest, 30% to Affinity and 40% Corizona Mining Partners, LLC.

About Machacala, Peru

The Machacala project is a low-sulphidation epithermal gold-silver-copper deposit located in the District of Carabamba, province of Julcan, La Libertad region to the North of Peru, at an elevation of 3,300 metres above sea level. The property is approximately 180 kilometres southeast of the city of Trujillo, capital of the region, and 575 kilometres north of Lima, capital of Peru.

The project was most recently explored by Gold Hawk Resources and Meridian Gold between 1997 and 2004 with a total of 8,500 metres in 45 diamond core and reverse circulation drill holes completed. The project has multiple low sulphidation epithermal gold-silver veins on property of which thirteen (13) have been identified and four (4) have been only modestly exploited where average grades are estimated to be 5.0 g/T gold and 155.0 g/T silver.

Affinity Gold Corp, under a separate agreement (see Affinity Gold Corp news release June 13, 2013), will earn a 60% interest in the Machacala Project from underlying owner Corizona Mining Partners, LLC given the following general agreement terms:

1. a total capital investment of US\$2 million over the course of two (2) years which will be used towards exploration, development and production expenditures.
2. 15 million warrants issued over the course of two years in step with the capital investments and project milestones accomplished as responsible for by Corizona Mining Partners, LLC.

Additional terms and conditions will be included in the definitive agreement which is expected to be signed by August 31st, 2013.

About Affinity Gold Corp

Affinity Gold Corp. is a mineral exploration and development company engaged in the acquisition and development of near-term precious mineral production properties within Peru. Affinity Gold Corp.'s primary focus is on developing assets that have demonstrated historical production, contain documented and reliable data and can reasonably begin producing within 12-18 months at a cost of less than \$900 per gold equivalent ounce.

About Colombia Crest Gold Corp.

[Colombia Crest Gold Corp.](#) is focused on systematically exploring, developing and monetizing promising new gold projects in the Americas. The Company is currently carrying on exploration programs at the Fredonia and Venecia projects where it has optioned over 15,000 hectares located approximately 40 km south of the city of Medellín, in Antioquia Province. The properties are positioned within the Middle Cauca Belt, the most prolific gold belt in Colombia with more than 500 years of gold mining history and several new gold discoveries.

If you would prefer to receive news releases via email please contact Colombia Crest (info@ColombiaCrestGold.com) and specify "Colombia Crest news" in the subject line.

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