

**For Immediate Release**  
**Cronus Resources Ltd.: "CZR"**

**Cronus Resources Ltd. Announces Reverse Take-Over**

**Toronto, Ontario, October 9, 2009 – Cronus Resources Ltd.** ("Cronus") is pleased to announce that it has entered into an amended and restated letter of intent dated October 9, 2009 with Continental Gold Limited ("Continental"), an arm's length Bermuda based gold exploration company with a portfolio of properties in Colombia, pursuant to which Cronus (or a subsidiary thereof) will amalgamate with Continental to further develop the properties of Cronus and Continental. It is proposed that Shareholders of Continental will receive common shares in the capital of either the amalgamated entity or Cronus (depending on the final structure of the transaction) (the "Resulting Issuer") in exchange for their shares of Continental, such that the current shareholders of Cronus will own approximately 13% of the outstanding shares of the Resulting Issuer and shareholders of Continental will own the remaining 87%. This transaction is based on a deemed valuation of the Resulting Issuer of C\$75 million at a price of C\$1.50 per share post amalgamation and following a proposed two to one share consolidation. The holders of convertible securities of Cronus and Continental will receive equivalent securities in the Resulting Issuer adjusted, as required, to account for the changes to the share capital resulting from the transaction.

Continental is a privately held, Bermuda-based, gold exploration company formed in May 2007 that has seven 100% owned gold exploration projects on over 100,000 hectares of exploration concessions in some of the most prospective gold districts in Colombia, South America.

Continental's flagship project is Buriticá in the Antioquia Department, a 2.5 hour drive from Medellin. Infrastructure is excellent with paved roads, water and power readily available. Exploration began on Buriticá in late 2007 and since that time Continental has completed surface and underground mapping and sampling; geophysical studies (magnetics and IP) and 14,000 metres of diamond drilling resulting in several important high grade discoveries including the San Antonio Vein and the Veta Sur bulk tonnage vein swarm.

The Buriticá district is underlain by an allochthonous sequence of flysch type sediments, which are cut by tonalitic intrusions and overlain by a mafic volcanic complex. The Tertiary age Buriticá sequence of high level intermediate composition intrusions is affected by propylitic through potassic alteration. A late-stage diatreme breccia cuts the higher temperature phases and is characterized by sericitization and intermediate argillic alteration. Gold mineralization is present in several geological settings including replacements at intrusive contacts, disseminations in the breccia pipe bodies and in a series of bonanza grade veins. It is characterized by pyrite-sphalerite with lesser galena and is associated with late, sericitic alteration.

Other properties within the Continental portfolio include two active joint-ventures with AngloGold Ashanti Limited and a group of concessions named Santander, totaling over 5,000 hectares located in the immediate vicinity of Ventana Gold Corp's La Bodega project and Greystar Resources Ltd's Angostura project.

Continental's technical team collectively has over 40 years of Colombia-specific exploration and mine development experience.

Completion of the transaction is conditional upon, among other things, receipt of all required regulatory and shareholder approvals, the negotiation and execution of definitive documentation and the completion of a financing to raise gross proceeds of at least C\$10 million. Terms of this financing have not yet been determined.

If requested by Continental, a convertible loan of between C\$2 million and C\$3 million will be made available to Continental by a third party lender within 30 days of the date Cronus and Continental enter into definitive documentation in respect of the transaction. The loan would bear interest at an annual rate of prime plus 2% calculated and payable monthly. Such loan would automatically convert on closing of the transaction between Continental and Cronus into units ("Units") of the Resulting Issuer at a deemed price to be determined in the context of the market by Cronus, Continental and the lender. Each Unit will consist of one common share of the Resulting Issuer and one common share purchase warrant (a "Warrant") of the Resulting Issuer. The terms of the Warrant will be determined in the context of the market by Cronus, Continental and the lender.

It is anticipated that Ari Sussman will remain the Chief Executive Officer of the Resulting Issuer and a member of the board of directors. The Resulting Issuer will have a board of directors comprised of seven members. In addition to Mr. Sussman, one member will be a nominee of Cronus. Continental will choose two nominees, and the remaining three nominees will be jointly agreed upon.

Completion of the transaction is subject to a number of conditions, including Exchange acceptance and disinterested Shareholder approval. The transaction cannot close until the required Shareholder approval is obtained. There can be no assurance that the transaction will be completed as proposed or at all.

Investors are cautioned that, except as disclosed in the management information circular to be prepared in connection with the transaction, any information released or received with respect to the reverse take-over may not be accurate or complete and should not be relied upon. Trading in the securities of Cronus should be considered highly speculative.

The TSX Venture Exchange has in no way passed upon the merits of the proposed transaction and has neither approved nor disapproved the contents of this press release.

Continental's Vice President of Exploration, Stuart Moller, P.Geo., is a "qualified person" under National Instrument 43-101 and has reviewed the technical information contained in this press release.

#### **About Cronus:**

Cronus Resources Ltd. is a publicly traded exploration company guided by an experienced management team with proven track records of financial, business and technical success. With a focus on the acquisition, exploration and development of mineral projects in Latin

America, the Company has consolidated a large land package surrounding the historical high-grade San Juan Mine in Baja, Mexico.

**Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.**

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