

Concordia Resource Corp. to Implement Corporate Reorganization

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Acquires Additional Assets and Right to Employ HPX TechCo's State-of-the-Art Geophysical Technologies to Enhance its Exploration Initiatives

Shareholders to Receive Shares in Meryllion Resources Corp.

VANCOUVER, BRITISH COLUMBIA -- (Marketwire - Oct 1, 2013) - [Concordia Resource Corp.](#) ("Concordia" or the "Company") (TSX VENTURE:CCN), is pleased to announce that the Company is undertaking a significant corporate reorganization (the "Reorganization") that will transform it into a company focused on high-technology exploration deploying breakthrough proprietary geophysical technology and expertise.

"Going forward, Concordia's focus will be on the application of the new, state-of-the-art HPX TechCo geophysical technologies to gain a competitive advantage in its exploration initiatives on selected prospects in some of the world's emerging mineral belts. We are excited to be able to secure 100% ownership in the Ebende Project in the DRC, an option to earn up to 95% interest in the Fairholme Project in Australia and additional \$5 million cash and \$5 million in available capital for the advancement of our projects. With this transaction, Concordia is adding the financial, technical and strategic backing of one of the best management groups in the world, led by Robert Friedland," said Mr. Krepiakovich, Interim CEO. "In addition, our shareholders will receive shares in Meryllion, a well-funded exploration company that will be listed on TSX-V and will continue the advancement of our Providencia and Cerro Amarillo properties in Argentina. We believe that the Reorganization will generate significant value for our shareholders."

Highlights of the Reorganization

The combination of Concordia and assets acquired from HPX TechCo Inc. ("HPX TechCo") will form a new, robust and focused company with a view to creating a foundation for growth. The Company will have strong management and an experienced board which, with the improved project portfolio and access to HPX TechCo's cutting-edge, proprietary technology, allow it better to identify and advance world class projects. Furthermore, the geophysical suite will allow the Company to leverage its unique position to add significant value.

Benefits of the Reorganization include:

- Creating a well-funded company with strong backing to pursue and develop projects, and leverage the unparalleled HPX TechCo technological expertise for growth;
- Receiving a cash injection of \$5 million and line of credit for additional \$5 million;
- Obtaining access to HPX TechCo's technology cluster, allowing the Company to deploy state-of-the-art, unrivalled proprietary geophysical technology and team of analytical exploration geophysicists;
- Consolidating 100% ownership of the Ebende Ni-Cu-Co-PGM Project;
- Acquiring an option to earn up to 95% interest (49% interest earned) in the Fairholme copper-gold porphyry exploration project, located in New South Wales, Australia, a mining-friendly jurisdiction;
- Spinning out the Company's current Argentinian portfolio of projects into a new, South American focused explorer, Meryllion Resources Corporation ("Meryllion"), and distribution of shares in Meryllion to the Company's current shareholders.

Pursuant to the Reorganization, Concordia will:

- consolidate its issued and outstanding common shares on a 5:1 basis (the "Consolidation");
- after the Consolidation, spin out its Providencia and Cerro Amarillo properties and an estimated \$5 million into its newly incorporated subsidiary Meryllion, and will distribute shares in Meryllion to its shareholders (the "Spin-out");

- issue 1,666,667 post-Consolidation and post-Spin-out shares and pay \$750,000 to Bugeco S.A. for their rights to 15% interest in Ambase (joint venture with [Anglo American Plc](#)) and 10% interest in Ebende (joint venture with HPX TechCo) projects, both in Democratic Republic of the Congo ("DRC") (the "DRC Property Purchase"). This acquisition will increase Concordia's interest in Ambase to 30% and in Ebende to 20%;
- issue 106,489,000 post-Consolidation and post-Spin-out shares equivalent to 85% of its post-transaction issued and outstanding common shares to HPX TechCo, an innovative mineral exploration company that employs its proprietary geophysical exploration technologies (the "HPX TechCo Technology Cluster") to identify and expand mineral discoveries. In exchange, Concordia will receive (i) \$5,000,000 in cash; (ii) an 80% interest in the Ebende Project in the Democratic Republic of Congo (DRC); (iii) an assignment of an option to earn an interest in the Fairholme copper-gold exploration project located in Condobolin, Australia, currently held by HPX TechCo; (iv) a \$5,000,000 line of credit; and (v) will enter into a service agreement providing it with the right to deploy the HPX TechCo Technology Cluster (the "Service Agreement" and together with the items (i), (ii), (iii) and (iv), the "HPX TechCo Consideration"). The foregoing transaction is referred to in this release as the "HPX TechCo Assets Acquisition".

The Consolidation and Spin-out will be pursuant to a court-approved statutory plan of arrangement under the British Columbia *Business Corporations Act* (the "Plan of Arrangement"). Concordia will seek Securityholder approval for the Plan of Arrangement and the HPX TechCo Assets Acquisition at a special general meeting to be held on November 29, 2013 (the "Meeting"). Shareholders of record on October 28, 2013 will be entitled to vote at the meeting.

Transactions Comprising the Reorganization

Meryllion Vend-In Agreement

Concordia and Meryllion have entered into an agreement (the "Vend-In Agreement") whereby Meryllion will receive the assets that will be spun out to Concordia's current shareholders through their acquisition of Meryllion shares pursuant to the Plan of Arrangement. Under the terms of the Vend-In Agreement, Meryllion will issue 17,125,510 common shares to Concordia in exchange for **\$4,800,000** in cash, subject to post-closing adjustment, and Concordia's 100% interest in Meryllion Minerals Corporation (through which Concordia holds its interests in its Providencia and Cerro Amarillo Projects in Argentina).

Arrangement Agreement

Concordia has entered into an arrangement agreement with Meryllion pursuant to which Concordia will effect the Consolidation and Spin-out pursuant to the Plan of Arrangement. Pursuant to the Plan of Arrangement, all Concordia common shares will be consolidated on a 5:1 basis. The capital of Concordia then will be reorganized by renaming and redesignating all of the issued and unissued Concordia common shares as Class A shares and creating an unlimited number of common shares without par value as the new Concordia common shares ("New Concordia Common Shares").

Each one issued and outstanding Class A Share then will be deemed to be exchanged for one New Concordia Common Share and one Meryllion Share. All outstanding stock options to purchase Concordia common shares will be cancelled and exchanged on a 5:1 basis for new options to purchase New Concordia Common Shares with an adjusted exercise price to reflect the Spin-out.

Completion of the Plan of Arrangement is subject to a number of customary conditions precedent including, but not limited to:

1. the granting of an Interim Order by the Supreme Court of British Columbia providing for the calling of a meeting of the shareholders of Concordia for consideration and approval of the Plan of Arrangement;
2. the approval of the Plan of Arrangement by two thirds of Concordia's securityholders;

3. the granting of a Final Order by the Supreme Court of British Columbia approving the Plan of Arrangement;
4. Concordia having satisfied or obtained a waiver from all conditions to the Asset Purchase Agreement that can be satisfied or waived prior to the closing date of the arrangement, and excluding the condition that requires the arrangement to have been made effective as a condition of the Asset Purchase Agreement;
5. Concordia having satisfied or obtained a waiver from all conditions to the DRC Property Purchase; and
6. the Meryllion Shares having been conditionally approved for listing on the Exchange and the Exchange shall otherwise have granted its conditional approval to the arrangement, the DRC Property Purchase and the HPX TechCo Assets Acquisition, as required.

Purchase of Assets from Bugeco S.A.

Concordia, through its wholly-owned subsidiary Swala Resources Inc., and pursuant to a memorandum of understanding ("MOU"), currently shares with Bugeco S.A (i) a 20% interest in Ebende Resources Limited, a company created for the purpose of holding certain exploration licences in Katanga Province, south-central DRC; and (ii) a 30% interest in the Kabongo Project ("Ambase Joint Venture"), also in the DRC, held 70% by Ambase Exploration Africa (DRC) S.P.R.L. (together, the "DRC Assets"). As part of the Reorganization, Concordia, Swala and Bugeco have entered into an agreement (the "Termination and Release Agreement") providing for the termination of the MOU and giving Swala a 100% of Bugeco's interest in the DRC Assets. In exchange, Bugeco will be paid \$750,000 in cash and issued 1,666,667 post-Consolidation common shares of Concordia. Completion of the transactions contemplated by the Termination and Release Agreement is a condition precedent to completion of the Plan of Arrangement and the HPX TechCo Assets Acquisition.

Gerard de La Vallée Poussin, a director of the Company, is also a shareholder and director and Chief Executive Officer of Bugeco.

Asset Purchase Agreement with HPX TechCo

Concordia has entered into an asset purchase agreement with HPX TechCo, dated October 1, 2013 to effect the HPX TechCo Assets Acquisition (the "Asset Purchase Agreement"). The closing of the transactions contemplated by the Asset Purchase Agreement is subject to a number of conditions precedent, including but not limited, to the approval of the HPX TechCo Assets Acquisition by at least 50% of the shareholders of Concordia at the Meeting and Exchange approval and the completion of the other transactions comprising the Reorganization. Concordia will be issuing 85% of its post-transaction issued and outstanding common shares to HPX TechCo in exchange for \$5 million in cash; \$5 million line of credit, an 80% interest in the Ebende Project, an assignment of an option to earn an interest in the Fairholme project and right to deploy the HPX TechCo Technology Cluster.

Services Agreement

Concordia will enter into a service agreement to use the HPX TechCo Technology Cluster on its current and future projects. Pursuant to the terms of the Service Agreement, HPX TechCo agrees to perform geophysical services, analyses, and related exploration services for and as directed by Concordia, in exchange for Concordia covering the survey costs plus a 12% management fee. The term of the agreement is indefinite in length, though it can be terminated by either party with 30 days' written notice where there has been a material breach of the agreement, and will terminate automatically in certain circumstances upon the occurrence of a change of control of Concordia.

Access to HPX TechCo Technologies

A key element of the Reorganization is the access that Concordia will gain to the HPX TechCo Technology Cluster pursuant to the Services Agreement.

HPX TechCo is a metals-focussed exploration company deploying proprietary, in-house geophysical

technologies to rapidly evaluate buried geological targets. The company combines world-class geological and geophysical expertise, with innovative, ground-breaking, technological hardware and software solutions to address the limitations of existing minerals exploration technology.

HPX TechCo's Technology Cluster has been developed to facilitate rapid and deep electrical geophysical exploration in areas that have proved extremely difficult using historical technologies. These include high-power and high-signal specifications, facilitating high signal-to-noise ratios. This in turn enables accurate inversions to identify prospective targets. Both induced polarization and electromagnetic modes are available, enabling exploration for disseminated and massive sulphides, which usually would require separate transmitters.

HPX TechCo has been exploring for buried mineral discoveries since 2011, working in Namibia, Chile and currently in Australia. In Chile, a recently completed survey demonstrated that the HPX TechCo Technology Cluster can work in areas with caliche soils, a sedimentary layer of cemented calcium carbonate generally found in arid or semiarid regions that renders conventional geophysical exploration ineffective.

About HPX TechCo

HPX TechCo is a company incorporated under the laws of the British Virgin Islands and indirectly controlled by Robert Friedland, a resident of Singapore.

Line of Credit

On closing of the Reorganization, HPX TechCo will provide Concordia with a revolving line of credit with a maximum principal balance available to Concordia of \$5,000,000. Initially, the loan will not bear interest. In order for HPX TechCo to charge interest on the principal of 3% per annum, compounded monthly, it must provide 30 days' advanced written notice to Concordia. Concordia must pay the full amount owing on the grid note within 90 days of a written demand letter from HPX TechCo ("Maturity Date"). Prior to the Maturity Date, Concordia may make repayments at any time with 10 days' written notice, without bonus or penalty.

The Ebende Project

The Ebende Project is an exploration prospect targeting nickel-copper and platinum group elements in Katanga and Kasai Provinces, south-central DRC. Exploration programs have been conducted by the Ebende Joint Venture (a joint venture between Concordia and HPX TechCo), with exploration expenditures over the past eighteen months totalling approximately \$2.6 million. A NI 43-101 Technical Report is being prepared on the project and it is anticipated that this report will recommend completion of the current phase of exploration, as well as proceeding to an additional phase of exploration, expected to exceed \$4 million.

The Ebende Project lies on the eastern margin of the Congo-Kasai Craton (Archaean) in an area largely covered by Lower Cretaceous sands and clays. These comprise part of the sedimentary sequence of the Congo Basin that covers much of the Congo Craton and adjacent mobile belts.

No detailed geology of the Ebende properties has been published due to the presence of the Cretaceous cover. However, a geological model has been inferred by Ebende Resources on the basis of detailed geophysical data that has been acquired, limited surface mapping, and drillhole intersections reported by De Beers and Ebende Resources.

A prominent magnetic member, consisting of a lower more magnetic member overlain by a lesser magnetic layer was identified in the sequence and in addition, layers of variable magnetic intensities are also present below and above the two magnetic members mentioned. Field follow-up and drilling indicated that the variable magnetisms are caused by mainly high Fe-tholeiite basalts, varying in composition from picobasalt, basalt, basaltic andesite to trachyandesite as well as dolerite. Further east, 'komatiitic basalts' (olivine basalts exhibiting spinifex textures) have been identified in outcrops reported by De Beers. The latest drilling indicates that the magnetic susceptibilities vary considerably, confirming the presence of a differentiated succession of Continental Plate Basalt Lavas in the upper portion of the Mbuji Mayi sequence.

This sequence could be correlated with the Upper Roan or Mwashya Subgroups of the Katangan Supergroup in the Central African Copper Belt of DRC. The correlation is supported by the presence of volcanoclastics and gabbro sills at this stratigraphic position in the Katangan Supergroup in the Copper Belt and basaltic andesites at certain localities as well as gabbro/dolerite at other occurrences of the Pan African Neoproterozoic formations.

Magnetic data reveals a large synformal magnetic structure along the eastern margin of the Mbuji Mayi synclinal basin which has been named the Ebende Structure. This structure drapes around the Congo Craton in a half moon shape with a north-northwest to northwest strike direction between Kabongo and Kabinda. The sediments of the Mbuji Mayi Supergroup are interpreted to be tightly folded east of the magnetic structure, between it and the basin contact with the Kibaran basement. The folding and possible thrusting are probably associated with the late Neoproterozoic closure of the Mbuji Mayi basin possibly during the Katangan orogenic episode.

No significant mineralization has yet been identified within the Ebende properties.

The Fairholme Project

The Fairholme project covers most of the highly prospective Fairholme Igneous Complex, part of the Macquarie Arc of New South Wales, Australia. The igneous rocks of this complex show convincing geochemical correlation with the igneous rocks in the well mineralized Northparkes Igneous Complex. Significantly, the Fairholme intrusive rocks have chemistry that is typical of magmas responsible for the porphyry Cu-Au mineralization in the Cadia Valley deposits (Newcrest) and the Northparkes deposits (Rio Tinto).

Three Fairholme prospects: Boundary, Dungarvan and Gateway; are located within the licence. All three are associated with significant basement Cu-Au-Mo geochemical anomalies, prominent alteration halos and discrete magnetic anomalies, the size and scale of which are comparable to the footprint of several world-class porphyry deposits; e.g. Cadia-Ridgeway, Batu Hijau and Alumbrera.

Previous workers have established that Ordovician porphyry-style alteration and mineralisation is present within the Fairholme Igneous Complex, with significant Cu-Au mineralization intersected at the Boundary prospect and lower grade Cu anomalism intersected at the Dungarvan prospect. Significant Au mineralization has also been intersected at Gateway but it remains unclear if this is related to mineralization at Boundary and Dungarvan.

A work program is being planned for execution during the 2014 and 2015 field seasons.

Business of Concordia Following the Reorganization

Concordia is currently a junior exploration company seeking to identify large-scale mineral discoveries in Africa and South America. The Company has an extensive portfolio of early-stage exploration prospects in some of the world's most prospective mineral regions including Burkina Faso, the Democratic Republic of Congo, Mozambique and Argentina.

Following the Reorganization, Concordia will become a well-financed junior exploration company seeking to identify large-scale mineral discoveries in Africa, Australia and Americas.

"The new Concordia will expedite ongoing exploration at the Ebende project in the DRC, and the Fairholme project in Australia. A review of Concordia's projects will identify the prospects with the highest potential, and we will adjust the Company's exploration portfolio accordingly to provide us with the highest leverage to HPX TechCo's innovative technologies to advance our existing projects, as well as using the technology to gain competitive advantage in acquiring new projects," said Mr. Krepiakovich.

The Principals of Concordia post-Reorganization

In accordance with Exchange policies, Concordia's common shares are currently halted from trading and will remain so until the Company meets the sponsorship requirements or completes the Reorganization.

Qualified Person

Dr. Brendan Clarke, Head of Geology for The MSA Group (Pty) Ltd, a Qualified Person, as defined under NI 43-101, has approved all scientific and technical information in this press release which relates to the Ebende Project.

Mr. Barry de Wet, a member of the South African Council for National Scientific Professionals (SACNSP), South Africa, a Qualified Person, as defined under NI 43-101, has approved all scientific and technical information in this press release which relates to the Fairholme Project.

On behalf of the Board of [Concordia Resource Corp.](#)

Terry Krepiakovich
Interim CEO and Director

Completion of the transaction is subject to a number of conditions, including Exchange acceptance and majority Shareholder approval for the Asset Purchase Agreement and two third approval by Concordia Securityholders for the Arrangement. The transaction cannot close until the required Shareholder and Securityholder 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 and the Arrangement may not be accurate or complete and should not be relied upon. Trading in the securities of [Concordia Resource Corp.](#) 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.

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