



Caza Gold Begins Phase 1 Drill Program at the Los Andes Gold-Silver Property in Nicaragua

Vancouver, Canada – May 31, 2012 –Greg Myers, CEO and President of Caza Gold Corp. (CZY: TSX-V, FSE: CZ6, and OTCQX: CZGDF), is pleased to announce that the Phase 1 drill program is now underway on the Los Andes property in Nicaragua.

Two initial high sulfidation, epithermal drill targets will be tested at Los Andes, the Pedregal Silver-Gold Zone and the Quisaltepe Zone. Caza plans to complete a total of 5000 meters of diamond core drilling at Pedregal and Quisaltepe.

Initial drilling will test silver-bearing sulfide mineralization in a silicified breccia at the Pedregal area. The mineralized outcrop is exposed for 150 meters along a cliff face beneath a strongly silicified and clay altered andesite caprock. The mineralized breccia disappears under cover and a very similar mineralized zone outcrops down the mountain 400 meters away. These zones may be a continuous body related to the large epithermal gold and silver system. Silver values from nil to 196.9 grams per tonne (gpt) in rock chip samples, are associated with strong argillic and silicified alteration zones in the breccia, typical of high sulfidation epithermal gold deposits.

Dr. Greg Myers commented, "We are excited to begin the drilling program at the Pedregal and Quisaltepe targets and getting a better understanding of these high sulfidation systems along strike and at depth. The system is more than 17 kilometers long so we have chosen what we consider to be the two top priority targets based on surface rock chip sampling, alteration mineralogy, and structure. However, there are many other alteration zones at Los Andes that we hope to get to over time."

The Pedregal target is located at the margin of a large volcanic caldera, one of a series of volcanic calderas and high sulfidation epithermal alteration zones lying along a regional 1st order northwest-trending fault zone that defines the Central Gold Belt in Nicaragua. The highest silver values occur in the silicified breccia zone near north trending faults which cut the northwest trending fault zones. The mineralized breccia is beneath an extensive, weakly mineralized argillic alteration cap which is more than 4 kilometers (km) long and at least 3 km wide, with an advanced argillic alteration zone which is at least 2.5 km long and 1 km wide. Strongly anomalous arsenic, antimony, bismuth, and tellurium occur in the argillic cap and silicified breccias in the Pedregal area along with anomalous silver and gold. The alteration and metal concentrations possibly indicate leakage from mineralization deeper in the hydrothermal system.

Broad scale alteration and trace metal anomalies at Pedregal are zoned around 2nd order northeast- and north-trending cross-faults. The Pedregal, and Quisaltepe drill targets are each located along a northeast-trending fault zone where it is cut by the northwest-trending faults. This mineralized fault zone is at least 17 km long and mapping continues to expand the system.

More than 40 strongly silicified breccia bodies with advanced argillic and argillic alteration and trace metal anomalies occur within this regional northeast-trending structural zone and host

anomalous gold and silver values and highly elevated values of trace metals such as arsenic, bismuth, and tellurium, which are associated with the precious metals.

The Pedregal Zone is one small part of the overall epithermal gold system mapped at Los Andes, which covers approximately 100 square kilometers. The Company continues to map and sample the Los Andes Property and has thus far identified 10 gold targets along a 17 km long portion of the fault zone.

Caza Gold Corp. (TSX-V: CZY, FSE: CZ6, and OTCQX: CZGDF) is a growth-oriented gold exploration company focused on discovering new gold deposits in Nicaragua and Mexico. The Company is one of the largest landholders in the highly prospective but largely undeveloped country of Nicaragua, and holds attractive properties in historic mining districts in the mineral-rich country of Mexico. Caza Gold Corp is dedicated to discovering gold, defining deposits, and developing value.

Greg Myers, Ph.D. P. Geo, CEO of the Company, is the Qualified Person who reviewed and approved the contents of this News Release.

CAZA GOLD CORP.

Per:

/s/ Greg Myers

Greg Myers

President and CEO

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