



## Initial Drill Holes Confirm High-Sulfidation Epithermal Mineralized System at Pedregal Target on the Los Andes Property in Nicaragua

**Vancouver, Canada – August 21, 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 now underway on the Los Andes property in Nicaragua has intersected thick intervals of strongly altered and silicified, sulfide bearing volcanic rocks carrying anomalous silver, copper, and gold associated with vuggy silica, advanced argillic, and argillic alteration.

Four holes have been drilled in the Pedregal target area for a total of about 1100 meters of a planned 5000 meter program. Drilling has progressed slowly due to difficult drilling conditions (hard siliceous zones, soft argillic zones and multiple faults) and none of the holes were able to reach the target depth of 350-400 meters. All four drill holes intersected strong silica and clay alteration and sulfide mineralization from top to bottom and all four holes had to be terminated between 250 to 300 meters deep

The upper 80 to 100 meters of each hole are strongly oxidized with intervals of intense iron oxides and elevated mercury, antimony, and arsenic values. All four drill holes intersected strong silicification occurring as massive replacements, silica with a sugary texture, and vuggy quartz. Advanced argillic alteration forms multiple zones surrounded by haloes of argillic alteration. The sulfide assemblage is dominated by pyrite but includes copper bearing sulfides such as enargite, digenite, chalcopyrite, chalcocite, tennantite and tetrahedrite. The sulfide mineralization is present as massive zones, disseminations, and veins.

The company has posted several photos of core samples on our website along with a series of cross-sections with assay results. [http://cazagold.com/projects/nicaragua/los\\_andes/](http://cazagold.com/projects/nicaragua/los_andes/) Based on the assay results to date, it appears that the silica cap intersected near surface is enriched in silver (up to 70 grams per tonne (gpt)) and the gold (up to 0.09 gpt) and copper (up to 0.12%) values are systematically increasing towards the south, suggesting a possible feeder zone in that direction.

*Caza's President and CEO Dr. Greg Myers stated "We are very encouraged by the wide zones of heavily altered and sulfide bearing rock intersected in the first four holes drilled at Pedregal. Even though we have not hit economic gold values yet, these initial drill results confirm the presence of an extensive high sulfidation epithermal mineralized system at Los Andes. It appears we are on the outer edge of a mineralized hydrothermal cell at Pedregal, based on metal concentrations. Now it is a matter of stepping out from current drill holes to find the feeder structures and higher concentrations of precious metals and copper. In addition to Pedregal, Caza has multiple other targets at Los Andes yet to test along the more than 17 kilometer structure which hosts similar alteration".*

The volcanic units at Pedregal host multiple lenses of zoned vuggy silica/advanced argillic/argillic alteration and vein/stock-work/disseminated/massive sulfide mineralization that are stacked vertically, a feature typical of large high sulfidation systems in other deposits around the world where the deeper zones are generally more strongly mineralized. Individual lenses intersected in drilling are more than 100 meters thick. The occurrence of pyrite/enargite/digenite with low gold

values in advanced argillic alteration zones is ubiquitous in high sulfidation systems and often occurs peripheral to better gold mineralization. Several mineralized igneous dikes of variable composition have also been intersected in the drilling.

More than 40 strongly silicified breccia bodies have been discovered by Caza geologists to date at Los Andes marked by advanced argillic/argillic alteration, precious metal and trace metal soil and rock anomalies following a regional northeast-trending structural zone. The Pedregal drill holes to date have only tested one of the breccia bodies, which is one small part of the approximately 100 square kilometer epithermal gold system mapped at Los Andes. The Company continues to map and sample the Los Andes Property and has thus far identified more than 10 gold targets along a 17 km long portion of the fault zone.

Caza also continues to evaluate their other high sulfidation gold properties and porphyry copper-gold targets in Nicaragua. Caza currently controls more than 450,000 hectares covering at least 23 separate gold and copper targets.

**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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