



US\$3.8 Million Unit Financing at \$0.05 per Unit with Polygon Mining Opportunity Master Fund and Purchase of Los Andes Gold Project, Nicaragua

Vancouver, Canada – December 19, 2014 – **Brian Arkell, CEO and President of Caza Gold Corp. (the “Company”, TSX-V: CZY, FSE: CZ6)** is pleased to announce that the Company has entered into an investment agreement (the “**Investment Agreement**”) with Polygon Mining Opportunity Master Fund (“**Polygon**”), a fund managed by Polygon Global Partners. Under the terms of the Investment Agreement Polygon has agreed to invest an additional **US\$3.8 million** in the Company. In addition, the Company has entered into a purchase agreement (the “**Purchase Agreement**”) to complete the purchase of the Los Andes Gold Project from Inversiones Ecologicas S.A. (“**INECOSA**”) through the payment of shares and cash with a value of approximately **US\$600,000**.

Investment Agreement and Financing for US\$3,800,000

Under the terms of the Investment Agreement dated December 18, 2014, Polygon has agreed to invest US\$3.8 million to purchase **88,160,000** units of the Company (the “**Financing**”). The proceeds of the Financing will be used to fund further exploration on the Company’s Los Andes Gold Project in Nicaragua, to hire new exploration personnel and for working capital.

The material terms of the Investment Agreement include the following terms and conditions:

- Under the terms of the Financing, Polygon has agreed to purchase **88,160,000** units of the Company at **C\$0.05 per unit** for total gross proceeds of **US\$3.8 million**, based on an exchange rate of USD\$1=CAD\$1.16. Each unit will consist of **one** common share and **one** share purchase warrant exercisable for five years at **C\$0.05 per share**.
- By prior loan agreements with Polygon dated July 22, 2013 and August 8, 2014, the Company borrowed from Polygon, respectively, C\$200,000 and US\$600,000 (each a “**Loan**” or, together the “**Loans**”). The Loans, plus accrued interest (12% per annum, compounded and payable quarterly), will be repaid out of the proceeds of Financing. The two underlying Promissory Notes issued by the Company and related General Security Agreements will be cancelled upon repayment of the Loans. Polygon has agreed to waive, in relation to the Loans, the make whole interest payment which would otherwise have been due upon early repayment of the Loan. Also, as partial consideration for the US\$600,000 Loan, Polygon was entitled, subject to certain conditions, to 1,474,065 common shares of the Company (the “**Bonus Shares**”). Polygon has agreed to waive its right to the Bonus Shares.
- Consummation of the Financing is subject to the Purchase Agreement being in full force and effect and all covenants, representations and warranties made by INECOSA and its shareholders having been complied with and remaining true, as well as a number of customary conditions of closing, including that no material adverse change with respect



to the Company shall have occurred and that the Company's representations and warranties made under the Investment Agreement shall continue to be accurate at closing.

Polygon retains all of its rights under the terms of a prior investment agreement with the Company, including participation rights in any future security offering of the Company that will allow Polygon to maintain its proportionate interest in the Company, rights regarding future material business decisions of the Company and the right to maintain two nominations for election to the Board of Directors provided that its proportional interest in the Company is equal to or greater than 20% (see the Company's news release of October 29, 2013 for further details).

Polygon is a "Control Person" and "related party" of the Company (as defined by securities legislation) and currently owns 21,342,499 common shares of the Company (49.0% of its issued and outstanding share capital). Upon closing of the Financing, Polygon will own 109,502,499 common shares of the Company (78.9% of its issued and outstanding share capital), in addition to holding an aggregate of 109,160,000 warrants (88,160,000 of which will have been acquired pursuant to the Financing).

Los Andes Gold Project Purchase Agreement with INECOSA

The Company has entered into the Purchase Agreement with INECOSA and its shareholders to complete the purchase by the Company of the Los Andes Gold Project. The Purchase Agreement, dated December 18, 2014, replaces and gives effect to the property option agreement dated January 31, 2011 between the same parties (the "Property Option Agreement") under which the Company had the right to acquire a 100% interest in the Los Andes Gold Project. To date, the Company has paid an aggregate amount of US\$570,000 and issued a total of 727,661 shares (on a postconsolidation basis), as well as expended in excess of the required minimum amount of US\$2.97 million in exploration expenditures under the Property Option Agreement. Under the terms of the Purchase Agreement, the Company will make a final cash payment in the aggregate amount of US\$300,000 to INECOSA or its shareholders upon the successful transfer of title to the Company of the Los Andes Gold Project (along with certain other mineral properties staked by INECOSA on behalf of the Company), and will, at the time of closing of the Financing, issue to INECOSA or its shareholders 7,060,000 common shares of Company at a deemed value of C\$0.05 per share (for a total deemed value of approximately US\$300,000). In the event that all transfers of title are not completed by December 18, 2015, the Company would, at its option, have the right to: (i) extend the date for the completion of the transfers; (ii) retain such properties as have been transferred together with any part of the final cash payment not yet paid to INECOSA and, subject to certain ongoing requirements, terminate the Purchase Agreement; or (iii) release to INECOSA's shareholders any part of the final cash payment not yet paid to them in conjunction with acquiring 100% of the shares of INECOSA at no additional cost and, subject to certain ongoing requirements, terminate the Purchase Agreement.

Brian Arkell, President and CEO of the Company stated: "Closing the Purchase Agreement gives Caza Gold 100% ownership in the Los Andes Project and control of a very large, highly prospective epithermal gold-silver district. Although still in the early stages of exploration, our work to date has identified at least eight large targets with strong alteration and highly anomalous gold and silver. Additionally, the Purchase Agreement includes a number of large and prospective concession blocks along the core of the Nicaraguan Gold Belt."



“Caza plans to significantly increase our exploration efforts in Nicaragua in 2015. We believe this is an opportune time to build up our exploration team and run an aggressive, efficient program, focused on discovery. Our plans include at least two geophysical surveys and detailed geological work to identify new targets, as well as an aggressive drilling campaign of both scout drilling and first-pass target testing.”

The Los Andes Gold Project covers over 65 square kilometers within the central Nicaraguan Gold Belt. Caza has outlined a belt of extensive alteration and mineralization exposed at surface along an 11 kilometer structural corridor. The district exhibits characteristics of a large high sulfidation Au-Ag epithermal system with potential low sulfidation veins along the periphery. At least 8 targets have been identified to date associated with silicified and argillized volcanic rocks, diatremes, and breccia pipes.

Caza Gold controls over 750 square kilometers of prospective ground within the central Nicaragua Gold Belt. In addition to the Los Andes Gold Project, Caza is exploring the Piedra Iman porphyry in northern Nicaragua along with five high sulfidation volcanic hosted Au-Ag targets located in west-central Nicaragua near the Pan-American Highway.

General Matters

Restrictions: The transactions set out above are subject to the approval of the TSX Venture Exchange. Any of the securities of the Company proposed to be issued will be subject to a four month plus one day hold period from the date of issuance. The securities being offered under the terms of the Financing have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the “**U.S. Securities Act**”) and may not be offered or sold in the United States or to, or for the benefit of, U.S. persons (as defined in Regulation S under the U.S. Securities Act) absent U.S. registration or an applicable exemption from the U.S. registration requirements. This news release does not constitute an offer for sale of securities in the United States.

Related Party Transactions: The Investment Agreement and related Financing, as well as the Purchase Agreement (insofar as it modifies and replaces the Property Option Agreement) are, or may be, related party transactions under Multilateral Instrument 61-101 – Protection of Minority Security Holders in Special Transactions (“**MI 61-101**”). Based on written recommendations prepared by a special committee of the independent directors of the Company, the Board, with the non-independent directors refraining from voting where required, agreed to the terms of the transactions. There were no materially contrary views, or abstention by any directors other than as set out above and there were no material disagreements between the Board and the special committee. The Company is exempted from both the formal valuation requirement pursuant to s. 5.5(g) of MI 61-101 and the minority approval requirement pursuant to s. 5.7(1)(e) of MI 61-101 on the basis that: (i) the Company is in serious financial difficulty, (ii) the Investment Agreement and related Financing, as well as the Purchase Agreement are designed to improve the financial position of the Company, (iii) the Board is comprised, where required, of three independent directors and (iv) at least two-thirds of the Company’s independent directors, acting in good faith, have determined that items (i) and (ii) above apply, and that the terms of the Investment Agreement and related Financing, as well as the Purchase Agreement, are reasonable in the circumstances for the Company. The above transactions are expected to be completed less than



21 days after the date of this news release, as several material matters were uncertain and not ascertainable until at, or close to, the date of this release. These matters include the Financing amount and terms, the terms of the Investment Agreement, the use of proceeds, additional matters tied to the execution of related documents, the consent of INECOSA and its shareholders in respect of the Purchase Agreement transaction, as well as internal approvals of Polygon. Due to, in part, the foregoing, the Company was unable to issue this release prior to today's date with any certainty, and in the Company's opinion this shorter period was unavoidable as well as reasonable and necessary in the circumstances.

About Caza Gold

Caza Gold Corp. is a Greenfields exploration company focused on discovering new gold deposits in Nicaragua. The Company controls a large land position in the highly prospective but largely undeveloped gold belts of Nicaragua. Caza Gold has developed a large portfolio of projects in Nicaragua, including the Los Andes gold-silver project and the Piedra Iman copper-gold project.

CAZA GOLD CORP.

Per:

/s/ Brian Arkell

Brian Arkell

President and CEO

For more information, please contact the Company at Toll Free: 1-877-684-9700, tel: (604) 685-9750, fax: (604) 685-9744, email: brian.arkell@cazagold.com or visit our website, www.cazagold.com

“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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This news release includes certain statements and information that may contain forward-looking information within the meaning of applicable Canadian securities laws or forward-looking statements within the meaning of the United States Private Securities Litigation Reform Act of 1995. All statements in this news release, other than statements of historical facts, including statements regarding future estimates, plans, objectives, assumptions or expectations of future performance, the likelihood of commercial mining and financing requirements and the ability to fund future exploration and development are forward-looking statements and contain forward-looking information. Generally, forward-looking information can be identified by the use of forward-looking terminology such as “intends” or “anticipates”, or variations of such words and phrases or statements that certain actions, events or results “may”, “could”, “should”, “would” or “occur”. Forward-looking statements are based on the opinions and estimates of management as of the date such statements are made and they are subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Company to be materially different from those expressed or implied by such forward-looking statements or forward-looking information. Although management of the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements or forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements and forward-looking information. The Company does not undertake to update any forward-looking statements or forward-looking information that are incorporated by reference herein, except in accordance with applicable securities laws. We seek safe harbour.