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Symbol: CA TSX-V

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**NEWS RELEASE**  
**May 6, 2010**

**Caerus Resource: San Pacho Mine Acquisition in Colombia**

Vancouver, BC - Caerus Resource Corporation (“the Company”) (TSX-V: [CA](#)) is pleased to report it has entered into a Letter of Intent for the 100% acquisition of the San Pacho Mine, located in the Department of Quindio, Colombia, on the western flank of the Central Cordillera. The project is comprised of 3,190 hectares and is located in the northwest end of the Salento-Cajamarca mining district. The property is located on the Cauca-Romeral Fault Zone, which extends from the department of Pasto in southern Colombia to Cordoba in northern Colombia, and is spatially associated with major mining districts throughout its length. At the project area, the fault zone is believed to have localized the intrusive bodies which produced the mineralization. The La Colosa Gold deposit is located 17 kilometers south in the same district and is owned by AngloGold Ashanti (NYSE: AU). The La Colosa deposit contains a JORC compliant resource of 468 million tons grading 0.86 grams per tonne gold for a contained 12.9 million ounces. The Marmato District is about 92 km north of the San Pacho property, also located along the Cauca-Romeral Fault Zone, and contains an NI 43-101 compliant measured and indicated resource of 245 million tonnes containing an estimated 7,490,000 ounces of gold and 47,956,000 ounces of silver.

The mine was placed into production in 1835 and produced gold on a small scale until 1988. In 1997, the current owner re-started gold production after improving the mine infrastructure. Access is by dirt road from paved highway to Solento. The project is below 3,200 meters and is therefore unaffected by Law 1382 of 2010, restricting mining above 3,200 meters.

The San Pacho Gold Mine is emplaced in metasediments of the Quebradagrande Formation, which is limited to the north and south by dacitic intrusives. Several intrusives are mapped on the property. Gold mineralization occurs as disseminations and in quartz veins. Disseminated gold has been reported in the northern area of the mine (San Pacho Mine, Michael E. James 1997 ). The main tunnel develops a northeast-trending vein of fractured quartz with widths approaching two meters while in a nearby gulch, three smaller vein structures were also located.



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The title to the concession is currently in abeyance with the Instituto Colombiano de Geología y Minería ( Ingeominas. ) While operating the mine, the present owner encountered security issues and had to evacuate the area. During this time, the yearly fees were not maintained and the project became past due. The owner has the ability to recover title, and with the legal assistance of the Company, is undertaking that process at present. Management believes it is likely this process will be completed successfully.

Terms for the acquisition are:

Payment of \$ 25,000 for a 90 day due diligence by the Company, to complete a site visit, undertake a sampling program, and complete the framework for a formal agreement.

Upon the recovery of title by the owner, payment of \$ 200,000 and the issuance of 1,000,000 common shares of the Company, subject to the escrow provisions of the TSX Venture Exchange.

Anniversary payments of \$ 400,000 at the conclusion of year one, \$ 800,000 at the conclusion of year two, \$ 1,575,000 at the conclusion of year three and \$ 1,000,000 at the end of year four as a final payment for a total cash purchase price of \$ 4,000,000. The owner will also receive \$ 8 per ounce of measured reserves to CIM standards at completion of feasibility. All terms are subject to the approval of the TSX Venture Exchange

The Company will complete a project reconnaissance and sampling program in the immediate future. The intent of the program will be to confirm known areas of mineralization and to identify any possible areas of disseminated mineralization. Results will be used to complete a NI 43-101 report on the project, prior to completion of the formal agreement. The San Pacho Mine offers the Company the opportunity to acquire a large area in a known mining district, with established gold mineralization and the potential for bulk tonnage mining.



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The contents of this Press Release have been reviewed by George Sharpe, a Qualified Person as defined in NI 43-101.

On Behalf of the Board of Directors of Caerus Resource Corporation

Adrian F.C. Hobkirk / President and Chief Executive Officer

For further information, contact Allan Feldman at AJF Consultants Ltd., at 604-948-9663 or email: [AJFConsultants@aol.com](mailto:AJFConsultants@aol.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. This news release contains certain “ forward- looking statements ” within the meaning of Section 21E of the United States Securities and Exchange Act of 1934, as amended. Except for statements of historical fact relating to the Company, certain information contained herein constitutes forward- looking statements. Forward-looking statements are based upon opinions and estimates of management at the date the statements are made, and are subject to a variety of risks and uncertainties and other factors which could cause actual results to differ materially from those projected in the forward-looking statements. The reader is cautioned not to place undue reliance on forward-looking statements. The transaction described in this News Release is subject to a variety of conditions and risks which include but are not limited to : regulatory approval, shareholder approval, market conditions, legal due diligence for claim validity, financing, political risk, security risks at the property locations and other risks. As such, the reader is cautioned that there can be no guarantee that this transaction will complete as described in this News Release. We seek safe harbour.