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Symbol: CA TSX-V

NEWS RELEASE

June 1, 2010

Caerus Resource: Letter of Intent for Buritica Gold Project, Colombia

Vancouver, BC - Caerus Resource Corporation (“the Company”) (TSX-V: [CA](#)) is pleased to announce it has entered into a Letter of Intent to acquire a 100% interest in the Buritica Gold Project, located adjacent to the Aragua Mine currently in gold production and owned by Continental Gold Limited (TSX: [CNL](#)). The Buritica Gold Project consists of a 326 hectare parcel located in the Buritica District, in the municipality of Buritica in western Antioquia, Colombia. The concession area is surrounded by ground owned by Continental Gold and also adjoins a small claim owned by AngloGold Ashanti Ltd. (NYSE: [AU](#)). Within the boundaries of the Buritica Gold Project is a block also controlled by Continental Gold. Access is via the major highway between Medellin and the port city of Turbo on the Caribbean coast, which crosses the southern part of the concession. The property lies about 63 airline kilometers (39 miles) northwest of Medellin, the capital of the department of Antioquia, and about 20 kilometers (12 miles) from the nearest large city, Santa Fe de Antioquia.

The Buritica District has been the site of gold mining since 500 A.D., according to archeological studies, and that production continues in the present day: Continental Gold Limited operates an underground gold mine at Aragua in the district, and there are a number of artisanal mines in operation in addition. The veins developed by the Continental Gold mine extend toward the Buritica Gold Project concession.

The district is underlain by Cretaceous-age cherts and mudstones overlain by basaltic volcanic flows and intruded by the later Cretaceous Sabanalarga batholith and the Tertiary-age Buritica intrusive complex. Gold mineralization is related to the Tertiary high-level intrusions of intermediate composition and is present at the contacts of the intrusives with older intrusives, sediments and volcanic rocks. Mineralization is also disseminated in sedimentary rock strata, in breccias and in bonanza-grade veins. Gold is typically found with pyrite and sphalerite, and is associated with late sericitic alteration. The intrusive bodies are affected by propylitic through potassic alteration.

The area of the Buritica Gold Project concession is in general underlain by the capping basalt unit but along the main highway outcrops of sedimentary formations, tonalitic intrusions and basaltic dikes are observed, as well as sulfide veins, which by extension cross the Buritica Gold Project concession from the Continental Gold concessions. The central part of the concession is underlain by a ridge largely covered with deep soil, but outcrops are found on the steeper slopes cut by the highway and north of the ridge as well. The concession contains several older artisanal mines and prospecting excavations. The area has not yet been mapped in detail.



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The Buritica Gold Project has the potential to host any and all types of mineralization observed elsewhere in the district, particularly those types present on the adjacent Continental Gold ground. A field crew is scheduled to complete a comprehensive sampling program on the project area in the immediate future.

The Buritica Gold Project area was recently granted to a private Colombian individual, after being solicited by other parties, including White Gold Corporation (through its subsidiary Oro Barracuda Ltda., as represented to the Company by White Gold, as noted in a joint press release by the Company and White Gold on June 15, 2009). The Colombian owner was successful with the solicitation, and has signed the concession contract and paid the canon fees, and is awaiting the signature of the Governor of Antioquia to receive title to 100% of the mineral rights for the concession area. The Letter of Intent signed by Caerus Resource Corporation for the concession is conditional upon receipt of the title, which management believes is highly likely.

The terms of the Letter of Intent are:

- 90 day due diligence
- Upon signing LOI: \$50,000 USD plus 100,000 shares
- Upon signing contract: \$150,000 USD plus 200,000 shares
- 1st anniversary; \$300,000 USD plus 200,000 shares
- 2nd anniversary: \$700,000 USD

The transaction is subject to the approval of the TSX Venture Exchange and will require a geological report and title opinion prior to closing. Paul Pelke, a consulting geologist and Qualified Person to the Company has completed a site visit to the property and has been retained to produce a geological report.

Private Placement Financing

The Company is pleased to announce a private placement financing of up to 5 million units. Each unit is priced at \$ 0.35 and is comprised of one common share and one half common share purchase warrant. One common share purchase warrant allows the holder to purchase an additional common share of the Company at a price of \$ 0.55 per share for a period of two years from the date of the closing of the placement. A portion of the placement will be subject to a finder's fee of 6% cash and 6% warrants. The finder's fee warrants are subject to the same terms. The proceeds from the placement will be used for the above noted transaction.



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Closing of the placement is subject to regulatory approval, and is contingent upon closing of the above transaction.

Mr. Paul A. Pelke, California Registered Geologist No. 4150, a Qualified Person as defined in National Policy Instrument 43-101 has reviewed the content of this press release.

On Behalf of the Board of Directors of Caerus Resource Corporation

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

For further information, contact Adrian Hobkirk at 714-316-3272 or Allan Feldman at AJF Consultants Ltd., at 604-948-9663 or email: 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.