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California Gold Corp. Identifies Drill Targets For Drilling Phase For Continuing Exploration Program At Its AuroTellurio Project In Sonora, Mexico

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California Gold Corp. (the “Company” or “California Gold”) ([CLGL](#)) has completed the majority of its planned 2011-2012 exploration program at its AuroTellurio project near the town of Moctezuma in the state of Sonora, Mexico, and is currently planning a drilling program as a logical follow up to the exploration results generated to date.

The Company can earn up to an 80% interest in this project by spending \$US 3-million over a four-year period on the exploration and development of concessions covering 18,840 acres (7,621 hectares) surrounding the holdings of First Solar, Inc., and other mining groups in three directions. To date, the Company has already earned its first 20% interest in the AuroTellurio Project.

The exploration program that started early in 2011 resulted in the delineation of two target areas in the Company’s mining concessions, namely, Target 1 (*aka* the La Bambolla Extension), and Target 2 (*aka* the Deep-Seated Intrusive area). The dominant rock types in the project area consist of Tertiary rhyolite tuffs overlain by younger andesite tuffs. The rhyolite tuffs generally exhibit pervasive hydrothermal alteration and host the La Bambolla gold-tellurium deposit.

New Drilling Target Areas Defined by Company

Target 1 is an extensive, prime exploration ground to search for gold-tellurium mineralization in quartz-pyrite veins and silica-rich zones similar to those found at La Bambolla deposit. Scattered zones of hydrothermal alteration (argillic alteration, quartz-calcite veinlets) are evident on the surface within this target area. Three diamond drill holes will be drilled in Target 1 as part of the planned 2012 drilling program.

Target 2, also known as the Deep-Seated-Intrusive target area, is a centrally located, extensive area where the presence of a blind intrusive responsible for the alteration and mineralization in the region was proposed on the basis of geologic work. A subsequent gravity survey performed over this target area in the winter of 2011 corroborated the original geologic interpretation. The gravity survey confirmed the potential presence of a blind intrusive at depths in the 400-meter range, and covering an area measuring approximately 2 by 1.5 kilometers.

The **Target 1** area is located in the vicinity of the La Bambolla tellurium-gold mine owned by First Solar, a leading manufacturer of solar panels that uses tellurium as an essential component for the manufacture of its panels.

Geologic mapping and sampling carried out by the Company in the Target 1 area led to the conclusion that the regional structure hosting the tellurium-gold vein system at La Bambolla could extend east-southeasterly onto the Company’s Target 1 area. Zones of fracture-controlled silicification, strikingly similar to those described at La Bambolla, have been recognized in the Company’s Target 1 area.

Additionally, a recently completed geophysical survey involving CSAM resistivity and CSIP induced polarization methodologies (Zonge Engineering, Ltd.) delineated a wide anomalous zone of high to moderate resistivity (dense, silicified rocks) flanked by moderately to highly conductive rocks (argillized rhyolites) within a zone measuring approximately 360 meters in width. It is projected that this wide area of interest extends along the La Bambolla regional trend for a distance of at least 1,800 meters to the east-southeast making up the Company’s Target 1 area.

Recently completed CSAM resistivity and CSIP induced polarization geophysical surveys over the Target 2 area confirmed the possible intrusive source of the gravity anomaly at depths ranging from 250 to 400 meters. The interpreted three-dimensional configuration of the intrusive suggests that it is an extensive igneous unit that

appears to be plunging to the east-northeast.

Several smaller features resembling igneous intrusions have been interpreted to occur above the igneous complex. These features, which could be dikes extending from the large igneous complex at depth, are often associated with vertical to nearly vertical resistive trends (dense, silicified intrusions) that cut through conductive units (altered rhyolites) in several localities of the surveyed area. Four diamond drill holes have been scheduled to test Target 2 as part of the planned upcoming drilling program.

Thin bands or layers of highly resistive rocks (silica rich) occur at very shallow depths, paralleling the topographic surface. These features are present in all eleven resistivity and induced polarization survey lines. These units have been interpreted as being silica caps. These features follow the configuration of the water table. Where they appear to be exposed on the surface, the silica caps will be mapped and sampled in order to investigate their composition and geochemical make up.

The technical information developed by the Company during its 2011/2012 exploration phase, including the most recent resistivity and induced polarization geophysical survey, has contributed to the understanding of the geologic settings and the potentials of the two target areas. The principal objective of the Company's planned 2,350-meter diamond drilling program is to test the two exploration models developed by the Company at its AuroTellurio Project.



About California Gold Corp

California Gold Corp. is an early stage U.S. public company pursuing a mineral exploration strategy in the metals mining sector in the Americas, with an initial focus on identifying and acquiring rare and precious metals mining opportunities for development and production.

Forward-Looking Statements

Certain statements in this news release are forward-looking. All statements other than statements of historical facts included in this news release including, without limitation, statements preceded by, followed by or that otherwise include the words "believes," "expects," "anticipates," "intends," "estimates," "projects," "potential," "target," "goal," "plans," "objective," "should" or similar expressions or variations on such expressions are forward-looking statements. The Company can give no assurances that the assumptions upon which the forward-looking statements are based will prove to be correct. Because forward-looking statements are subject to risks and uncertainties, actual results may differ materially from those expressed or implied by the forward-looking statements. There are a number of risks, uncertainties and other important factors that could cause the Company's actual results to differ materially from the forward-looking statements including, but not limited to, the Company's ability to successfully start and complete its exploration drilling program at its AuroTellurio Project in Mexico, to establish technical and managerial infrastructure, to raise the required capital to take advantage of and successfully complete its AuroTellurio Project, future economic conditions, political stability and business conditions in Mexico and fluctuations in rare and precious metal prices. For further information about the risks faced by the Company and its AuroTellurio Project, see the "Risk Factors" section in the Company's Form S-1 filed with the Securities and Exchange Commission on February 10, 2012. The Company disclaims any obligations or undertaking to publicly release any updates or revisions to any forward-looking statement contained in this news release to reflect any change in its expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

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