

Press Release – July 17, 2019

CALIFORNIA GOLD ACQUIRES 82-ACRE PRIVATE FARM IN ILLINOIS

AND COMMENCES OUTDOOR CULTIVATION OF HIGH-CBD INDUSTRIAL HEMP BIOMASS

Toronto, Ontario - California Gold Mining Inc. (“California Gold” or the “Company”) (CSE: CGM) (OTC-QX: CFGMF) is pleased to announce that it has completed the purchase of a private 82.42-acre contiguous parcel of agricultural farm land in Kendall County, Illinois (the “Grove Road Farm”) and has commenced outdoor cultivation of high-CBD industrial hemp biomass on approximately 40 acres.

California Gold’s President and CEO, Vishal Gupta stated, “The acquisition of the Grove Road Farm provides California Gold with an opportunity to take advantage of the outdoor cultivation season this year, in addition to the development of the Company’s first greenhouse for industrial hemp seed propagation scheduled for completion in Q3 2019. The close proximity of our Chicago-based cultivation consultants Delta Valley Hemp, highly fertile soil, access to abundant water, expansive network of paved roads, proximity to three-phase power, and locally available skilled farming labour, make the Grove Road Farm an ideal launching pad for the Company’s industrial hemp division. The field has been successfully planted and harvest is anticipated in late-September. We expect revenue realization in October 2019.”

Mr. Gupta went on to say in respect of the Company’s mining exploration activities, “With the recent uptick in the price of gold, there has been an increase in investor interest in the precious metals sector. We are keeping a close eye on the junior gold space and hope to re-commence drilling at the Queen Specimen mineralized zone on our Fremont property in Mariposa County, California before year-end. We entered the high-CBD industrial hemp cultivation space with the primary objective of potentially using positive cash flow from our hemp operations to fund future exploration and development of our gold asset. We endeavour to achieve that objective in the coming months.”

The Company is also pleased to announce that the US\$3.0 million credit facility previously announced in a press release on April 3, 2019 has now been secured from Toronto-based alternative credit firm Romspen Investment Corporation (“Romspen”).

Details of Outdoor Cultivation Operation

The Company has already secured its industrial hemp cultivation license for the Grove Road Farm from the Illinois Department of Agriculture, Bureau of Medicinal Plants. The license needs to be renewed on an annual basis.

Once the hemp cultivation license was secured from the State of Illinois, 130,000 feminized industrial hemp plantlets, with demonstrated high-CBD (10% - 20%) and low-THC (less than 0.30%) concentration, were purchased in California and transported to a rented greenhouse near the Grove Road Farm. Concurrently, the Company purchased a variety of farm equipment, including a trans-planter, tractor, power harrow, pick-up truck and plasticulture tools. Over the past two weeks, the entire 130,000 plantlets were successfully planted on approximately 40 acres of the Grove Road Farm.

Management expects the harvest to take place in late September, with a projected yield of 100,000 – 130,000 pounds of high-CBD content flower biomass.

The Company is currently negotiating “toll-processing” contracts with third-party isolation facility operators. Under a “toll-processing” scenario, the Company would deliver its harvested biomass to be processed into CBD isolate by paying a fixed fee per pound to the operator. The revenue generated from the sale of CBD isolate is expected to be several times greater than revenue generated solely from the sale of unprocessed biomass.

Details on isolation parameters and projected revenue from the sale of CBD isolate will be provided once a toll-processing contract has been approved by the Company’s Board of Directors.

Romspen Credit Facility Secured

The principal terms of the credit facility are as follows:

- 12.0% per annum rate of interest;
- 12-month term with an additional 12-month extension at California Gold’s option;
- Interest-only payments which will begin on the earlier of (a) November 1, 2019, and (b) the date California Gold achieves positive cash flow from operations;
- California Gold can pre-pay the entire principal amount upon providing Romspen with one month’s written notice;
- The facility is secured by a first lien on the Company’s Fremont property; and
- California Gold has issued Romspen 300,000 common share purchase warrants with an exercise price of \$0.50 and an expiration date 24 months from the date of issuance. Such warrants and the underlying common shares are subject to a hold period expiring four months and one day following their issuance.

The use of proceeds from the Romspen credit facility are as follows:

- Initial advance of US\$1.5 million to be used for the purchase of the Grove Road Farm in Kendall County, Illinois and for working capital for the outdoor cultivation operation.
- The remaining US\$1.5 million will be used for the development of a greenhouse-based seed propagation operation on the Fremont property in Mariposa County, California.

More About the Grove Road Farm

The 82.42-acre Grove Road Farm property was purchased for a total price of US\$822,140. It is located just west of the town of Shorewood and just south east of the town of Plattville, in Kendall County, Illinois – roughly an hour and 20 minutes west of Chicago by road.

The farm has an average corn yield of over 160 bushels per acre owing to its extremely fertile soil, hence minimal soil remediation was required in preparation for the planting of the Company’s industrial hemp crop. The farm is laser-leveled and pattern-tiled through its entirety, which makes it much easier to work on and prevents standing water following heavy rainfall.

The property has ready availability of three-phase power, water for irrigation and skilled farming labour. It is located at the intersection of two major roads.

Initial Greenhouse Re-Located to Illinois

Due to the delay in the roll-out of industrial hemp registration, sampling and testing protocols in the State of California, the Company's Board of Directors approved the relocation of CGM's initial greenhouse from the Fremont property in California to the newly-purchased Grove Road Farm in Illinois. This relocation will result in significant savings in operating costs, as Delta Valley Hemp will manage both the greenhouse seed operation and the outdoor biomass operation on the Grove Road Farm simultaneously, instead of managing the two operations in separate jurisdictions.

Additionally, since the Grove Road Farm is located in a rural agriculture-exempt region of Illinois, there is no requirement for a building permit to construct a greenhouse on this property, thereby shortening the timeframe for construction and build-out.

The Company plans to use the 27,000 sq. ft. greenhouse for propagation of entirely feminized, low-THC, high-CBD industrial hemp seed with stable genetics. The greenhouse is expected to be operational towards the end of Q3 2019. The first seed cycle is expected to be complete by the end of the year.

About California Gold Mining Inc.

California Gold Mining Inc. is focused on continued development of a high-quality gold resource on its 100%-owned Fremont property in Mariposa County, California. The Fremont property consists of an entirely private and patented land package totaling 3,351 acres of historically producing gold mines, with a state highway, PG&E electric substation and abundant water present on the property itself. The Fremont property lies within California's prolific Mother Lode Gold Belt that has produced over 50 million ounces of gold. The Company purchased the Fremont property in March 2013.

The Company is also in the process of establishing an outdoor, high-CBD industrial hemp biomass cultivation operation along with greenhouse-based propagation of high-CBD industrial hemp seed on the newly-acquired Grove Road Farm property in Kendall County, Illinois. The Company plans to use a portion of cash flow from its hemp biomass and hemp seed operations to continue development of its gold business, with minimal dilution for shareholders.

The Company's technical report in respect of the Fremont Property prepared pursuant to National Instrument 43-101 is available on SEDAR at www.sedar.com and on the Company's website at www.caligold.ca.

CAUTION REGARDING FORWARD-LOOKING INFORMATION

This news release of California Gold contains statements that constitute "forward-looking statements". Such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause California Gold's actual results, performance or achievements, or developments in the industry to differ materially from the anticipated results, performance or achievements expressed or implied by such forward-looking statements. Forward-looking statements are statements that are not historical facts and are generally, but not always, identified by the words "expects", "plans", "anticipates", "believes", "intends", "estimates", "projects", "potential" and similar expressions, or that events or conditions "will", "would", "may", "could" or "should" occur. Forward-looking statements in this document include statements regarding the entry into formal agreements and availability of funds to the Company, the Company's industrial hemp seed project and its potential success, the Company's industrial hemp biomass cultivation project and its potential success, the timing of the Company's initial harvest of biomass, the timing of the Company's initial harvest of seed, the yield and volumes of industrial hemp biomass that may be produced by the project, the yield and volumes of industrial hemp seed that may be produced by the project, potential sales of any such industrial hemp seed or biomass or derivatives thereof by the Company, Delta Valley Hemp or any other party on behalf of or for the Company, revenue that may be generated by the industrial hemp seed project, revenue that may be generated by the industrial hemp biomass cultivation project, the ability to obtain permits and approvals that

are required before the Company can begin operations in respect of the industrial hemp seed project, the ability to obtain adequate financing for the project, the timing of completion of the hemp greenhouse and the beginning of project operations, the number of seed propagation cycles that may be achieved on an annualized basis, the suitability of the Grove Road Farm property for the location of the hemp greenhouse and the cultivation of industrial hemp seed, among others. There can be no assurance that such statements will prove to be accurate. Actual results and future events could differ materially from those anticipated by such statements, and could materially affect the Company's results of operations. Readers are cautioned not to place undue reliance on forward looking statements in this press release. California Gold does not undertake any obligation to update these forward-looking statements in the event that management's beliefs, estimates or opinions, or other factors, should change, unless otherwise required by law.

Neither the Canadian Securities Exchange nor its Regulation Services Provider (as that term is defined in the policies of the Canadian Securities Exchange) accepts responsibility for the adequacy or accuracy of this release.

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