California Gold Inc Announces First Exploratory Drill Results

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Intersects 9.1 m of 3.73 g/t, Including 4.6 m of 4.85 g/t, and 15.8 m of 2.20 g/t in New Zone at its Fremont Gold Project**

Toronto - California Gold Mining Inc. (“California Gold” or the “Company”) announces new assay results from exploratory drilling at its flagship Fremont Project (the “Project” or “Fremont”) in Mariposa County, California.

Vishal Gupta, California Gold’s President and CEO, said, “These are impressive results that support our thesis that there is significant exploration potential beyond the historically defined project. We are extremely pleased with the substantial grades and sizeable widths intersected at the newly discovered Queen Specimen zone that lies to the north of the previously drilled Pine Tree-Josephine zone. These latest results indicate the continuation of the gold mineralization along the strike of the mineralized shear zone on the Fremont Property. The addition of this new exploration dimension to the foundation project we established with our infill drilling program makes Fremont one of the best emerging gold projects in North America.”

Highlights from the recently concluded exploratory drilling at Fremont are displayed in the following table. The plan-view collar locations for all recently drilled holes, and interpreted geological cross-sections for the highlighted Queen Specimen holes can be viewed in Appendices A and B of this press release, respectively.

Hole ID #	From (Metres)	To Metres)	Interval Metres	Grade Au (g/t)
DD-16-052	100.0	115.8	15.8	2.20
Including	100.0	106.7	6.7	3.24
	111.3	112.8	1.5	3.19
	210.3	219.5	9.1	3.73
Including	210.3	214.9	4.6	4.85
	217.6	219.5	1.8	5.52
DD-15-051	68.0	69.5	1.5	1.52
	124.4	125.9	1.5	2.56
	279.8	282.9	3.0	2.91

*** Notes: Composite grades are length weighted to interval width. Composite true widths for both DD-15-051 and DD-16-052 are estimated at 70% of the reported interval.*

Discussion of the Queen Specimen Drill Holes

The Queen Specimen exploration drill holes were designed to test the continuity of lithology, structures, and mineralization to the north, and along strike, of the Pine Tree–Josephine deposit. In general, the same lithological sequence was observed in these drill holes as with previously analyzed drill holes in the Pine Tree–Josephine deposit, including a sequence of metavolcanic mafic rocks overlying a melange of serpentinized ultramafic rocks. These are separated from the underlying meta-sedimentary rocks of the Mariposa Formation by a zone of highly sheared and serpentinized phyllonite that is characteristic of the Melones Shear Zone. In addition to the sequence stated above, an additional zone of fault emplaced Mariposa Formation sediments is apparent within the hanging-wall mafic metavolcanic rocks. This stratigraphic repetition may be due to thrust faulting or folding associated with dextral movement along the Melones Shear Zone that has been observed in airborne magnetic data recently acquired for the Fremont Project.

DD-15-051

Drill hole DD-15-051 was drilled with an azimuth of 240° and an inclination of -55° to a depth of 328.6m.

This hole intersected three narrow mineralized zones with gold values exceeding 1.5 g/t. Within the hanging wall metavolcanic mafic rocks, two zones associated with shearing were intersected: a 1.5m interval with an average of 1.52 g/t Au was intersected between 68.0m and 69.5m, and a 1.5m interval with an average of 2.56 g/t Au was intersected between 124.4m and 125.9m. A 3.0m interval with an average of 2.91 g/t Au was intersected between 279.8m and 282.9m, and is associated with quartz-carbonate stockwork in mafic metavolcanics at the footwall of the fault-emplaced Mariposa Formation sediments.

DD-16-052

Drill hole DD-16-052 was drilled with an azimuth of 240° and an inclination of -55° to a depth of 307.5m.

This hole intersected two important mineralized zones with gold values exceeding 2.20 g/t. A 15.8m interval with an average of 2.20 g/t Au was intersected between 100.0m and 115.8m, and is associated with a wide zone of quartz stockwork hosted in altered and mineralized mafic metavolcanic rocks near the fault-emplaced Mariposa formation sediments. This interval includes intersections of 6.7m with an average grade of 3.24 g/t Au (100.0m to 106.7m); and 1.5m with an average grade of 3.19 g/t Au (111.3m to 112.8m). A 9.1m interval with an average of 3.73 g/t Au was intersected between 210.3m and 219.5m and is associated with a zone of intense shearing and quartz-ankerite stockwork in mafic metavolcanics at the footwall of the fault-emplaced Mariposa Formation sediments. This interval includes intersections of 4.6m with an average grade of 4.85 g/t Au (210.3m to 214.9m), and 1.8m with an average grade of 5.52 g/t Au (217.6m to 219.5m).

The exploratory holes were drilled as part of the Phase III and Phase IV drill programs. The Phase III drill program commenced on September 11, 2015 and concluded on March 5, 2016. It consisted of a total of 43 diamond holes, and 12,549 metres of drilling. The Phase IV drill program commenced on June 5, 2016 and concluded on July 8, 2016. It consisted of a total of four diamond holes, and 997 metres of drilling. Assay results from other exploratory drill holes at the Fremont Project are listed on the Company’s website and may be viewed by clicking on this link:
http://www.caligold.ca/i/common/recent-cali-gold-drill-results-3.jpg.

The Company has retained the services of SRK Consulting (Canada) Inc., an internationally recognized, independent resource consulting firm, to advise the Company’s technical team on overall geological interpretation and to act as an independent umpire on assay results.

Description of Quality Assurance & Quality Control (QA/QC) Procedures

The laboratory being used for assay analyses is American Assay Laboratories Inc. (“AAL”) based in Sparks, Nevada (ISO/IEC 17025:2005 Certified).

Prior to transportation of core samples to AAL, all core processing is conducted at the Project site in an enclosed 6,000 sq. ft. office facility. All diamond drill core is logged, photographed and split using core saws.

Core from entire holes is being sampled every five feet to compare with the historic RC hole assay intervals. Additionally, sub-samples are being collected within the planned five foot intervals where important geological or mineralization contacts occur to allow better discrimination within the geological model. The minimum sample interval is 1.5 feet.

One half of the split core is transported to AAL by Company employees for prep and analysis. The other half of the core is stored at the Company core storage facility for future inspection and assay verification. All gold analyses of strongly mineralized samples utilize the screened metallics fire (SMF) assay method with a gravimetric finish. At the laboratory, the entire sample is crushed to 90 percent minus ten-mesh. A rotary splitter is used to obtain a 500 gram sample for pulverising. The screened metallics are collected as the plus fraction from a 150-mesh screen at the lab. The plus 150-mesh fraction is fire assayed in its entirety. Two separate one-assay ton fire (1ATF) analyses of the minus 150-mesh fraction are performed and arithmetically averaged. The minus and plus 150-mesh results are then combined for a total screened metallics fire assay.

A full QA/QC program, involving insertion of appropriate blanks and standards is being employed with acceptable results. Generation of QA/QC control charts, and overall independent umpiring of assay results is being conducted by SRK Consulting (Canada) Inc.

Mr. Vishal Gupta, the Company's President & CEO has reviewed and approved this press release. Mr. Gupta is a P.Geo. registered with the Association of Professional Geoscientists of Ontario (APGO), and a Qualified Person (QP) as defined under National Instrument 43-101. The exploration program at Fremont is being conducted under Mr. Gupta’s supervision.

About California Gold Mining Inc.

California Gold Mining Inc. is focused on developing its flagship Fremont gold project in Mariposa County, California. The project consists of a land package totaling 3,351 acres of historically producing gold mines. The Fremont Property lies within California’s prolific Mother Lode Gold Belt that has produced over 50 million oz of gold historically. The Company purchased the property in March 2013.

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 planned exploration work on the Company’s Fremont Property including the anticipated results and timing thereof. There can be no assurance that such statements will prove to be accurate. Actual results and future events could differ materially from those anticipated in such statements, and readers are cautioned not to place undue reliance on these forward looking statements. Any factor could cause actual results to differ materially from California Gold's expectations. California Gold undertakes no 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.

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Appendix A

Orthophoto of the Fremont Property Showing Locations of Recently Completed Diamond Drill Holes, and Historic RC Drill Holes

To view the graphic in its original size, please click here

Appendix B

Interpreted Geological Cross-Sections for Highlighted Queen Specimen Drill Holes

DD-15-051

To view the graphic in its original size, please click here

DD-16-052