

California Gold Signs Term Sheet for US\$3.0 Million Credit Facility to Finance its High-CBD Industrial Hemp Seed Propagation Project

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TORONTO, April 3, 2019 - [California Gold Mining Inc.](#) ("California Gold" or the "Company") (CSE: CGM) (OTCQX: CFGMF) is pleased to announce that it has entered into a term sheet (the "Term Sheet") with Toronto-based alternative credit firm Romspen Investment Corporation ("Romspen"), outlining the terms of a secured credit facility to finance the development and operation of the Company's recently announced high-CBD industrial hemp seed propagation project on its 100%-owned, 3,351-acre, privately-held Fremont property ("Fremont" or the "Property") in Mariposa County, California.

Vishal Gupta, CGM's President and CEO stated, "This credit facility provides us with the funding to finance the entire capital expense of developing the 27,000 square foot greenhouse, and a substantial portion of our first year's operating expense related to the propagation of high-CBD industrial hemp seed on the Fremont Property. We are delighted to receive this endorsement as we enter the nascent industrial hemp space with a view towards creating shareholder value, while minimizing shareholder dilution."

Under the terms of the proposed credit facility, Romspen will arrange up to US\$3.0 million of project financing on the following terms:

- 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) 6 months following the advance of funds, 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 Property;
- California Gold will pay Romspen a one-time fee of 2.0% of the loan amount on closing; and
- The first advance of funds to California Gold under the facility will take place on or about April 19, 2019.

As additional consideration for the debt-financing, on closing, California Gold will issue 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.

The Term Sheet contains additional customary financial and restrictive covenants, is non-binding, and will be incorporated into a definitive credit agreement supported by appropriate legal documentation subject to Romspen's due diligence and other conditions.

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 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 Property lies within California's prolific Mother Lode Gold Belt that has produced over 50 million oz of gold. The Company purchased the Property in March 2013. The Company is also investigating establishing a greenhouse-based propagation of high-CBD industrial hemp seed on the Fremont Property, the cash flow from which could be used to continue development of its gold business, with less 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 (including a definitive credit agreement) and availability of funds to the Company, the Company's industrial hemp seed project and its potential success, the yield and volumes of industrial hemp seed that may be produced by the project, potential sales of any such industrial hemp seed by the Company, DVH or any other party on behalf of or for the Company, revenue that may be generated by the industrial hemp seed 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 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 Property for the location of the 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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