

California Gold Announces Execution of Sale Agreement for Zero-THC Distillate Produced from Its Wholly-Owned Hemp Biomass

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TORONTO, January 15, 2020 - California Gold Mining Inc. ("California Gold" or "CGM" or the "Company") (CSE:CGM)(OTCQX:CFGMF) is pleased to announce the execution of an agreement with a California-based hemp-CBD brokerage firm to arrange for the sale of Zero-THC Distillate produced from the Company's wholly-owned, high-CBD hemp biomass (the "Agreement").

Details of the terms of the Agreement, effective as of January 14, 2020, are as follows:

- The Agreement relates to the sale of Zero-THC Distillate which is defined as an oil derived from hemp plants that contains zero percent tetrahydrocannabinol (or "THC") and greater than 80% cannabidiol (or "CBD") by weight;
- Purchase price has been set at US\$4,300 per litre of Zero-THC Distillate;
- CGM's Cost of Goods Sold ("COGS") associated with the production of Zero-THC Distillate is approximately US\$2,400 per litre;
- The term of the Agreement is one year, and the parties may complete additional sales of Zero-THC Distillate on a monthly basis during this term.

An initial batch of up to 500 litres of Zero-THC Distillate is expected to be transacted upon within 30 days.

California Gold's President and CEO, Mr. Vishal Gupta stated, "We are delighted to be in a position to deliver on our promise to shareholders of realizing CGM's first revenues and achieving a healthy operating profit in Q1 2020. CGM's management team is currently negotiating additional sale agreements with several interested parties for its bulk, refined, hemp-CBD products generated from the initial batch of hemp biomass purchased from farmers in Virginia and North Carolina, along with hemp biomass harvested from the Company's wholly-owned Grove Road Farm in Illinois."

As a result of higher operating margins and increased buy-side demand associated with refined products such as Zero-THC Distillate and CBD Isolate, CGM's management team has decided to focus its efforts on the sale of these refined products instead of basic Crude Oil extracted from hemp biomass. The Company's Board of Directors is investigating the economics of purchasing additional batches of hemp biomass in order to produce and eventually sell additional refined products once the sale of the current inventory of refined products is complete.

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 also has an outdoor, high-CBD industrial hemp biomass cultivation operation on its 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 (i) potential sales of Zero-THC Distillate and timing of such sales and (ii) the Company's plans to acquire additional hemp biomass from third-party farmers. 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.

For further information contact:

[California Gold Mining Inc.](http://www.caligold.ca)
Vishal Gupta, President & CEO
Tel.: 647-977-9267 x333
Website: www.caligold.ca

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