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CALIFORNIA GOLD MINING INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE AND NINE MONTHS ENDED MAY 31, 2016 AND 2015

The following management discussion and analysis ("MD&A") of financial results is dated July 30, 2016 and reviews the business of California Gold Mining Inc. (the "Corporation" or "California Gold"), for the three and nine months ended May 31, 2016, and should be read in conjunction with the accompanying unaudited condensed interim consolidated financial statements and related notes for the three and nine months ended March 31, 2016 ("Interim Financial Statements"), as well as the audited annual consolidated financial statements for the year ended August 30, 2015 and related MD&A. This MD&A and the accompanying Interim Financial Statements and related notes for the three and nine months ended May 31, 2016 have been reviewed by the Company's Audit Committee and approved by the Company's Board of Directors.

This report also contains certain forward-looking statements relating to the potential future performance. Forward-looking statements are subject to known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those implied by the forward-looking statements. For additional information regarding forward-looking statements, see Section 10 – *Cautionary Note Regarding Forward Looking Statements* Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date the statements were made, and readers are advised to consider such forward-looking statements in light of the risks as set forth below, including those set out in Section 9 – *Risks and Uncertainties*.

1. OVERALL PERFORMANCE

California Gold Mining Inc. is a junior mineral exploration company engaged in the acquisition, exploration and development of mineral resource properties. Since March 1, 2013, its principal property has been its Fremont Property, located in Mariposa, California. Prior to its acquisition of the Fremont Property, the Corporation's only material property was the Dingman Property, which is described further below. From February 9, 2010 through April 12, 2013 the Corporation's common shares traded on the TSX Venture Exchange under the symbol "UCC". Effective as of April 15, 2013, the Corporation's common shares have traded under the symbol "CGM". Effective as of September 2, 2014, the Corporation's common shares have traded on the OTCQX marketplace under the symbol "CFGMF". To date, the Corporation has not earned significant revenues and is considered to be in the exploration stage.

1.1 Financial Condition, Performance and Cash Flows

The Corporation has had no revenue from active operations and its primary activities consist of exploration and development activities at its Fremont Property. Expenses of the Corporation for the nine months ended May 31, 2016 were $5,753,335 which were mainly from exploration costs incurred in completing the Corporation's Phase III drill program. See Section 3.1.2 – *Discussion of Operations and Annual and Quarterly Results* for additional information on the Corporation's expenses.

During the nine month period ended May 31, 2016, cash outflow on account of operations was $5,694,549 with expenses of $4,728,073 being incurred directly on exploration activities at the Fremont Property. See Section 3.1.3 – *Discussion of Operations and Annual and Quarterly Results* and Section 4 – *Liquidity & Capital Resources* for information on the Corporation's cash flows.

As of May 31, 2016, the Corporation had cash and cash equivalent balance of $605,387 and working capital of $497,555. As of August 31, 2015, the Corporation had a cash and cash equivalents balance of $4,629,785 and working capital of $4,541,996.

During the nine months ended May 31, 2016, the Company completed three private placements, which consisted of issuing 3,318,500 Units for gross proceeds of $1,659,250. Each Unit comprised of one common share and one common share purchase warrant, with each whole warrant entitling the holder to acquire a further common share of the Corporation at a price of $1.00 for three years following the date of issuance.

1.2 Fremont Property

On September 17, 2014, the Corporation announced the results from the property-wide surface geological mapping program conducted at the Fremont Property that was originally commenced on July 8, 2014. The surface geological mapping program included 55 line-kilometres of geological traverses and was successful in identifying five large and new exploration areas on the Fremont Property, being Golden Chain, Vermont Slab, Golden Slope, Ogle Canyon and Race Track Meadow, and also provided critical structural information for a previously known mineralized zone known as Chicken Gulch that had been subject to limited exploration RC drilling in the 1980s. The surface geological mapping program was followed up with a surface sampling program focused on the five new exploration zones. The results of the surface sampling program were announced on December 4, 2014 and were considered very positive by management. These results assisted the Corporation in fine-tuning targets for the Phase III drill program.

The Phase III drill program was initiated on September 11, 2015. The drilling portion of the exploration program concluded on March 5, 2016. The main objectives of the Phase III drill program are:

- Generation of a maiden resource estimate for the Project covering the main Pine Tree-Josephine mineralized zone;

- Testing the down-dip extension of the shear zone in the main Pine Tree-Josephine mineralized zone to a depth of up to 3,000 feet (roughly 1,000 metres) below surface; and

- Testing the mineralization potential of the five recently discovered mineralized zones on surface, namely Golden Chain, Vermont Slab, Golden Slope, Race Track Meadow and Ogle Canyon originally discussed in the Company's December 4, 2014 press release.

A total of 43 diamond holes, and 41,171 feet (12,549 metres) of drilling were completed during the Phase III program. As of the Report Date, assay results for 31 of the 43 holes have been publicly released, all of which are part of the infill segment of the Phase III program. These assay results were announced by the Corporation on November 9, 2015, November 23, 2015, December 15, 2015, January 18, 2016, February 17, 2016, March 30, 2016, April 27, 2016, May 9, 2016, and May 30, 2016. These assay results will be used to support the generation of a maiden resource estimate for the main Pine Tree-Josephine mineralized zone, and management considered the results to be in line with results observed in historical drilling.

In addition to the infill segment, the Phase III drill program also includes a deep drilling segment consisting of numerous deep holes that are designed to test the down-dip extension of the mineralized zone, and an exploratory drilling segment consisting of numerous shallow holes that are designed to test the mineralization potential of some of the newly discovered mineralized zones on surface originally discussed in the Company's December 4, 2014 press release.

Between October 12, 2015 and October 30, 2015, Geotech Ltd. was contracted to complete an aeromagnetic survey covering the entire Fremont Property. The survey involved the collection of geophysical data and colour air photographs along a total survey length of 810 line-kilometres at a nominal line-spacing of 25 metres. SRK Consulting (Canada) Inc. ("SRK") was retained to verify the validity of the survey, and to provide a comprehensive structural geology interpretation of the survey results. SRK's interpretation of the geophysical survey has yielded the following findings, all of which are considered positive by management:

- Very strong correlation between the results of the geophysical survey and the results of the previously conducted surface geological mapping program that delineated extensive new, previously unexplored, zones of mineralization;

- Approximately 2.5 kilometres of un-interrupted prospective mineralized strike length in the main shear zone trending NNW-SSE through the middle of the Fremont Property encompassing (from north to south) the Queen Specimen Succedo target, the Crown Point target and the Pine Tree-Josephine target;

- Approximately 2.0 kilometres of prospective mineralized strike length at the WNW-ESE trending Golden Slope target located on the eastern half of the Fremont Property, interpreted to be a major lithological boundary;

- Approximately 1.5 kilometres of prospective mineralized strike length at the NNW-SSE trending Ogle Canyon target located on the western half of the Fremont Property, interpreted to be a major lithological boundary;

- Presence of a major dilational-jog in the main shear zone at the Queen Specimen Succedo target which has the potential to significantly widen the mineralized zone at this target;

- Presence of significant folding at the Queen Specimen Succedo target which has the potential to cause a repetition of the mineralized zone at this target, thereby increasing its attractiveness as a future prospective exploration area; and

- A much-improved understanding of the overall structural regime including the significance of major structures that control the extent and orientation of gold mineralization at the Fremont Property.

For detailed discussion on the results of the survey, please see the Corporation's January 12, 2016 press release.

The Corporation expects the assay results from the remaining 12 drill holes of the Phase III program to be publicly released in the fourth quarter of calendar 2016. The maiden resource estimate for the Fremont Property is also expected to be completed in early third quarter of calendar 2016. These estimated completion dates have been revised slightly from prior estimates due to longer than expected interpretation and analysis time required by the Company's technical consultants.

Looking forward, the Company plans to conduct additional exploratory drilling in some of the newly discovered mineralized zones on surface that were mentioned earlier. The Company also intends to conduct a property-wide soil sampling program, and a property-wide Induced-Polarization geophysical survey. These surveys are expected to provide the Company's technical team with the location of additional potentially mineralized zones and structures on the Property, which could eventually be converted to future drill-targets. All the above-mentioned exploration activity is expected to be completed in the fourth quarter of calendar 2016.

On November 17, 2015, the Board of Supervisors of Mariposa County voted to amend the General Plan and zoning ordinance of the County, including amendments that, once passed, will designate mining as a conditional use with respect to all properties within the County.

Mining is currently designated as a permitted use over the majority of the Fremont Property. Following the amendments, mining will be designated as a conditional use. The designation of mining as a conditional use is consistent with designations used in many other counties in California. In addition to other permits required pursuant to applicable law, upon mining being designated as a conditional use, before any mining can take place, the Mariposa Planning Commission will also need to issue a conditional use permit. Such a permit may include conditions deemed necessary or appropriate by the Mariposa Planning Commission.

1.3 Dingman Property

The Corporation acquired its interest in the Dingman Property from Opawica Explorations Inc. ("Opawica") on January 29, 2010 pursuant to an option agreement dated July 31, 2009 between the Corporation and Opawica that transferred all of Opawica's interest in the Dingman Property to the Corporation, subject to an existing net smelter royalty. Concurrently with its acquisition of the Dingman Property, the Corporation also completed a financing and undertook other restructuring activities (the "Restructuring") to focus the Corporation on the future development of the Dingman Property. The "Dingman Property", as used herein, refers to eight mining claims and related surface rights agreements in Hastings County near Madoc, Ontario. No material work was completed on the Dingman Property during the nine months ended May 31, 2016.

1.4 Other Developments

On September 2, 2014, the Corporation's common shares commenced trading on the OTCQX marketplace in the U.S., under the ticker CFGMF. Also on this date, David Birkenshaw resigned as a director of the Corporation.

On November 12, 2014, the Corporation announced the appointment of Vishal Gupta as its President and Chief Executive Officer.

On December 20, 2013, the Corporation was served with notice that Martin Shefsky (its former CEO) and his holding company ("Holdco"), through which Shefsky had provided his services, had brought an application against the Corporation in the Court of Queen's Bench of Alberta, alleging, among other things, (a) the failure of the Corporation to constitute its board of directors with a majority of nominees of Shefsky at its April 4, 2013 meeting of shareholders, (b) misrepresentations made in the context of negotiating Holdco's services agreement, (c) breach of Holdco's services agreement, and (d) certain improper actions by the board of directors in connection with the private placement of units completed in September 2013. On November 28, 2014, the Court dismissed Shefsky's claim was dismissed on November 28, 2014 and a subsequent appeal was dismissed on April 14, 2016. The original decision awarded the Corporation with costs against Mr. Shefsky.

On January 21, 2015, the Corporation's shareholders elected Kevin Cinq-Mars, Patrick Cronin, Vishal Gupta, Ron LeClair and Alan Stephens as directors of the Corporation at the Corporation's annual and special meeting of shareholders. Prior to the meeting, Michael

Churchill resigned as a director of the Corporation and withdrew his name from the nomination of directors at the meeting.

On February 17, 2016, Scott Rasenberg was elected as a director of the Corporation at its annual meeting of shareholders. At the annual meeting, Mr. Ron LeClair resigned as a director and all other incumbent directors were re-elected.

On June 7, 2016 the Company completed a consolidation of its common shares on the basis of ten (10) pre-consolidation shares for one (1) post-consolidation share. For further information please refer to Section 7.1. – *Share Consolidation*.

2. OVERVIEW OF FINANCIAL RESULTS

2.1 Summary of Quarterly Results

The table below reports selected financial data for the Corporation's eight most recently completed fiscal quarters:

Quarter Ended	**May 31, 2016**	**Feb. 29, 2016**	**Nov. 30, 2015**	**Aug. 31, 2015**
	$	**$**	**$**	**$**
Revenue	nil	nil	nil	nil
Income (Loss) Before Extraordinary Items	(1,288,216)	(1,851,048)	(2,607,210)	275,890
Net Income (Loss)	(1,288,216)	(1,851,048)	(2,607,210)	275,890
Net Comprehensive Income (Loss)	(1,190,737)	(1,818,875)	(2,637,229)	114,196
Income (Loss) per Share	(0.04)	(0.17)	(0.10)	0.01
Income (Loss) per Share Fully Diluted	(0.04)	(0.17)	(0.10)	0.01
Total Assets	7,158,334	6,800,514	9,398,057	11,126,033
Total Long Term Financial Liabilities	-	-	-	-
Cash Dividends per Share	-	-	-	-

Quarter Ended	**May 31, 2015**	**Feb. 28, 2015**	**Nov. 30, 2014**	**Aug. 31, 2014**
	$	**$**	**$**	**$**
Revenue	nil	nil	nil	nil
Income (Loss) Before Extraordinary Items	(184,424)	(18,125)	(260,596)	(479,226)
Net Income (Loss)	(184,424)	(18,125)	(260,596)	(479,226)
Net Income (Loss) and Comprehensive Income (Loss)	(191,568)	14,500	(248,450)	(478,465)
Income (Loss) per Share	(0.01)	(0.00)	(0.02)	(0.03)
Income (Loss) per Share Fully Diluted	(0.01)	(0.00)	0.02)	(0.03)
Total Assets	6,194,658	6,209,708	5,769,291	5,501,702
Total Long Term Financial Liabilities	-	-	-	-
Cash Dividends per Share	-	-	-	-

3. DISCUSSION OF OPERATIONS AND ANNUAL AND QUARTERLY RESULTS

3.1 Operating Income and Expenses

3.1.1 Income

The Corporation has no revenue from active operations.

The Corporation's other income for the nine months ended May 31, 2016 compared to the nine months ended May 31, 2015 increased from $4,273 to $4,810. The Corporation's main source of other income was rental income from its Fremont Property and interest earned on cash deposits.

3.1.2 Expenses

Expenses of the Corporation for the nine months ended May 31, 2016 compared to the nine months ended May 31, 2015 increased from $467,593 to $5,753,335. The increase in expenses for the nine months ended May 31, 2016 is from the Phase III exploration work completed at the Fremont Property. The Corporation's expenses for the nine months ended May 31, 2015 were primarily driven by management termination expenses, other management fees, minimal exploration expenditures at the Fremont Property and share based compensation costs.

Expenses of the Corporation for the three months ended May 31, 2016 compared to the three months ended May 31, 2015 increased from $185,911 to $1,289,774. The Corporation's expenses for the three months ended May 31, 2016 were mainly from exploration work completed at the Fremont Property.

3.1.3 Property Exploration and Acquisition Costs

The Corporation is engaged in the mineral exploration business and has not received any material revenues. Funding of the Corporation's exploration activities has been provided by equity offerings of the Corporation's securities. The recoverability of amounts paid by the Corporation for resource properties will be dependent upon the discovery of economically recoverable reserves and confirmation of the Corporation's interest in the underlying resource properties, as well as the ability of the Corporation to obtain the necessary financing to complete exploration and development of the properties, and upon future profitable production or proceeds from the disposition thereof.

As of May 31, 2016, the Corporation had incurred $12,661,796 of acquisition, improvement, exploration and development costs on the Fremont Property and $3,440,585 of acquisition, improvement, exploration and development costs for the Dingman Property for a total of $16,102,481. The Corporation has expensed all acquisition costs with the exception of US$4,810,000 of acquisition costs for the Fremont Property that were capitalized. The Corporation has capitalized all improvement costs.

Costs incurred by the Corporation on each of the Fremont Property and the Dingman Property over the nine months ended May 31, 2016 and May 31, 2015 are set out below:

	Fremont	Dingman	Total Mineral Interests
Costs incurred as of August 31, 2014			
Acquisition costs	$ 5,872,692	$ 2,139,056	$ 8,011,747
Property improvement costs	7,649	–	7,649
Exploration costs	1,694,302	1,264,668	2,958,970
Development costs	126,918	30,561	157,479
Costs incurred as of August 31, 2014	$ 7,701,561	$ 3,434,285	$ 11,135,846
Costs incurred during nine months ended May 31, 2015			
Improvements to land and structures	$ 5,455	–	$ 5,455
Exploration costs			
Geologists and consultants	$ 38,967	–	$ 38,967
General labour and contractors	40,658	–	40,658
Analysis and laboratory	34,206	–	34,206
Mapping and digitizing	2,764	–	2,764
Internal studies	46,669	–	46,669
Exploration geology	4,276	–	4,276
Facility rentals	356	$ 2,700	3,056
Consumables	59	–	59
Other	231	–	231
Total exploration costs	$ 168,186	$ 2,700	$ 170,886
Development Costs	$ 443	-	$ 443
Costs incurred during nine months ended May 31, 2015	$ 168,629	$ 2,700	$ 171,329
Costs incurred as of May 31, 2015			
Acquisition costs	$ 5,872,691	$ 2,139,055	$ 8,011,746
Property improvement costs	13,104	–	13,104
Exploration costs	1,862,488	1,267,368	3,129,856
Development costs	127,361	30,561	157,922
Total costs incurred as of May 31, 2015	$ 7,875,645	$ 3,436,985	$ 11,312,630

	Fremont	Dingman	Total Mineral Interests
Costs incurred as of August 31, 2015			
Acquisition costs	$ 5,872,691	$ 2,139,055	$ 8,011,746
Property improvement costs	13,210	–	13,210
Exploration costs	1,922,400	1,268,269	3,190,669
Development costs	128,122	30,561	158,683
Costs incurred as of August 31, 2015	$ 7,936,423	$ 3,437,885	$ 11,374,308
Costs incurred during nine months May 31, 2016			
Exploration costs			
Drilling	$ 3,011,325	–	$ 3,011,325
General labour and contractors	593,464	–	593,464
Exploration geologists	364,443	–	364,443
Analysis and laboratory	445,203	–	445,203
Geophysics	116,426	–	116,426
Professionals & consultants	81,418	–	81,418
Storage	58,632	2,700	61,332
Core logging	23,093	–	23,093
Mapping and digitizing	22,704	–	22,704
Other	8,765	–	8,765
Total exploration costs	$ 4,725,473	$ 2,700	$ 4,728,173
Costs incurred during nine months ended May 31, 2016	$ 4,725,473	$ 2,700	$ 4,728,173
Costs incurred as of May 31, 2016			
Acquisition costs	$ 5,872,691	$ 2,139,055	$ 8,011,746
Property improvement costs	13,210	–	13,210
Exploration costs	6,647,873	1,270,969	7,918
Development costs	128,122	30,561	158,683
Costs incurred as of May 31, 2016	$ 12,661,896	$ 3,440,585	$ 16,102,481

3.1.4 General and Administrative and Other Expenses

General and administrative and other expenses incurred during the three and nine month periods ended May 31, 2016 and May 31, 2015 consist of the following:

	Three months ended May 31		Nine months ended May 31	
	2016	**2015**	**2016**	**2015**
Exploration costs expensed	568,629	4,800	4,728,073	170,886
Salaries and wages	109,104	(1,520)	261,826	70,479
Management fees	74,583	45,000	164,583	385,521
Investor relations	65,653	22,585	161,721	68,602
Professional fees	28,360	6,973	90,776	93,299
Property taxes	17,371	16,303	53,330	46,703
Travel and meals	15,363	7,765	51,073	17,477
Shareholder information and compliance	14,116	14,171	48,342	57,151
Depreciation	11,064	16,494	33,019	47,502
Insurance	8,320	8,828	25,357	27,913
Occupancy costs	8,780	6,825	21,493	21,400
Share-based compensation	420	6,882	3,081	162,906
Development Costs	-	443	-	443
Interest and bank charges	1,061	3,931	3,550	5,685
Other general & administrative	29,686	6,401	80,223	26,233
Loss (gain) on foreign exchange	337,264	20,030	26,888	(734,607)
Total Expenses	(1,289,774)	(185,911)	(5,753,335)	(467,593)

Exploration costs expensed include costs incurred in the exploration of the Fremont Property and the Dingman Property. Exploration costs expensed for the nine months ended May 31, 2016 compared to the nine months ended May 31, 2015 increased from $170,886 to $4,728,073.

With respect to the Fremont Property, exploration costs incurred during the nine months ended May 31, 2016 were on account of the Phase III exploration program. Exploration costs incurred during the nine months ended May 31, 2015 were on account of internal studies, metallurgical test work and the comprehensive surface sampling program.

With respect to the Dingman Property, costs incurred during the nine months ended May 31, 2016 and 2015 were on account of sample and drill core storage costs.

Non-management salaries and wages for the nine months ended May 31, 2016 compared to the nine months ended May 31, 2015 increased from $70,479 to $261,826 as a result of increased labour requirements during the Phase III drill program. These amounts relate primarily to the Corporation's employees based at its Fremont Property. For similar reasons, the Corporation's non-management salaries and wages for the three months ended May 31, 2016 compared to the three months ended May 31, 2015 increased.

Investor relations expenses for the nine months ended May 31, 2016 compared to the nine months ended May 31, 2015 increased from $68,602 to $161,721. These expenses can vary greatly between periods, and for the nine months ended May 31, 2016, they represent costs associated with investor relations consultants, investor meetings and presentations, advertising and promotion and attendance at investor conferences. Investor relations expenses for the three months ended May 31, 2016 compared to the three months ended May 31, 2015 increased from $22,585to $65,653. The sources of these expenses are the same as the sources for the expenses over the nine month periods.

Management fees for the nine months ended May 31, 2016 compared to the nine months ended May 31, 2015 decreased from $385,521 to $164,583. Management fees incurred during the nine months ended May 31, 2015 included a one-time termination expense of $186,667, paid through the issuance of 2,666,672 common shares of the Corporation that was made to the former President and director of the Corporation. Management fees for the three months ended May 31, 2016 compared to the three months ended May 31, 2015 increased from $45,000 to $74,583.

Professional fees for the nine months ended May 31, 2016 compared to the nine months ended May 31, 2015 decreased from $93,299 to $90,776. The majority of the professional fees incurred during the nine months ended May 31, 2016 were on account of routine auditing accruals, accounting fees, and the remainder related to legal fees. For the nine months ended May 31, 2015, over half of professional fees incurred were on account of routine auditing accruals, accounting fees and tax services. The remainder of the fees were incurred in connection with investment banking mandates and legal fees. Professional fees for the three months ended May 31, 2016 compared to the three months ended May 31, 2015 increased from $6,973 to $28,360.

The Corporation incurred $17,371 and $53,330 in property taxes during the three and nine months respectively ended May 31, 2016 compared to $16,303 and $46,703 in property taxes during the three and nine month periods ended May 31, 2015. All property taxes pertain to the Fremont Property. As property taxes are paid in US Dollars, variations from prior periods are due primarily to fluctuations in exchange rates.

Travel and accommodation expenses of the Corporation for the nine months ended May 31, 2016 compared to the nine months ended May 31, 2015 increased from $17,477 to $51,073. These increased costs were associated with more frequent travel to the Fremont Property during the Phase III drill program. Travel expenses of the Corporation for the three months ended May 31, 2016 compared to the three months ended May 31, 2015 increased from $7,765 to $15,363.

Shareholder information and compliance expenses for the nine months ended May 31, 2016 compared to the nine months ended May 31, 2015 decreased from $57,151 to $48,342.

Expenses incurred during the nine months ended May 31, 2016 included stock exchange fees, shareholder meetings and routine compliance matters. A large component of the Corporation's stock exchange costs are incurred in US Dollars. Shareholder information expenses for the three months ended May 31, 2016 compared to the three months ended May 31, 2015 decreased from $14,171 to $14,116.

Other general and administrative expenses of the Corporation for the nine months ended May 31, 2016 compared to the nine months ended May 31, 2015 increased from $26,233 to $80,223. Other general and administrative expenses of the Corporation for the three months ended May 31, 2016 compared to the three months ended May 31, 2015 increased from $6,401 to $29,686. All of the increases in general and administrative costs are driven by increased overheads at the Fremont Project during active stages of exploration. General and administrative expenses primarily include site utilities at the Fremont Project, accommodation costs for Fremont personnel, general office costs, telephone costs, government filing fees and disbursements charged by the Corporation's suppliers.

The Corporation's loss (gain) from foreign exchange was reduced from a gain of $734,607 for the nine months ended May 31, 2015 to a loss of $26,888 for the nine months ended May 31, 2016. Current period gains were observed on account of small, but continued depreciation of the Canadian Dollar, resulting in gains on carrying values of fixed assets located in the United States as well as gains observed on account of Canadian Dollar denominated loans from the Corporation to its US subsidiary.

3.2 Net Loss

The net loss of the Corporation for the nine months ended May 31, 2016 compared to the nine months ended May 31, 2015 widened from a loss of $463,145 to a loss of $5,746,474. Increased net losses during the nine months ended May 31, 2016 is mainly from the exploration costs on the Fremont Project.

The net loss of the Corporation for the three months ended May 31, 2016 compared to the three months ended May 31, 2015 increased from a loss of $184,424 to a loss of $1,288,216. Net losses incurred, and the observed increased expenses during these periods were generally incurred for the same reasons as during the nine month period.

3.3 Other Comprehensive Gain or Loss

The functional currency of the Corporation's United States subsidiaries is the US Dollar while the parent company, California Gold Mining Inc. has retained the Canadian Dollar as its functional currency. Other comprehensive gain or loss is the result of the translation of the financial results of the Corporation's US subsidiaries into Canadian Dollars for consolidation purposes. The cumulative effect of these translations is accounted for as part of the Corporation's equity.

For the nine months ended May 31, 2016, the Corporation's other comprehensive gain was $99,633 (2015 - $37,627). For the three months ended May 31, 2016, the Corporation's other comprehensive gain was $97,479 (2015 – loss of $7,144).

4. LIQUIDITY & CAPITAL RESOURCES

The Corporation has historically note generated enough revenues to offset its expenses. The Corporation's ability to continue as a going concern depends on its ability to finance its cash requirements through the issuance of equity securities or other financing.

Cash and cash equivalents as at May 31, 2016 were $605,387 compared to $4,629,785 as at August 31, 2015. Factors that could impact on the Corporation's liquidity are monitored regularly and include the market price of the Corporation's trading securities for the purposes of raising financing, exploration expenditures, and operating costs.

As at May 31, 2016, the Corporation had working capital of $497,555 compared to working capital of $4,541,996 as of August 31, 2015.

4.1 Operating Cash Flow

The Corporation is in the exploration and development stage and as such, does not earn any significant revenue. The Corporation has not historically generated enough revenues to offset its expenses.

4.2 Investing Activities

For the nine months ended May 31, 2016 the Corporation had net cash outflows of $68,400 (2015 - $5,455) - associated with the purchase of fixed assets.

4.3 Financing Activities

The Corporation's ability to continue as a going concern depends on its ability to finance its cash requirements through the issuance of equity securities or other financing. It is not possible to predict the Corporation's ability to fund its cash requirements in the short term (see Section 9 – *Risks and Uncertainties*).

In the nine months ended May 31, 2016, the Corporation completed three private placements that consisted of issuing 3,318,500 Units for gross proceeds of $1,659,250. Each Unit consisted of one common share and one common share purchase warrant, with each warrant entitling the holder to acquire a further common share of the Corporation at a price of $1.00 for three years following the date of issuance.

On August 10, 2015, the Corporation completed a private placement for $4,840,000, pursuant to which the Corporation issued 9,680,000 units at a price of $0.50 per Unit. As part of this private placement, R.W. Tomlinson Ltd. subscribed for 9,680,000 Units of the

Corporation, bringing its interest in the Corporation’s common shares to 31.9% on an undiluted basis at the time of the private placement. Also on August 10, 2015, William Tomlinson was appointed to the Corporation’s board of directors.

On April 29, 2015 the Corporation completed a private placement for approximately $150,000, pursuant to which the Corporation issued 285,714 common shares at a price of $0.525 per common share.

On December 12, 2014, the Corporation completed a private placement for $342,000, pursuant to which the Corporation issued 684,000 common shares at a price of $0.50 per common share.

On September 10, 2014, the Corporation completed a private placement for $350,000, pursuant to which the Corporation issued 700,000 common shares at a price of $0.50 per common share.

5. OFF-BALANCE SHEET ARRANGEMENTS

The Corporation currently has no off-balance sheet arrangements with any parties.

6. TRANSACTIONS WITH RELATED PARTIES

Transactions with related parties are set out in Note 10 to the Interim Financial Statements. All such transactions are in the normal course of operations and are measured at the exchange amount which is the amount agreed to by the related parties.

7. CAPITALIZATION

The Corporation is authorized to issue an unlimited number of voting common shares, an unlimited number of non-voting first preferred shares and an unlimited number of non-voting second preferred shares.

As of May 31, 2016 the Corporation had the following capital stock position:

Common shares outstanding	30,323,143
Warrants outstanding	21,952,707
Broker warrants outstanding	124,700
Options outstanding	850,000

Basic common shares outstanding is 30,323,143. Fully diluted shares outstanding which includes all issued common shares, warrants, broker warrants and options totals 53,250,550.

For further information on the Corporation's commons shares, options, warrants and broker warrants, please refer to the notes of the Interim Financial Statements (Note 5 – Share Capital, Note 6 – Options, Note 8 –Broker Warrants, Note 9 – Warrants).

7.1 Share Consolidation

On June 7, 2016 the Company completed a consolidation of its common shares on the basis of ten (10) pre-consolidation shares for one (1) post-consolidation share (the "Consolidation". Effective at the open of trading on June 7, 2016, the Corporation's common shares commenced trading on the TSX Venture Exchange on a consolidated basis. As part of the Consolidation, the stock options, broker warrants and warrants were also consolidated and the exercise price adjusted to reflect the Consolidation. The Consolidation has been reflected in the Interim Financial Statements and MD&A for the three and nine months ended May 31, 2016 and all applicable references to the number of shares, warrants, broker warrants and stock options and their related exercise price, as well as the per share information have been adjusted.

8. FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

8.1 Credit Risk Management

The Corporation's credit risk is primarily attributable to cash and cash equivalents and amounts receivable. The Corporation has no significant concentration of credit risk arising from operations. Cash is held with select major Canadian and US banks and cash equivalents consists of bankers' acceptances which have been invested with reputable financial institutions and government of Canada treasury bills, from which management believes the risk of loss to be remote. Management believes that the credit risk concentration with respect to financial instruments amounts receivable is remote. As at May 31, 2016, no amounts receivable are considered impaired or past due.

8.2 Liquidity Risk

The Corporation has in place a planning and budgeting process to help determine the funds required supporting the Corporation's normal operating requirements on an ongoing basis and its capital, development and exploration expenditures. The Corporation ensures that there are sufficient funds to meet its short-term requirements, taking into account its anticipated cash flows from operations and its holdings of cash and cash equivalents.

As of May 31, 2016, the Corporation had a cash and cash equivalents balance of $605,387 (August 31, 2015 - $4,629,785) to settle current amounts payable and other liabilities of $225,912 (August 31, 2015 - $165,272). All of the Corporation's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms.

8.3 Market Risk

8.3.1 Interest Rate Risk

The Corporation has cash balances and no interest bearing debt. The Corporation's current policy is to invest excess cash in investment grade short-term deposit certificates issued by its banking institutions and fixed income instruments issued by the Government of Canada. The Corporation monitors the investments it makes and is satisfied with the credit ratings of its banks.

8.3.2 Price Risk

The Corporation is exposed to price risk with respect to commodity and equity prices. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. Equity price risk is defined as the potential adverse impact on the Corporation's earnings due to movements in individual equity prices or general movements in the level of the stock market. The Corporation closely monitors commodity prices, individual equity movements and the stock market to determine the appropriate course of action to be taken by the Corporation.

8.3.3 Foreign Currency Risk

Canadian Dollar is the functional currency of California Gold Mining Inc. and Washmax (Weston) Ltd. The functional currency of California Gold Mines (US) Inc. and Fremont Gold Mining LLC is the US Dollar. The Corporation funds certain operations, exploration and administrative expenses in the United States using US Dollar currency converted from its Canadian Dollar bank accounts held in Canada. The Corporation also maintains US Dollar bank accounts in Canada and Canadian Dollar bank accounts in the United States. As a result, the Corporation is subject to gains and losses due to fluctuations in the exchange rate between US Dollar and Canadian Dollar.

8.3.4 Sensitivity Analysis

The sensitivity analysis shown in the notes below may differ materially from actual results. Based on management's knowledge and experience of the financial markets, the Corporation believes the following movements are "reasonably possible" over a twelve month period:

(i) The Corporation has no interest bearing debts and receives low interest rates on its cash and cash equivalents balances. As such, the Corporation does not have significant interest rate risk.

(ii) The Corporation holds balances in foreign currencies that could give rise to exposure to foreign exchange risk. Sensitivity to a plus or minus 10% change in the foreign exchange rate against the functional currencies would have affected the reported loss and comprehensive loss by approximately $715,800.

8.3.5 Fair Value of Financial Assets and Liabilities

The book values of the cash and cash equivalents, amounts receivable, and amounts payable and other liabilities approximate their respective fair values due to the short-term nature of these instruments.

9. RISKS AND UNCERTAINTIES

The Corporation's principal activity is mineral exploration and development. Companies in this industry are subject to many and varied kinds of risks, including but not limited to, environmental, decisions and policies of governmental authorities, metal prices, political and general economic conditions. Although the Corporation has taken steps to verify the title to its mineral interests, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Corporation's title. Title may be subject to unregistered prior agreements or transfers and title may be affected by undetected defects. The Corporation is dependent on the cooperation of surface rights holders to provide timely access to the Dingman Property. The Corporation has had ongoing disputes with the surface rights owners of the Dingman Property and cooperation of the surface rights owners in facilitating access to the Dingman Property for the Corporation cannot be assured. The Corporation has no significant source of operating cash flow and no revenues from operations. The PEA on the Dingman Property indicated that at a base gold price of US$1,500/oz or less, the Dingman Project was not expected to be economically feasible. The Fremont Property has no mineral resources and neither the Fremont Property nor the Dingman Property has any mineral reserves (both as defined by NI 43-101). The Corporation has limited financial resources. Substantial expenditures are required to be made by the Corporation to establish ore reserves. The Fremont Property and Dingman Property interests owned by the Corporation are in the exploration stage only, are without known bodies of commercial mineralization and have no ongoing mining operations. Mineral exploration involves a high degree of risk and few properties, which are explored, are ultimately developed into producing mines. Exploration of the Corporation's properties may not result in any discoveries of commercial bodies of mineralization. If the Corporation's efforts do not result in any discovery of commercial mineralization, the Corporation will be forced to look for other exploration projects or cease operations. The Corporation is subject to the laws and regulations relating to environmental matters in all jurisdictions in which it operates, including provisions relating to permitting, property reclamation, discharge of hazardous material and other matters. These laws and regulations may change at any time prior to the granting of necessary approvals. The support of local politicians and/or communities may be required to obtain necessary permits and approvals and such support cannot be assured. The Corporation may also be held liable should environmental problems be discovered that were caused by former owners and operators of its properties and properties in which it has previously had an interest. The Corporation conducts its mineral exploration activities in compliance with applicable environmental protection legislation. The Corporation is not aware of any existing environmental problems related to any of its current properties that may result in material liability to the Corporation. Since acquiring the Fremont Property, the Corporation continues to be exposed to risks similar to those when developing the Dingman Property. However, the Fremont Property is located in California, United States, which has different, and in many cases more stringent, environmental and permitting requirements than Ontario, Canada. The Corporation's ability to complete exploration work within planned budgets and using financial resources on hand will be affected by movements in the Canadian Dollar-US Dollar exchange rate. While the Corporation expects to incorporate aspects of the historic work (including resource estimates, engineering and metallurgical studies, environmental studies, etc.) done in the late 1980's and early 1990's, there is no guarantee that this historic work will be validated or will remain valid under today's current regulatory requirements or that the project will be permitted in a timely and economically viable period of time.

10. CAUTIONARY NOTE REGARDING FORWARD LOOKING STATEMENTS

These statements are subject to known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those implied by the forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date the statements were made, and readers are advised to consider such forward-looking statements in light of the risks as set forth herein.

This Management's Discussion and Analysis contains "forward-looking statements, within the meaning of applicable Canadian Securities legislation", that involve a number of risks and uncertainties. Forward looking statements include, but are not limited to, statements with respect to the future price of gold, the estimation of mineral reserves and resources, the realization of mineral estimates, the timing and amount of estimated future production, costs of production, capital expenditures, costs and timing of the development of new deposits, success of exploration activities, permitting time lines, currency exchange rate fluctuations, requirements for additional capital, government regulation of mining operations, environmental risks, unanticipated reclamation expenses, title disputes or claims, limitations on insurance coverage and timing and possible outcome of pending litigation. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", or "does not anticipate", or "believes", or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", or "might" be taken, occur or be achieved. Forward-looking statements are based on the opinions and estimates of management as of the date such statements are made, and they involve known and unknown risks, uncertainties and other factors which may cause the actual results, level of activity, performance or achievements of the Corporation to be materially different from any other future results, performance or achievements expressed or implied by the forward-looking statements. Such factors include, among others: risks relating to integration of acquisitions, the actual results, costs and timing of current exploration activities; conclusions of economic evaluations; changes in project parameters as plans continue to be refined; failure of equipment or processes to operate as anticipated; accidents, labour disputes, disputes concerning property access rights, and other risks of the mining industry; delays in or inability to obtain governmental approvals or financing; and fluctuations in metal prices and foreign exchange rates. Although the Corporation has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. The Corporation undertakes no obligation to update forward-looking statements if circumstances or management's estimates or opinions should change. Accordingly, readers are cautioned not to place undue reliance on forward looking statements.

11. OTHER

11.1 Registered Office and Mailing Address

The Registered Office and Mailing address of the Corporation is 43 Front Street East, Suite 400, Toronto, Ontario, Canada, M5E 1B3.

11.2 Additional Information

Additional information relating to the Corporation may be found on SEDAR at www.sedar.com.