1010 - 55 University Ave.
Toronto, Ontario, Canada
M5J 2H7

CALIFORNIA GOLD MINING INC.
(formerly Upper Canada Gold Corporation)

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE TWELVE MONTHS ENDED AUGUST 31, 2014 AND 2013

This report provides a discussion and analysis of the financial condition of California Gold Mining Inc. to enable a reader to assess material changes in the financial condition between August 31, 2014 and 2013 and results of operations for the twelve months ended August 31, 2014 and 2013. This Management's Discussion and Analysis is intended to supplement and complement the audited Consolidated Financial Statements for the twelve months ended, and as at, August 31, 2014 and 2013 (collectively the "Financial Statements"). Accordingly, this report should be read in conjunction with the Financial Statements. Certain notes to the Financial Statements are specifically referred to in this Management's Discussion and Analysis and such notes are incorporated by reference herein. All figures shown are in Canadian dollars unless otherwise stated.

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 11 – *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 10 – *Risks and Uncertainties*.

This Management's Discussion and Analysis has been prepared as of November 26, 2014 (the "Report Date").

1. OVERALL PERFORMANCE

California Gold Mining Inc. (formerly Upper Canada Gold Corporation) ("California Gold" or the "Corporation") 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. 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 twelve months ended August 31, 2014 were $2,291,841, resulting largely from costs on account of exploration and development work at the Fremont Property, management expenses, professional fees and ongoing operating costs of the Fremont Property. See Section 3.1.2 – *Discussion of Operations and Annual and Quarterly Results – Operating Income and Expenses – Expenses* and Section 3.1.4 – *Discussion of Operations and Annual and Quarterly Results – Operating Income and Expenses – General and Administrative and Other Expenses* for additional information on the Corporation's expenses.

During the twelve months ended August 31, 2014, the Corporation completed four private placements of units for gross proceeds of $1,272,616. Net proceeds from these private placements have been used to complete the Phase 1 drill program, to fund the Phase 2 drill program, for other exploration activities and for general corporate purposes. See Section 7.1 – *Capitalization – Share Capital* for details concerning the private placements.

For the twelve months ended August 31, 2014, non-cash expenses were $78,390. Following adjustments to non-cash working capital items, cash outflow on account of operations was $2,182,971. During the twelve months ended August 31, 2014, the Corporation spent $1,178,356 on exploration and development activities related to the Fremont Property. See Section 3.1.3 – *Discussion of Operations and Annual and Quarterly Results – Operating Income and Expenses – Property Exploration and Acquisition Costs* for additional details for spending on the Fremont Property and Section 4 – *Liquidity & Capital Resources* for information on the Corporation's cash flows.

As of August 31, 2014, the Corporation maintained cash and cash equivalents of $104,281 and had a working capital deficiency of $43,842. Please see Note 1 to the Financial Statements which describes the use of accounting principles applicable to a going concern and management's election to continue using such principles given the Corporation's working capital deficiency.

1.2 Fremont Property

Confirmatory drilling (referred to as the Phase 1 drill program) at the Fremont Property began on May 9, 2013 and 14 holes (approximately 6,500 ft) of HQ diamond drilling were completed by June 12, 2013. Interpretations from the Phase 1 drill program have been used to verify the historic geological model. Further diamond drilling will be required in order to generate a NI 43-101 compliant resource estimate for the Fremont Property.

During the twelve months ended August 31, 2014, the Corporation's site operations at the Fremont Property focused largely on processing the core from the Phase 1 drill program,

which included detailed geological logging, sampling, splitting and sample-batching of the drill core. During this time, the Corporation's technical team also completed the Phase 2 drill program and processed the corresponding drill core.

The Phase 2 drill program was designed to provide sufficient representative rock material from each of the three metallurgical domains that have been identified at the Fremont Property in order to initiate Preliminary Economic Assessment (PEA)-level metallurgical testing. The Phase 2 drill program was completed on January 29, 2014, and was successful in achieving its main objective. The assay results from the 4 PQ-sized diamond drill holes (1,862 feet of drilling) that constituted the Phase 2 drill program were released on May 9, 2014 and the subsequent metallurgical test results were released on August 5, 2014.

On July 8, 2014 the Corporation initiated a surface mapping program that included 55 line-kilometers of geological traverses that resulted in the identification of high-potential surficial gold mineralization targets in addition to the already known substantial mineralized zones on the Fremont Property. The results of this program were published on September 17, 2014, and included the first property-wide detailed lithological map of the Fremont Property, and a description of 5 large newly discovered mineralized areas on the Property.

Over the next 12 months, the Corporation intends to progress the Fremont project by conducting exploration in previously under-explored areas of the Property. The Corporation's exploration activities may include a Property-wide surface sampling program to test the mineralization on surface throughout the 5 newly discovered mineralized zones, an enhanced metallurgical test program with test parameters specifically optimized for ore from the Fremont project, and a Phase III drill program. The Phase III drill program is expected to achieve three main objectives – (1) test the down-dip extension of the main mineralized structure at the Pine Tree-Josephine deposit with deep holes, (2) test the tenor of mineralization at the 5 newly discovered mineralized zones on surface with shallow holes, and (3) convert a significant portion of the historic Goldenbell resource into a NI 43-101 compliant resource estimate.

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 twelve months ended August 31, 2014.

1.4 Other Developments

On September 10, 2013, the Corporation approved the adoption of an advance notice by-law (the "Advance Notice By-law") and this was subsequently approved by the Corporation's shareholders on January 30, 2014. The full text of the Advance Notice By-law was filed on September 13, 2013, and is available via SEDAR.

On September 10, 2013, the Corporation also closed a non-brokered private placement pursuant to which it issued 15,860,000 units at a price of $0.05 per unit for gross proceeds of $793,000. The September 10 financing was subsequently followed by another smaller non-brokered private placement completed on October 2, 2013 pursuant to which the Corporation issued 1,682,066 units at a price of $0.05625 per unit for gross proceeds of $94,616.22. Each of the units issued on September 10 and October 2, 2013 were comprised of one common share and one common share purchase warrant, with each warrant entitling the holder to acquire a further common share of the Company at a price of $0.10 for four years following the date of issuance.

On October 7, 2013, the Corporation terminated the agreement pursuant to which Martin Shefsky ("Shefsky") served as the Corporation's CEO. Shefsky has since made a claim against the Corporation that is described further under Section 4.5 – *Contingent Liabilities* and Section 9.1 – *Risks and Uncertainties*. Shefsky's claim was heard before the Court of Queen's Bench of Alberta on April 2 and 3, 2014. As part of Shefsky's claim, the applicants had requested that the Corporation be ordered to unwind the private placement completed on September 10, 2013. This request was withdrawn at the hearing. A decision on the rest of the matter is expected to be forthcoming shortly.

On April 7, 2014 the Corporation announced that Michael Churchill would no longer be involved in the day-to-day activities of the Corporation and accordingly would no longer serve in the role of President. Mr. Churchill remains as a director of the Corporation, and continues to be retained by the Corporation to provide consulting services. Patrick Cronin, then Interim Chief Executive Officer, also assumed the role of Interim President. Effective as of May 12, 2014, Mr. Cronin resigned these offices and the Corporation appointed Mr. Chad Williams of Red Cloud Mining Capital Inc. as its Interim President and Chief Executive Officer. Effective as of November 12, 2014, Mr. Vishal Gupta replaced Mr. Williams and became the President and Chief Executive Officer.

On May 23, 2014, the Corporation completed the first tranche of its private placement originally announced on May 16, 2014 pursuant to which the Corporation issued 5,600,000 common shares at a price of $0.05 per common share for gross proceeds of $280,000. The second and final tranche of $105,000 was completed on August 27, 2014.

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 submitted his resignation as a director of the Corporation effective immediately.

On September 10, 2014, the Corporation completed a private placement for $350,000, pursuant to which the Corporation issued 7,000,000 common shares at a price of $0.05 per common share. Corporation intends to use the net proceeds of the first tranche and subsequent tranches of the private placement for further exploration and development purposes at its Fremont Property and for general corporate purposes.

2. OVERVIEW OF FINANCIAL RESULTS

2.1 Selected Annual Information

The table below presents selected financial data for the Corporation's three most recently completed fiscal periods as presented in the audited financial statements:

	Twelve months ended Aug. 31, 2014	Twelve months ended Aug. 31, 2013	Twelve months ended Aug. 31, 2012
Revenue	$ nil	$ nil	$ nil
Net income, (loss) before extraordinary items	$ (2,285,720)	$ (3,440,147)	$ (807,729)
Net income, (loss)	$ (2,285,720)	$ (3,440,147)	$ (807,729)
Net comprehensive income, (loss)	$ (2,245,397)	$ (3,423,249)	$ (807,729)
Income, (loss) per share	$ (0.02)	$ (0.04)	$ (0.02)
Income, (loss) per share (diluted)	$ (0.02)	$ (0.04)	$ (0.02)
Total Assets	$ 5,501,702	$ 6,435,493	$ 735,791
Total Long Term Financial Liabilities	$ -	$ -	$ -
Cash Dividends per Share	$ -	$ -	$ -

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and Interpretations of the IFRS Interpretation Committee ("IFRIC"), effective for the Corporation's reporting for the year ended August 31, 2014.

2.2 Summary of Quarterly Results

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

Quarter Ended	Aug 31, 2014	May 31, 2014	Feb. 28, 2014	Nov. 30, 2013
Revenue	$nil	$nil	$nil	$nil
Income (Loss) Before Extraordinary Items	($479,226)	($530,229)	($712,555)	($563,710)
Net Income (Loss)	($479,226)	($530,229)	($712,555)	($563,710)
Net Income (Loss) and Comprehensive Income (Loss)	($478,465)	($540,288)	($670,269)	($556,375)
Income (Loss) per Share	($0.0032)	($0.0037)	($0.0045)	($0.0039)
Income (Loss) per Share Fully Diluted	($0.0032)	($0.0037)	($0.0045)	($0.0039)
Total Assets	$5,501,702	$5,829,164	$6,176,106	$6,828,507
Total Long Term Financial Liabilities	$ -	$ -	$ -	$ -
Cash Dividends per Share	$ -	$ -	$ -	$ -

Quarter Ended	Aug. 31, 2013	May 31, 2013	Feb. 28, 2013	Nov. 30, 2012
Revenue	$nil	$nil	$nil	$nil
Income (Loss) Before Extraordinary Items	($433,196)	($1,703,847)	($1,127,943)	($175,161)
Net Income (Loss)	($433,196)	($1,703,847)	($1,127,943)	($175,161)
Net Income (Loss) and Comprehensive Income (Loss)	($412,871)	($1,665,934)	($1,169,283)	($175,161)
Income (Loss) per Share	($0.0034)	($0.0130)	($0.0180)	($0.0036)
Income (Loss) per Share Fully Diluted	($0.0034)	($0.0130)	($0.0180)	($0.0036)
Total Assets	$6,435,493	$6,947,884	$8,021,378	$533,503
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 twelve months ended August 31, 2014 compared to the twelve months ended August 31, 2013 increased from $5,435 to $6,121. Decreased interest income was more than offset by increases to rental income.

3.1.2 Expenses

Expenses of the Corporation for the twelve months ended August 31, 2014 compared to the twelve months ended August 31, 2013 decreased from $3,445,582 to $2,291,841. The Corporation's expenses for the twelve months ended August 31, 2014 resulted largely from increased costs for exploration and development and other expenses associated with ownership and operation of the Fremont Property, although the net amount of expenses was lower because acquisition costs were eliminated from prior periods, management fees decreased, share-based compensation was reduced significantly and the Corporation recorded a gain of $178,610 on account foreign exchange gains as opposed to a prior year gain of $95,507. Management is of the view that, with the exception of increased expenses related to litigation and foreign exchange gains, other expenses incurred during the twelve months ended August 31, 2014 are more representative of the activities of the Corporation going forward than the expenses incurred in the prior year period. The Corporation's expenses for the twelve months ended August 31, 2013 resulted largely from costs on account of share based compensation, exploration costs, acquisition expenses, management fees and development expenses related to work performed at the Corporation's Fremont Property.

3.1.3 Property Exploration and Acquisition Costs

As of January 29, 2010, the Corporation entered 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 August 31, 2014, the Corporation had incurred $7,701,561 of acquisition, exploration and development costs on the Fremont Property and $3,434,285 of acquisition, exploration and development costs for the Dingman Property for a total of $11,135,846. In its adoption of IFRS the Corporation elected to expense all such costs with the exception of US$4,810,000 of acquisition costs for the Fremont Property that were capitalized. See the discussion under the sixth paragraph of Section 3.1.4 – *Results of Operations – Operating Income and Expenses – General and Administrative and Other Expenses* for more information on the capitalization of acquisition costs.

Costs incurred by the Corporation on each of the Fremont Property and the Dingman Property over the twelve months ended August 31, 2013 and 2014 are set out below:

	Fremont[1]	Dingman	Total Mineral Interests
Costs incurred as of August 31, 2012			
Acquisition costs	$ 510,556[2]	$ 2,139,055	$ 2,649,611
Exploration costs	nil	1,237,094	1,237,094
Development costs	nil	26,561	26,561
Costs incurred as of August 31, 2012	$ 510,556	$ 3,402,711	$ 3,913,267
Costs incurred during twelve months ended August 31, 2013			
Acquisition costs	$ 5,362,135	$ nil	$ 5,362,135
Exploration costs			
Drilling	$ 396,754	$ nil	$ 396,754
Core logging	19,618	nil	19,618
Analysis and laboratory	1,503	3,999	5,502
Mapping and digitizing	3,731	nil	3,731
Surveying	5,842	nil	5,842
Equipment rental	10,784	nil	10,784
General labour	46,408	nil	46,408
Professionals	49,720	38,180	90,900
Field consumables	50,813	nil	50,813
Repairs	12,542	nil	12,542
Other	12,527	1,975	14,502
Total exploration costs	$ 610,243	$ 43,154	$ 657,398
Development costs	$ 32,621	$ 4,000	$ 32,263
Costs incurred during twelve months ended Aug 31, 2013	$ 6,004,998	$ 47,154	$ 6,052,153
Costs incurred as of August 31, 2013	$ 6,515,556	$ 3,449,865	$ 9,965,421

	Fremont[1]	Dingman	Total Mineral Interests
Costs incurred during twelve months ended August 31, 2014			
Improvements to structures	$ 7,649	–	$ 7,649
Exploration costs			
Drilling	$ 292,028	–	$ 292,028
Exploration geologists	203,184	–	203,184
General labour and contractors	168,613	$ (19,700)	148,913
Other professionals	165,854	–	165,854
Analysis and laboratory	146,262	–	146,262
Mapping and digitizing	48,965	–	48,965
Core logging	19,919	–	19,919
Internal studies	15,752	–	15,752
Surveying	10,302	–	10,302
Storage costs	6,312	3,900	10,212
Equipment rental	3,489	–	3,489
Consumables	3,309	220	3,529
Other	70	–	70
Total exploration costs	$ 1,084,059	$ (15,580)	$ 1,068,479
Development costs	$ 94,297	–	$ 94,297
Costs incurred during twelve months ended Aug 31, 2014	$ 1,186,005	$ (15,580)	$ 1,170,425
Costs incurred as of Aug 31, 2014	$ 7,701,561	$ 3,434,285	$ 11,135,846

(1) Until the interim period ended May 31, 2013, figures for the Fremont Property were reported during relevant periods and included within the Corporation's financial statements and/or management's discussion and analysis as deferred acquisition costs or acquisition costs, but were not included in the above table as the Corporation had not yet acquired title to the Fremont Property.

(2) This figure is net of a refund on deposits given to the Corporation subsequent to August 31, 2011.

3.1.4 General and Administrative and Other Expenses

General and administrative and other expenses incurred during the twelve months ended August 31, 2014 and 2013 consist of the following:

	Twelve months ended August 31	
	2014	**2013**
Exploration costs expensed	$ 1,068,479	$ 657,398
Management fees	480,358	536,021
Professional fees	210,399	147,468
Salaries and wages [(1)]	126,635	–
Development costs	94,297	32,621
Travel and meals	84,413	75,738
Investor relations	74,504	74,978
Property taxes	55,173	24,608
Shareholder information	45,118	54,906
Share-based compensation	43,976	1,312,136
Occupancy costs	40,820	21,693
Depreciation	34,414	10,781
Insurance	33,709	16,436
Interest and bank charges	2,634	2,896
Acquisition costs	–	527,759
Other general & administrative [(1)]	75,522	45,650
Loss (gain) on foreign exchange	(178,610)	(95,507)
Total Expenses	$ 2,291,841	$ 3,445,582

(1) For the twelve months ended August 31, 2013, salaries and wages are reported as part of other general and administrative expenses.

Exploration costs expensed include costs incurred in the exploration of the Fremont Property and the Dingman Property. Since its adoption of IFRS, the Corporation has expensed these costs. Exploration costs expensed for the twelve months ended August 31, 2014 compared to the twelve months ended August 31, 2013 increased from $657,398 to $1,068,479.

Development costs include costs incurred in pursuit of advancing the development of the Fremont Property that are not considered in furtherance of defining a mineral resource estimate, including, but not limited to environmental studies, permitting and community relations. Development costs expensed for the twelve months ended August 31, 2014 compared to the twelve months ended August 31, 2013 increased from $32,621 to $94,297.

With respect to the Fremont Property, exploration and development costs incurred during the twelve months ended August 31, 2014 were on account of analyzing the results of the

Phase 1 drill program that included 6,502 feet of HQ diamond drilling over 14 holes, conducting the Phase 2 drill program that included 1,862 feet of PQ diamond drilling over four holes, undertaking the subsequent metallurgical test program, and conducting a Property-wide surface geological mapping program. Exploration and development costs incurred during the twelve months ended August 31, 2013 were largely on account of the technical report on the Fremont Property filed on SEDAR on June 21, 2013, various permitting activities, and part of the drilling program that included 6,502 feet of HQ drilling over 14 holes.

With respect to the Dingman Property, exploration and development costs incurred during the twelve months ended August 31, 2013 were on account of the preliminary economic assessment conducted on the Dingman Property which was filed on SEDAR on May 17, 2013, while costs incurred during the twelve months ended August 31, 2014 were on account of sample storage costs.

A detailed breakdown of the foregoing exploration costs is provided above in Section 3.1.3 – *Results of Operations – Operating Income and Expenses – Mineral Property Acquisition and Exploration Costs*.

Management fees for the twelve months ended August 31, 2014 compared to the twelve months ended August 31, 2013 decreased from $536,021 to $480,358. Management fees incurred during the twelve months ended August 31, 2013 included a one-time bonus paid to the former President of the Corporation in connection with the acquisition of the Fremont Property of $150,000. Management fees incurred during the twelve months ended August 31, 2014 included a one-time severance payment by the Corporation to its former Chief Executive Officer of $90,000.

Professional fees for the twelve months ended August 31, 2014 compared to the twelve months ended August 31, 2013 increased from $147,468 to $210,399. Professional fees incurred during the twelve months ended August 31, 2014 were largely attributable to the Shefsky litigation and are presented net of reimbursements the Corporation received from its insurers. Slightly under half of the professional fees incurred during the twelve months ended August 31, 2014 were on account of legal fees and 22% of professional fees were attributable to the Shefsky litigation. Other legal fees were incurred on account of the Corporation's ongoing claim against the Dingman Property's western surface rights holders and other routine legal matters. The balance of professional fees included routine auditing, accounting and tax services for the Corporation and its US subsidiaries as well as consultants used in evaluating strategic opportunities for the Corporation. Approximately 40% of the professional fees incurred during the twelve months ended August 31, 2013 were on account of legal fees. These legal fees were incurred on account of establishing the Corporation's US subsidiaries and on account of the Corporation's ongoing claim against the Dingman Property's western surface rights holders. The balance of professional fees incurred during the twelve months ended August 31, 2013 included annual audit costs, tax planning services for the Corporation's US subsidiaries and other routine accounting expenses of the Corporation.

Beginning with the interim period ended May 31, 2014, the Corporation has removed and segregated non-management salaries and wages from other general and administrative expenses. Non-management salaries and wages for the twelve months ended August 31, 2014 were $126,635. These amounts relate primarily to the Corporation's employees based at its Fremont Property.

Travel and accommodation expenses of the Corporation for the twelve months ended August 31, 2014 compared to the twelve months ended August 31, 2013 increased from $75,738 to $84,413. During the period ended August 31, 2013, these costs were associated with trips to the Fremont Property and with additional travel between the Corporation's Toronto offices and the offices of the former Chief Operating Officer whose primary base of operation is in California. During the period ended August 31, 2014 these costs were associated with travel by other management to, and accommodation at, the Fremont Property from the Corporation's principal office in Toronto.

Investor relations expenses for the twelve months ended August 31, 2014 compared to the twelve months ended August 31, 2013 decreased from $74,978 to $74,504. These expenses can vary greatly and for the twelve months ended August 31, 2013, they represent costs associated with investor site visits to the Fremont Property and participation at various conferences. For the twelve months ended August 31, 2014, the costs relate to the cost of investor presentations, attendance at conferences and investor relations consultants.

The Corporation incurred $55,173 in property taxes during the twelve months respectively ended August 31, 2014 as compared to $24,608 during the twelve months respectively ended August 31, 2013. All property taxes pertain to the Fremont Property. Property taxes were lower during the period ended August 31, 2013 because the Corporation had only owned the Fremont Property for six of the twelve months during the period. Of the taxes incurred during the twelve months ended August 31, 2014, $9,262 are on the basis of management estimates.

Shareholder information expenses for the twelve months ended August 31, 2014 compared to the twelve months ended August 31, 2013 decreased from $54,906 to $45,118. Higher costs observed during the period ended August 31, 2013 were on account of changes to the Corporation's stock option plan and its name change. Shareholder information expenses include costs of communications and public filings, regulatory or otherwise, with shareholders, costs associated with shareholder meetings, stock exchange costs and transfer agent costs.

Share-based compensation of the Corporation for the twelve months ended August 31, 2014 compared to the twelve months ended August 31, 2013 decreased from $1,312,136 to $43,976 as the Corporation granted 1,150,000 stock options during the twelve months ended August 31, 2014. During the twelve months ended August 31, 2013, the Corporation granted 13,755,074 stock options, of which 666,667 were cancelled prior to August 31, 2013. The large number of options granted in the earlier period was done concurrently with

the Corporation's addition of new management and directors following the acquisition of the Fremont Property.

The fair value of the options granted during the twelve months ended August 31, 2014 was determined using the Black-Scholes method as described in Note 8 to the Financial Statements.

Of the options granted during the twelve months ended August 31, 2014, 787,500 had vested as of August 31, 2014. Since then, a further 37,500 options vested on September 4, 2014 and 125,000 options vested on October 2, 2014. The remaining options will vest as set out in Section 7.4 – *Capitalization – Stock Options*. For more information on the Corporation's stock options, also see Note 8 to the Financial Statements.

Office and occupancy expenses of the Corporation for the twelve months ended August 31, 2014 compared to the twelve months ended August 31, 2013 increased from $21,693 to $40,820. Costs incurred during the period ended August 31, 2014 were partially incurred under a cost sharing arrangement for office space with First Metals Inc. that expired July 30, 2014. Since that time, the Corporation has had a cost sharing arrangement for the same space with an unrelated third party.

Depreciation expenses for the twelve months ended August 31, 2014 compared to the twelve months ended August 31, 2013 increased from $10,781 to $34,414 due to additional depreciation associated with depreciable asset purchases and improvements to depreciable assets made during the later period. Please see Note 6 to the Financial Statements for more information on the Corporation's depreciable assets.

Insurance expenses of the Corporation for the twelve months ended August 31, 2014 compared to the twelve months ended August 31, 2013 increased from $16,436 to $33,709. Costs increased due to the fact that the Corporation owned and operated the Fremont Property during the full twelve month period ended August 31, 2014 but only for six months during the twelve month period ended August 31, 2013. Over the more recent period, costs also increased as a result of increased premiums charged by the Corporation's insurers arising out of conditions local to the California market.

Interest and bank charges for the twelve months ended August 31, 2014 compared to the twelve months ended August 31, 2013 decreased from $2,896 to $2,634.

Acquisition costs expensed include costs of the Corporation incurred in connection with the acquisition of the Fremont Property that was completed on March 1, 2013. Acquisition expenses for the twelve months ended August 31, 2014 compared to the twelve months ended August 31, 2013 decreased from $527,759 to $nil.

Other general and administrative expenses of the Corporation for the twelve months ended August 31, 2014 compared to the twelve months ended August 31, 2013 increased from $45,650 to $75,522. Expenses for the earlier period include non-management wages and

salaries, but for the later period, these are excluded and presented separately as salaries and wages. Otherwise, general and administrative expenses primarily include general office costs, telephone costs, government filing fees and disbursements charged by the Corporation's suppliers. Of the total other general and administrative expenses incurred during the twelve months ended August 31, 2014, material components included repairs at the Fremont Property (28%), telephone and internet (17%), utilities at the Fremont Project (16%) and office supplies (10%). Approximately 70% of the Corporation's general and administrative expenses for the twelve months ended August 31, 2014 were incurred on account of operating the Fremont Property.

The Corporation's loss (gain) from foreign exchange improved from a gain of $95,507 for the twelve months ended August 31, 2013 to a gain of $178,610 for the twelve months ended August 31, 2014. These gains were incurred due to the continued depreciation of the Canadian Dollar against the United States Dollar and the decision of the Corporation to hold a larger component of its cash on hand in United States Dollars since its acquisition of the Fremont Property. As of August 31, 2014, approximately 85% of the Corporation's cash-on-hand was held in Canadian Dollars.

3.2 Net Loss

The net loss of the Corporation for the twelve months ended August 31, 2014 compared to the twelve months ended August 31, 2013 decreased from a loss of $3,440,147 to a loss of $2,285,720. The reduction of the net loss was largely the result of a substantial reduction in share based compensation, elimination of acquisition costs and foreign exchange gains that were offset by increases across many other expense items.

3.3 Other Comprehensive Gain or Loss

During the twelve months ended August 31, 2013, the Corporation established its US subsidiaries, California Gold Mines (US) Inc. and Fremont Gold Mining LLC. The functional currency of these subsidiaries is the US Dollar while the parent company, California Gold Mining Inc. has retained the Canadian Dollar as its functional currency. Other comprehensive 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 twelve months ended August 31, 2014, the Corporation's other comprehensive gain was $40,323 (2013 – $16,898).

4. LIQUIDITY & CAPITAL RESOURCES

The Corporation has not historically 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. For more

information on risks and uncertainties facing the Corporation, see Section 10 – *Risks and Uncertainties*.

Cash and cash equivalents as at August 31, 2014 were $104,281 (2013 – $1,220,215). 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 August 31, 2014, the Corporation had a working capital deficiency of $43,842 (2013 – surplus of $1,101,921). Please see Note 1 to the Financial Statements which describes the use of accounting principles applicable to a going concern and management's election to continue using such principles given the Corporation's working capital deficiency.

As of August 31, 2014, accounts receivable and accrued interest of $15,006 consisted primarily of HST receivable of $14,386.

As of August 31, 2014, accounts payable and accrued liabilities of $217,957 consisted of $106,157 in trade payables, $93,965 in accrued liabilities, $16,094 in wages payable and $1,740 in unearned income.

4.1 Operating Cash Flow

The Corporation is considered to be 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.

For the twelve months ended August 31, 2014, cash outflow expended on operations before changes in non-cash working capital items was $2,207,330 (2013 – $2,117,230). Changes in non-cash working capital items for the twelve months ended August 31, 2014 were $24,359 (2013 – $17,813) resulting in net cash outflows from operations of $2,182,971 (2013 – $2,099,417 outflow).

4.2 Investing Activities

For the twelve months ended August 31, 2014, the Corporation had cash outflows of $51,212 (2013 – $4,891,882 outflow) associated with the purchase or improvement of fixed assets.

4.3 Financing Activities

For the twelve months ended August 31, 2014, the Corporation had cash inflows of $1,245,126 associated with financing activities net of financing costs. These cash inflows resulted from:

- the issuance by the Corporation of 17,542,066 units for gross proceeds of $887,616 less costs of issuance of $22,799. Of these units, 15,860,000 were issued at a price of $0.05 and 1,682,062 were issued at a price of $0.05625 per unit. Each unit was comprised of one common share and one common share purchase warrant with each warrant entitling the holder thereof to acquire a further common share of the Corporation at a price of $0.10 until September 10, 2017 (as to 17,542,066 units) and until October 2, 2107 (as to 1,682,062 units). At the times of these transactions, persons considered to be "insiders" under applicable securities laws subscribed for a total of 3,500,000 units;

- the issuance by the Corporation of 5,600,000 common shares for gross proceeds of $280,000 less issuance costs of $2,473. These common shares were issued on May 23, 2014 at a price of $0.05 per share. At the time of this transaction, persons considered to be "insiders" under applicable securities laws subscribed for a total of 4,100,000 common shares; and

- the issuance by the Corporation of 2,100,000 common shares for gross proceeds of $105,000 less issuance costs of $2,217. These common shares were issued on August 27, 2014 at a price of $0.05 per share.

For the twelve months ended August 31, 2013, the Corporation had cash inflows of $7,743,004 associated with financing activities net of financing costs. This cash inflow resulted from the issuance by the Corporation of 80,000,000 units for gross proceeds of $8,000,000. Each unit was issued at a price of $0.10 per unit. Each unit comprised one common share and three quarters of one common share purchase warrant with each warrant entitling the holder thereof to acquire a further common share of the Corporation at a price of $0.15 until February 8, 2017 (as to 49,687,500 warrants) and February 15, 2017 (as to 10,312,500 warrants). At the times of these transactions, persons already considered to be "insiders" under applicable securities laws subscribed for a total of 10,600,000 units.

4.4 Commitments

Effective as of March 1, 2013 the Corporation and First Metals Inc. entered into an agreement for shared office space. During the twelve months ended August 31, 2014, the Corporation paid base rent of $30,350. This cost sharing agreement expired on July 30, 2014. The Corporation has since entered into a new month-to-month cost sharing agreement for office space with an unrelated third party.

4.5 Contingent Liabilities

On December 20, 2013, the Corporation was served with notice that Shefsky and the holding company ("Holdco") through which he 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. The private placement is described further in Note 7(b)(ii) of the Financial Statements. A full hearing on the matter took place on April 2 and 3, 2014. During the hearing, Shefsky and Holdco agreed to withdraw the portion of their application wherein they sought to have the private placement completed on September 10, 2013 unwound. A decision on the balance of the application is expected to be forthcoming shortly.

4.6 Sources of Financing

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 10 – *Risks and Uncertainties*).

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 summarized in Note 13 to the 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

Shareholder's equity was $5,283,745 as at August 31, 2014 (2013 – $6,240,040).

7.1 Share Capital

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 August 31, 2014, the Corporation had 153,882,620 issued and outstanding common shares and 89,542,066 warrants and 764,000 broker warrants outstanding. As of August 31, 2014, the Corporation had 13,142,342 stock options outstanding (of which 12,779,842 had vested), each entitling the holder to acquire one common share. The Corporation therefore had 257,331,028 common shares outstanding on a fully diluted basis as of August 31, 2014. As of the Report Date, the Corporation has 17,992,342 stock options outstanding of which 16,542,342 have vested.

As at the Report Date, the Corporation has 160,882,620 common shares issued and outstanding of which 9,100,000 are restricted from trading until December 28, 2014 (as to

2,100,000 shares) and January 11, 2015 (as to 7,000,000 shares). Please refer to Note 7 of the Financial Statements for further information on the Corporation's share capital.

Please refer to the second, fifths and seventh paragraphs of Section 1.4 – *Overview – Other Developments* for additional information concerning the private placements completed on September 10, 2013, October 2, 2013, May 23, 2014, August 27, 2014 and September 10, 2014.

7.2 Warrants

As of August 31, 2014, the Corporation had 89,542,066 warrants outstanding compared to August 31, 2013 at which time 72,000,000 warrants were outstanding.

	Number	**Weighted Average Exercise Price**
Balance, August 31, 2013	72,000,000	$0.142
Granted	17,542,066	$0.10
Expired	nil	n/a
Exercised	nil	n/a
Balance, August 31, 2014	89,542,066	$0.134

As at the Report Date, the Corporation has 89,542,066 common share purchase warrants outstanding. The following table provides information about common share purchase warrants outstanding and exercisable as at the Report Date:

Exercise Price	**Number of Warrants**	**Expiry Date**
$0.10	12,000,000	December 30, 2016
$0.15	49,687,500	February 8, 2017
$0.15	10,312,500	February 15, 2017
$0.10	15,860,000	September 10, 2017
$0.10	1,682,066	October 2, 2017
	89,542,066	

7.3 Broker Warrants

As of August 31, 2014, the Corporation had 764,000 broker warrants outstanding which was the same number that was outstanding as at August 31, 2013.

	Number	Weighted Average Exercise Price
Balance, August 31, 2013	764,000	$0.15
Granted	nil	n/a
Exercised	nil	n/a
Balance, August 31, 2014	764,000	$0.15

As of the Report Date, the Corporation has 764,000 common share purchase broker warrants outstanding. Each broker warrant entitles the holder thereof to purchase one common share of the Corporation for a purchase price of $0.15. The following table provides information about common share purchase broker warrants outstanding and exercisable as at the Report Date:

Exercise Price	Number of Broker Warrants	Expiry Date
$0.15	764,000	February 15, 2017
	764,000	

7.4 Stock Options

On April 4, 2013, shareholders approved, and the Corporation adopted, a new stock option plan pursuant to which 25,615,000 options may be issued. As of August 31, 2014, the Corporation had 13,142,342 stock options outstanding as compared to August 31, 2013 when there were 18,288,407 stock options outstanding. As of August 31, 2014, of the outstanding options, 12,779,842 had vested. As of the Report Date, the Corporation has 17,992,342 stock options outstanding of which 16,542,342 had vested, and the remaining 1,450,000 will vest as follows:

Exercise Price	Number of Stock Options	Vesting Date
$0.10	312,500	December 2, 2014
$0.10	37,500	December 4, 2014
$0.10	125,000	January 2, 2015
$0.10	312,500	March 2, 2015
$0.10	37,500	March 4, 2015
$0.10	312,500	June 2, 2015
$0.10	312,500	September 2, 2015
	1,450,000	

Issued and outstanding stock option data as of August 31, 2014 is as follows:

	Number	Weighted Average Exercise Price
Balance, August 31, 2013	18,288,407	$0.1873
Granted - Vested	787,500	$0.1000
Granted - Not Vested	362,500	$0.1000
Expired	6,296,065	$0.1635
Balance, August 31, 2014	13,142,342	$0.1911

As of the Report Date, the Corporation has 17,992,342 common share purchase options outstanding. The following table provides information about common share purchase options outstanding and exercisable as at the Report Date:

Exercise Price	Number of Options	Expiry Date
$0.20	1,200,000	December 2, 2014
$0.24	4,800,000	January 29, 2015
$0.20	400,000	April 18, 2017
$0.15	3,842,342	January 9, 2018
$0.15	300,000	January 22, 2018
$0.20	2,400,000	April 22, 2018
$0.25	250,000	May 14, 2018
$0.10	500,000	December 20, 2018
$0.10	500,000	December 20, 2018[(1)]
$0.10	150,000	March4, 2019[(2)]
$0.20	2,400,000	September 2, 2019
$0.10	1,250,000	September 2, 2019[(3)]
	17,992,342	

Notes
(1) Of these options, 375,000 have vested.
(2) Of these options 75,000 have vested.
(3) Of these options, none have vested.

7.5 Reserves

Reserves are described in Note 15 of the Financial Statements and are comprised of the following components:

	Warrants	Broker Warrants	Contributed Surplus	Reserves
Balance, August 31, 2012	$ 282,244	$ -	$ 1,767,953	$ 2,050,197
Stock options granted (Jan. 9, 2013)			651,853	651,853
Stock options granted & vested (Jan. 22, 2013)			37,324	37,324
Warrants issued (Feb. 8, 2013)	2,532,336			2,532,336
Warrants issued (Feb. 15, 2013)	522,900			522,900
Transaction costs re: Warrants	(152,581)			(152,581)
Broker warrants issued (Feb. 15, 2013)		75,025		75,025
Stock options granted (Apr. 4, 2013)			52,836	52,836
Stock options granted (Apr. 22, 2013)			551,880	551,880
Stock options granted & vested (May 14, 2013)			18,243	18,243
Balance, August 31, 2013	$ 3,184,899	$ 75,025	$ 3,080,089	$ 6,340,013
Balance, August 31, 2013	$ 3,184,899	$ 75,025	$ 3,080,089	$ 6,340,013
Warrants issued (Sept. 10, 2013)	420,389			420,389
Warrants issued (Oct. 2, 2013)	41,936			41,936

	Warrants	Broker Warrants	Contributed Surplus	Reserves
Transaction costs re: Warrants	(11,613)			(11,613)
Stock options granted & vested			43,976	43,976
Balance, August 31, 2014	$ 3,635,611	$ 75,025	$ 3,124,065	$ 6,834,701

The basis of valuation of valuation of the warrants issued during the twelve months ended August 31, 2013 is set out in Note 7(b)(i) of the Financial Statements.

The basis of valuation of the broker warrants issued during the twelve months ended August 31, 2013 is set out in Note 7(b)(i) of the Financial Statements.

The basis of valuation of the stock options issued during the twelve months ended August 31, 2013 is set out in Note 8(i) through (v) of the Financial Statements.

The basis of valuation of valuation of the warrants issued during the twelve months ended August 31, 2014 is set out in Note 7(b)(ii) through (iv) of the Financial Statements.

The basis of valuation of the stock options granted and vested during the twelve months ended August 31, 2014 is set out in Notes 8(vi) and (vii) of the Financial Statements.

8. CRITICAL ACCOUNTING ESTIMATES AND CHANGES IN ACCOUNTING POLICIES INCLUDING INITIAL ADOPTION

The Corporation's critical accounting policies and changes in accounting policies including initial adoption are set out in Note 2 to the Financial Statements.

9. FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

9.1 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 August 31, 2014, no amounts receivable are considered impaired or past due.

9.2 Liquidity Risk

The Corporation has in place a planning and budgeting process to help determine the funds required to support 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 August 31, 2014, the Corporation had a cash and cash equivalents balance of $104,281 (August 31, 2013 - $1,220,215) to settle current amounts payable and other liabilities of $217,957 (August 31, 2013 - $195,453). All of the Corporation's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms.

9.3 Market Risk

9.3.1 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.

9.3.2 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.

9.3.3 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.

9.3.4 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 which 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 $55,000.

9.3.5 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.

10. 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 and as of August 31, 2014, had a working capital deficiency. 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. The Corporation is subject to litigation brought against the Corporation and certain directors by Martin Shefsky ("Shefsky") and his holding company seeking, among other things, an order (a) removing one or all of Messrs. Churchill, Cinq-Mars and Cronin as directors of the Corporation, (b) appointing nominees of Shefsky to the board of directors of the Corporation, (c) conducting a private placement similar to the September 10, 2013 placement to placees selected by Shefsky, (d) reinstating Shefsky as the CEO of the Corporation, (e) damages for wrongful dismissal in an amount of $450,000, and (f) compensation for alleged oppressive conduct of the Corporation.

11. 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 statements 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 the litigation commenced by Martin Shefsky and his holding company, integration of acquisitions, the actual results 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.

12. OTHER

12.1 Registered Office and Mailing Address

The registered office of the Corporation is located at #4 – 140, 11th Avenue S.W., Calgary, Alberta, T2R 0B8.

The mailing address of the Corporation is Suite 1010 - 55 University Avenue, Toronto, Ontario, M5J 2H7.

12.2. Change of Name

Effective as of April 12, 2013, the Corporation changed its name from Upper Canada Gold Corporation to California Gold Mining Inc.

12.3 Additional Information

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