



TSX-V: JG
OTCQB: JGLDF

NEWS RELEASE

Japan Gold closes oversubscribed \$7.14 million Non-Brokered Private Placement

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Vancouver, British Columbia, August 22, 2019 – **Japan Gold Corp.** (the “**Company**”) (TSXV:JG) (OTCQB: JGLDF) is pleased to report that it has closed the previously announced non-brokered private placement which was increased from \$5.0 million to \$7.14 million (the “**Private Placement**”) due to substantial investor interest. The Company issued a total of 26,448,763 units of the Company (“**Units**”) at a price of \$0.27. As part of the placement, RCF Opportunities Fund L.P. subscribed for 2,328,500 Units, maintaining its ownership interest in the Company, Donald Smith Value Fund, L.P. subscribed for 9,562,037 Units and Libra Advisors LLC subscribed for 4,850,000 Units.

Each Unit consisted of one common share (“**Common Share**”) of the Company and one-half of a transferable common share purchase warrant (“**Warrant**”). Each whole Warrant entitles the holder to purchase one common share in the capital of the Company at a price of \$0.42 per common share for a period of 24 months from closing. The Company may require holders to exercise Warrants if the closing price of the Common Shares is equal to or greater than \$0.84 for a period of 10 consecutive trading days.

John Proust, Chairman & CEO of Japan Gold, commented: "We are very pleased by the demand for the financing, and are especially delighted to welcome such prominent funds as Donald Smith Value Fund, L.P. and Libra Advisors LLC, in addition to the continuing confidence and support demonstrated by RCF Opportunities Fund L.P. in maintaining their pro rata share in the Company. The recent addition of key applications in Hokkaido and Kyushu cements Japan Gold's foothold in the most prospective epithermal gold regions in Japan hosting known historic workings. The financing is another significant milestone for the Company as it continues to advance its prospects in Japan and create real shareholder value."

Proceeds of the Private Placement will be used primarily for the Company's exploration activities and for general working capital purposes. The Units issued pursuant to the Offering are subject to a statutory hold period of four months and one day in accordance with applicable securities laws.

Southern Arc Minerals Inc. (“**Southern Arc**”) purchased 1,648,200 Units under the Private Placement and, in accordance with the provisions of Section 2.8 of National Instrument 45-102, concurrently effected a private sale (the “**Trade**”) of the same number of freely tradeable shares to two institutional investors. There is no change in the total number of common shares held by Southern Arc. Southern Arc has retained the Warrants that it purchased in connection with the Private Placement.

The Private Placement with Southern Arc is a “related party transaction” within the meaning of Multilateral Instrument 61-101 – Protection of Minority Security Holders in Special Transactions (“**MI 61-101**”). The Private Placement was exempt from the requirement to prepare a formal valuation or seek minority shareholder approval pursuant to sections 5.5 (c) and 5.7 (b) MI 61-101.

Red Cloud Klondike Strike Inc. (“**Red Cloud KS**”) acted as a finder together with several other Canadian institutional and retail entities. The Company paid the finders a cash commission equal to

6.0% of the gross proceeds of the Private Placement and warrants to purchase a number of Common Shares equal to 6.0% of the number of Common Shares issued under the Private Placement. The finders' warrants are exercisable at \$0.27 per Common Share for a period of 12 months from closing. The Company is entering into an Advisory Agreement (the "Agreement") pursuant to which Red Cloud KS will provide capital markets advisory services to the Company in consideration for a monthly fee of \$10,000. The Agreement has a minimum term of twelve months and may be terminated at any time thereafter by giving 30 days' prior written notice. Red Cloud is an exempt market dealer focused on providing unique and innovative financing alternatives, growth opportunities, and market exposure for select mining companies.

On behalf of the Board of Japan Gold Corp.

"John Proust"

Chairman & CEO

About Japan Gold Corp.

Japan Gold Corp. is a Canadian mineral exploration company focused solely on gold exploration across the three largest islands of Japan: Hokkaido, Honshu and Kyushu. The Company holds a portfolio of 18 Gold Projects which cover areas with known gold occurrences, a history of mining and are prospective for high-grade epithermal gold mineralization. Japan Gold's leadership team has decades of resource industry and business experience, and the Company has recruited geologists and technical advisors with experience exploring and operating in Japan. More information is available at www.japangold.com or by email at info@japangold.com.

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Cautionary Note

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Neither the TSX Venture Exchange nor its Regulation Services Provider (as such term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

This news release contains forward-looking statements relating to the Private Placement. These statements are forward-looking in nature and, as a result, are subject to certain risks and uncertainties that include, but are not limited to, general economic, market and business conditions; receipt and timing of regulatory approvals; new legislation; potential delays or changes in plans; and the Company's ability to execute and implement future plans. These forward-looking statements include completion of the Private Placement and the use of proceeds from that financing. Actual results achieved may differ from the information provided herein and, consequently, readers are advised not to place undue reliance on forward-looking information. The forward-looking information contained herein speaks only as of the date of this news release. The Company disclaims any intention or obligation to update or revise forward-looking information or to explain any material difference between such and subsequent actual events, except as required by applicable law.