

FORM 51-102F3 - MATERIAL CHANGE REPORT

1. **NAME AND ADDRESS OF COMPANY**

Japan Gold Corp.
Suite 650 – 669 Howe Street
Vancouver, BC V6C 0B4

2. **DATE OF MATERIAL CHANGE**

December 21, 2018

3. **NEWS RELEASE**

News release dated December 21, 2018 was disseminated through the facilities of Newsfile Corp. and filed on SEDAR.

4. **SUMMARY OF MATERIAL CHANGE**

Japan Gold Completes Strategic Financing with Goldcorp Inc. and RCF Opportunities Fund L.P.

5. **FULL DESCRIPTION OF MATERIAL CHANGE**

Japan Gold Corp. announced that it has completed the private placement of \$6.65 million (the “Offering”). The Offering resulted in the issuance of 44,333,334 common shares (each a “Share”) at a price of \$0.15 per Share to certain strategic investors, including Goldcorp Inc. (“Goldcorp”) and RCF Opportunities Fund L.P. (“RCF Opps”). As part of the Offering, Goldcorp subscribed for 22,602,634 Shares of the Company and RCF Opps subscribed for 10,000,000 Shares of the Company, representing 19.9% and 8.8% of the issued and outstanding common shares of Japan Gold, respectively, upon completion of the Offering. Goldcorp and RCF Opps have been granted certain anti-dilution rights allowing them to maintain their equity ownership interest in Japan Gold.

Southern Arc Minerals Inc. (“Southern Arc”) purchased 10,000,000 Shares under the Offering and, in accordance with the provisions of Section 2.8 of National Instrument 45-102 as previously announced, concurrently effected a private sale (the “Trade”) of 10,000,000 freely tradeable Shares to funds managed by a global investment manager. Following closing of the Trade, there is no change in the total number of Shares held by Southern Arc, but as a result of the Offering Southern Arc now owns 31.9% of the issued and outstanding common shares of Japan Gold.

Certain insiders of the Company have also participated in the Offering on the terms described above.

The Company issued 300,000 Shares to Beacon Securities Limited in connection with their finder’s fee. In addition, the Company issued 633,333 Shares to Haywood Securities Inc. representing a portion of their advisory fee.

The net proceeds of the Offering will be used to explore and develop the Company’s gold-focused assets in Japan, complete regional reconnaissance work to identify new prospective targets in-country, and for general corporate and working capital purposes.

The private placement with each of Southern Arc and certain insiders of the Company 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 Offering was exempt from the formal valuation and minority shareholder approval requirements of MI 61-101 as neither the fair market value of any Shares issued to, nor the consideration paid by, Southern Arc or the insiders exceeded 25% of Japan Gold’s market capitalization.

The Shares issued in the Offering are subject to a four-month and a day hold period expiring on April 22, 2019 in accordance with applicable securities legislation.

6. **RELIANCE ON SUBSECTION 7.1(2) OR (3) OF NATIONAL INSTRUMENT 51-102**

N/A

7. **OMITTED INFORMATION**

N/A

8. **EXECUTIVE OFFICER**

John Proust, Chairman
Telephone: (778) 725-1491

9. **DATE OF REPORT**

December 21, 2018