



# JAPAN GOLD CORP.

## SECURITIES TRADING & BLACK-OUT POLICY

### 1. Purpose

Canadian securities laws prohibit “insider trading” and impose restrictions on the trading of shares or other securities issued by the Company while in possession of 1) material undisclosed facts (facts that significantly affects, or could reasonably be expected to significantly affect, the market price or value of the securities of the Company) or 2) material changes (changes in the business, operations or capital of the Company that would reasonably be expected to have a significant effect on the market price or value of any of the securities of the Company and includes a decision to implement such a change made by the Board or by senior management of the Company who believe that confirmation of the decision by the Board is probable (collectively the “**Material Information**”). The purpose of this Securities Trading and Blackout Policy (the “**Policy**”) is to raise the general level of awareness of the trading and confidentiality obligations of directors, officers, employees and insiders of the Company and others who may be in possession of, or may have access to, confidential, Material Information regarding the Company and describes when it is not appropriate for these parties who are close to the Company to be trading in the Company’s securities.

The rules set out in this Policy are intended to ensure that persons having knowledge of Material Information not generally disclosed to the public do not take advantage of such information through trading in securities issued by the Company or in securities of other corporations whose price would be affected by such undisclosed material information. This Policy is also intended to ensure that the Company’s directors, officers and employees act, and are perceived to act, in accordance with applicable laws and the highest standards of ethical and professional behavior, not trade in the Company’s securities at a time when it would not be appropriate to do so.

**This Policy supplements, and does not replace, applicable securities laws and is not intended to provide an in-depth legal analysis of insider trading rules but rather to serve as a guideline for the purpose of limiting the possibility of illegal or inappropriate use of undisclosed confidential material information, facts or changes regarding the Company. The onus of complying with this Policy and the relevant insider trading and other securities legislation lies with each individual director, officer, employee and insider of the Company and its subsidiaries, each of whom is expected to be familiar with this Policy and such legislation and to comply fully with them. Breaches of confidentiality and violations of insider trading and tipping laws carry severe consequences both for the Company and the individuals involved. In Canada, penalties for violations of insider trading laws include possible imprisonment and significant fines. Therefore, all employees, officers and directors of the Company must comply with the provisions and procedures of this Policy. An employee who violates this Policy may face disciplinary action up to and including termination of his or her employment. A breach of this Policy may also violate certain securities laws. This Policy also reinforces the Company’s commitment to guard its confidential information. The ethical and business principles underlying this Policy may extend beyond even the stringent requirements of applicable securities laws.**



## 2. Application of the Policy

This Policy applies to the following parties associated with the Company ("**Company Associates**"):

- The directors and Senior Officers of each entity in the Corporate Group.
- The managers (or employees acting in a management-like capacity) of each entity in the Corporate Group.
- The employees working in an office of each entity in the Corporate Group.
- The ongoing legal, accounting, tax and other professional advisors of each entity in the Corporate Group.
- Any company, partnership, trust or other organized legal entity controlled by any one or more of the foregoing (i.e. such as a personal holding company or a family trust).
- Any independent contractor or other party associated with an entity of the Corporate Group (i.e. permanent, contract, secondment and temporary agency employees who are on long-term assignments with the Company or any of its subsidiaries), as well as to consultants to the Company or any of its subsidiaries that may be, from time to time, designated by management or the Board as a party to whom this Policy should apply.

"**Corporate Group**" means Japan Gold Corp. and its directly or indirectly controlled subsidiary companies, corporations, partnerships, and other legal entities.

"**Senior Officer**" means:

- (1) the chair or a vice-chair of the Board or any of its subsidiaries, the President, Chief Executive Officer (the "CEO"), Chief Financial Officer (the "CFO"), the Chief Operating Officer (the "COO"), a Vice-President, the Corporate Secretary or the Treasurer of the Company or any of its subsidiaries or any of their operating divisions; or
- (2) any other individual who performs functions for the Company or any of its subsidiaries similar to those normally performed by an individual occupying any of the offices listed in (1) above.

For purposes of this Policy and until the designation is changed by the Board of Directors of the Company, the President and Chief Executive Officer (CEO) of the Company has been designated by the Board of Directors of the Company as the senior officer of the Company to monitor and approve the trading activity of the directors, officers and employees.

## 3. What is Black-Out?

Black-Out is a situation that will be imposed by management on some or all of the Company Associates from time to time. When Black-Out is imposed it will mean that, until the Black-Out is lifted, the affected Company Associates will **not** be entitled to:

- **exercise or convert any stock options** or other convertible or exercisable securities of the Company; or



- **sell any shares** or other securities of the Company whether privately or through the market; or
- **purchase any shares** or other securities of the Company whether privately or through the market.

The term "**securities**" includes, without limitation, the following:

- **common** and **preferred shares** and shares of any other class of the Company;
- **stock options, RSUs, PSUs, DSUs, and warrants** of the Company;
- securities of the Company convertible into shares or other securities of the Company such as **convertible notes** and **debentures**;
- **rights** and **obligations** of the Company **exercisable for shares** or other securities of the Company; and
- any other right of the Company which would constitute a security under securities legislation (if you are in doubt, you are expected to consult with the Company's CEO).

When Black-Out is lifted, Company Associates will again be entitled to convert or exercise convertible or exercisable securities and purchase and sell securities of the Company.

Black-Out is a restriction over and above "insider trading" restrictions that exist at law. Any Company Associate that is also an "Insider" of the Company will have to comply with applicable insider trading rules.

#### **4. When will Black-Out be invoked?**

Black-Out will be invoked by management, typically by order of the CEO or CFO, from time to time in its discretion. Company Associates will be advised when a Black-Out is invoked and when it has been lifted. In certain situations, management will be able to advise in advance when it is to be lifted. In others, Company Associates will have to wait to be advised.

While the following is by no means exhaustive or set in stone, a Black-Out may be invoked for selected Company Associates at the discretion of management from time to time as follows:

- Before the announcement of any financial results, such as the quarterly financial results and annual financial results.
- **During negotiations of any material transaction** until it has been determined that the transaction will go ahead or not proceed. Black-Out will stay in effect **until two complete trading days have elapsed after the trading day on which the transaction is publicly announced**, if it is proceeding, or until the trading day following the day discussions about the transaction have terminated, if it is not proceeding.
- While there is a **Material Change pending** which has not yet been publicly announced. Once announced, Black-Out will remain in effect **until two full trading days have elapsed after the trading day on which the material change was publicly announced**.



- At any other time management deems it appropriate to be in Black-Out. The Company retains the full unfettered right to determine if and when a Black-Out will be imposed and when it will be lifted.

"trading day" means any day of the week on which the stock market or trading facility on which any of the Company's securities are listed is open, whether or not the Company's securities actually trade on that day.

## **EXAMPLE**

The elapse of two full trading days after the trading day on which an announcement is made or an event occurs means the following. If, for example, the Company announces the transaction on a Monday and Black-Out is in effect, no trading can occur until the opening of the market on Thursday. Tuesday and Wednesday are the two full trading days that must elapse before trading can occur.

The foregoing assumes that the market is open all four days. If there were a holiday during this period resulting in the market being closed on one or more of those days, then the holiday days do not count and the period would have to be extended accordingly. Only trading days are counted.

## **5. Consequences of Failure to Comply**

Failure to comply with this Policy may result in any one or more of the following consequences:

- Constitute grounds for the Company Associate's dismissal for cause.
- Entitle the Company to terminate any employment or independent contractor agreement with a Company Associate with no negative consequences to the Company other than to make any payments earned and owing to such Company Associate to the date of termination and only that date.
- Entitle the Company to be indemnified by the Company Associate for any liability or damages the Company may incur as a result of the Company Associate's breach of this Policy.

The obligation to comply with this Policy is solely the responsibility of the Company Associate and the Company assumes no liability on behalf of the Company Associate of any kind whatsoever should the Company Associate fail to comply with this Policy and personally incur liability or suffer damages.

The Company may include a cross-reference to this Policy in its employment and independent contractor agreements whereby the Company Associate will be asked to acknowledge this Policy and agree to abide by it. Notwithstanding this, all Company Associates (other than Board members and professional advisors) will be asked to sign the Acknowledgment attached hereto and by doing so agree that this serves as an amendment to any employment agreement or independent contractor agreement that they may have signed with any member of the Corporate Group.

## **6. Consequences**

Nothing in this Policy in any way detracts from or limits any other obligations that Company Associates have in law or pursuant to a management, employment, consulting or other similar agreement with any member of the Corporate Group. They acknowledge that this Policy is not



necessarily exhaustive of these obligations and that it is the responsibility of each Company Associate to determine if there are any other legal obligations and to keep apprised of any changes to them.

For example, directors, senior officers and persons beneficially owning or controlling more than 10% of the voting rights of the Company or a member of the Corporate Group which is a public company are required to complete an insider profile on the System for Electronic Disclosure by Insiders (“SEDI”) and electronically file insider trading reports on SEDI as required by applicable securities legislation.

## **7. Confidentiality**

A copy of this Policy will be provided to each Company Associate when employed or retained and the attached Acknowledgment will be signed (Board members and professional advisors need not sign). A copy of the Acknowledgement will be kept in their personnel file.

### **Approved by the Board of Directors**

Adopted: August 24, 2023



**ACKNOWLEDGMENT**

TO: Japan Gold Corp.  
FROM: The undersigned signatory (the "Company Associate")  
RE: **SECURITIES TRADING AND BLACK-OUT POLICY**

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The undersigned Company Associate hereby acknowledges to and agrees with the Company that:

1. he, she or it has been advised that the Company is a public company and, as such, the Company wishes to ensure that there is no trading in its securities by the Company Associate when it would not be appropriate to do so;
2. the Company has implemented a Securities Trading and Black-Out Policy to address the matter referred to in paragraph 1 above, and the Company requires that certain parties that are closely associated with it be apprised of its Securities Trading and Black-Out Policy and agree to abide by it;
3. the Company Associate has been given a copy of the Company's Securities Trading and Black-Out Policy and has read it, understood it and agrees to abide by it; and
4. if the Company Associate is party to an employment agreement or independent contractor agreement with the Company or any of its wholly-owned or controlled subsidiary companies, corporations, partnerships (limited or otherwise), or other similar legal entities (the "Corporate Group"), then the Company Associate acknowledges and agrees that such agreement is hereby amended to provide that compliance with the Securities Trading and Black-Out Policy is an obligation of the Company Associate under the agreement and failure to comply with the Securities Trading and Blackout Policy will give the Company the right to terminate the Company Associate for cause as contemplated in section 5 of the Securities Trading and Black-Out Policy.

Dated this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

SIGNED, SEALED and DELIVERED by  
the Company Associate:

Acknowledged and agreed to by the  
Company and the relevant members of the  
Corporate Group.

Per:

\_\_\_\_\_  
Signature of Company Associate

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Name of Company Associate