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NEWS RELEASE

June 5, 2017 – Vancouver, BC – Japan Gold Corp. (TSX-V: JG) (“Japan Gold” or the “Company”) is pleased to announce that it has agreed to the terms of a financing with Southern Arc Minerals Inc. (TSXV: SA) (**“Southern Arc”**), pursuant to which Southern Arc will invest \$5 million and acquire 12,500,000 units of Japan Gold at a price of \$0.40 per unit. Each unit will consist of one common share and one common share purchase warrant of Japan Gold. Each warrant will entitle Southern Arc to acquire one additional common share of Japan Gold at a price of \$0.40 per share for a period of 5 years. On closing of the private placement, Southern Arc will own approximately 53.08% of Japan Gold’s issued and outstanding common shares.

David Farrell, an independent director of Japan Gold, stated, “Japan Gold is pleased with Southern Arc’s vote of confidence in our strategy to deliver value to all shareholders through both property acquisitions and the drill bit. The pricing of this financing was a key consideration in the independent directors agreeing to this related-party transaction. We look forward to leveraging this investment for the benefit of all shareholders.”

The principal use of proceeds from the private placement is intended to fund \$3,650,000 in exploration expenditures with the remaining \$1,350,000 allocated for general working capital.

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”**) by virtue of Southern Arc being a “control person” of Japan Gold and is subject to minority shareholder approval (within the meaning of MI 61-101) by shareholders of Southern Arc and Japan Gold. In addition, John Proust, Michael Andrews and John Carlile are directors and officers of Japan Gold. Also, John Proust and Michael Andrews are directors and officers of Southern Arc, while John Carlile is a director of Southern Arc and Robert Gallagher is a director of both companies. Southern Arc and Japan Gold intend to call shareholder meetings on July 14, 2017 at 10:00 a.m PST and 11:00 a.m PST respectively in order to seek minority shareholder approval to the terms of the private placement in accordance with the policies of the TSX Venture Exchange (**“TSXV”**) and MI 61-101.

The Independent Directors of both companies have unanimously approved

the terms of the financing. Further information regarding the review and approval process undertaken by the board of the Company will be disclosed in an information circular prepared for the Company's shareholder meeting. The private placement is exempt from the formal valuation requirements of MI 61-101 pursuant to section 5.5(b) thereof.

The closing of the private placement is subject to Southern Arc and Japan Gold obtaining shareholder and regulatory approvals, including the approval of the TSXV. The units (and securities underlying the units) to be issued under the private placement will be subject to a four-month hold period from the date of closing in accordance with applicable securities legislation.

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 and copper-gold exploration in Japan. The Company has applied for 173 prospecting rights licenses in Japan for a combined area of 57,337 hectares over eleven separate projects. Thirty-two of the applications have been granted as Prospecting Rights. The applications cover areas with known gold occurrences and a history of mining, and are prospective for both high-grade epithermal gold mineralization and gold-bearing lithocaps, which could indicate the presence of porphyry 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

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 financing of Japan Gold. The closing of the financing is subject to certain risks and uncertainties, such as general economic, market and business conditions, regulatory and shareholder approval, new legislation, uncertainties resulting from potential delays or changes in plans, uncertainties regarding the Company's ability to execute and implement future plans, and the occurrence of unexpected events. Actual results achieved may vary from the information provided herein as a result of numerous known and unknown risks and uncertainties and other factors.

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