

October 22, 2018

First Quantum Minerals Ltd.
P.O. Box 1407
West Perth, Western Australia 6872
Attn: Mr. Mike Christie, Exploration Director

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

Re: Lithocap Projects – Letter Agreement

Dear Mr. Christie:

Further to our discussions, this communication is to serve as a binding Letter Agreement (“**Letter Agreement**”) between Japan Gold Corp (“**JG**”), and First Quantum Minerals Ltd. (“**FQML**”) concerning JG’s Lithocap Projects as outlined in Schedule I (together, all four projects referred to in Schedule I, the “**Projects**” and each a “**Project**”) located in Japan.

FQML is committed to oversee, manage and fund a work program (such oversight, management and funding to be provided by any FQML affiliate(s) as designated by FQML in its sole discretion) in line with or substantially similar to that outlined in Schedule I, in return for which JG hereby grants to FQML the exclusive right (the “**Exclusive Right**”) (but not the obligation) to provide JG with a notice (the “**Exercise Notice**”) on or before June 30, 2019, or as mutually extended by both parties in writing or as a result of force majeure (the “**Option Exercise Deadline**”) to enter into (or designate an affiliate of FQML to enter into) a definitive Option to Joint Venture Agreement (the “**Option Agreement**”) on one or more of the Projects, having business terms and conditions not substantially different to those in this Letter Agreement, including as provided in Schedule II. For greater certainty, JG hereby agrees that it shall not grant any rights to explore or acquire rights in respect of the Projects, or negotiate or discuss any such rights, with any other party on or before the Option Exercise Deadline. If FQML delivers an Exercise Notice in respect of any Project(s), the parties agree to use their commercially reasonable efforts to enter into Option Agreement(s), with respect to the earn-in and joint venture contemplated herein on the applicable Project(s), within 60 days of the date of the Exercise Notice (unless extended by written consent of both parties or as a result of force majeure). Until the execution of the Option Agreement(s) (and in the event the parties fail to execute the Option Agreement), the terms and conditions as are set out in this Letter Agreement shall be binding on the parties. For greater certainty, the execution of one or more Option Agreements on any Project(s) shall not relieve FQML from the commitment to oversee, manage and fund the work program on the Projects outlined in Schedule I prior to the Option Exercise Deadline. The determination of whether a work program in respect of a Project has been completed, including the expenditures made in respect thereof, shall be in the sole discretion of FQML.

For greater certainty, upon completion of the work program on the Projects outlined in Schedule I, FQML may renounce its rights hereunder and have no further obligations hereunder on any Project(s), but any funds provided by FQML to JG hereunder will not be refundable if FQML renounces its rights hereunder after providing such funds, and any data collected by JG and/or FQML will be kept as the sole property of JG with no further obligation to FQML and FQML shall have no claim on any of the Projects other than as outlined with respect to any Option Agreement

entered into between the parties. Notwithstanding the foregoing, where an Option Agreement is entered into, funds provided by FQM to JG or otherwise expended by FQM in respect of the Projects prior to entering into the Option Agreements shall constitute Expenditures as described in Schedule II.

Representations, Warranties and Covenants

Each of JG and FQML represents and warrants to the other that:

- (a) it is a corporation existing and in good standing in the jurisdiction of its incorporation;
- (b) it has the corporate power and capacity to enter into, and perform its obligations under this Letter Agreement;
- (c) the entering into of this Letter Agreement will not breach its constating documents, any resolution of its directors or shareholders, any applicable law or any agreement to which it is a party; and
- (d) this Letter Agreement has been duly executed and delivered by it, and is binding upon and enforceable against it in accordance with its terms.

JG hereby represents and warrants to FQML that:

- (a) it holds a 100% interest in the Projects and the Projects are not subject to any liens or other encumbrances;
- (b) it holds an exclusive right to conduct mineral exploration on the Projects and develop the Projects for commercial production;
- (c) it holds all licenses, permits, approvals and other authorizations from applicable governmental authorities or third parties that are required to be in place in relation to the Projects as at the date of this Letter Agreement;
- (d) going forward it will use commercially reasonable efforts to obtain all licenses, permits, approvals and other authorizations from applicable governmental authorities or third parties to permit the work programs on the Projects; and
- (e) there are no outstanding rights, agreements or other obligations or understandings that have been given, entered into or granted by JG to any party other than FQML to acquire any interest or rights in any Project.

Subject to receiving all licenses, permits, approvals and other authorizations from applicable governmental authorities, JG hereby grants to FQML, its agents, contractors, employees, officers and directors, the right to freely and fully access to the Projects, including, the following general rights related thereto: (a) a right of passage, by foot and by vehicle, over the Projects; (b) the right

to perform such surveys, samplings and exploration work as FQML may determine necessary or desirable for the conduct and completion of the work programs on the Projects; and (c) such other rights which are reasonably ancillary to the activities described above.

Limitation of Liability

Notwithstanding anything in this Letter Agreement to the contrary, FQML shall not be liable to JG for any damages in relation to the work programs on the Projects, except to the extent that such damages are attributable to the gross negligence or willful misconduct of FQML.

Term

This Letter Agreement will automatically terminate in respect of a Project at the earliest to occur of the following: (i) the entering into of an Option Agreement in respect of the Project; (ii) if the Option Exercise Notice on each of the Projects is not issued by the Option Exercise Deadline; (iii) neither FQML nor JG (or, in each case, their successors or assigns) continues to directly or indirectly hold an interest (or the right to acquire a direct or indirect interest) in the Projects; or (iv) the mutual agreement in writing of the parties hereto to terminate this Letter Agreement. No amount shall be payable by any party to another as a result of such termination.

General

Area of Interest. The parties hereby agree that all areas within 3km of the Projects, as included in Schedule III shall be considered an “**Area of Interest**” or “**AOI**”. If JG stakes any claims within the AOI, or acquires from a third party any mineral rights, at any point following the date of this Letter Agreement it must offer such mineral rights to FQML to become part of the Projects subject to the Letter Agreement or the Option Agreement, whichever is in effect at such time with respect to that particular Project. If accepted, FQML will reimburse the cost incurred by JG to acquire the mineral rights. These costs would be considered Expenditures (as defined in Schedule II) under the Option Agreement. If FQML acquires mineral rights within the AOI at any time it must cause the mineral rights to become part of the Project subject to the Letter Agreement, such that it will be subject to the terms of the Option Agreement outlined in Schedule II. These costs would be considered Expenditures under the Option Agreement.

Separate Option Agreements. Each Project shall be subject to separate Option Agreements. If an Exercise Notice is provided for more than one Project, then the Option Agreement for each Project shall have the same terms, as outlined in Schedule II.

Operator / Project Manager: JG shall be the operator of the Projects prior to the entering into of an Option Agreement, provided that all such operations shall be undertaken under the oversight, management and direction of FQML. Without limiting the generality of the foregoing, JG shall provide such personnel and equipment as is determined necessary or desirable by FQML for the conduct and completion of the work programs on the Projects.

FQML Personnel. FQML may assign employees to a Project while JG is operator. FQML shall be responsible for all costs prior to receipt by JG of any Exercise Notice, including the cost of any FQML employees and all costs incurred by JG as operator in order to complete the work programs on the Projects outlined in Schedule I, provided that FQML shall be entitled to treat as an Expenditure a reasonable allowance for overhead and allocation of indirect costs, determined in accordance with FQML's internal accounting processes.

Governing Law. This Letter Agreement shall be governed by, interpreted and enforced in accordance with the laws of the Province of Ontario, Canada.

Confidentiality and Press Releases. Except where regulatory or stock exchange requirements prohibit, as well as for recording a public deed, the terms of this Letter Agreement are to be held by the parties and their directors, officers, employees, consultants, agents, accountants, legal counsel, financing sources and those of its direct and indirect wholly-owned subsidiaries and parent companies (herein the "**Representatives**"), in strict confidence, it being agreed that each such Representative will be informed by the respective party of the confidential nature of this Letter Agreement and will agree to be bound by the terms of this Letter Agreement and further, that each party will be responsible for any breach of this Letter Agreement by its Representatives. If either party makes any public disclosure of the existence of this Letter Agreement or the terms herein without the prior written consent of the other, the non-disclosing party may terminate any obligations or agreements made herein. The parties understand that disclosure may be required pursuant to law or regulations of an applicable stock exchange, and, in the event that a party desires to make public disclosure, to the extent legally permissible, the other party shall receive two business days to review and provide comments on such disclosure, and the party wishing to make a public disclosure shall make all reasonable edits requested by the other party. The determination of a material event requiring public disclosure will be made by each party individually, in its sole discretion.

Severability. If any provision of this Letter Agreement is deemed by any court of competent jurisdiction to be invalid or void, the remaining provisions shall remain in full force and effect.

Amendments. No amendment to this Letter Agreement will be valid unless it is in writing and signed by both parties hereto.

Waiver. No failure or delay of any party in exercising any right, power or remedy may be, or may be deemed to be, a waiver thereof; nor may any single or partial exercise of any right, power or remedy preclude any other or further exercise of any right, power or remedy.

Further Assurance. Either party shall, at the reasonable request of the other party, deliver to the requesting party all further documents or other assurances as may reasonably be necessary or desirable to carry out the intent and purpose of this Letter Agreement.

Entire Agreement. This Letter Agreement sets forth the entire agreement among the parties hereto with respect to the matters contained herein and supersedes all prior agreements and understandings between the parties.

Time. Time shall be of the essence in respect of this Letter Agreement.

Currency. All sums of money expressed in this Letter Agreement are expressed in the lawful money of United States of America.

Enurement and Assignment. This Letter Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective successors and permitted assigns.

Counterparts. This Letter Agreement may be delivered by facsimile or other similar form of electronic copy and may be executed in several counterparts, each of which so executed shall be deemed an original, and all of which shall constitute one and the same instrument.

If you agree that this Letter Agreement sets forth the terms of our agreement, please execute this Letter Agreement in the space provided below.

JAPAN GOLD CORP.

"John Proust"

John Proust, Chairman & CEO

Agreed and accepted this 22nd day of October, 2018.

FIRST QUANTUM MINERALS LTD.

"Mike Christie"

Authorized signatory

Schedule I

Work Program

Eboshi (Honshu)

Geological Mapping: 1:5,000 scale; 4.5 x 3.5 km area; over ridges/spurs, road-cuts and creeks but emphasizing low exposures (i.e. creeks); anticipate 32 person-days for geology (ie two geologists x 16 days, or four geologists x 8 days) with each geologist supported by a field assistant.

Rock Sampling: sampling during mapping (100-200 samples total) with emphasis on samples with any of mappable veining, hypogene alunite, epidote and/or chlorite (to enable detailed paragenesis work, and/or mineral chemistry studies that may imply system fertility). All rocks to be slabbed and offcut sent to FQM Perth for SWIR mineralogy (ASD).

Soil sampling on ridges and spurs to minimise downslope effects, to be collected at a nominal spacing of 200 m for an approximate total of ~200 samples + QAQC.

Consideration given to completing a magnetic survey: to be collected at line spacing of 200 m covering a minimum area of 6.0 x 3.5 kms (ie the mapped proximal hydrothermal alteration), to be tightened if, and where supported by early results.

Kobui (Hokkaido)

Geological mapping along traverses (variable scales), mainly focussed on SE of Kobui West to confirm previous descriptions of diorite intrusives with magnetite veinlets and in the N and NW of Kobui West to provide more information in the vicinity of high T mineralogy and chemical anomalies. Anticipate 18 person-days for geology (ie two geologists x 9 days) with each geologist supported by a field assistant.

Rock Sampling: sampling during mapping (100-200 samples). Same emphasis and ASD protocol at Eboshi.

Soil sampling on ridges and spurs to minimise downslope effects, to be collected at a nominal spacing of 250 m for an approximate total of ~160 samples +QAQC

Consideration given to completing a magnetic survey: to be collected at line spacing of 200 m covering a minimum area of 5.0 x 3.0 kms (ie the mapped proximal hydrothermal alteration), to be tightened if, and where supported by early results.

Minamikayabe (Hokkaido)

Geological mapping along traverses (variable scales), mainly focussed on low ground between, and around margins of Minami E and W lithocaps. Anticipate 16 person-days for field geology, with each geologist supported by a field assistant.

Rock sampling during mapping (50-100 samples). Same emphasis and ASD protocol at Eboshi.

Soil sampling on ridges and spurs to minimise downslope effects, to be collected at a nominal spacing of 400 m for an approximate total of ~120 samples +QAQC;

Kamitsue (Kyushu)

Geological Mapping: 1:5,000 scale; 2.5 x 2.0 km area; over ridges/spurs, road-cuts and creeks but emphasizing low exposures (i.e. creeks and road cuts); Anticipate 14 person-days for field geology, with each geologist supported by a field assistant.

Rock sampling during mapping (50-100 samples total) with the same emphasis and ASD protocol as elsewhere.

Soil grid sampling; 2.0 x 1.6 kilometre area, staggered equilateral grid collected at nominal spacing of 160 m for an approximate total of 160 samples +QAQC

Project Area	Application Number	Node	Japan Geodetic Datum 2000 Zone	East	North	METI Application Number	METI Prospecting Rights Granted Number	Area (ha)
Kobui	KBI-01	55	11	64800	-236300	27北経出試般第54号	N/A	342.3
Kobui	KBI-01	56	11	66650	-236300			
Kobui	KBI-01	45	11	66650	-238150			
Kobui	KBI-01	44	11	64800	-238150			
Kobui	KBI-02	56	11	66650	-236300	27北経出試般第55号	N/A	342.3
Kobui	KBI-02	57	11	68500	-236300			
Kobui	KBI-02	46	11	68500	-238150			
Kobui	KBI-02	45	11	66650	-238150			
Kobui	KBI-03	57	11	68500	-236300	27北経出試般第56号	N/A	342.3
Kobui	KBI-03	58	11	70350	-236300			
Kobui	KBI-03	47	11	70350	-238150			
Kobui	KBI-03	46	11	68500	-238150			
Kobui	KBI-04	58	11	70350	-236300	27北経出試般第57号	N/A	342.3
Kobui	KBI-04	6	11	72200	-236300			
Kobui	KBI-04	4	11	72200	-238150			
Kobui	KBI-04	47	11	70350	-238150			
Kobui	KBI-05	44	11	64800	-238150	27北経出試般第58号	N/A	342.3
Kobui	KBI-05	45	11	66650	-238150			
Kobui	KBI-05	31	11	66650	-240000			
Kobui	KBI-05	29	11	64800	-240000			
Kobui	KBI-06	45	11	66650	-238150	27北経出試般第59号	N/A	342.3
Kobui	KBI-06	46	11	68500	-238150			
Kobui	KBI-06	33	11	68500	-240000			
Kobui	KBI-06	31	11	66650	-240000			
Kobui	KBI-07	46	11	68500	-238150	27北経出試般第60号	N/A	342.3
Kobui	KBI-07	47	11	70350	-238150			
Kobui	KBI-07	35	11	70350	-240000			
Kobui	KBI-07	33	11	68500	-240000			
Kobui	KBI-08	47	11	70350	-238150	27北経出試般第61号	N/A	342.3
Kobui	KBI-08	4	11	72200	-238150			
Kobui	KBI-08	2	11	72200	-240000			
Kobui	KBI-08	35	11	70350	-240000			

Project Area	Application Number	Node	Japan Geodetic Datum 2000 Zone	East	North	METI Prospecting Rights Application Number	METI Prospecting Rights Granted Number	Area (ha)
Minamikayabe	MKYB-01	82	11	53700	-230750	27北経出試般第67号	N/A	342.3
Minamikayabe	MKYB-01	83	11	55550	-230750			
Minamikayabe	MKYB-01	72	11	55550	-232600			
Minamikayabe	MKYB-01	71	11	53700	-232600			
Minamikayabe	MKYB-02	83	11	55550	-230750	27北経出試般第68号	N/A	342.3
Minamikayabe	MKYB-02	84	11	57400	-230750			
Minamikayabe	MKYB-02	73	11	57400	-232600			
Minamikayabe	MKYB-02	72	11	55550	-232600			
Minamikayabe	MKYB-03	9	11	50000	-232600	27北経出試般第69号	N/A	278.3
Minamikayabe	MKYB-03	a	11	50380	-232600			
Minamikayabe	MKYB-03	b	11	51850	-233470			
Minamikayabe	MKYB-03	59	11	51850	-234450			
Minamikayabe	MKYB-03	7	11	50000	-234450	27北経出試般第70号	N/A	295.6
Minamikayabe	MKYB-04	b	11	51850	-233470			
Minamikayabe	MKYB-04	c	11	52025	-233575			
Minamikayabe	MKYB-04	d	11	52650	-232600			
Minamikayabe	MKYB-04	71	11	53700	-232600			
Minamikayabe	MKYB-04	60	11	53700	-234450			
Minamikayabe	MKYB-04	59	11	51850	-234450	27北経出試般第71号	N/A	342.3
Minamikayabe	MKYB-05	71	11	53700	-232600			
Minamikayabe	MKYB-05	72	11	55550	-232600			
Minamikayabe	MKYB-05	61	11	55550	-234450			
Minamikayabe	MKYB-05	60	11	53700	-234450	27北経出試般第72号	N/A	342.3
Minamikayabe	MKYB-06	72	11	55550	-232600			
Minamikayabe	MKYB-06	73	11	57400	-232600			
Minamikayabe	MKYB-06	62	11	57400	-234450			
Minamikayabe	MKYB-06	61	11	55550	-234450			

Project Area	Application Number	Node	Japan Geodetic Datum 2000 Zone	East	North	METI Prospecting Rights Application Number	METI Prospecting Rights Granted Number	Area (ha)
Eboshi	SAMJ-NHG-01	7	10	15000	96550	27東経出試般第9号	青森県試掘権登録第11793号	342.25
Eboshi	SAMJ-NHG-01	10	10	16850	96550			
Eboshi	SAMJ-NHG-01	15	10	16850	94700			
Eboshi	SAMJ-NHG-01	5	10	15000	94700			
Eboshi	SAMJ-NHG-02	10	10	16850	96550	27東経出試般第10号	青森県試掘権登録第11794号	342.25
Eboshi	SAMJ-NHG-02	12	10	18700	96550			
Eboshi	SAMJ-NHG-02	16	10	18700	94700			
Eboshi	SAMJ-NHG-02	15	10	16850	94700			
Eboshi	SAMJ-NHG-03	12	10	18700	96550	27東経出試般第11号	青森県試掘権登録第11795号	342.25
Eboshi	SAMJ-NHG-03	8	10	20550	96550			
Eboshi	SAMJ-NHG-03	6	10	20550	94700			
Eboshi	SAMJ-NHG-03	16	10	18700	94700			
Eboshi	SAMJ-NHG-04	5	10	15000	94700	27東経出試般第12号	青森県試掘権登録第11796号	342.25
Eboshi	SAMJ-NHG-04	15	10	16850	94700			
Eboshi	SAMJ-NHG-04	13	10	16850	92850			
Eboshi	SAMJ-NHG-04	3	10	15000	92850			
Eboshi	SAMJ-NHG-05	15	10	16850	94700	27東経出試般第13号	青森県試掘権登録第11797号	342.25
Eboshi	SAMJ-NHG-05	16	10	18700	94700			
Eboshi	SAMJ-NHG-05	14	10	18700	92850			
Eboshi	SAMJ-NHG-05	13	10	16850	92850			
Eboshi	SAMJ-NHG-06	16	10	18700	94700	27東経出試般第14号	青森県試掘権登録第11798号	342.25
Eboshi	SAMJ-NHG-06	6	10	20550	94700			
Eboshi	SAMJ-NHG-06	4	10	20550	92850			
Eboshi	SAMJ-NHG-06	14	10	18700	92850			
Eboshi	SAMJ-NHG-07	3	10	15000	92850	27東経出試般第15号	青森県試掘権登録第11799号	342.25
Eboshi	SAMJ-NHG-07	13	10	16850	92850			
Eboshi	SAMJ-NHG-07	9	10	16850	91000			
Eboshi	SAMJ-NHG-07	1	10	15000	91000			
Eboshi	SAMJ-NHG-08	13	10	16850	92850	27東経出試般第16号	青森県試掘権登録第11800号	342.25
Eboshi	SAMJ-NHG-08	14	10	18700	92850			
Eboshi	SAMJ-NHG-08	11	10	18700	91000			
Eboshi	SAMJ-NHG-08	9	10	16850	91000			
Eboshi	SAMJ-NHG-09	14	10	18700	92850	27東経出試般第17号	青森県試掘権登録第11801号	342.25
Eboshi	SAMJ-NHG-09	4	10	20550	92850			
Eboshi	SAMJ-NHG-09	2	10	20550	91000			
Eboshi	SAMJ-NHG-09	11	10	18700	91000			

Project Area	Application Number	Node	Japan Geodetic Datum 2000 Zone	East	North	METI Prospecting Rights Application Number	METI Prospecting Rights Granted Number	Area (ha)
Kamitsue	SAMJ-KMT-07	1	2	-3395.31	10951.25	29九経出試般第7号	N/A	339.11
Kamitsue	SAMJ-KMT-07	2	2	-1553.81	10951.25			
Kamitsue	SAMJ-KMT-07	3	2	-1553.81	9109.75			
Kamitsue	SAMJ-KMT-07	4	2	-3395.31	9109.75			
Kamitsue	SAMJ-KMT-08	1	2	-1553.81	10951.25	29九経出試般第8号	N/A	339.11
Kamitsue	SAMJ-KMT-08	2	2	287.70	10951.25			
Kamitsue	SAMJ-KMT-08	3	2	287.70	9109.75			
Kamitsue	SAMJ-KMT-08	4	2	-1553.81	9109.75			
Kamitsue	SAMJ-KMT-09	1	2	287.70	10951.25	29九経出試般第9号	N/A	339.11
Kamitsue	SAMJ-KMT-09	2	2	2129.20	10951.25			
Kamitsue	SAMJ-KMT-09	3	2	2129.20	9109.75			
Kamitsue	SAMJ-KMT-09	4	2	287.70	9109.75			
Kamitsue	SAMJ-KMT-10	1	2	2129.20	10951.25	29九経出試般第10号	N/A	339.11
Kamitsue	SAMJ-KMT-10	2	2	3970.70	10951.25			
Kamitsue	SAMJ-KMT-10	3	2	3970.70	9109.75			
Kamitsue	SAMJ-KMT-10	4	2	2129.20	9109.75			
Kamitsue	SAMJ-KMT-12	1	2	-3395.31	9109.75	29九経出試般第11号	N/A	339.11
Kamitsue	SAMJ-KMT-12	2	2	-1553.81	9109.75			
Kamitsue	SAMJ-KMT-12	3	2	-1553.81	7268.25			
Kamitsue	SAMJ-KMT-12	4	2	-3395.31	7268.25			
Kamitsue	SAMJ-KMT-13	1	2	-1553.81	9109.75	29九経出試般第12号	N/A	339.11
Kamitsue	SAMJ-KMT-13	2	2	287.70	9109.75			
Kamitsue	SAMJ-KMT-13	3	2	287.70	7268.25			
Kamitsue	SAMJ-KMT-13	4	2	-1553.81	7268.25			
Kamitsue	SAMJ-KMT-14	1	2	287.70	9109.75	29九経出試般第13号	N/A	339.11
Kamitsue	SAMJ-KMT-14	2	2	2129.20	9109.75			
Kamitsue	SAMJ-KMT-14	3	2	2129.20	7268.25			
Kamitsue	SAMJ-KMT-14	4	2	287.70	7268.25			
Kamitsue	SAMJ-KMT-15	1	2	2129.20	9109.75	29九経出試般第14号	N/A	339.11
Kamitsue	SAMJ-KMT-15	2	2	3970.70	9109.75			
Kamitsue	SAMJ-KMT-15	3	2	3970.70	7268.25			
Kamitsue	SAMJ-KMT-15	4	2	2129.20	7268.25			
Kamitsue	SAMJ-KMT-17	1	2	-3395.31	7268.25	29九経出試般第15号	N/A	339.11
Kamitsue	SAMJ-KMT-17	2	2	-1553.81	7268.25			
Kamitsue	SAMJ-KMT-17	3	2	-1553.81	5426.74			
Kamitsue	SAMJ-KMT-17	4	2	-3395.31	5426.74			

Project Area	Application Number	Node	Japan Geodetic Datum 2000 Zone	East	North	METI Prospecting Rights Application Number	METI Prospecting Rights Granted Number	Area (ha)
Kamitsue	SAMJ-KMT-18	1	2	-1553.81	7268.25	29九経出試般第16号	N/A	339.11
Kamitsue	SAMJ-KMT-18	2	2	287.70	7268.25			
Kamitsue	SAMJ-KMT-18	3	2	287.70	5426.74			
Kamitsue	SAMJ-KMT-18	4	2	-1553.81	5426.74			
Kamitsue	SAMJ-KMT-19	1	2	287.70	7268.25	29九経出試般第17号	N/A	339.11
Kamitsue	SAMJ-KMT-19	2	2	2129.20	7268.25			
Kamitsue	SAMJ-KMT-19	3	2	2129.20	5426.74			
Kamitsue	SAMJ-KMT-19	4	2	287.70	5426.74			
Kamitsue	SAMJ-KMT-20	1	2	2129.20	7268.25	29九経出試般第18号	N/A	339.11
Kamitsue	SAMJ-KMT-20	2	2	3970.70	7268.25			
Kamitsue	SAMJ-KMT-20	3	2	3970.70	5426.74			
Kamitsue	SAMJ-KMT-20	4	2	2129.20	5426.74			

Schedule II - Option Agreement and Joint Venture Agreement Terms:

The Option Agreements and Joint Venture Agreements will together provide FQML (or a designated affiliate of FQML) with the option to earn up to an 80% joint venture interest in a Project by funding exploration and development expenditures and other costs that benefit the Project, including for greater certainty any exploration and development work, all costs to support and implement such exploration and development work, all holding costs required to maintain the Project in good standing and a reasonable allowance for overhead and allocation of indirect costs, determined in accordance with FQML's internal accounting processes (the "**Expenditures**") up to the Decision to Mine (as hereinafter defined).

Option: To earn up to a 51% interest in a Project, FQML will fund prior to June 30, 2022, or as extended by mutual written agreement of both parties or as a result of force majeure, a minimum of US\$5,000,000 of Expenditures on that Project (the "**Option Requirement**") provided that FQML shall be permitted, in its sole discretion, to make a cash payment to JG to cover any shortfall of the Option Requirement. For greater certainty, the Expenditures may include all relevant exploration costs expended by FQML from the date of this Letter Agreement. FQML will use commercially reasonable efforts to maintain an ongoing momentum to the exploration program such that rolling expenditures do not fall below an average of approximately US\$1,000,000 per year on each optioned Project within the option period. Upon FQML satisfying the Option Requirement JG will form a JV with FQML such that FQML holds an initial 51% interest and JG holds an initial 49% interest in the Project.

Venture Structure: The parties agree that in order to negotiate and conclude the formal joint venture ("**JV**") they will need to consult with tax and legal advisors, and that (i) the parties may form a limited liability company in order to hold their interests in the Project, or (ii) the joint venture may be an unincorporated joint venture, as determined pursuant to such tax or legal advice and as necessary to comply with applicable laws, maximize organizational and operational efficiencies and minimize the tax liability (to the extent possible) of each of FQML and **JG**.

80% Earn-in: FQML shall sole fund the JV through to a Decision to Mine. Upon FQML making a public announcement that it intends to proceed towards commercial development (collectively, a "**Decision to Mine**"), FQML's interest in the Project, or JV as applicable, shall increase to 80% with no further payment on the part of FQML and thereafter JG and FQML shall fund the Project on a pro rata basis.

Joint Venture Funding and Entitlement to Cash Flows: **JG** has the right to fund its share of any Project development costs to maintain its 20% interest in the Project, or it can choose to dilute its interest in a Project, based on industry standard dilution formula. Once FQML has completed the 80% Earn-in then JG will have the one time opportunity to elect to contribute to the development costs and maintain its equity position. FQML will provide JG with all technical information and reports that it has generated internally to make a Decision to Mine, but will be under no obligation to provide a bankable level feasibility study. JG will have 6 months from the time of electing to contribute to arrange suitable finance and commence contributions. Following that, if at any time JG fails to fund contributions within 30 days of funds being called by FQML then JG will be deemed to have commenced dilution. If JG's interest in the Project drops below 10%, its interest shall automatically convert to a 2% transferable NSR royalty, with no further

funding obligations for JG. Conversely, JG may elect to convert its interest in the Project to a 2% transferable NSR royalty at any time.

Withdrawal: If FQML chooses to withdraw (a “**Withdrawal**”) at any time after earning 51% and prior to earning 80%, it shall revert to a 49% interest share. If FQML does not contribute its pro-rata portion of Expenditures after such Withdrawal, its interest in the Project shall be diluted, based on industry standard formulae.

Operator / Project Manager: FQML has the right to manage and operate the Project. The technical program planning would be a collaborative effort but FQML will have the final authority of approval on all technical programs and Expenditures.

Board/Management Committee: Details of either the governance of the board of managers of the limited liability company formed to hold the Project (the “**Board**”) (if a limited liability company is formed for the joint venture) or the management committee responsible for, among other things, matters concerning the Project and operations thereon (the “**Management Committee**”) (if the joint venture is an unincorporated joint venture), as applicable, shall be set out in the Option Agreement, and shall provide that:

- (a) the Board/Management Committee will initially be comprised of two representatives from FQML and two representatives from JG, with FQML to hold the deciding vote on any Board/Management Committee matters; and
- (b) the Board/Management Committee will be responsible for, among other things, determining programs and budgets in respect of the Project;

Public Disclosure Rights: JG shall be entitled at any time to publish a NI 43-101 compliant resource estimate or economic study (“**Studies**”) on any of the Projects and shall have access to all available data required to complete such Studies. JG shall solely bear the cost of the Studies. Furthermore, JG and FQML each reserves the right to publicly disclose any material event with respect to the Project during the term of the Option Agreement, subject to first providing at least one business day to review and provide comments on such disclosure, and each party shall make all reasonable edits requested by the other party. The determination of a material event requiring public disclosure will be made by each party individually, in its sole discretion.

Right of First Offer: FQML and JG shall each have a right of first offer (“**ROFO**”) such that if one party (the “**Seller**”) wishes to sell some or all of its direct or indirect interest in the joint venture, the Project or otherwise in their entitlements under this Letter Agreement to a third party, the other party (the “**Buyer**”) will have a right of first offer to purchase such interest. This ROFO shall not apply to transfers to any entity which is directly or indirectly controlled by the Seller (an “**Associated Company**”). Under the ROFO, the Buyer will have 30 business days after receipt of written notice from the Seller of the detailed terms of the sale of such interest in the joint venture (the “**Notice**”) to a third party to submit a written offer (the “**Offer**”) to purchase such interest. The Seller will then have 30 days from receipt of the Offer to accept and if not accepted, the Seller then has 90 days to sell such interest to another party, provided that it is to an arm’s length party and on terms no less favorable than the Offer. If the Seller does not sell such interest within 90

days and it still wishes to sell its interest, it must again give Notice to the Buyer at which point the Buyer may again submit an Offer and the ROFO process is repeated until such interest is sold. If the Buyer does not elect to submit an offer within 30 days of receiving the Notice, the Seller is free to sell the same interest, but only the same interest on the terms substantially set out in the Notice, as it sees fit with no further obligation to the Buyer. For the purposes of this section, if the consideration offered for the interest is other than cash, then:

- (c) in the case of consideration in shares listed on a public market or quotation system, such shares will be valued using the trailing 20-day volume weighted average price (“**VWAP20**”) of such shares prior to the offer and the Buyer will be considered to be offering the same terms if it offers shares having the same value calculated in the same manner using the VWAP20 as the basis for valuation or cash having such value; and
- (d) in the case of other consideration, the Seller must provide a good faith estimate of the value of such consideration (which estimate can be challenged by the Buyer by an independent valuation conducted by a mutually acceptable independent third party valuator and such independent valuator’s determination of the value of such consideration will be final and binding upon the parties) and the Buyer will be considered to be offering the same terms if it offers cash of an equivalent value.

Dispute Resolution:

- (a) If a dispute arises out of or relates to this Letter Agreement, or the interpretation, breach or validity thereof, or in respect of the legal relationship associated with or derived from this Letter Agreement (a “**Dispute**”), it will be resolved in accordance with the provisions that follow.
- (b) If a Dispute has not been settled through good faith negotiation within 30 days of the disputing party’s notice thereof to the other party hereto, either party may, through a notice of arbitration to the other party, initiate arbitration to be carried out on the following basis:
 - 1. Arbitration will be carried out in accordance with the ICC Rules of Arbitration in force on the date of this Agreement and shall be administered by the International Chamber of Commerce, which shall also act as appointing authority;
 - 2. The parties shall each be entitled to nominate, within 20 Business Days after the disputing party’s Notice of arbitration is received by all other applicable parties, one Person (a “**nominee**”) to act as an arbitrator in respect of the dispute who is (i) qualified by education and experience in the subject matter of the Dispute and knowledgeable about the mining industry and the operation of mining projects of the scope and size of that at issue, (ii) disinterested in the dispute or controversy, (iii) independent and impartial with respect to all parties hereto, and (iv) experienced in resolving international commercial disputes involving similar issues. The respective nominees of the parties will then choose, within 10 Business Days after

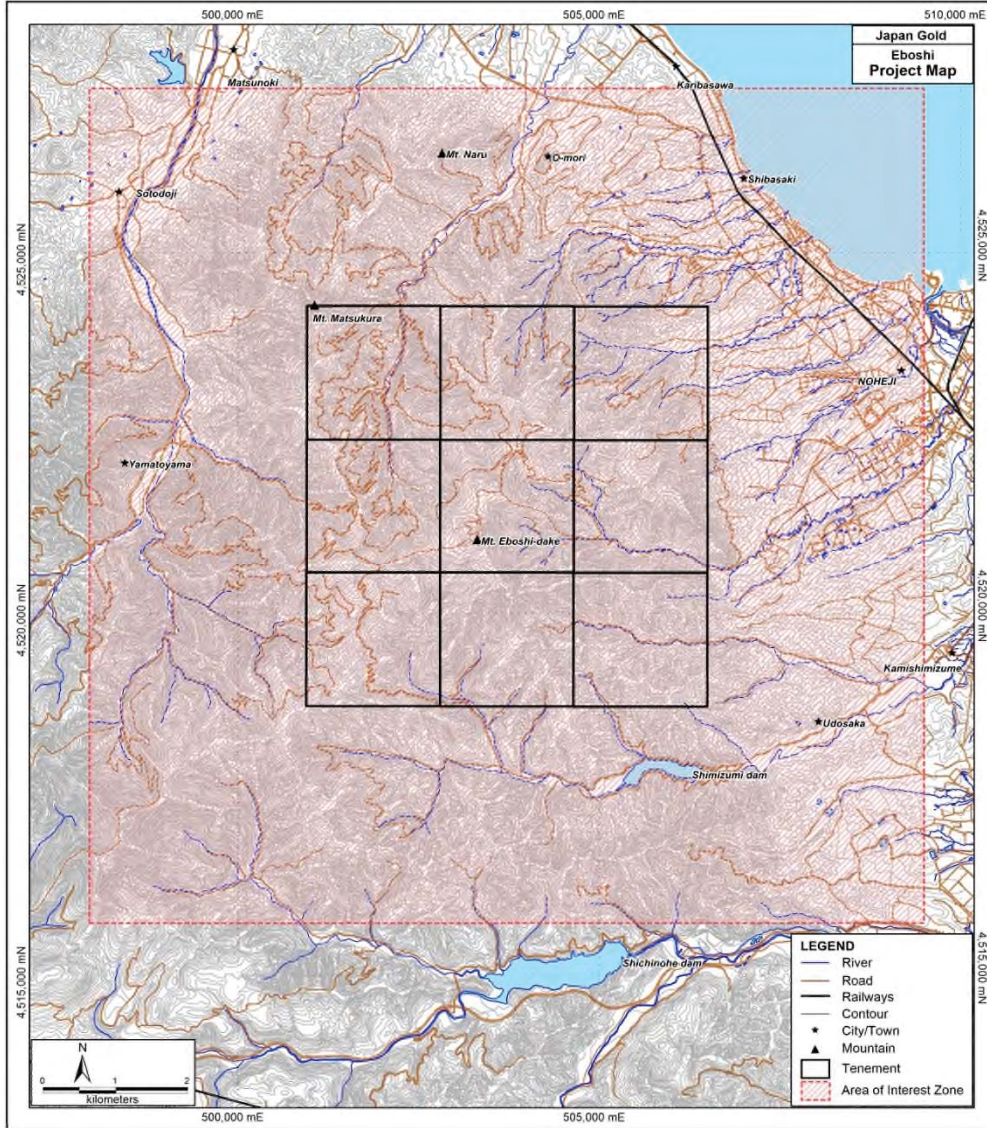
their selection as nominees, a third, independent arbitrator with the foregoing qualifications and those three shall be the arbitrators for determination of the Dispute. If the nominees are unable to agree on an independent arbitrator within such 10 Business Day period, either party may ask the International Chamber of Commerce to appoint an independent arbitrator having the foregoing qualifications;

3. The arbitrators (acting by way of majority) shall have the power to grant any relief appropriate to the facts and circumstances that would be within the jurisdiction of a judge sitting in Ontario. The award of the arbitrators (acting by way of majority) shall be made in writing, state the reasons for such award and be final and binding on the parties;
 4. Judgment on the award may be entered in any court having jurisdiction thereof;
 5. The parties shall co-operate in good faith with the arbitrators and comply with the arbitrators' reasonable requests made in connection with the carrying out of the arbitrators' duties under this Letter Agreement; and
 6. The place of arbitration shall be Toronto, Ontario. The arbitration shall be conducted in the English language and any documents or portions thereof presented as evidence at the merits hearing in a language other than English shall be accompanied by an English translation thereof. The arbitrators shall apply the laws of Ontario to the substance of a Dispute.
- (c) Except as may be required by applicable law, neither a party nor any arbitrator may disclose the existence, content or results of any arbitration under this Letter Agreement without the prior written consent of all parties to this Letter Agreement.
- (d) All out-of-pocket expenses of an arbitration (including the fees and expenses of any arbitrator or nominee or of the ICC), as well as the costs of the parties in preparing for, participating in and being represented at such arbitration, shall be borne by the parties in the proportion determined by the arbitrators. In making such determination, the arbitrators shall take into account all relevant circumstances including the relative success of each of the parties and the extent to which each of the parties conducted the arbitration in an expeditious and cost-effective manner.

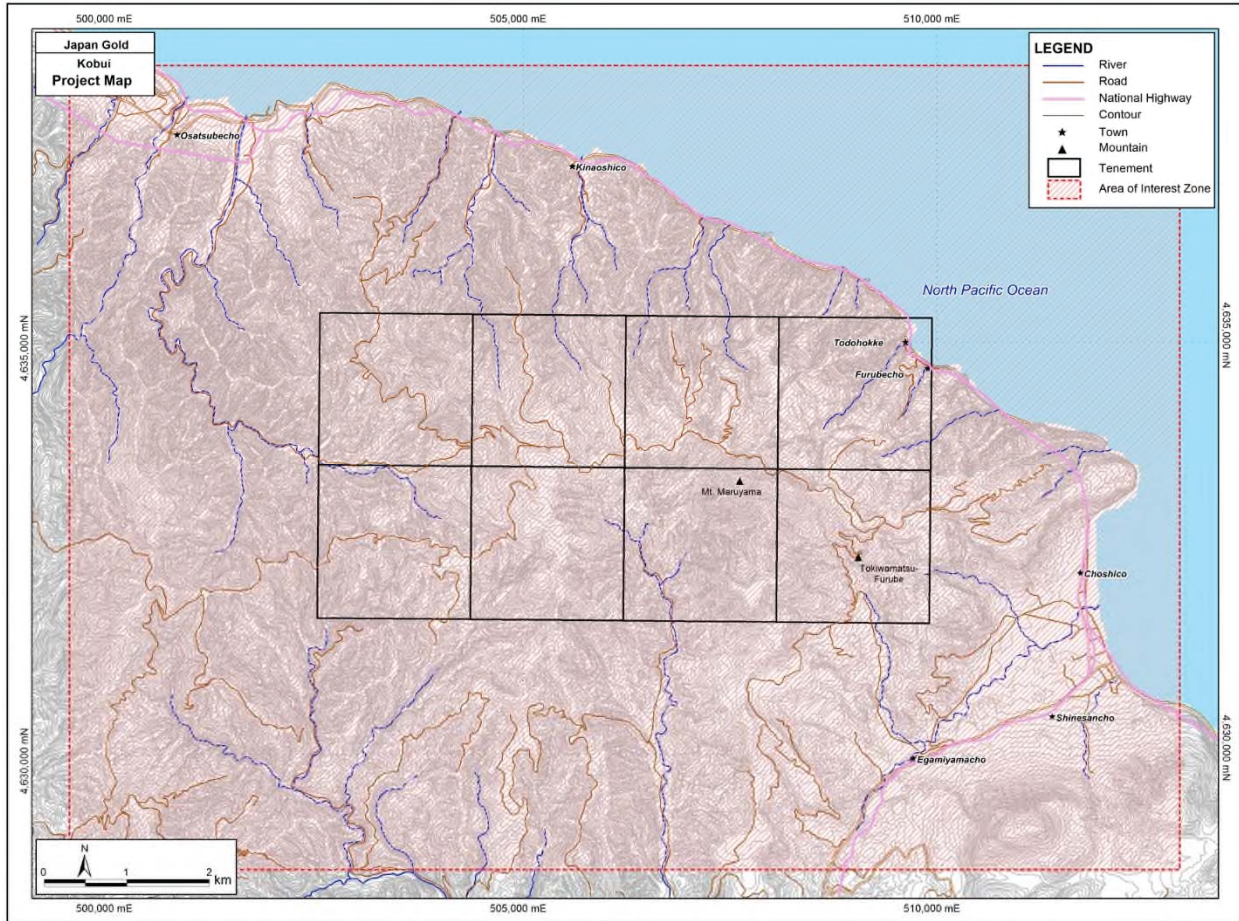
Representations and Warranties: JG to provide customary representations and warranties, including but not limited to status and good standing of the mineral tenure, due authorization, no conflicts, and no material environmental liabilities.

Schedule III
Project Maps & AOI

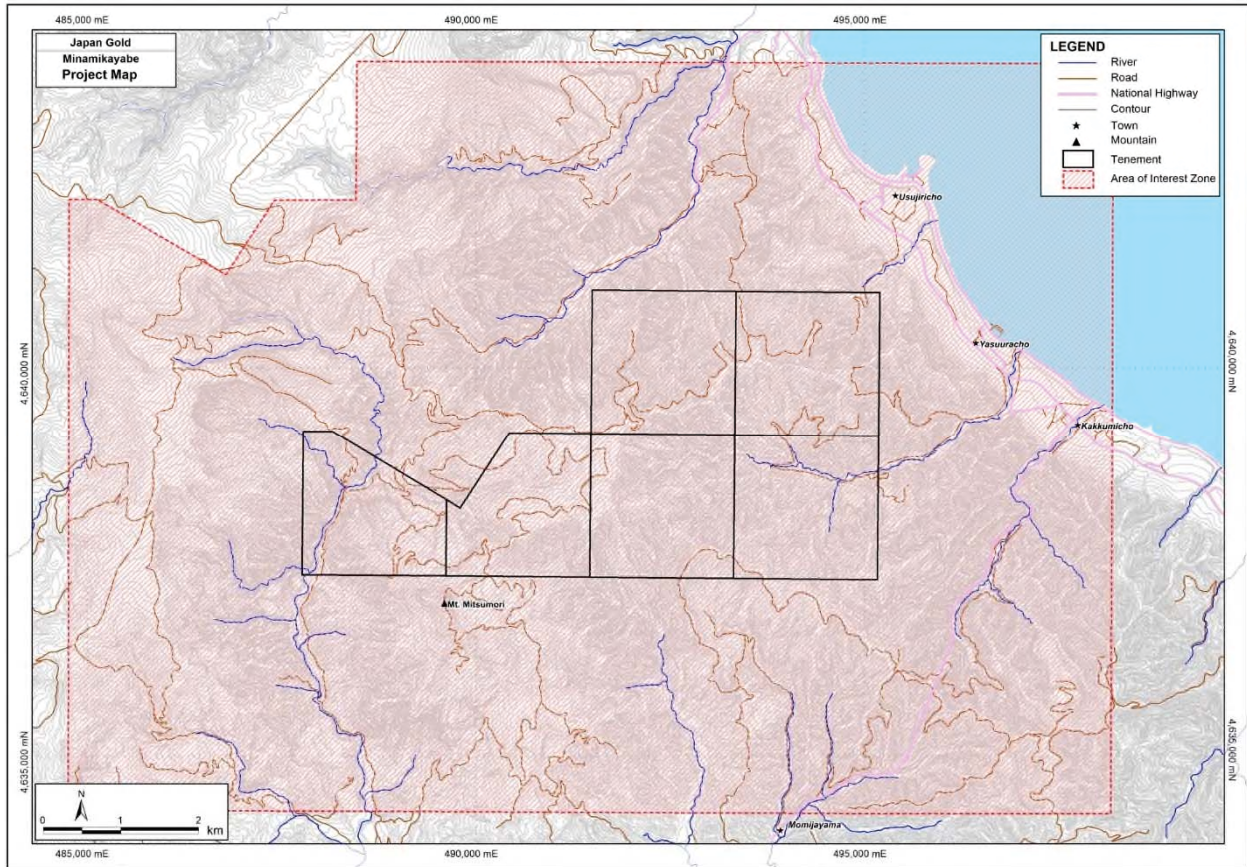
Eboshi (Honshu)



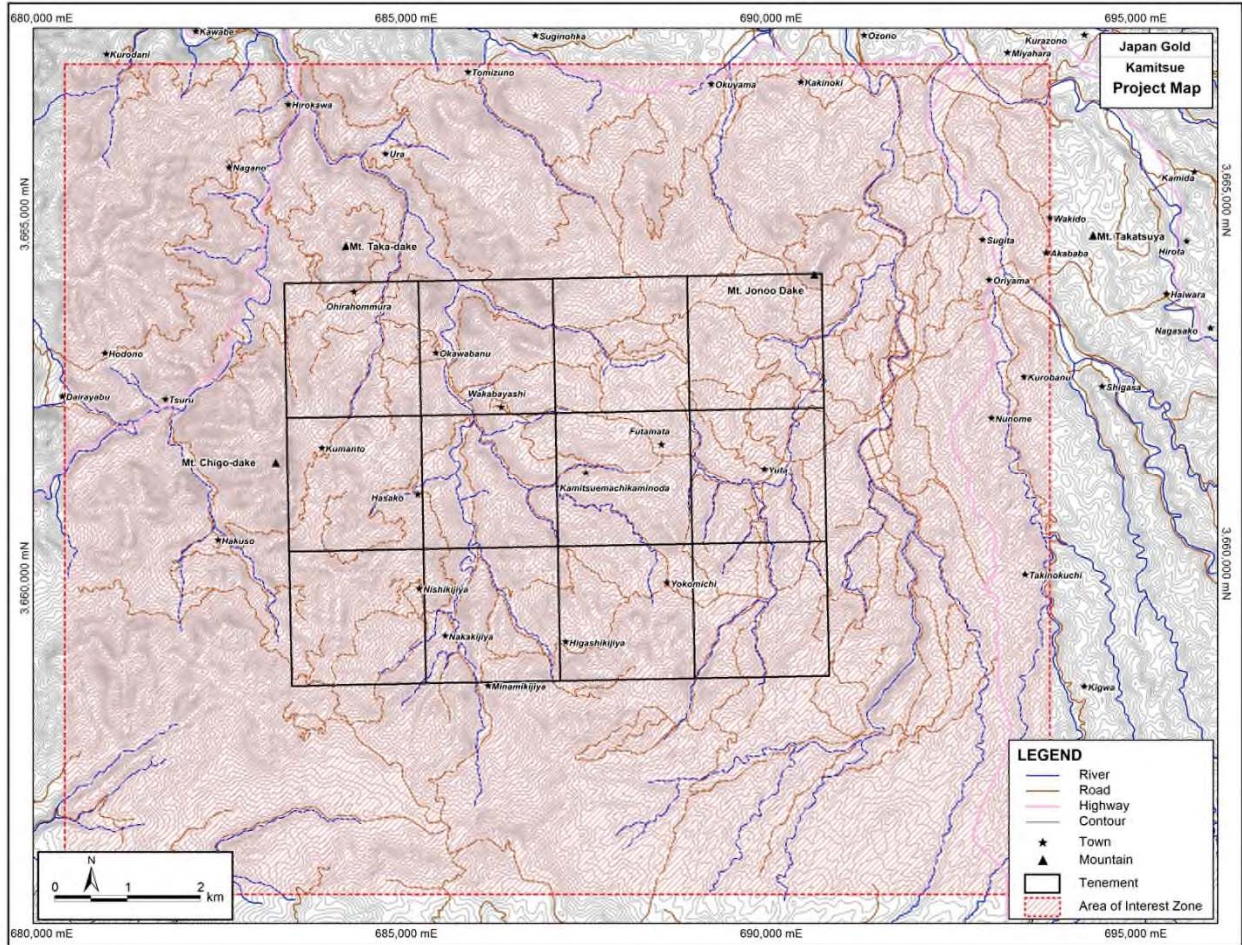
Kobui (Hokkaido)



Minamikayabe (Hokkaido)



Kamitsue (Kyushu)





TSX-V: JG
OTCQB: JGLDF

NEWS RELEASE

Japan Gold Announces Strategic Alliance to Explore Four Prospective Lithocap Projects

October 23, 2018 – VANCOUVER, British Columbia – Japan Gold Corp. (TSXV:JG) (OTCQB:JGLDF) (“Japan Gold” or the “Company”) is pleased to announce that it has entered into a binding letter agreement (“**Letter Agreement**”) with **First Quantum Minerals Ltd. (TSX:FM) (“FQML”)** to explore four of its prospective lithocap projects (collectively, the “**Lithocap Projects**” and each a “**Project**”) located on the islands of Hokkaido, Honshu and Kyushu, Japan. The Lithocap Projects represent exploration targets for shallow-level epithermal gold and deeper porphyry copper-gold deposits. Pursuant to the terms of the Letter Agreement, FQML has committed to manage and oversee a systematic surface exploration reconnaissance program on each Project prior to June 30, 2019.

John Proust, Chairman and CEO of Japan Gold, commented: “We are delighted to partner with a company with First Quantum’s international reputation, exploration, development and production expertise and financial capability to advance four of our highly prospective gold and copper-gold exploration targets in Japan. We believe this to be a first of many validating events for our pioneering efforts to re-establish Japan as a major mining jurisdiction. Separately, Japan Gold’s portfolio includes an additional twelve epithermal gold projects focused on the islands of Hokkaido and Kyushu, all of which sit within historic mining districts. Taken together, we believe that the Company is in an excellent strategic position in Japan, and we heartily welcome First Quantum as a partner.”

The Projects included in the Letter Agreement are the Eboshi, Kobui, Minamikayabe and Kamitsue projects, which collectively cover a land area of 11,830 hectares (“ha”), refer to **Figure 1** which shows Japan Golds lithocap projects on the islands of Hokkaido, Honshu and Kyushu.

FQML will immediately commence work on initial exploration programs at each of the Projects, which will consist of reconnaissance field work, mapping, soil and rock sampling, and targeted geophysics. FQML personnel will be working directly alongside Japan Gold, who will remain as operator during this initial program at each of the Projects.

Option Summary

Upon completion of the initial exploration program, as defined by a specific scope of work on each of the four Projects, FQML will have the option to enter into a formal earn-in agreement (“**Option Agreement**”) on any Project individually, pursuant to which FQML may earn-in to 51% of a Project by completing a minimum of US\$5 million in total exploration expenditures prior to June 30, 2022. For any project that FQML options it will endeavour to maintain minimum average annual expenditures of US\$1 million per year during the initial earn-in period.

Upon earning a 51% interest in a Project, FQML would have the right to earn an additional 29% interest in a Project by solely funding the Project until FQML makes a “Decision to Mine”, increasing FQML’s ownership in a Project to 80%.

Lithocap Project Summaries

The Eboshi project comprises nine contiguous prospecting rights totaling 3,080 ha, located near the coastal town of Noheji in northern Honshu, Japan. The project area contains a large, exposed advanced-argillic lithocap, one of several identified along the Northeast Japan Arc by government funded regional metallogenic surveys conducted in the 1980's and 1990's.

The Kobui project comprises eight contiguous prospecting rights applications totaling 2,738 ha, located in the Kameda Peninsula of southwestern Hokkaido. The project area contains two large advanced-argillic lithocaps separated by a younger andesitic volcanic dome.

The Minamikayabe project comprises six contiguous prospecting rights applications totaling 1,943 ha also on the Kameda Peninsula of southwestern Hokkaido. Targets include high level epithermal gold systems, and deeper potential porphyry targets associated with two broad advanced-argillic lithocaps.

The Kamitsue project comprises twelve contiguous prospecting rights applications totaling 4,069 ha, located near the town of Kikuchi in northern Kyushu. A large area of advanced argillic alteration was identified by the Company in 2018 during reconnaissance programs around historically prospected gold bearing quartz veins.

Advisors

Haywood Securities Inc. is acting as financial adviser to Japan Gold in connection with the transaction. Morton Law LLP is acting as legal counsel to Japan Gold.

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 210 prospecting rights licenses in Japan for a combined area of 69,505 hectares over seventeen separate projects. Forty-one 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.

About First Quantum Minerals Ltd.

First Quantum Minerals Ltd. is a leading and fast-growing copper company founded more than 20 years ago with a strong conviction in the long-term fundamentals for copper. Beginning with the 1996 purchase of the Bwana Mkubwa Mining License in Zambia, to reprocess tailings from past mining activities, First Quantum's assets and operations now span nine countries and five continents. Today, First Quantum is one of the world's top ten copper producers. In 2017, First Quantum recorded the highest copper production in

its history at 573,963 tonnes in addition to 199,736 ounces of gold and 17,837 tonnes of nickel. First Quantum's rapid growth is set to continue with the ramp-up of the massive Cobre Panama project beginning in late 2018.

Japan Gold Contact

John Proust
Chairman & CEO
Phone: 778-725-1491
Email: info@japangold.com

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. The technical information in this news release has been reviewed by Japan Gold's President & Chief Operating Officer, Dr. Mike Andrews, PhD, FAusIMM, who is a Qualified Person as defined by National Instrument 43-101. As the Qualified Person, he has supervised the preparation and approved the scientific and technical disclosure in the news release.

This news release contains forward-looking statements relating to expected or anticipated future events and anticipated results that are forward-looking in nature and, as a result, are subject to certain risks and uncertainties, such as general economic, market and business conditions, competition for qualified staff, the regulatory process and actions, technical issues, new legislation, uncertainties resulting from potential delays or changes in plans, uncertainties resulting from working in a new political jurisdiction, uncertainties regarding the results of exploration, uncertainties regarding the timing and granting of prospecting rights, 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.

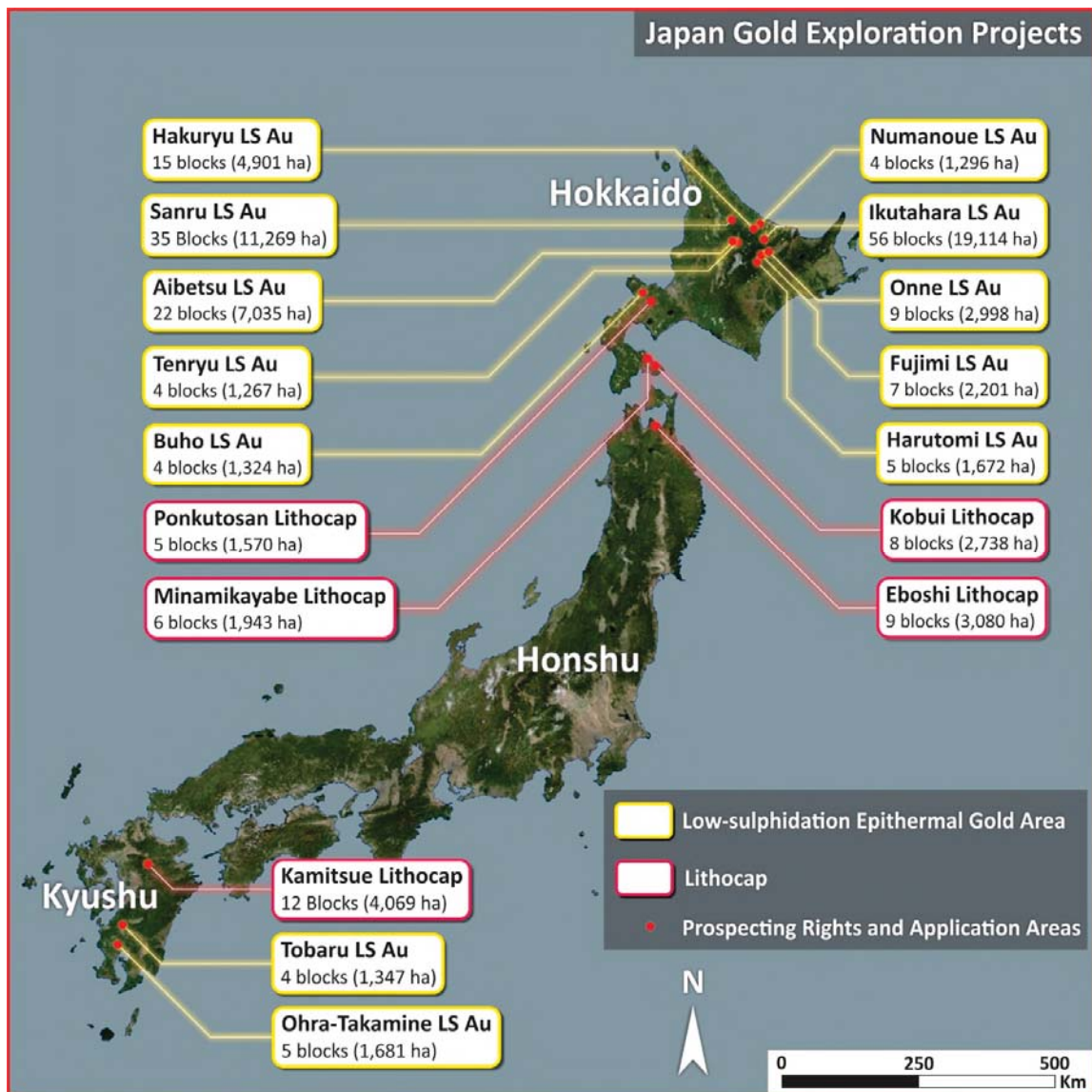


Figure 1, Japan Gold Lithocap and Low-Sulphidation Epithermal Gold Projects