MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

(Expressed in Canadian dollars)

This Management's Discussion and Analysis ("MD&A"), prepared as of April 27, 2020, should be read in conjunction with the audited consolidated financial statements of Japan Gold Corp. ("Japan Gold" or the "Company") for the year ended December 31, 2019 and the notes thereto, which have been prepared in accordance with International Financial Reporting Standards ("IFRS"). All amounts are stated in Canadian dollars unless otherwise indicated.

Statements in this MD&A that are not historical facts are "forward-looking statements" that are subject to risk factors set out in a cautionary note contained herein. Readers are cautioned not to put undue reliance on forward-looking statements.

COMPANY OVERVIEW

Japan Gold (TSX-V: JG) (OTCQB: JGLDF) is a Canadian mineral exploration company focused solely on gold exploration across the three largest islands of Japan: Hokkaido, Honshu and Kyushu. The Company has a country-wide alliance with Barrick Gold Corporation ("Barrick" or the "Barrick Alliance") to jointly explore, develop and mine certain gold mineral properties and mining projects. The Company holds a portfolio of 30 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.

On February 23, 2020, the Company announced a country-wide alliance with Barrick and acquired six new projects in the Southern Kyushu Epithermal Gold Province. The Barrick Alliance covers the entire country of Japan including 28 out of 30 projects currently held by Japan Gold. The Barrick Alliance does not include the Ikutahara Project in Hokkaido and the Ohra-Takamine Project in Kyushu and Japan Gold will continue to advance these two projects independently. Barrick will sole fund a 2-year Initial Evaluation Phase of each project. Barrick will sole fund a subsequent 3-year Second Evaluation Phase on projects which meet the Barrick criteria. Japan Gold will act as the Manager of each project, subject to Barrick's right at any time to become the Manager of a project. Barrick may identify a project as a Designated Project, at any time during the Initial Evaluation Phase or the Second Evaluation Phase, which Barrick may elect to sole fund to completion of a pre-feasibility study ("PFS"). Upon completion of a PFS, Barrick will earn a 51% interest in the Designated Project. Barrick may elect to continue to sole fund a Designated Project following the completion of a PFS to a bankable feasibility study ("BFS"). Barrick's interest in the Designated Project at the completion of the BFS will increase to 75%. Where Barrick has elected to sole fund a Designated Project through to completion of a BFS, Japan Gold will be fully carried through completion of the BFS and retain a 25% interest in the Designated Project.

In 2018, the Company completed a private placement including certain strategic investors, such as Newmont Corporation. ("Newmont"), RCF Opportunities Fund L.P ("RCF") and Southern Arc Minerals Inc ("Southern Arc"). Under the Newmont Investor Rights Agreement, Newmont has the right to maintain its pro rata ownership percentage of the Company during future financings to maintain or increase its equity ownership interest in the Company to a maximum of 19.9% of the issued and outstanding shares of the Company on a partially-diluted basis. The Company, along with Newmont, also agreed to form a Technical Committee and spend the proceeds on exploration activities to be identified by the Technical Committee.

The Company is also in the process of evaluating and exploring its extensive property portfolio in Japan and is pursuing permitting for drilling at high priority prospects in 2020. 135 of new prospecting right applications were approved by the Japanese Ministry of Economy, Trade and Industry covering 41,637 hectares of prospective ground as at the date of this MD&A.

Japan is considered one of the most stable and corruption-free jurisdictions in the world. The mining regulatory framework is well established and transparent, with easy access to government officials and a comprehensive support program to facilitate stakeholder consultation. The Company deliberately selected project areas in sparsely populated areas with a history of mining and has received strong local support to date.

On March 11, 2020, the novel coronavirus outbreak ("COVID-19") outbreak was declared a pandemic by the World Health Organization. The situation is dynamic and the ultimate duration and magnitude of the impact on the economy and the Company's business are not known at this time. These impacts could include an impact on the Company's ability to obtain debt and equity financing to fund ongoing exploration activities as well as our ability to explore and conduct business. These conditions result in significant uncertainties that may cast substantial doubt about the Company's ability to continue as a going concern. These consolidated financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern.

FINANCIAL SNAPSHOT

	December 31, 2019	December 31, 2018	December 31, 2017
Total assets	$ 14,063,143	$ 12,269,025	$ 7,311,988
Working capital (1)	1,060,690	4,779,847	2,912,568
Net loss	(4,392,793)	(3,458,943)	(3,736,725)
Comprehensive loss	(4,719,728)	(3,051,167)	(3,833,076)

(1) Working capital is defined as current assets less current liabilities

At the date of this MD&A, the Company has a working capital deficiency of approximately $1,500,000.

PROPERTY REVIEW AND OUTLOOK

When the Japan Mining Act was amended in 2012 for the first time allowing foreign mineral companies the ability to hold exploration and mining permits, Japan Gold began reviewing Japan's extensive geoscientific database and historical gold production data to pinpoint areas with good exploration potential. By September 2016, the Company had applied for 38 prospecting rights in northern Hokkaido targeting high-grade epithermal gold deposits and another 42 prospecting rights throughout Hokkaido and northern Honshu targeting areas of gold-bearing advanced argillic alteration lithocaps, which could indicate the presence of a porphyry mineralized environment. These initial prospecting rights applications totaled 27,153 hectares over the eight separate projects.

Since September 2016, Japan Gold has expanded its project portfolio which now comprises 74 Prospecting Rights and 492 prospecting rights applications accepted for a combined area of 176,368 hectares over 30 separate projects. Twenty-nine of the projects, in Hokkaido, Honshu and Kyushu, cover areas with known gold occurrences and a history of mining and are prospective for high-grade epithermal gold mineralization. One of the projects, the Kamitsue Project in Kyushu, cover areas of known gold occurrences and gold-bearing lithocaps, which could indicate the presence of porphyry mineralization.

Having prospecting rights applications accepted by METI, reserves the land for Japan Gold and allows for active surface exploration programs such as mapping, surface sampling and geophysics. Granting of Prospecting Rights by the METI allows for more advanced forms of exploration, such as drilling.

As at the date of this MD&A, the Company holds the following Prospecting Rights:

- 38 Prospecting Rights have been granted at the Ikutahara Project (13,286 hectares)
- 11 Prospecting Rights at the Ohra-Takamine Project (3,705 hectares)
- 4 Prospecting Rights at the Tobaru Project (1,347 hectares)
- 12 Prospecting Rights at the Kamitsue Project (4,069 hectares)
- 9 Prospecting Rights at the Aibetsu Project (2,916 hectares)

Ikutahara Project

The 20,513-hectare Ikutahara Project is the Company's most advanced project. Located 20 km southeast of the historic Konamai mine in north Hokkaido, the Ikutahara Project is underlain by prospective Miocene-Pliocene age volcano-sedimentary rocks and older meta-sedimentary basement rocks and hosts 17 historic gold mines and workings. This includes the Kitano-o mine (1924-43) which is reported to have produced 96,450 ounces of gold from mining of gold-bearing eluvium associated with sinter deposits and sub-sinter epithermal veins.

On February 9, 2017, the Company announced the completion of a regional exploration program at the Ikutahara Project. Six geologists and support teams undertook a nine-week field program from October to December 2016, completing prospecting, geological mapping, collecting stream sediment and Bulk Leach Extractable Gold ("BLEG") drainage samples and rock float and outcrop sampling over the majority of the Ikutahara Project. The Company also completed historical data compilation and detailed mapping of two advanced Ikutahara prospects, which are the areas surrounding the historic Ryuo gold-silver mine and Akebono gold-silver workings.

On March 3, 2017, the Company expanded the Ikutahara Project area from 38 to 56 accepted prospecting rights applications. The new prospecting rights applications are located immediately south of the high-grade Ryuo prospect and west of the Kitano-o mine area. One historic gold occurrence is located within the new applications and the area is underlain by the same Miocene-Pliocene geology as the rest of the Ikutahara Project. These same geological structures host the high-grade Ryuo prospect and continue into this new block. Geological structures that host the high-grade Ryuo prospect continue southwest into this new area. The Company also announced results from its regional exploration program at the Ikutahara Project which covered the majority of the initial 38 prospecting rights applications.

Japan Gold performed drainage geochemical survey and prospecting, which focused on streams surrounding the known historic gold workings within the project area. The aims were to determine the levels of gold dispersion and multi-element fingerprints in stream sediments associated with each of the prospects to highlight potential for mineralized extensions and new resources along the strike projections of these potential gold bearing vein systems.

The first-pass regional stream sampling program at the Ikutahara Project involved the collection of 118 BLEG samples for gold analysis paired with 118 fine fraction samples for gold and multi-element analysis. Extensive gold, arsenic, antimony and mercury anomalies were recorded throughout the project and contrast the differing levels of erosion of the epithermal vein systems throughout the project.

Results from rock sampling done concurrently with the drainage survey support the gold, arsenic, antimony and mercury anomalies returned from stream sediments. A total of 294 surface rock samples were collected for gold and multi-element analysis. These samples are of a reconnaissance nature and are selected grab chips taken from creek float, mine dumps and occasional outcrops of vein material, silica sinter, hydrothermal breccia and altered host rock.

The Company has located several priority exploration targets at the Ikutahara Project. Results from the regional exploration program are being used to plan and focus ongoing exploration work at the Ikutahara Project, including detailed prospect mapping, surface geochemical surveys, and drilling on priority targets.

On May 18, 2017, the Company announced that 23 of the 56 accepted prospecting rights applications were granted as Prospecting Rights. The Prospecting Rights cover the Akebono prospect and Japan Gold's first drill program will commence at Akebono immediately upon receipt of the requisite drilling permit.

On May 31, 2017, the Company announced that it has expanded its portfolio in Japan with extensions to the Aibetsu Project. The Aibetsu Project now comprises 22 accepted prospecting rights applications for a total of 7,034.5 hectares, covering five historic epithermal gold/silver and mercury mines. The Company also announced that it had commenced its 2017 regional work program at the Aibetsu Project. The Company plans to infill and extend southwards, from previous Metals Mining Agency of Japan ("MMAJ") mapping and soil geochemical sampling completed over the Tokusei mine area, to define new drill targets. Surveying and clearing of grid-lines to allow access for mapping and soil sampling over an approximate 5 km by 4 km area commenced in mid-May 2017, soil sampling commenced in mid-June 2017. Mapping conducted along some recently cut grid lines has confirmed the presence of silica capping and sinter outcrops on Mt Maruyama above the Tokusei veins, indicating that limited erosion has occurred and that the vein systems are therefore well preserved.

On June 1, 2017, Japan Gold announced that the Company had concluded an agreement with Sumiko Resources Exploration & Development Co., Ltd., (SRED) to manage and operate its drilling programs in Japan. To support this contract, Japan Gold agreed to purchase three diamond core drill rigs that will be operated by SRED. Acquisition of the two PMC400 drill rigs and one PMC700 drill rig will give the Company independence and flexibility on the timing and execution of its drill programs.

On August 14, 2017, Japan Gold announced that the Company's three compact portable diamond core drill rigs had arrived at Japan Gold's base of operations in Ikutahara.

On November 28, 2017, the Company announced that it has been granted a drilling permit for the Akebono prospect at the Company's Ikutahara Project in Hokkaido, Japan and the drilling program has commenced. The initial program, of three holes totalling up to 1,000 metres of diamond drilling, aimed to confirm and extend historic high-grade underground sampling to define the potential for high-grade shoots in the Akebono vein system. The drilling program continued into late December 2017 with results announced on February 2018.

On February 5, 2018, Japan Gold reported results from its first scout drill holes completed in late December 2017, on the Akebono prospect at its Ikutahara Project. The scout program at Akebono planned up to six drill holes totaling 1,000 m, however abnormally severe winter conditions in Hokkaido at the end of December 2017 meant the program was suspended after 3 drill holes totaling 333.6 m. Results from the initial scout drilling program support the presence of high grade gold shoots in the Akebono vein system previously indicated by historic sampling of underground workings. Complete results can be found in the press release dated February 5, 2018. The Akebono program was a successful testing ground for the Company's operations in Japan, having worked through first-mover challenges of permitting, administration, and advancing the field activities to drilling.

On February 28, 2018, Japan Gold reported encouraging results from its 2017 exploration program at the Aibetsu Epithermal Gold-Silver Project. The 2017 exploration program at the Aibetsu Project included rock chip sampling, detailed mapping and a soil grid geochemical survey over three historic gold-silver and mercury mines within its 7,035 hectare project. Results confirm the presence of high-grade gold mineralization within and around the historic Tokusei mine workings and emphasize significant potential for extensions to the epithermal vein system at the Tokusei mine. Complete results can be found in the press release dated February 28, 2018.

On May 7, 2018, Japan Gold announced the results of surface prospecting and mapping over the historic Kitano-o Gold District at the Ikutahara Project. Results highlight the presence of high-grade gold mineralization in grab samples taken from historic mine dumps and workings. The Kitano-o Gold District includes the historic Kitano-o, Ikutahara, Showa mines and the Sakinzawa workings. Japan Gold work in the district has focused on geological and alteration mapping and geochemical sampling to develop an understanding of the controls on epithermal gold-vein mineralization. The Company designed an aggressive scout drilling program to test these targets in the 2018 field season.

On September 12, 2018, the Company announced that its five prospecting rights applications over the Ohra-Takamine Project in the Southern Kyushu Epithermal Gold Province, Japan were granted as full Prospecting Rights by METI. The Ohra-Takamine Project totals 1,681 hectares covering historical gold-silver mines in the highly gold endowed Hokusatsu-Kushikino mining district, in the Southern Kyushu Epithermal Gold Province.

On October 2, 2018, the Company announced that four of its prospecting rights applications over the Tobaru Project in the Southern Kyushu Epithermal Gold Province, Japan were converted to Prospecting Rights by METI. The Tobaru Project totals 1,347 hectares covering a large alteration zone adjacent and along strike to the Fuke epithermal gold mine in the highly gold endowed Hokusatsu-Kushikino mining district, in the Southern Kyushu Epithermal Gold Province.

On October 24, 2018, the Company announced that six additional prospecting rights applications at the Ohra-Takamine Project in the Southern Kyushu Epithermal Gold Province, Japan were accepted by METI. The six new applications total 2,024 hectares and add to the existing area of granted prospecting rights (1,681 hectares) at the Ohra-Takamine Project.

On November 6, 2018, the Company announced that a further fifteen applications were converted to Prospecting Rights at its Ikutahara Project. The new Prospecting Rights cover high priority targets in the Kitano-o gold district and the Ryuo mine areas and allow for drill testing to commence in the 2019 season. Out of the 56 prospecting rights license applications over the Ikutahara Project, 38 have now been converted to Prospecting Rights by METI.

On November 7, 2018, the Company announced that its twelve prospecting rights applications over the Kamitsue Project on the island of Kyushu, Japan were converted to Prospecting Rights by METI.

On February 19, 2019, the Company announced the enhancement of its capabilities in Japan through obtaining twelve work permits to bring expert expat drillers into the country.

On March 19, 2019, the Company announced that a fourth drill rig is being imported into Japan and approvals have been received for an additional six experienced drilling personnel to support Kyushu drilling operations. The additional drill rig and drill support personnel enhances Japan Gold's capabilities for its drilling programs which began in June on Kyushu and in July on Hokkaido.

On June 26, 2019, the Company commenced its Phase 1 scout drilling at the Ohra-Takamine Project in the southern island of Kyushu following approval of its drill program by METI. The Phase 1 scout drilling program consists of an initial 4 drill holes to commence testing an open-ended, 3.5km corridor of alteration and epithermal mineralization.

On July 11, 2019, the Company announced its expansion of its Ikutahara Project in northern Hokkaido with the acceptance of four additional prospecting rights applications by METI. The 4 new accepted applications, totaling 1,399 hectares, extend the northern boundary of the Ikutahara Project proximal to historic workings at the Toge Hill, Asada Ridge and Akebono prospects. The newly accepted blocks cover potential extensions to the Toge and Asada prospect within prospective Miocene aged host rocks at the northern end of the Kitano-o Gold District. The Kitano-o District includes four historic eluvial and hard rock gold mines and workings over an approximate 6 kilometre by 3 kilometre area.

On July 18, 2019, the Company announced acceptance by METI of 15 new prospecting applications covering 3,990 hectares of prospective ground on the Noto Peninsula region of Honshu Island. The applications cover a seven-kilometer-long zone of alteration and historic gold mining known as the Togi Goldfield.

On July 25, 2019, the Company commenced its Phase 1 drilling program at the Kitano-o prospect located within its Ikutahara Project in north Hokkaido. Six diamond drill holes totaling approximately 3,000 metres will test the western and central portions of the three-kilometer-long mineralized corridor and drilling is targeting epithermal gold-silver veins beneath the historic Kitano-o Mine surface workings.

On July 29, 2019, the Company reported high-grade rock samples collected from historic mine dumps up to 60.8 g/t gold from the eastern side of the Kitano-o Gold Prospect. A prospect-scale gravity survey has commenced and plans for CSAMT geophysical surveys to further refine drill targets within the Kitano-o Gold District are well advanced.

On July 30, 2019, the Company announced its expansion of its epithermal gold portfolio in Japan via acquisition of three new Projects in the prospective Southern Kyushu Epithermal Gold Province. The projects cover prospective ground along strike of, or adjacent to, current and past producing gold mines including the Hishikari, Kushikino, Yamagano and Okuchi mines. The three new projects comprise of 76 applications, 23,406 hectares collectively. METI has notified acceptance of the new applications giving the Company priority over these areas and authorization to commence surface exploration. In conjunction with the new project acquisitions, the Company made the decision to focus solely on its gold projects and relinquished the majority of its copper-gold lithocap projects. The Eboshi, Kobui, Ponkutosan and part of the Minamikayabe projects were relinquished (26 total applications). The retained area at Minamikayabe hosts gold-bearing quartz veins that require further investigation and the Kamitsue lithocap project in Kyushu exhibits features of a gold-rich porphyry system, is inferred to have undergone the most erosion, and therefore is believed to have the best potential to host a relatively shallow mineralized porphyry intrusion.

On August 12, 2019, the Company announced the acceptance of new prospecting rights applications covering extensions to its Sanru Epithermal-Gold Project by METI. The 40 new applications totaling 12,842 hectares cover prospective tertiary geology between the Company's Sanru Project, and Irving Resources Inc.'s Omu Project.

On September 9, 2019, the Company announced a second round of project acquisitions with the addition of five new gold Projects in the prospective Southern and Middle Kyushu Epithermal Gold Provinces, which cover prospective ground of significant and past producing gold mines such as Hishikari, Kushikino, Yamagano, Okuchi and Bajo mines. The new projects comprise of 21,058 hectares collectively. With the addition of these new projects, the Company's portfolio now includes 24 separate gold projects within the major epithermal gold provinces of Japan.

On November 18, 2019, the Company provided an operational update on ongoing drilling and geophysical programs at the Hokkaido and Kyushu programs. At the Ohra-Takamine Project in Kyushu, drilling operations commenced in late June. The first drill hole was completed. The second hole commenced drilling but was put on standby when a management decision was made to mobilize all Company drilling teams to Hokkaido to complete the drill program at the Kitano-o Prospect in Hokkaido before the full onset of winter.

On November 21, 2019, the Company announced that it has received 9 Prospecting Rights, comprising of 2,916 hectares, over the historic Aibetsu Goldfield in Kitami Region of northern Hokkaido by METI.

On February 19, 2020, the Company announced combined results of Phase 1 drilling, surface sampling and geophysical programs at the Kitano-o Gold Prospect within the Ikutahara Project on Hokkaido. The surface geochemistry, CSAMT and gravity geophysics collected over the Kitano-o Prospect, along with the Phase 1 drill hole data, have refined the Company's understanding of the geology of the Kitano-o hydrothermal system and give strong vectors to the eastern side of the prospect. It is now interpreted that the western part of the Kitano-o Prospect represents the 'lateral outflow' of a large epithermal system, developed at depth in the eastern part of the 3-kilometer-long prospect.

On February 24, 2020, the Company announced a country-wide alliance with Barrick Gold Corporation and acquired six new projects in the Southern Kyushu Epithermal Gold Province. The Barrick Alliance covers the entire country of Japan including 28 out of 30 projects currently held by Japan Gold. The Barrick Alliance does not include the Ikutahara Project in Hokkaido and the Ohra-Takamine Project in Kyushu and Japan Gold will continue to advance these two projects independently. Barrick will sole fund a 2-year Initial Evaluation Phase of each project. Barrick will sole fund a subsequent 3-year Second Evaluation Phase on projects which meet the Barrick criteria. Japan Gold will act as the Manager of each project, subject to Barrick's right at any time to become the Manager of a project. Barrick may identify a project as a Designated Project, at any time during the Initial Evaluation Phase or the Second Evaluation Phase, which Barrick may elect to sole fund to completion of a pre-feasibility study ("PFS"). Upon completion of a PFS, Barrick will earn a 51% interest in the Designated Project. Barrick may elect to continue to sole fund a Designated Project following the completion of a PFS to a bankable feasibility study ("BFS"). Barrick's interest in the Designated Project at the completion of the BFS will increase to 75%. Where Barrick has elected to sole fund a Designated Project through to completion of a BFS, Japan Gold will be fully carried through completion of the BFS and retain a 25% interest in the Designated Project.

SUMMARY OF QUARTERLY RESULTS

	December 31, 2019	September 30, 2019	June 30, 2019	March 31, 2019
Total assets	$14,063,143	$15,536,324	$9,670,965	$10,147,411
Working capital	1,060,690	4,608,285	1,258,939	3,643,005
Net loss	(976,727)	(1,257,527)	(1,092,975)	(1,065,564)
Basic and diluted loss per share	(0.01)	(0.01)	(0.01)	(0.01)

	December 31, 2018	September 30, 2018	June 30, 2018	March 31, 2018
Total assets	$12,269,025	$5,132,088	$5,646,182	$6,760,698
Working capital (deficiency)	4,779,847	(550,178)	438,168	1,982,652
Net loss	(863,718)	(883,893)	(750,998)	(960,334)
Basic and diluted loss per share	(0.00)	(0.01)	(0.02)	(0.01)

Total assets increased from $5,132,088 as at September 30, 2018 to $14,063,143 as at December 31, 2019. This increase is attributed to two equity financings of $7,141,166 which closed in August 2019 and $6,650,000 which closed in December of 2018. These funds were mostly used to fund the Company's exploration and drilling programs. As at December 31, 2019, the Company has capitalized a total of $11,565,906 in exploration and evaluation assets (December 31, 2018 - $5,069,217).

RESULTS OF OPERATIONS FOR THE THREE MONTHS ENDED DECEMBER 31, 2019

During the three-month period ended December 31, 2019, the Company had a net loss of $976,727 compared to a loss of $863,718 for the three-month period ended December 31, 2018. Fluctuations occurred in the following categories:

- Salaries in the current quarter were $140,868 compared to $189,891 in 2018. These costs relate to the Company's subsidiary in Japan. Salaries were lower compared to the same quarter in 2018 because the Company's employees spent more time on Ikutahara and Ohra-Takamine projects this period relative to the last period and therefore more costs were capitalized this quarter.
- The Company incurred general and administrative costs of $90,718 during the three-month period ended December 31, 2019 (December 31, 2018 – $74,738).
- The Company recorded share-based compensation of $90,794 in connection with the issuance of 120,000 stock options with an exercise price of $0.27 for a period of 5 years to a consultant of the Company as well as vesting of other previously granted options (December 31, 2018 - $78,518).

RESULTS OF OPERATIONS FOR THE YEAR ENDED DECEMBER 31, 2019

During the year ended December 31, 2019, the Company had a net loss of $4,392,793 compared to a loss of $3,458,943 for the year ended December 31, 2018. Fluctuations occurred in the following categories:

- The Company incurred $667,773 (2018: $390,249) in project evaluation costs. Project evaluation costs relate to the general exploration and generative project work performed on the Company's projects that are not capitalized.
- Salaries in the current year were $436,686 compared to $513,594 in 2018. These costs relate to the Company's subsidiary in Japan. Salaries were lower compared to the period in 2018 because the Company's employees spent more time on Ikutahara and Ohra-Takamine projects this period relative to the last period and therefore more costs were capitalized this period.
- Consulting expense of $199,799 is lower compared to $615,643 in 2018 because the Company incurred additional consulting fees in 2018 in connection with the closing of the Newmont and First Quantum agreements.
- The Company incurred general and administrative costs of $394,740 during the year ended December 31, 2019 (December 31, 2018 – $344,448).

- Travel of $243,169 related to Japan site visits along with travel costs associated with license applications and projects during the current year (December 31, 2018 - $242,774).
- The Company paid director fees of $91,689 in 2019 (December 31, 2018 - $Nil).
- The Company recorded share-based compensation of $768,350 in connection with the issuance of 5,280,000 stock options with an exercise price of $0.20 for a period of 10 years to directors, officers, employees and consultants of the Company and 120,000 stock options with exercise price of $0.27 for a period of 5 years to a consultant of the Company and vesting of previously granted options (December 31, 2018 - $78,518).
- The Company recorded an impairment of $129,875 relating to its copper-gold lithocap projects relinquished during the year (December 31, 2018 - $Nil).

LIQUIDITY AND CAPITAL RESOURCES

The Company's cash and cash equivalents as at December 31, 2019 was $1,452,270 which was a decrease from $6,326,230 as at December 31, 2018. As at December 31, 2019, the Company has a working capital of $1,060,690 compared to a working capital of $4,779,847 as at December 31, 2018.

The financial information presented in this MD&A is based on consolidated financial statements that have been prepared on the basis of accounting principles applicable to a "going concern", which assumes that the Company will continue its operations for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations. The Company has not generated any revenues or cash flows from operations to date. The Company expects that it will require additional debt or equity funding in the next 12 months in order to continue its planned exploration and evaluation activities and meet its business objectives. The Company plans to raise the necessary funds primarily through issuance of shares. The Company's ability to continue on a going concern basis is therefore dependent on its ability to successfully raise additional funds. Although the Company has been successful in the past in obtaining financing, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms acceptable to the Company. Furthermore, subsequent to December 31, 2019, the COVID-19 outbreak was declared a pandemic by the World Health Organization. The situation is dynamic and the ultimate duration and magnitude of the impact on the economy and the Company's business are not known at this time. These impacts could include an impact on the Company's ability to obtain debt and equity financing to fund ongoing exploration activities as well as our ability to explore and conduct business. These conditions result in significant uncertainties that may cast substantial doubt about the Company's ability to continue as a going concern. The Company's financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern.

Net cash used in operating activities for the year ended December 31, 2019 was $3,634,207 compared to net cash used of $3,461,177 during the year ended December 31, 2018. The cash used in operating activities reflected the Company's general and administrative expenses as well as efforts by the Company during 2019 to continue to build its project portfolio.

Net cash used in investing activities during the year ended December 31, 2019 was $6,793,602 (December 31, 2018 – $1,355,124). This was mainly due to the expenditures incurred to advance the Company's key projects in Ikutahara and Ohra-Takamine within the granted licenses totaling $6,813,003 and the acquisition of equipment totaling $152,993 (December 31, 2018 - $8,157).

Net cash from financing activities during the year ended December 31, 2019 was $5,550,821 (December 31, 2018 - $7,793,446) as the Company completed an equity financing for net proceeds of $6,769,797. During the year, the Company paid $68,029 in lease payments on drilling equipment and repaid to Southern Arc advances totalling $1,150,947.

RELATED PARTY TRANSACTIONS

Key management and personnel compensation

Key management personnel include the directors of the Company. Key management compensation consists of the following:

	Year ended December 31, 2019	Year ended December 31, 2018
Management fees	$ 597,000	$ 582,000
Project evaluation - consulting	382,518	324,989
Consulting fees	168,000	176,043
Director fees	91,689	-
Share-based compensation	589,037	51,858

During the year ended December 31, 2019, the Company incurred $597,000 (December 31, 2018: $582,000) in management fees for administrative, finance and accounting services and certain office expenses to J. Proust & Associates Inc., a private company controlled by John Proust, the Chief Executive Officer of the Company. No amounts are payable to the related entity at December 31, 2019 or December 31, 2018.

The Company also incurred $382,518 in consulting fees for project evaluation to Andrew Rowe, an officer of the Company (December 31, 2018 - $324,989). As at December 31, 2019, $23,348 (December 31, 2018: $18,417) were outstanding and payable to the officer.

During the year ended December 31, 2019, the Company incurred $168,000 (December 31, 2018: $168,000) in consulting fees to M&S Yamada Consultants LLC, a private company controlled by Mitsuhiko Yamada, a director of the Company and the representative director of JGKK. As at December 31, 2019, $Nil (December 31, 2018: $Nil) were outstanding and payable to the private company.

Other related party transactions

During the year ended December 31, 2019, Southern Arc, a significant shareholder of the Company and a company with common directors and management, charged the Company $144,713 (December 31, 2018: $135,869) in rent and office expenses. As at December 31, 2019, $33,419 (December 31, 2018: $60,036) of these fees were included in accounts payable and accrued liabilities.

During the year ended December 31, 2019, the Company entered into a lease with PMC for drill equipment to be used on its exploration programs. PMC manufactures a range of portable diamond core drill rigs and is an established diamond core drilling contracting company incorporated in Indonesia. Michael Andrews, a director and officer of Japan Gold, has a controlling interest in PMC.

During the year ended December 31, 2018, the Company also received a total of $1,174,446 in advances from Southern Arc which included US dollar advances of US$630,000 ($859,446). These advances had a one-time financing fee of 5% of the amount outstanding and had a maturity date of 3 months from the date of advance. The Company recorded a financing expense of $54,184 in connection with these loans in the year ended December 31, 2018. During the year ended December 31, 2019, the advances were repaid in full.

The above transactions occurred in the normal course of operations and are recorded at the consideration established and agreed to by the related parties.

OTHER SUBSEQUENT EVENTS

On March 2, 2020, the Company appointed Paul Harbidge to its Board of Advisors.

On March 9, 2020, Southern Arc provided an unsecured loan to the Company in the principal amount of $1,000,000 (the "Loan"). The Loan is for a 6-month term ending on September 9, 2020. The proceeds from the Loan will be used by the Company for working capital and general corporate purposes. In consideration for the Loan, Southern Arc received a cash fee of 5% of the amount of the Loan and 500,000 non-transferable share purchase warrants. Each warrant entitles Southern Arc to purchase one common share at $0.40 per share until March 9, 2021.

On March 30, 2020, the Company announced the resignation of Dr. Michael Andrews and Mr. John Carlile as officers of the Company.

On April 20, 2020, the Company announced a non-brokered private placement (the "Private Placement") of up to 12,000,000 units of the Company (the "Units") at a price of $0.25 per Unit for gross proceeds of up to $3,000,000 to the Company. Each Unit will consist of one common share of the Company and one half of one transferable common share purchase warrant. Each whole warrant will entitle the holder to purchase one common share at a price of $0.40 per common share for a period of 24 months from the date of closing of the Private Placement.

CURRENT SHARE DATA

As at the date of this MD&A, the Company had 140,099,839 common shares issued and outstanding.

The following table summarizes information about the share options outstanding as at the date of this MD&A:

Outstanding and exercisable		Weighted average exercise price	Expiry date
4,024,950	$	0.40	September 15, 2026
275,000	$	0.40	October 28, 2026
1,525,050	$	0.16	December 13, 2028
5,246,667	$	0.20	January 24, 2029
120,000	$	0.27	June 3, 2024
11,191,667	$	0.27	

As at the date of this MD&A, the Company has the following share purchase warrants outstanding:

- 12,500,000 share purchase warrants outstanding at an exercise price of $0.40 per share expiring on August 9, 2022 in connection with the private placement to Southern Arc on August 9, 2017.
- 500,000 share purchase warrants outstanding at an exercise price of $0.40 per share expiring on March 9, 2021 in connection with the Southern Arc loan on March 9, 2020.
- 13,224,381 share purchase warrants outstanding at an exercise of $0.42 per share expiring on August 22, 2021 in connection with the private placement on August 22, 2019.
- 1,510,435 finders' warrants outstanding at an exercise price of $0.27 per share expiring on August 22, 2020 in connection with the finders' fee in connection with the private placement on August 22, 2019.

RISKS AND UNCERTAINTIES

The Company's business could be significantly adversely affected by the effects of any widespread global outbreak of contagious diseases. A significant outbreak of contagious diseases in the human population could result in a widespread health crisis that could adversely affect the economies and financial markets of many countries, resulting in an economic downtown that could affect demand for the Company's products and likely impact operating results. In particular, the recent outbreak of COVID-19 has had a negative impact on global financial conditions. The Company cannot accurately predict the impact COVID-19 will have on the Company's business, including its ability to obtain financing or third parties' ability to meet their obligations with the Company, as well as due to uncertainties relating to the ultimate geographic spread of the virus, the severity of the disease, the duration of the outbreak, and the length of travel and quarantine restrictions imposed by governments of affected countries.

The nature of the Company's operations exposes the Company to liquidity risk and market risk, which may have a material effect on cash flows, operations and comprehensive income.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and to monitor market conditions and the Company's activities. The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework and policies.

Liquidity risk is the risk that the Company is not able to meet its financial obligations as they fall due. The Company ensures that there is sufficient capital in order to meet short term business requirements after taking into account the Company's cash and cash equivalents. All of the Company's financial liabilities such as accounts payable and accrued liabilities are classified as current while the Company's obligation to make lease payments is disclosed in Note 7. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due.

Credit risk is the risk of financial loss associated with a counterparty's inability to fulfil its payment obligations and arises primarily from the Company's financial assets. The Company is primarily exposed to credit risk on its cash and cash equivalents and accounts receivable. Credit risk exposure is limited through maintaining its cash with high-credit quality financial institutions. The carrying value of these financial assets represents the maximum exposure to credit risk.

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices. The Company is currently exposed to interest rate risk to the extent that the cash and short term investment maintained at the financial institutions is subject to a floating rate of interest. The interest rate risk on the Company's cash and short term investment is minimal.

The Company also operates in Japan and is subject to foreign currency fluctuations primarily on its cash and accounts payable and accrued liabilities denominated in a currency other than Japanese yen ("Yen or ¥").

Other risk factors

Industry

The Company is engaged in the acquisition and exploration of resource properties, an inherently risky business, and there is no assurance that an economic mineral deposit will ever be discovered and subsequently advanced to production. Most exploration projects do not result in the discovery of economically mineable deposits. The focus of the Company is on areas in which the geological setting is well understood by management.

Gold and metal prices

The price of gold is affected by numerous factors beyond the control of the Company including central bank sales, producer hedging activities, the relative exchange rate of the US$ with other major currencies, demand, political and economic conditions and production levels. In addition, the price of gold has been volatile over short periods of time due to speculative activities. The prices of other metals and mineral products for which the Company may explore all have the same or similar price risk factors.

Permitting risk

The Company's mineral exploration activities are subject to receiving and maintaining licenses, permits and approvals from appropriate governmental authorities in Japan. The Company may be unable to obtain on a timely basis or maintain in the future all necessary permits to explore and develop its properties. Delays may occur in connection with obtaining necessary renewals or permits for the Company's existing operations and activities, additional permits for existing or future operations or activities, or additional permits associated with new legislation.

Ability to raise funding

The Company has no revenues from operations and expects to incur operating losses in future periods due to expenses associated with advancing its mineral projects, seeking new business opportunities and working capital costs. The Company has finite financial resources and its ability to advance its mineral projects will depend significantly upon its ability to secure near and long-term financing. There are no assurances that any financing alternative will be successful or that financing will be available at all or acceptable terms. These financing requirements will result in dilution of existing shareholders and the inability to obtain such financing may result in delay or postponement of the Company's activities.

Global economic conditions

The unprecedented events in global financial markets in the past several years have impacted the global economy where many industries, including the mining industry, are impacted by these market conditions. Market events and conditions, including disruptions in the international credit markets and other financial systems could impede the Company's access to capital or increase the cost of capital which may adversely affect the Company's operations.

CRITICAL ACCOUNTING POLICIES

Reference should be made to the Company's significant accounting policies contained in Note 2 of the Company's consolidated financial statements as at December 31, 2019. These accounting policies can have a significant impact on the financial performance and financial position of the Company.

Significant accounting judgments and estimates

The preparation of these consolidated financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. These financial statements include estimates that, by their nature, are uncertain. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future conditions and other factors, including expectations of future events that are believed to be reasonable under the current circumstances.

Critical accounting estimates

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the end of the reporting period, which could result in a material adjustment to the carrying amounts of assets and liabilities in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

i) The application of the Company's accounting policy for exploration expenditure requires estimates in determining whether it is likely that future economic benefits will flow to the Company, which may be based on assumptions about future events or circumstances. Estimates and assumptions made may change if new information becomes available. If, after an expenditure is capitalized, information becomes available suggesting that the recovery of the expenditure is unlikely, the amount capitalized is written off in profit or loss in the year the new information becomes available. Ownership of exploration and evaluation assets involves certain inherent risks, including geological, commodity prices, operating costs and permitting risks. Many of these risks are outside of the Company's control.

ii) The determination of fair value of share-based compensation associated with stock options and finders' fee warrants require assumptions with respect to volatility, expected life and discount rates. Changes in these assumptions impact the share-based compensation recognized in profit or loss over the vesting period of the stock options.

Critical accounting judgments

Critical accounting judgments are accounting policies that have been identified as being complex or involving subjective judgments or assessments.

i) The Company's assessment of its ability to continue as a going concern requires significant judgments about whether there are material uncertainties that may cast significant doubt about the Company's ability to continue as a going concern. The Company must determine whether sufficient financing will be obtained in the near term. See note 1.

ii) The determination of the functional currency of the Company and its subsidiaries requires significant judgment where the primary economic environment in which the subsidiary operates may not be clear. This can have a significant impact on the consolidated results of the Company based on the foreign currency translation method.

Financial instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. The Company determines each financial instrument's classification upon initial recognition. Measurement in subsequent to initial recognition depends on the financial instrument's classification.

Financial assets

Financial assets are classified and measured at: amortized cost, fair value through other comprehensive income ("FVOCI") or fair value through profit or loss ("FVTPL").

<u>Financial assets at amortized cost</u>

The Company measures financial assets at amortized cost if both of the following conditions are met: the financial asset is held with the objective to collect contractual cash flows; and the contractual terms of the financial asset give rise to cash flows that are solely payments of principal and interest ("SPPI").

Financial assets are recognized initially at fair value plus attributable transaction costs and subsequently at amortized cost measured using the effective interest rate ("EIR"). Interest received is recognized as part of finance income. Gains and losses are recognized when the asset is derecognized, modified or impaired.

The Company's financial assets at amortized cost include:

- Cash and cash equivalents
- Accounts receivable and deposits

<u>Financial assets at fair value through other comprehensive income ("FVTOCI")</u>

Financial assets that meet the following conditions are measured at FVTOCI:

- The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition, the Company may make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments that would otherwise be measured at fair value through profit or loss to present subsequent changes in fair value in other comprehensive income ("OCI"). Designation at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognized by an acquirer in a business combination. Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognized in OCI. The cumulative gain or loss is not reclassified to profit or loss on disposal of the equity instrument, instead, it is transferred to retained earnings (deficit).

The Company does not hold any financial assets classified as FVTOCI.

<u>Financial assets at fair value through profit and Loss ("FVTPL")</u>

Financial assets at FVTPL include financial assets held for trading, financial assets designated upon initial recognition at FVTPL, or financial assets mandatorily required to be measured at fair value i.e. fail the SPPI test. Derivatives are classified as held for trading unless they are designated as effective hedging instruments.

Financial assets at FVTPL are carried in the statement of financial position at fair value with net changes in fair value recognized in profit or loss. Transaction costs related to financial assets at FVTPL are recognized in profit or loss.

The Company does not hold any financial assets classified as FVTPL.

Financial liabilities

Financial liabilities are classified, at initial recognition, as financial liabilities at FVTPL, derivatives designated as hedging instruments in an effective hedge, or financial liabilities at amortized cost as appropriate.

Financial liabilities at FVTPL

Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at FVTPL. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments that are not designated as hedging instruments.

Financial liabilities at FVTPL are carried in the statement of financial position at fair value with net changes in fair value recognized in profit or loss. Transaction costs related to financial liabilities at FVTPL are recognized in profit or loss.

The Company does not hold any financial liabilities classified as FVTPL.

Financial liabilities at amortized cost

Financial liabilities at amortized cost are initially recognized at fair value net of attributable transaction costs. Subsequently, these financial liabilities are measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized, as well as through the EIR amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of comprehensive income. Gains and losses are recognized when the financial liability is derecognized.

The Company's financial liabilities at amortized cost include:

- Accounts payable and accrued liabilities;
- Related party loan
- Lease liability

A financial liability is derecognized when the associated obligation is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in profit or loss.

Changes in accounting policies and disclosures

The Company adopted the following accounting standards effective January 1, 2019:

IFRS 16 – Leases

In January 2016, the International Accounting Standards Board ("IASB") issued IFRS 16, Leases ("IFRS 16") which sets out principles of recognition, measurement, presentation and disclosure of leases for both parties to a contract, the lessee and the lessor. IFRS 16 eliminates the current dual model for lessees, which distinguishes between on-balance sheet finance leases and off-balance sheet operating leases. Instead there is a single, on-balance sheet, accounting model that requires the recognition of a right of use asset and corresponding lease liability for all arrangements that meet the definition of a lease. IFRS 16 was adopted using the modified retrospective approach under which the cumulative effect of initial application is recognized in deficit with no restatement of comparative figures. However, as the Company did not have any arrangement that met the definition of a lease on the adoption date, adoption of IFRS 16 did not have any impact on the consolidated financial statements on adoption.

IFRIC 23 – Uncertainty over Income Tax Treatments

IFRIC 23 – Uncertainty over Income Tax Treatments ("IFRIC 23") clarifies the recognition and measurement requirements when there is uncertainty over income tax treatments. The Company is required to use judgment to determine whether each tax treatment should be considered independently or whether some tax treatments should be considered together. IFRS 23 requires the Company to consider whether it is probable that the relevant tax authority will accept each tax treatment, or group of tax treatments, that is or will be used in its income tax filing. The effect of uncertain tax treatments are recognized at the most likely amount or expected value. The adoption of IFRIC 23 had no impact on the consolidated financial statements.

New accounting standards and pronouncements

A number of new standards and amendments to standards and interpretations are effective for annual periods beginning after December 31, 2019. There are no IFRSs or IFRS Interpretations Committee interpretations that are not yet effective that would be expected to have a significant impact on the consolidated financial statements of the Company.

LIMITATIONS OF CONTROLS AND PROCEDURES

The Company's management, including the Chief Executive Officer and the Chief Financial Officer, believe that any disclosure controls and procedures or internal controls over financial reporting, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Due to the inherent limitations in all control systems, the Company's management cannot provide absolute assurance that all control issues and instances of fraud, if any, within the Company have been prevented or detected. These inherent limitations include the fact that judgements in decision-making can be faulty and that breakdowns can occur because of a simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, through collusion of two or more people, or by unauthorized override of the control. The design of any control system is also based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Accordingly, because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected. The Company's officers are not required to certify the design and evaluation of the Company's disclosure controls and procedures and internal controls over financial reporting and have not completed such an evaluation. Inherent limitations on the ability of the certifying officers to design and implement on a cost-effective basis disclosure controls and procedures and internal controls over financial reporting for the Company may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

QUALIFIED PERSON AND QUALITY CONTROL AND ASSURANCE

The technical information in this document has been reviewed by Andrew Rowe, Vice President of Exploration, BAppSc, FAusIMM, FSEG, who has sufficient experience relevant to the style of mineralization under consideration and qualifies as a Qualified Person as defined by National Instrument 43-101.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

Certain of the statements made and information contained herein is "forward-looking information" within the meaning of the British Columbia Securities Act. These statements relate to future events or the Company's future performance. All statements, other than statements of historical fact, may be forward-looking statements. Generally, these forward-looking statements can be identified by the use of forward-looking terminology such as "anticipates", "plans", "budget", "scheduled", "continue", "estimates", "forecasts", "expect", "is expected", "project", "propose", "potential", "targeting", "intends", "believes" or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might", or "will be taken", "occur" or "be achieved" or the negative connotation thereof. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. The Company believes that the expectations reflected in those forward-looking statements are reasonable, but no assurance can be given that these expectations will prove to be correct and such forward-looking statements included in this MD&A should not be unduly relied upon by readers, as actual results may vary. These statements speak only as of the date of this MD&A and are expressly qualified, in their entirety, by this cautionary statement. In particular, this MD&A contains forward-looking statements, pertaining to the following: capital expenditure programs, development of resources, treatment under governmental and taxation regimes, expectations regarding the Company's ability to raise capital, expenditures to be made by the Company and its joint venture partners on its properties and work plans to be conducted.

With respect to forward-looking statements listed above and contained in the MD&A, the Company has made assumptions regarding, among other things:

- *uncertainties relating to receiving mining, exploration and other permits in Japan;*
- *unknown impact related to potential business disruptions stemming from the COVID-19 outbreak, or another infectious illness;*
- *unpredictable changes to the market prices for gold, copper and other commodities;*
- *exploration and developments costs for properties in Japan;*
- *availability of additional financing and farm-in or joint-venture partners;*
- *anticipated results of exploration and development activities;*
- *the Company's ability to obtain additional financing on satisfactory terms or at all.*

The Company's actual results could differ materially from those anticipated in these forward-looking statements as a result of the risk factors set forth below and elsewhere in this MD&A: volatility in the market price for minerals; uncertainties associated with estimating resources; geological, technical, drilling and processing problems; liabilities and risks, including environmental liabilities and risks, inherent in mineral and oil and gas operations; fluctuations in currencies and interest rates; incorrect assessments of the value of acquisitions; unanticipated results of exploration activities; competition for, amongst other things, capital, undeveloped lands and skilled personnel; lack of availability of additional financing and farm-in or joint venture partners and unpredictable weather conditions. Although the Company has attempted to identify important factors that could cause results to differ materially from those contained in forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. Readers are cautioned that the foregoing lists of factors are not exhaustive. Forward looking statements are made as of the date hereof and accordingly are subject to change after such date. The forward-looking statements contained in this MD&A are expressly qualified by this cautionary statement. The Company does not undertake to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except in accordance with applicable securities laws.