MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

(Expressed in Canadian dollars)

This Management's Discussion and Analysis ("MD&A"), prepared as of April 27, 2023, 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, 2022 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.

HIGHLIGHTS FOR THE YEAR ENDED DECEMBER 31, 2022 AND THE SUBSEQUENT PERIOD

- Ryuo prospect: Completed nine additional diamond drill core holes for a total of 3,955 m at the Ryuo prospect within the 100% owned Ikutahara Project. (Eleven holes completed in 2021).
- Saroma prospect: Completed six drill holes for a total of 1,309 m at the Saroma prospect located within the 100% owned Ikutahara Project.
- Kitano-o prospect: Completed three drill holes for a total of 2,100 m at east Kitano-o prospect located within the 100% owned Ikutahara Project.
- During the year ended December 31, 2022, the Company received funding of $3,986,795 (US$3,063,352) from Barrick Gold Corporation ("Barrick") for work to jointly explore, develop and mine certain gold mineral properties in Japan (the "Barrick Alliance"). Subsequent to December 31, 2022, Barrick has funded an additional $2,680,316 (US$1,977,450) for total funding of $13,890,502 (US$10,593,395) since commencement of the Barrick Alliance in February 2020.
- Barrick visited Japan in May 2022 and July 2022 to tour projects in the Northern and Southern parts of Japan and selected six projects within the Barrick Alliance portfolio in September 2022 to continue onto the 3-year Second Evaluation Phase. As of the date of this MDA, the Barrick Alliance has commenced drilling at the Mizobe Project in Southern Kyushu.
- Barrick is continuing their Initial Evaluation Phase on two additional projects that were added to the Barrick Alliance following its formation and three project additions and continues to provide full support, management and sole fund all Barrick Alliance activities.

COMPANY OVERVIEW

Japan Gold Corp. (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 holds a portfolio of 34 gold projects which cover areas with known gold occurrences, a history of mining, and are prospective for high-grade epithermal gold mineralization. The Company's leadership team represent decades of resource industry and business experience, and the Company has an operational team of geologists, drillers and technical advisors with experience exploring and operating in Japan. The Company has a country-wide alliance with Barrick Gold Corporation to jointly explore, develop, and mine certain gold mineral properties and mining projects (the "Barrick Alliance"). The Barrick Alliance has completed a successful two-and-a-half-year country-wide screening program of 29 projects and has selected 6 with the potential to host Tier 1 or Tier 2 gold ore bodies for further advancement and 2 more recently acquired projects and 3 project extensions for initial evaluation.

On April 26, 2023, the Company announced a non-brokered private placement of up to 50,000,000 common shares of the Company at a price of $0.20 per Share for gross proceeds of up to $10,000,000. Proceeds of the private placement will be used for drill programs, drill targeting, advancing the prospect pipeline from the Company's largest portfolio of exploration projects and for general working capital purposes. The Company has agreed to pay finder's fee which consists of a cash fee equal to 6.0% of the gross proceeds from the sale of Shares to third parties sourced by the finders and finder's warrants equal in number to 6.0% of the gross proceeds from the sale of Shares sold to third parties sourced by the finders. Each finder's warrant will be exercisable into one common share of the Company at an exercise price of $0.20 per share for a period of 12 months from the date of closing.

On July 8, 2021, the Company issued a total of 48,571,429 shares in a non-brokered private placement at a price of $0.35 per share for gross proceeds of $17,000,000. The Company paid a total of $1,023,792 in cash finders' fees and other professional costs and issued a total of 2,887,679 compensation warrants in connection with the private placement. The compensation warrants were exercisable at $0.35 per share for a period of 12 months following the date of closing and expired on July 8, 2022. The fair value of these warrants was determined to be $249,501 using the Black-Scholes pricing model.

On February 24, 2020, the Company announced a country-wide alliance with Barrick. The Barrick Alliance covers the entire country of Japan including 29 out of 31 projects held by Japan Gold at that time. The Barrick Alliance does not include the Ikutahara Project in Hokkaido or the Ohra-Takamine Project in Kyushu and Japan Gold will continue to advance these two projects independently. Barrick sole funded a 2.5-year Initial Evaluation Phase of each project and is sole funding a subsequent 3-year Second Evaluation Phase on six projects recently selected which meet the Barrick's inclusion criteria which are further described below. Japan Gold acts 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 and 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. On receipt of funds from Barrick, the Company records amounts received as restricted cash with an offsetting payable to Barrick. The payable to Barrick is decreased as qualifying expenditures are incurred.

On September 6, 2022, the Company announced that Barrick has selected six projects from the portfolio to continue within the Second Evaluation Phase (see detailed discussion of the Barrick Alliance below). In addition, Barrick will be continuing their Initial Evaluation Phase on two projects and three project extensions that were added to the Barrick Alliance following its formation. Barrick will continue to provide full support and management and sole fund all Barrick Alliance activities. To date, Barrick has funded a total of $13,890,502 (US$10,593,395). Barrick has not yet declared any project as a Designated Project.

In 2018, the Company completed a private placement including certain strategic investors, 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 (who currently hold a 10% equity position), formed a Technical Committee to oversee exploration activities on the Ikutahara and Ohra-Takamine projects.

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 appropriate 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 gold mining and has received strong local support. As a first mover in Japan, the Company remains active in ongoing discussions with regulatory bodies in Japan in respect of its property portfolio.

FINANCIAL SNAPSHOT

	December 31, 2022	December 31, 2021	December 31, 2020
Total assets	**$ 28,477,234**	**$ 32,371,554**	**$ 20,656,488**
Working capital [(1)]	**1,530,739**	**11,689,692**	**2,623,106**
Net loss	**(3,942,414)**	**(3,326,795)**	**(3,713,672)**
Comprehensive loss	**(4,808,386)**	**(5,044,971)**	**(3,379,111)**
Loss per share	**(0.02)**	**(0.02)**	**(0.02)**

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

At the date of this MD&A, the Company has working capital of approximately $1.8 million which includes restricted cash representing amounts funded by Barrick in excess of amounts paid for exploration and evaluation expenditures.

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 at the commencement of field activities, the Company had applied for 38 prospecting rights (each up to 350 hectares), 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.

Having prospecting rights applications accepted by Ministry of Economy, Trade and Industry, 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 of the date of this MD&A report the Company holds priority over 34 projects, for a total of 297,538 hectares, a total of 765 prospecting rights license applications accepted by METI, 203 of these have been granted as prospecting rights licenses across the three main islands of Japan.

The following is a breakdown of the 203 granted 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)
- 14 Prospecting Rights at the Bajo Project (4,478 hectares)
- 4 Prospecting Rights at the Buho Project (1,325 hectares)
- 6 Prospecting Rights at the Usa Project (1,838 hectares)
- 47 Prospecting Rights at the Ebino Project (14,698 hectares)
- 22 Prospecting Rights at the Mizobe Project (5,163 hectares)
- 36 Prospecting Rights at the Tobaru-Fuke Project (10,599 hectares)

The following is a summary of work completed to date by the Company:

Ikutahara Project

The 20,513-hectare Ikutahara Project (which includes 13,286 hectares of prospecting rights and 7,227 hectares of prospecting rights application) is the Company's most advanced project. Located 20 km southeast of the historic Konamai mine in north Hokkaido, the Ikutahara Project hosts 17 historic gold mines and workings including the Kitano-o mine (1924-43) which produced 96,450 ounces of gold from surficial eluvial placers associated with sinter deposits and sub-sinter epithermal veins.

Preliminary field work in Q4 2016 comprised regional drainage sediment sampling and semi-detailed prospect mapping over historical gold-silver mine workings. Subsequent follow-up evaluation of 2016 regional work in 2017 focused on follow up and ranking of drainage anomalies towards prospect development.

In 2018-19 mapping over the historic Kitano-o Gold District highlighted the presence of high-grade gold mineralization and a geological model was developed from combined data sets. CSAMT and gravity surveying at the Kitano-o district and the Ryuo prospect also greatly contributed to model development and drill targeting.

Phase 1 drilling at the Kitano-o prospect in 2019 indicated the western and central parts of the prospect, where most of the surficial placer gold was mined, most likely represented lateral outflow zones to a boiling zone located on the eastern side of the prosect, closer to the graben margin faults. Drilling was scheduled for 2022 to follow up this concept.

In 2021, 3 initial drill holes were completed at the Ryuo Prospect, results were very encouraging and included an interval of **4.9 m @ 12.1 g/t Au and 33 g/t Ag** (IKDD21-001) below the Jinja vein workings. An additional 8 drill holes were completed later in 2021 providing further strong encouragement included: **IKDD21-008: 0.45 m @ 1,395 g/t Au and 768 g/t Ag**, and **IKDD21-010: 20 m @ 6.3 g/t Au and 15.7 g/t Ag**, including **5 m @ 15.2 g/t Au and 13.1 g/t Ag**. Drilling at Ryuo in 2021 encountered high-grade vein intersections along an 800 m open ended strike zone, and further drilling was planned for 2022 to increase geological understanding on mineralization controls to identify continuous zones of high-grade mineralization.

Table of significant drill intersections from the 2021 drilling at the Ryuo Prospect:

Drill Hole Number	From (m)	To (m)	Length (m)	Au (g/t)	Ag (g/t)
IKDD21-001	60.6	65.5	4.9	**12.1**	**33**
incl.	60.6	61.5	0.9	**18.4**	**115.8**
and	63.55	65.5	1.95	**20.5**	**21**
incl.	63.9	64.45	0.55	**59.4**	**49.5**
incl.	64.2	64.45	0.25	**125**	**97**
IKDD21-002	No Significant Intersections				
IKDD21-003	81.2	83.32	2.12	**6.32**	**12.6**
incl.	81.55	82.87	1.32	**8.94**	**17.6**
incl.	81.95	82.25	0.3	**14.75**	**27.8**
incl.	119.7	120.2	0.5	3.05	7.2
IKDD21-004	42.55	42.75	0.20	2.8	14.4
	88.50	88.80	0.30	1.2	23.9
IKDD21-005	140.40	140.70	0.30	1.4	4.9
	176.05	176.35	0.30	1.2	2.1
IKDD21-006	**72.15**	**72.35**	**0.2**	**5.0**	**36.9**
IKDD21-007	137.75	137.90	0.15	1.3	20.5
	151.30	151.50	0.20	1.0	1.7
	153.20	153.50	0.30	1.7	1.6
	233.30	**234.30**	**1.00**	**30.0**	**284.0**
	258.40	258.80	0.40	1.2	2.3
	272.60	273.90	1.30	3.7	2.3
	276.65	277.10	0.45	3.0	2.7
	289.30	289.55	0.25	1.8	3.4
	319.00	320.00	1.00	1.3	3.1
	339.00	340.35	1.35	2.7	4.1
	406.45	406.85	0.40	2.7	12.7
	408.60	409.05	0.45	2.6	5.4
	426.45	426.80	0.35	2.3	0.8
	432.70	435.65	2.95	1.6	1.7
incl.	434.40	435.00	0.60	3.1	2.6
IKDD21-008	231.80	233.40	1.60	2.8	17.2
	254.15	**254.60**	**0.45**	**1,395.0**	**768.0**
	257.85	258.05	0.20	1.9	2.2
	288.40	288.90	0.50	2.1	0.8
IKDD21-009	360.40	364.00	3.60	3.0	22.3
incl.	360.40	361.50	1.10	4.9	18.1
and	363.00	363.50	0.50	5.2	25.3
IKDD21-010	**74.05**	**94.05**	**20.00**	**6.3**	**15.7**
incl.	**74.05**	**74.45**	**0.40**	**8.2**	**12.7**
and	**75.50**	**76.35**	**0.85**	**5.2**	**8.1**
and	**79.75**	**84.85**	**5.10**	**15.2**	**13.1**
incl.	**81.20**	**84.85**	**3.65**	**20.1**	**16.3**
incl.	**82.85**	**84.85**	**2.00**	**34.3**	**25.8**
incl.	**82.85**	**83.50**	**0.65**	**92.0**	**64.3**
incl.	**83.15**	**83.50**	**0.35**	**140.0**	**97.5**
and	**87.10**	**88.45**	**1.35**	**8.9**	**77.1**
incl.	**87.80**	**88.05**	**0.25**	**37.2**	**360.0**
and	**90.65**	**91.80**	**1.15**	**9.4**	**19.3**
and	**93.45**	**93.65**	**0.20**	**30.5**	**40.9**
IKDD21-011	98.10	98.25	0.15	1.6	4.3
	127.50	128.20	0.70	1.7	1.4
	130.10	130.25	0.15	1.3	11.1
	289.75	289.95	0.20	2.9	51.2

To add to interpretations of the largely concealed mineralization at Ryuo, a soil grid over the greater Ryuo prospect was completed in August 2021which confirmed the nature of the mineralization and alteration footprint along the area of historical workings and identified additional areas of anomalism prompting a requirement to expand the soil grid.

In March 2022, drilling resumed at the Ryuo prospect to follow up on the very encouraging 2021 drilling. Seven drill holes were completed by June 2022, positioned to step-out at approximate 50 m intervals from high-grade mineralization encountered in the 2021 drill program and test continuity of mineralization along strike and to depth. Results from the 2022 drilling at Ryuo were announced on October 11, 2022 with the following significant intercepts:

Table of significant drill intersections from the 2022 drilling at the Ryuo Prospect:

Drill Hole Number	From (m)	To (m)	Length (m)	Au (g/t)	Ag (g/t)
IKDD22-001	161.35	161.50	0.15	2.6	22.3
	193.70	**194.15**	**0.45**	**4.0**	**14.6**
incl.	**193.70**	**193.95**	**0.25**	**6.6**	**18.0**
	360.80	361.15	0.35	1.2	1.3
	390.00	**390.25**	**0.25**	**4.2**	**10.0**
IKDD22-002	164.50	164.60	0.10	4.3	2.4
	233.65	**233.80**	**0.15**	**13.1**	**8.4**
	280.95	**281.35**	**0.40**	**19.0**	**15.7**
incl.	**280.95**	**281.15**	**0.20**	**34.6**	**25.0**
IKDD22-003	198.45	199.35	0.90	1.1	1.2
IKDD22-004	No Significant Intersections				
IKDD22-005	**276.00**	**276.75**	**0.75**	**22.50**	**41.30**
IKDD22-006	**253.55**	**253.90**	**0.35**	**2.10**	**6.10**
	309.20	**309.40**	**0.20**	**1.50**	**1.40**
IKDD22-007	245.45	245.65	0.20	4.60	7.40
	266.80	**267.90**	**1.10**	**2.90**	**11.70**
incl.	**266.95**	**267.60**	**0.65**	**4.50**	**14.70**
incl.	**267.25**	**267.60**	**0.35**	**7.00**	**22.10**
	285.60	**286.40**	**0.80**	**2.50**	**19.40**
incl.	**286.00**	**286.25**	**0.25**	**4.40**	**24.10**
	288.40	**288.80**	**0.40**	**12.80**	**35.30**
incl.	**288.60**	**288.80**	**0.20**	**23.70**	**64.70**

Drilling indicated a limited extent to the high-grade Jinja shoot area but highlighted continuity of mineralization between the Shouei workings and the Taisei and Ryuei workings where IKDD22-007 ended in mineralization due to difficult drilling conditions and temporary expiration of the forestry permit. Two additional drill holes were completed at Ryuo in late 2022 to follow up on high-grade intercepts discussed herein. IKDD22-017, targeted continuity of mineralization below IKDD22-007 and to see if the high-grade interval in IKDD21-008 (0.45 m grading 1,395 g/t gold) coalesced into a mineralized structure at depth. Three significant fault zones including broken banded quartz vein fragments were intersected, the most significant mineralization occurred at a depth of 335.35 m (0.2 m @ 1.0 g/t gold) which appears to correspond with the down-dip extension of the mineralized fault zone in the bottom hole IKDDD22-007. Continuity of vein structures in this locality appears to have been affected by the interplay of at least 3 significant faults which post-date mineralization and appear to be reactivating or cutting the mineralized structures and dislocating vein mineralization.

Drill hole IKDD22-018 targeted the extension of the mineralized interval in IKDD22-005, (**0.75 m @ 22.5 g/t gold**), 100 m southwest along strike and approximately 100 m higher in elevation. The target zone lay coincident with a strong resistivity anomaly detected from the CSAMT data inferred to potentially represent silicification related to a wider quartz vein zone. Drilling intersected flow-banded and porphyritic rhyolite to 150 m down-hole with a 15 m wide fault zone juxtaposing fine-grained and strongly silicified sediments against the rhyolite to a depth of approximately 135 m down-hole, the latter confirming the CSAMT resistivity anomaly. A mineralized vein within the silicified sediments reported the peak value within the drill hole

of 0.5 m @ 1.8 g/t gold with an included interval of 0.15 m @ 4.5 g/t gold. As in IKDD22-017, post-mineral faulting appears to have affected the continuity of mineralization along the Shouei structure.

Important insights gained from the 20 drill holes completed at Ryuo to date include the identification of a high-grade gold events across the prospect, wide high-grade mineralized vein structures, and the intimate relationship of certain rhyolite phases with mineralization. Post-mineral faulting will be carefully examined in drill core and re-modelled to understand potential off-set of vein-zone extensions. CSAMT data detected the locally intense silicification seen in the sediments in IKDD22-018 and other areas, this is a positive outcome with respect to the use of CSAMT in mapping silicification associated with veining in other potential targets.

A second campaign of soil sampling was completed at Ryuo in 2022 expending on the 2021 soil grid to cover a 4.5 by 3.5 km grid area, it gave the following important insights:

The 1.2 km long mineralized corridor at Ryuo lies within a window of pre-mineral felsic volcanic rocks which host the Ryuo rhyolite and the known mineralization. These units are overlain by the slightly younger Yasakuni rhyolite and other post-mineral rhyolite and andesite lava and volcanic units. The Yasakuni rhyolite lava is inferred to have been deposited in the late-mineral or waning stages of the hydrothermal activity at Ryuo. From the latest soil grid, three new areas exhibiting anomalous pathfinder element plumes have been identified within the Yasakuni rhyolite along structural leakage zones, one occurring immediately northeast along strike of the Shouei vein, and a second and third anomalies occurring 1 and 2.5 km respectively to the south. The pathfinder element signatures include gold, arsenic, antimony and mercury which are typical of low-sulphidation epithermal systems. The three new open-ended anomalous zones defined by the soil program at Ryuo are supported by geological mapping, gravity inferred structure and lineament interpretation and may represent shallowly concealed mineralization below the late-mineral cover. The district scale structural trends along which the anomalies are hosted are parallel to known vein orientations within the region, including the 2.35-million-ounce Konomai vein field, located 20 km to the north.

Ground checking of the 3 new soil anomalies at Ryuo will be prioritised as these define previously unknown, partially concealed, and open-ended extensions which may yield new drill targets.

Upon completion of drill hole IKDD22-007 at Ryuo, drilling operations shifted to the east side of the Kitano-o prospect where three 700 m deep drill holes were completed. The initial three scout drill holes at east Kitano-o are targeted combined geochemical and geophysical anomalies below historic workings and adjacent to major graben and rhyolite dome structures proximal to the Cretaceous basement interface.

Drill hole IDDD22-008 located on the eastern edge of the Kitano-o mine workings, targeted a large CSAMT resistivity anomaly at depth within the Cretaceous metasedimentary basement. From a depth of approximately 420 m down hole, the drill hole intersected silica and clay altered rhyolite corresponding with the CSAMT anomaly, some narrow crystalline quartz veins were encountered adjacent to the rhyolite, but these did not carry any significant gold anomalism.

Drill hole IKDD22-015 drilled depth extensions of veins mapped in the historical workings with highly anomalous gold and pathfinder element geochemistry in rock float, mine dumps, and soils coincident with a vertical CSAMT defined resistivity anomaly. A gold and pathfinder element anomalous interval was recorded over a length of 7.2 m with 0.33 g/t gold in the upper portion of the drill hole adjacent to an altered rhyolite intrusion which corresponded with the CSAMT resistivity anomaly. The lack of significant mineralization in the drill hole further supports the conclusion that a deeper boiling zone gold source is de-coupled from the gold-enriched paleosurface. There is also a possibility that the vein system dips south, and it would be conceivable for IKDD22-15 to have missed the larger structure it was targeting. A north oriented drill hole in this area is still warranted based on the new interpretations.

Drill hole IKDD22-016 targeted a major northeast structure which controlled the emplacement of the Maruyama rhyolite dome located to the north of the Kitano-o mine workings. CSAMT mapped the structure along the SE edge of the dome, where soils exhibit anomalous gold, arsenic, and antimony. The drill hole cut the dome margin as mapped by the CSAMT, but the contact zone hosted no significant vein mineralization.

Three campaigns of soil sampling were completed over the Kitano-o Gold District between 2020 and 2022 covering a prospective 1,710 hectare area. A total of 1,597 composite soil samples were collected along a 7 km long section of a major deep-seated graben fault which bounds the east side of the district and localises the majority of epithermal mineralisation in the project. The abundance of gold at surface particularly at Kitano-o is believed to represent surficial out-flow or leakage from a

deeper boiling zone source. The presence of both sinter material at Kitano-o and of numerous areas of steam-heated clay alteration represent the preserved paleosurface and support an interpretation for at least three fully preserved epithermal systems developed at depth within the district.

Drilling to date at the Kitano-o prospect has targeted depth extensions of surficial gold-rich eluvial-placer and sub-sinter veins which have not yielded a source for the significant amount of gold precipitated at the paleo-surface. With a more complete geochemical coverage, it is now interpreted that these gold-bearing paleo-surface expressions are de-coupled from structures hosting the boiling-zone vein systems developed at depth.

A careful screening of the soil geochemical data combined with other data sets was required to define deeper boiling-zone targets. Three new targets areas have been defined based on their supporting multi-element pathfinder signatures which are up to 1.5 km in strike length and remain open off the soil grid to the west. The two highest priority anomalous zones are located to the southwest of east Kitano-o mine workings and the northwest of the Ikutahara-Showa mines and lie along linear strike extensions of known veins sets mapped at surface. A third more subtle anomalous zone, in the northern part of the district, lies along the southern edge of a large rhyolite dome, and is further supported by fine grained chalcedonic vein and sinter float trains.

The high-priority Kitano-o and Ikutahara-Showa multi-element anomalies defined by the soil grid are interpreted to represent de-coupled boiling zones that lie down-plunge from gold enriched paleo-surface leakage zones. The two anomalous zones show elevated gold supported by a pathfinder element suit typically associated with leakage along structures in the upper portions of low-sulphidation epithermal systems and include arsenic, antimony, selenium, thallium, and mercury. This pathfinder assemblage is also validated from sampling of mineralized and altered surface rock and drill core from the Kitano-o prospect by the Company. Unusual are an addition of pathfinder elements more typically associated with alkaline gold systems, which include vanadium, bismuth, and weakly elevated tellurium.

Multi-element geochemical and alteration coverage from the soil survey, geological mapping, and prospect scale CSAMT and gravity surveys support delineation of the new anomalous zones. These anomalous zones are aligned along northeast and east-southeast trending structures akin to the orientation of those which host the 2.35-million-ounce Konomai vein deposits located 25 km to the northwest.

The Company plans to expand the soil grid over areas where anomalies lie open ended, both to the west and the south, towards the Saroma prospect. In 2023, focussed CSAMT and gravity surveys are planned to cover the new anomalous zones to add additional information on the geometry of alteration and structure to support drill targeting in 2024.

On December 14, 2022, the Company announced the completion of the drilling activities at the Saroma prospect, where six initial scout drill holes tested a 1 km section of the Saroma vein. The 1.2 km long vein at Saroma is located at the northeast end of an open-ended 3.5 km long mineralized structure which includes the Saroma, Chitose and Taiho mine workings. The following intercepts were reported from drilling:

Drill Hole Number	From (m)	To (m)	Length (m)	Au g/t	Ag g/t	Au Eq g/t	Structure
IKDD22-09	31.7	32.05	0.35	0.5	14.6	0.7	Hanging wall splay
	55.65	**59.75**	**4.1**	**0.7**	**124.8**	**2.2**	Saroma Main Vein
Incl.	**55.65**	**57.00**	**1.35**	**1.7**	**302.4**	**5.4**	Saroma Main Vein
	56.25	**57.00**	**0.75**	**2.7**	**425**	**7.9**	Saroma Main Vein
IKDD22-10	41.65	42.0	0.35	0.2	7.37	0.3	Hanging wall splay
	98.75	100.35	1.6	1.2	56.5	1.9	Saroma Main Vein
Incl.	**99.4**	**100.15**	**0.75**	**2.1**	**88.8**	**3.2**	Saroma Main Vein
	104.75	**107.85**	**3.1**	**0.4**	**475.7**	**6.2**	Saroma Main Vein
Incl.	**104.75**	**106.5**	**1.75**	**0.6**	**833.8**	**10.7**	Saroma Main Vein
	105.5	**106.5**	**1.0**	**0.6**	**1,128.8**	**14.3**	Saroma Main Vein
IKDD22-11	**121.55**	**122.05**	**0.5**	**0.2**	**150.4**	**2.0**	Saroma Main Vein
Incl.	**121.8**	**122.05**	**0.25**	**0.3**	**234.0**	**3.1**	Saroma Main Vein

	147.6	148.8	1.2	0.5	25.9	0.8	Saroma footwall
IKDD22-12	**88.9**	**89.3**	**0.4**	**2.4**	**37.9**	**2.9**	Saroma Main Vein
	90.55	**91.6**	**1.05**	**1.3**	**1,449.5**	**19.0**	Saroma Main Vein
Incl.	**90.8**	**91.2**	**0.4**	**3.2**	**3,570.0**	**46.7**	Saroma Main Vein
IKDD22-13	46.15	46.6	0.45	0.4	1.2	0.4	Hanging wall splay
	120.85	123.4	2.55	0.5	6.0	0.6	Saroma Main Vein
Incl.	123.1	123.4	0.3	1.0	2.1	1.1	Saroma Main Vein
IKDD22-14	94.55	94.90	0.35	0.2	1.0	0.2	Saroma Main Vein
	143.85	144.30	0.45	0.2	4.0	0.2	Saroma footwall

Gold equivalent (AuEq) = (Ag g/t / 82.4) + Au g/t. This calculation was based on average of gold and silver prices for the month of November 2022.

The Saroma prospect comprises multiple veins within a large continuous structure, which were successfully intercepted in all six drillholes along a 1 km strike length, and to a depth 130m below surface. Importantly, vein widths up to 8 meters (true width) have been intersected with high-grade silver, and gold mineralization. Quartz veining exhibits impressive chalcedony-rich low-sulphidation epithermal vein textures, indicating good preservation of the vein system and potential to depth and along strike.

Quartz veins at Saroma show a diverse range of low-sulfidation epithermal textures, brecciation and minerology suggesting a dynamic system with multiple fluid phases amenable to gold deposition. High level chalcedony-rich vein textures are observed in the deepest holes IKDD22-10 and IKDD22-13 indicating that the current drill intercepts are within the mineralization window and further drill testing down dip is warranted. Vein textures and the geometry of higher-grade mineralization identified along the Saroma vein trend may be indicative of a southwest plunge to mineralization towards the Chitose and Taiho prospects 500 and 1,500 m to the southwest. Reconnaissance mapping along the Saroma structure in 2016 by the Company found surface rock samples up to 10.85 g/t gold and 136 g/t silver. Recent detailed mapping has confirmed veining with broad silicification envelopes at Chitose and Taiho and banded chalcedony veins outcrops up to 5 m wide at the latter.

The historical Jomon workings are located another 5 km southwest of the Taiho workings on what appears to be the continuation of the Saroma structure. Information on mining here is limited but sampling of numerous quartz boulders in a small open pit report grades averaging 25 g/t gold and 50 g/t silver. In 1933 an underground cross-cut was excavated to locate the source of the boulders but results are unknown.

2023 plans for the 8.5 km long Saroma-Jomon trend include soil geochemical sampling and mapping to define the extent of alteration and areas with elevated gold and pathfinder geochemistry to support more focussed CSAMT surveying towards drill targeting.

Ohra-Takamine Project

The Ohra-Takamine Project comprises 11 contiguous Prospecting Rights blocks (3,705 ha) near the coastal town of Kirishima in southern Kyushu, in the center of the highly gold-endowed Hokusatsu mining district. The project area contains an intact mineralized epithermal vein system part of which was historically mined up to 1943 (41.6K oz gold). This is part of the highly gold endowed Hokusatsu-Kushikino mining district. Regional metallogenic surveys and later prospect evaluation work (including scout diamond) by the Metal Mining Agency of Japan ('MMAJ') in the 1980's has further enhanced the level of geological understanding on this property.

Preliminary field activities in 2018 and Q1 2019 included semi-detailed surface mapping and sampling along the Urushi-Takamine-Ohra mine corridor, supported by spectral alteration mapping. Results confirmed the presence of auriferous quartz veins and sinter at several localities indicating good preservation of the hydrothermal system.

During January-February 2020 work programs included extensive grid-based soil sampling with geological & alteration mapping, 35 km of CSAMT geophysics Bouguer gravity data over an approximate area of 8 x 4 km centered on the Urushi-Takamine-Ohra mine corridor. Geophysical data was processed and modelled with the combine data sets and an initial 2 drill hole program was completed in 2020 which provided encouragement for further drill testing. Results included the following intervals:

- Drill hole OTDD20-001, targeting the down dip extension of the Urushi Mine workings, intersected 7 narrow, gold-anomalous quartz veins including highlight intercepts of:

  0.35 m @ 21.7 g/t Au & 13 g/t Ag from 233.95 m

  4.15 m @ 1.6 g/t Au & 2.4 g/t Ag from 222.6 m
  (inc. 0.55 m @ 3.5 g/t Au & 4.5 g/t Ag from 225.7 m)
  (and. 0.25 m @ 6.5 g/t Au & 7.5 g/t Ag from 226.0 m)

  1.2 m @ 1.5g/t Au & 31 g/t Ag from 114. 4m
  (inc. 0.4 m @ 3.2 g/t Au & 84 g/t Ag from 115.2 m)

- Drill hole OTDD19-001, drilled from the north side of the Ohra Mine, intersected a 4.5 m wide (down-hole width) quartz vein from 227 m down hole. A 0.35 m wide portion of the vein returned 1.7 g/t Au and 5.0 g/t Ag.

- Drill hole OTDD20-002, targeting beneath the Ohra Mine workings intersected numerous broad intervals of intense alteration and quartz veining from a downhole depth of 206 m to end of hole (584 m). These zones range from 4 to 40 m in downhole length.

An evaluation of all geological, geochemical and geophysical results were completed in early 2022 which generated a series of new drill targets between the Ohra and Takamine mine workings. Drilling will be scheduled following the completion of ranking and prioritisation of all targets within Company's large portfolio.

Tobaru Project

The Tobaru Project is located within the highly gold endowed Hokusatsu-Kushikino mining district, near the town of Kuma in southern Kyushu. The Fuke mine (106.1K oz gold at mined grades of 8.2-11.4 g/t Au and 4.8-9.4 g/t Ag) is located proximal to the western property boundary. The project area contains attributes of both an exposed high-sulphidation altered lithocap and low sulphidation epithermal event along strike to the Fuke mine. The former being delineated in the 1980's and 1990's by the Mitsui - BHP Joint Venture.

During Q2 2018, limited reconnaissance and spectral alteration mapping was completed over the Project area. Due to the high prospectivity of the district, the potential for both low and high-sulphidation and porphyry mineralization related to advanced argillic alteration, the Company believes this area is worthy of more detailed exploration.

As part of the Barrick Alliance group of projects BLEG sampling was completed in 2021 at Tobaru with a total of 32 BLEG and 98 rock samples collected. The Barrick Alliance has made a decision to classify Tobaru as part of the option projects not selected for further evaluation.

The Company is internally evaluating all projects that Barrick did not select, which remain at an early stage of investigation but offer exploration potential, with a view to determining which to advance independently or by bringing in additional partners.

Barrick Alliance

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 29 out of 31 projects held by Japan Gold at that time. 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 has now sole funded a 2-year Initial Evaluation Phase of each project and will sole fund a subsequent 3-year Second Evaluation Phase on projects which meet the Barrick criteria as further discussed below. 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. 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. 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.

Subsequent to the Barrick Alliance announcement, regional BLEG sampling and project scale gravity data collection commenced over the 1,591 square kilometers covered by the Barrick Alliance Projects on the islands of Kyushu, Honshu and Hokkaido. By August 31, 2022 the regional BLEG and required gravity surveys had been largely completed over the now expanded Alliance portfolio which had increased from 1,591 to 2,441.7 square kilometers across Japan's 3 main islands.

On September 6, 2022, the Company announced that Barrick has selected six projects from the Barrick Alliance portfolio to continue as Included Projects in the Second Evaluation Phase. In addition, Barrick would be continuing their Initial Evaluation Phase on two projects and three project extensions that were added to the Barrick Alliance subsequent to its formation. The Company continues to provide full support and management of the Included Projects under the Barrick Alliance.

Barrick's selection criteria requires the potential to host either a Tier 1 or Tier 2 ore body to advance under the Barrick Alliance. Tier 1 ore bodies are defined by Barrick as having 5 million ounce or greater potential with annual production of at least 500,000 ounces of gold for 10 years and Tier 2 ore bodies are defined as having 3 million ounce or greater potential with annual production of 300,000 ounces of gold for 10 years.

The following projects were chosen by Barrick following a comprehensive program of field and data review, completed by senior Barrick and the Company's personnel:

- Aibetsu, Tenyru, Hakuryu, Togi, Ebino and Mizobe, included in the Barrick Alliance at the time of its original formation, will advance to the program's Second Evaluation Phase.
- Buho Extension - Nakanosawa, Aibetsu East Extension, and Togi Extension were added to the Barrick Alliance following its formation and, as such, will continue under the Initial Evaluation Phase in accordance with the terms of the Alliance Agreement. All Initial Evaluation Phase terms end within one year.

Following the announcement of Barrick's selection of six Japan Gold projects in September 2022, work programs immediately commenced on priority targets in Kyushu and Hokkaido.

Mizobe Project

An Induced Polarization (IP) geophysical survey comprising 14.6-line kilometers was completed over the eastern part of the Mizobe Project in September. IP surveying was carried out over a 2.5 by 2.5 km area containing mineralized river-float and localized outcrops exhibiting strong alteration and gold and pathfinder element anomalism, significant portions of this target area are concealed by a veneer of younger volcanic ash and welded tuff. The IP survey was aimed at mapping subsurface chargeability and resistivity features potentially representing buried mineralization and surrounding alteration haloes. From interpretation of combined data sets an initial three drill holes have commenced in March 2023.

The Mizobe Project is located in the Hokusatsu Region of Southern Kyushu in a similar geological setting to Sumitomo Metal Mining's Hishikari gold mine, located 23 km to the north.

Ebino Project

Induced Polarization surveying was completed in November 2022 at the Otsuka prospect within Ebino Project, located 12 km north of the Hishikari mine. A total of 9.4-line km were completed along a 4 km long alteration zone which overlies well-defined gravity anomalies. Gravity anomalies are a key feature associated with epithermal vein deposits in the Hokusatsu Region. Geological mapping was completed over the Otsuka prospect in December, following an analysis for the combined data, a decision on drill targeting is currently pending.

Aibetsu Project

The Aibetsu Project encompasses five historical gold-silver and mercury mines and/or mineral occurrences on the western side of the project, and large areas of alteration within the central and eastern parts of the project. The Tokusei mine produced 38,580 ounces of gold and 472,620 ounces of silver, mined from quartz-adularia veins between 1930-1942. The project area has had only limited exploration since the 1940's which included mapping, soil sampling, and resistivity surveys by MMAJ over the

Tokusei mine area between 1998-2002. This work culminated in five diamond drill holes up to 700 m deep for a total of 3,400 m targeted mainly on Tokusei mine extensions. The most significant result was from drill hole 13MAHB-2 which reported an intersection of 1.4 m at 69 g/t Au and 263 g/t Ag from a quartz vein intersected approximately 340 m below surface.

In Q2/Q3 2017, semi-detailed geologic mapping and geochemical sampling of historical mine workings, ridges, streams and roads was undertaken over the Tokusei and historical workings located on the west side of the project. Infill and extensions of the MMAJ soil sampling program over a 5 x 4 km grid area was also completed. Results confirmed the presence of high-grade gold mineralization within and around the historic Tokusei mine workings and emphasized the significant potential for extensions to the epithermal vein system at the Tokusei mine. Subsequent spectral alteration studies of sample duplicates confirmed these findings.

In the third/fourth quarter in 2022, the Alliance completed detailed mapping and outcrop sampling to define the source of highly elevated gold and pathfinder element anomalies identified from Initial Phase BLEG sampling over a contiguous 5 by 5 km zone within the eastern side of the project. Mapping has defined two extensive clay alteration zones with associated quartz vein mineralization. Preparations are now underway for IP surveying to cover priority areas in 2023 to advance drill targeting within the project.

Hakuryu Project

Detailed mapping and outcrop sampling was completed over the Yakiyama prospect located within the Hakuryu Project in early November 2022. The Hakuryu Project covers the southern half of the Konomai vein field which produced 2.35 Moz of gold between 1915-73. A combination of coherent BLEG gold and pathfinder element anomalies shedding from high elevations and well-preserved volcanic stratigraphy are the target of investigation for concealed extensions to the Konomai vein field. Mapping has confirmed extensive alteration and localized quartz veining. A positive interpretation of results from the mapping program will be followed up with IP surveying in 2023 to advance drill targeting.

SUMMARY OF QUARTERLY RESULTS

	December 31, 2022	September 30, 2022	June 30, 2022	March 31, 2022
Total assets	$28,477,234	$27,188,892	$28,827,823	$31,556,303
Working capital	1,530,739	4,254,416	7,212,067	9,648,922
Net loss	(932,061)	(789,807)	(1,148,890)	(1,071,656)
Basic and diluted loss per share	(0.00)	(0.00)	(0.01)	(0.01)

	December 31, 2021	September 30, 2021	June 30, 2021	March 31, 2021
Total assets	$32,371,554	$33,091,277	$24,529,931	$18,088,915
Working capital	11,689,692	13,835,511	6,044,259	1,333,354
Net loss	(1,038,046)	(748,776)	(740,569)	(799,404)
Basic and diluted loss per share	(0.01)	(0.00)	(0.00)	(0.00)

As at December 31, 2022, total assets decreased from $32,371,554 to in Q4 2021 to $28,477,234 in Q4 2022. This is attributed to a decrease in cash and expenditures related to project evaluation not capitalized along with corporate and Japan overhead expenses. The Company continues to explore and capitalize exploration and evaluation expenditures related to the Company's exploration and drilling programs. As at December 31, 2022, the Company has capitalized a total of $25,357,978 in exploration and evaluation assets. Total assets increased from $18,088,915 as at March 31, 2021 to $33,091,277 as at September 30, 2021. This is attributed to an increase in cash from an equity financing that closed in Q3 2021.

RESULTS OF OPERATIONS FOR THE THREE MONTHS ENDED DECEMBER 31, 2022

During the three-month period ended December 31, 2022, the Company had a net loss of $932,061 compared to a loss of $1,038,046 for the three-month period ended December 31, 2021. Significant changes occurred in the following categories:

- The Company recorded share-based compensation of $99,721 during the period ended December 31, 2022 related to stock options granted in Q4 2021 (December 31, 2021 – $436,984).
- The Company recognized a higher consulting expense of $130,164 (December 31, 2021 - $86,401) due to an increase in exploration activities relating to the Sanru, east Kitano-o and Ryuo projects for Q4, 2022.
- The Company recognized higher management fees of $208,000 (December 31, 2021 - $141,000) due to an increase in compensation for administrative, finance and accounting services.

RESULTS OF OPERATIONS FOR THE YEAR ENDED DECEMBER 31, 2022

During the year ended December 31, 2022, the Company had a net loss of $3,942,414 compared to a loss of $3,326,795 for the year ended December 31, 2021. Significant changes occurred in the following categories:

- The Company recorded share-based compensation of $811,837 during the year ended December 31, 2022 related to stock options granted in 2020 and 2021 (December 31, 2021 – $686,805).
- The Company recognized a higher consulting expense of $449,559 (December 31, 2021 - $321,206) and higher project evaluation costs of $508,754 (December 31, 2021 - $378,650) due to an increase in exploration and drilling activities relating to the Sanru, east Kitano-o and Ryuo projects.
- The Company recognized higher management fees of $732,000 (December 31, 2021 - $564,000) due to an increase in the agreed compensation for administrative, finance and accounting services.
- The Company recorded travel expense of $110,574 during the year ended December 31, 2022 (December 31, 2021 - $18,825). Travel costs during the prior period were lower as the outbreak of COVID-19 significantly limited international travel into Japan.

LIQUIDITY AND CAPITAL RESOURCES

The Company's cash and cash equivalents as at December 31, 2022 were $2,139,425 which was a decrease from $11,954,665 as at December 31, 2021. As at December 31, 2022, the Company has a working capital of $1,530,739 compared to a working capital of $11,689,692 as at December 31, 2021.

Net cash used in operating activities for the year ended December 31, 2022 was $3,083,575 compared to net cash used of $2,028,824 during the year ended December 31, 2021. The cash used in operating activities reflected the Company's efforts in continuing to build its project portfolio through rising costs during the year as well as general and administrative expenses.

Net cash used in investing activities during the year ended December 31, 2022 was $6,644,544 (December 31, 2021: $4,291,920). This was mainly due to the 2022 exploration and drilling programs incurred to advance the Company's key projects in Ikutahara and Ohra-Takamine.

Net cash used in financing activities during the year ended December 31, 2022 was $22,493 (December 31, 2021: cash from financing activities of $16,006,369). This difference was due to the Company receiving $15,976,208 in connection with a private placement which closed in July 2021.

As at December 31, 2022, the Company has not generated any revenues or cash flows from operations to date. For the year ended December 31, 2022, the Company recorded a net loss of $3,942,414 (December 31, 2021: $3,326,795) and accumulated losses of $30,775,131 (December 31, 2021:$26,832,717) since inception, all of which indicate a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. These consolidated financial statements 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 expects that it will require additional debt or equity funding in the next twelve 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 common shares. The Company's ability to continue as a going concern is 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.

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, 2022		Year ended December 31, 2021
Management fees	$	732,000	$	564,000
Project evaluation-consulting	$	174,641	$	187,129
Consulting fees	$	242,600	$	241,612
Director fees	$	154,532	$	153,249
Share-based compensation	$	497,913	$	420,235

During the year ended December 31, 2022, the Company incurred $732,000 (December 31, 2021: $564,000) in management fees for administrative, finance and accounting services to a private company controlled by John Proust, Chief Executive Officer of the Company. The Company also reimbursed $72,165 in occupancy costs during the year ended December 31, 2022 (December 31, 2021: $60,450). As at December 31, 2022, $40,000 (December 31, 2021: $Nil) of these fees were outstanding and payable to the officer.

The Company incurred $174,641 in consulting fees for project evaluation to Andrew Rowe, an officer of the Company during the year ended December 31, 2022 (December 31, 2021: $187,129). As at December 31, 2022, $15,087 (December 31, 2021: $19,031) of these fees were outstanding and payable to the officer.
The Company paid $74,600 in consulting fees (December 31, 2021: $73,612) to the Takashi Kuriyama, a director and General Manager of Exploration of the Company. As at December 31, 2022, $7,823 (December 31, 2021: $4,789) of these fees were outstanding and payable. During the year ended December 31, 2022, the Company also incurred $168,000 (December 31, 2021: $168,000) in consulting fees for analysis and strategic advice related to the development of exploration projects to a private company controlled by Mitsuhiko Yamada, a former director of the Company until December 31, 2022.

Other related party transactions

During the year ended December 31, 2022, Southern Arc, a company with common directors and management, charged the Company $25,156 in office expenses (December 31, 2021: $23,971). As at December 31, 2022, $6,469 (December 31, 2021: $8,321) of these fees were included in accounts payable and accrued liabilities.

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

CURRENT SHARE DATA

As at the date of this MD&A, the Company had 225,865,479 common shares issued and outstanding.

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

Outstanding		Weighted average exercise price	Expiry date	Weighted average remaining life (years)
120,000	$	0.27	June 3, 2024	1.42
3,074,950		0.40	September 15, 2026	3.71
275,000		0.40	October 28, 2026	3.83
1,400,050		0.16	December 13, 2028	5.96
4,330,000		0.20	January 24, 2029	6.07
4,215,000		0.30	May 13, 2030	7.37
6,290,000		0.35	December 23, 2026	3.98
19,705,000	$	0.30		5.22

As at the date of this MD&A, there are no share purchase warrants outstanding.

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 outbreak of COVID-19 has had a negative impact on global financial conditions. To date there has been significant stock market volatility, significant volatility in foreign exchange markets, and restrictions on the conduct of business in many jurisdictions and the global movement of people. There remains ongoing uncertainty surrounding COVID-19 and the extent of the impacts that it may have on the ability of the Company 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.

In late February 2022, Russia launched a large-scale military attack on Ukraine. The invasion significantly amplified already existing geopolitical tensions among Russia, Ukraine, Europe, NATO and the West, including Canada. In response to the military action by Russia, various countries, including Canada, the United States, the United Kingdom and European Union issued broad-ranging economic sanctions against Russia. Such sanctions (and any future sanctions) and other actions against Russia may adversely impact, among other things, the Russian economy and various sectors of the economy, including but not limited to, financials, energy, metals and mining. Accordingly, the actions discussed above and the potential for a wider conflict could increase financial market volatility and cause severe negative effects on regional and global economic markets. As a result, the Company's business, financial condition, and results of operations may be negatively affected by economic and other consequences from Russia's military action against Ukraine and the sanctions imposed in response to that action.

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, are classified as current. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due.

Credit risk Financial instruments that potentially subject the Company to credit risk consist of cash and cash equivalents, restricted cash, deposits and accounts receivable. The Company limits its credit exposure on cash and cash equivalents and restricted cash by holding its deposits mainly with high credit quality financial institutions as determined by credit agencies. 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 are subject to a floating rate of interest. The interest rate risk on the Company's cash and short-term investment is not significant.

The Company 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 ¥"). As at December 31, 2022, this exposure is minimal. Additionally, the Company is exposed to foreign exchange risk on non-Canadian denominated monetary assets and liabilities recorded in Japan Gold. As at December 31, 2022, every 1% of change in foreign exchange rate in either direction would result in change in net loss of approximately $4,306.

Fair value

IFRS requires disclosure about fair value measurements for financial instruments and liquidity risk using a three-level hierarchy that reflects the significance of the inputs used in making the fair value measurements. The three-level hierarchy is as follows:

Level 1 - Unadjusted quoted prices in active markets for identical assets or liabilities;
Level 2 - Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
Level 3 - Inputs that are not based on observable market data.

The carrying values of the Company's cash and cash equivalents, restricted cash, accounts receivables, deposits and accounts payable and accrued liabilities approximate their fair values due to their short terms to maturity.

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 other 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 operates under the Mining Act (established in 1950) as amended in 2011 (implemented in 2012). Under the Mining Act, the Company has applied for prospecting rights which once granted, are valid for a maximum of 6 years. When prospecting rights applications are made and accepted for filing by the Ministry of Economy, Trade and Industry (METI) but prior to granting (the reservation period), the applicant has the exclusive opportunity to do early-stage exploration work including mapping, geology, geochemistry and geophysics but not trenching or drilling. There is no fixed timetable for the reservation period. Once granted, the prospecting rights may be converted to digging rights (mining rights). If not converted or in the process of being converted, prospecting rights will expire at the end of a 6-year period. There is no guarantee that the Company will be able to satisfy the requirements to covert its prospecting rights to digging rights within the defined 6-year time frame. The Company may reapply for expired prospecting rights on the same basis as new applicants but would not have any priority when doing so. Prospecting rights applications are processed on a "first to file" basis unless applications are submitted by multiple parties at the same time in which case applications will be subject to a lottery. The Company retains priority over new third-party prospecting rights applicants by submitting applications to convert its existing prospecting rights to digging rights prior to the expiry of the granted prospecting rights. This priority right remains in place until the digging rights are

granted, or the application is rejected. The Company's project portfolio currently has 968 prospecting right applications accepted by METI. Of the 968 prospecting rights applications, 203 prospecting rights have been granted, in several batches, on 11 projects, enabling advanced exploration including drilling. The currently granted prospecting rights expire from 2023 through 2028. The Company work programs and budgets are designed to advance exploration on prospecting rights to prepare for potential conversion to digging rights.

Overall, 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, 2022. 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 the 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. The 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.

Estimation of uncertainty

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 and evaluation expenditure and impairment indicator evaluation 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.

For the years ended December 31, 2022 and December 31, 2021, there were no indicators of impairment identified with respect to the Company's exploration and evaluation assets.

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.

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) Recoverability of exploration and evaluation assets

The application of the Company's accounting policy for exploration and evaluation assets and expenditures requires judgment to determine whether future economic benefits are likely, from either future exploitation or sale, or whether activities have not reached a stage that permits a reasonable assessment of the existence of reserves.

At the end of each reporting period, the Company assesses its exploration and evaluation assets to determine whether any indication of impairment exists. Judgment is required in determining whether indicators of impairment exist, including factors such as the period for which the Company has the right to explore, expected renewals of exploration rights, whether substantive expenditure on further exploration and evaluation of exploration projects are budgeted and results of exploration and evaluation activities on the exploration and evaluation assets.

iii) The determination of the functional currency of the Company and of its subsidiary requires significant judgment of the primary economic environment in which the Company and its 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.

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.