



(Previously Sky Ridge Resources Ltd.)

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE SIX MONTHS ENDED JUNE 30, 2017 AND 2016

(Unaudited- expressed in Canadian dollars)

JAPAN GOLD CORP. (Previously Sky Ridge Resources Ltd.)

Management's Discussion and Analysis

For three months ended June 30, 2017 and 2016

This Management's Discussion and Analysis ("MD&A"), prepared as of August 24, 2017, should be read in conjunction with the condensed consolidated interim financial statements of Japan Gold Corp. ("Japan Gold" or the "Company") for the six months ended June 30, 2017, 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 Corp. ("Japan Gold" or "the Company") (previously Sky Ridge Resources Ltd.) was incorporated under the laws of British Columbia.

On September 15, 2016, the Company changed its name to Japan Gold from Sky Ridge Resources Ltd. ("Sky Ridge") upon completing a transaction (the "Acquisition") in which the Company issued shares to shareholders of Southern Arc Minerals Japan KK ("SAMJ") to acquire all of SAMJ's issued and outstanding shares. This resulted in SAMJ becoming a wholly-owned subsidiary of Japan Gold. Following the completion of the Acquisition, the Company became the Resulting Issuer and continued trading on the TSX Venture Exchange ("TSX-V") under the symbol "JG". In connection with the Acquisition, the Company also completed a financing for gross proceeds of \$7,000,000 for 17,500,000 common shares at a price of \$0.40 per share. The Company also issued 500,000 shares in finders' fee and granted 4,724,950 share options to directors, officers and consultants of the Company exercisable at \$0.40 with a ten year expiry.

On August 9, 2017, the Company completed a financing with Southern Arc Minerals Inc., pursuant to which Southern Arc purchased 12,500,000 units of Japan Gold at a price of \$0.40 per unit for gross proceeds of \$5,000,000. Each unit consists of one common share and one transferable common share purchase warrant of the Company. Each warrant is exercisable into one additional common share of the Company at a price of \$0.40 per share for a period of 5 years. The units (and securities underlying the units) issued under the private placement will be subject to a four month hold period expiring on December 9, 2017.

The Company is currently in the process of acquiring, exploring and evaluating properties in Japan.

FINANCIAL SNAPSHOT

	June 30, 2017	December 31, 2016
Total assets	\$ 3,816,738	\$ 5,559,592
Working capital	3,270,802	5,343,655
Comprehensive loss	(2,063,053)	(8,180,491)

At the date of this MD&A, the Company has a working capital of approximately \$5.9 million.

PROPERTY REVIEW AND OUTLOOK

Based on a desktop review of the Metal Mining Agency of Japan ("MMAJ") database, which includes detailed and relevant information about historical drilling results and mine production, the Company has pinpointed areas that are very compelling from a geological perspective and has lodged prospecting rights license applications on the three main islands of Japan, Hokkaido, Honshu and Kyushu.

The Company has continued to expand its project portfolio which now consists of 180 prospecting rights license applications for a combined area of 59,606 hectares over twelve separate projects. Eight projects, in Hokkaido and Kyushu, cover areas with known gold occurrences and a history of mining, and are prospective for high-grade epithermal gold mineralization. Four of the projects, in southern Hokkaido and northern Honshu, are located over gold-bearing lithocaps, which may indicate the presence of porphyry mineralization, a deposit style yet to be identified in Japan.

JAPAN GOLD CORP. (Previously Sky Ridge Resources Ltd.)

Management's Discussion and Analysis

For three months ended June 30, 2017 and 2016

All 180 prospecting rights license applications have been accepted by the Ministry of Economy, Trade and Industry ("METI"), reserving the land for Japan Gold and allowing for active surface exploration programs such as mapping, surface sampling and geophysics.

To date, 32 prospecting rights license applications have been granted as Prospecting Rights, including 23 of the 56 applications over the priority Ikutahara Project, and the 9 applications covering the Eboshi Project. Granting of Prospecting Rights authorizes the Company to commence more advanced exploration methods, including drilling.

Ikutahara is the Company's most advanced project. In March 2017, the Company expanded the Ikutahara Project area from 38 to 56 prospecting rights license applications. The Ikutahara Project now covers an area of 19,114 hectares underlain by prospective Miocene-Pliocene age volcano-sedimentary rocks and older meta-sedimentary basement rocks.

The Company has located several high-priority exploration targets at the Ikutahara Project. On May 18, 2017, the Company announced that 23 applications were granted as Prospecting Rights. The Company's first drill program will commence at the Akebono target immediately upon receipt of the requisite drilling permits. The remaining 33 applications are accepted by METI authorizing the Company to continue an active surface exploration program while the applications are further processed.

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.

Located 20 km southeast of the historic Konamai mine, the Ikutahara Project hosts 16 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.

Mapping/sampling and orientation ground magnetics were completed at the Ikutahara Project in 2015. In December 2016, the Company completed 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 BLEG and fine fraction drainage samples and rock float and outcrop sampling over the majority of the initial 38 Ikutahara Project applications.

The Company 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.

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 high-priority targets. Concurrently, Japan Gold intends to continue systematic preliminary exploration on the Company's other 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 easy access to government officials and a comprehensive support program to facilitate

JAPAN GOLD CORP. (Previously Sky Ridge Resources Ltd.)**Management's Discussion and Analysis****For three months ended June 30, 2017 and 2016**

stakeholder consultation. The Company deliberately chose applications in sparsely populated areas with a history of mining, and has received strong local support to date.

SUMMARY OF QUARTERLY RESULTS

	June 30, 2017	March 31, 2017	December 31, 2016	September 30, 2016
Total assets	\$3,816,738	\$4,931,798	\$ 5,559,592	\$ 7,213,426
Working capital (deficiency)	3,270,802	4,652,330	5,343,655	6,562,236
Net loss	(1,147,404)	(792,103)	(865,613)	(7,312,550)
Basic and diluted loss per share	(0.02)	(0.01)	(0.24)	(0.46)

	June 30, 2016	March 31, 2016	December 31, 2015	September 30, 2015
Total assets	\$ 8,270	\$ 1,497	\$ 7,560	\$ 72,447
Working capital	(948,669)	(810,637)	(738,848)	(627,136)
Net loss	(138,031)	(71,790)	(61,318)	(194,488)
Basic and diluted loss per share	(0.28)	(0.14)	(0.12)	(0.39)

OVERALL PERFORMANCE AND RESULTS OF OPERATIONS

Total assets increased from \$8,270 from the previous year ended June 30, 2016 to \$5,559,592 as at December 31, 2016. This increase is attributed to the Acquisition of SAMJ by Sky Ridge Resources Ltd., and a concurrent financing for gross proceeds of \$7,000,000.

RESULTS OF OPERATIONS FOR THE THREE MONTHS ENDED JUNE 30, 2017

During the three-month period ended June 30, 2017, the Company had a net loss of \$1,147,404 compared to a loss of \$138,032 for the three-month period ended June 30, 2016. Fluctuations occurred in the following categories:

- Consulting fees in the current quarter were \$651,921 compared to \$74,748 incurred during the three months ended June 30, 2017. This increase was due to higher consulting activities incurred for exploration work and new license applications during the current quarter.
- The Company incurred general and administrative costs of \$146,303 during the three-month period ended June 30, 2017 (June 30, 2016 – reversal of \$4,394). Out of this amount, \$57,793 relates to amounts paid for license applications, \$16,445 was paid for rent and the remaining \$72,065 related to an increase in office costs incurred in Japan and head office during the quarter.
- Marketing fees in the current quarter was \$61,084 compared to \$Nil during the three months ended June 30, 2016. This was related to marketing efforts and materials in connection with the launch of Japan Gold.
- Travel of \$90,694 related to Japan site visits along with travel costs associated with license applications and projects during the current quarter (June 30, 2016: \$17,609).
- The Company incurred \$1,879 in filing and regulatory fees and \$5,701 in transfer agent fees during the three-month period ended June 30, 2017 (June 30, 2016 - \$Nil) as these are public company costs compared to the previous period.

JAPAN GOLD CORP. (Previously Sky Ridge Resources Ltd.)

Management's Discussion and Analysis

For three months ended June 30, 2017 and 2016

RESULTS OF OPERATIONS FOR THE SIX MONTHS ENDED JUNE 30, 2017

During the six-month period ended June 30, 2017, the Company had a net loss of \$1,939,507 compared to a loss of \$208,822 for the six-month period ended June 30, 2016. Fluctuations occurred in the following categories:

- a) Consulting fees in the current quarter were \$986,301 compared to \$149,012 incurred during the Six months ended June 30, 2017. This increase was due to higher consulting activities incurred for exploration work and new license applications during the current quarter.
- b) The Company incurred general and administrative costs of \$207,744 during the six-month period ended June 30, 2017 (June 30, 2016 – reversal of \$2,928). Out of this amount, \$80,552 relates to amounts paid for license applications, \$27,445 was paid for rent and the remaining \$99,747 related to office costs incurred in Japan and head office.
- c) Marketing fees in the current quarter was \$135,320 compared to \$Nil during the six months ended June 30, 2016. This was related to marketing efforts and materials in connection with the launch of Japan Gold.
- d) Travel of \$179,739 related to Japan site visits along with travel costs associated with license applications and projects during the current quarter (June 30, 2016: \$22,441).
- e) The Company incurred \$29,353 in filing and regulatory fees and \$7,601 in transfer agent fees during the six-month period ended June 30, 2017 (June 30, 2016 - \$Nil) as these are public company costs compared to the previous period.
- f) During the six months period ended June 30, 2017, the Company incurred \$63,102 (June 30, 2016: \$ Nil) in share-based compensation as a result of granting 275,000 share options to a consultant of the Company at an exercise price of \$0.40 per share, exercisable until October 28, 2026. These share options were vested immediately.

LIQUIDITY AND CAPITAL RESOURCES

The Company's cash position at June 30, 2017 was \$2,819,043, an increase of \$2,778,681 from December 31, 2016. The increase in cash is primarily due to the cash received from Sky Ridge as part of the Acquisition. As at June 30, 2017, the Company holds a short-term investment of \$550,000 which can be redeemed at any time. As at June 30, 2017, the Company has a working capital of \$3,270,802 compared to a working capital of \$5,343,655 as at December 31, 2016.

Net cash used in operating activities for the period ended June 30, 2017 was \$1,674,752 compared to net cash used of \$178,731 during the period ended June 30, 2016. The cash used in operating activities reflects the increase in exploration and corporate activity during the period.

Net cash received from investing activities during the period ended June 30, 2017 was \$4,476,895 (June 30, 2016 - \$Nil). This was mainly due to the redemption of short-term investments of \$4,650,000 and a purchase of property plant and equipment in Japan totaling \$69,842 and expenditure on exploration and evaluation assets of 103,263.

Financing activities during the period ended June 30, 2017 related to cash received from share options exercised totalling \$82,500. During the prior period ended June 30, 2016, the Company received \$175,062 from a related party as an advance.

On August 9, 2017, the Company completed a financing with Southern Arc Minerals Inc., pursuant to which Southern Arc purchased 12,500,000 units of Japan Gold at a price of \$0.40 per unit for gross proceeds of \$5,000,000.

The accompanying financial statements have been prepared on the basis of accounting principles applicable to a "going concern", which assume 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 does not currently generate any revenues or have operations that generate cash flows. The Company's ability to continue on a going concern basis depends on its ability to successfully raise financing. 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. These condensed consolidated interim 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.

JAPAN GOLD CORP. (Previously Sky Ridge Resources Ltd.)
Management's Discussion and Analysis
For three months ended June 30, 2017 and 2016

RELATED PARTY TRANSACTIONS

Key management and personnel compensation

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

	Three months ended	Three months ended	Six months ended	Six months ended
	June 30, 2017	June 30, 2016	June 30, 2017	June 30, 2016
Management fees	\$ 84,000	\$ -	\$ 168,000	\$ -

During the period ended June 30, 2017, the Company accrued \$168,000 (June 30, 2016: \$Nil) in management fees to J. Proust & Associates Inc., a private company controlled by John Proust, the CEO of the Company. This fee is inclusive of administrative, finance and accounting fees, as well as certain office expenses. As at June 30, 2017, accounts payable and accrued liabilities included \$Nil (December 31, 2016: \$Nil) payable to the related entity.

During the period ended June 30, 2017, the Company accrued \$47,445 (June 30, 2016: \$ Nil) in rent and office expense relating to the Company's head office. As at June 30, 2017, \$47,445 of these fees were included in accounts payable and accrued liabilities. This amount is owed to Southern Arc Minerals Inc., a related party of the Company (December 31, 2016: \$Nil).

The above transactions occurred during 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 68,289,409 common shares issued and outstanding.

On September 15, 2016, the Company granted 4,724,950 share options to directors, officers and consultants with an exercise price of \$0.40 with an expiry of 10 years. These options are currently fully vested. During the period ended June 30, 2017, the Company granted 275,000 share options to a consultant of the Company. These options expire on October 28, 2026 and have an exercise price of \$0.40. During the period ended June 30, 2017, 341,664 share options were exercised resulting in the issuance of 341,664 common shares for total proceeds of \$82,500.

As at the date of this MD&A, the total amount of share options outstanding is 5,478,112. As at the date of this MD&A, the Company has 12,500,000 share purchase warrants outstanding at an exercise price of \$0.40 per share for a period of 5 years in connection with the private placement to Southern Arc.

SUBSEQUENT EVENTS

On August 9, 2017, the Company completed a financing with Southern Arc Minerals Inc., pursuant to which Southern Arc purchased 12,500,000 units of Japan Gold at a price of \$0.40 per unit for gross proceeds of \$5,000,000. Each unit consists of one common share and one transferable common share purchase warrant of the Company. Each warrant is exercisable into one additional common share of the Company at a price of \$0.40 per share for a period of 5 years. The units (and securities underlying the units) issued under the private placement will be subject to a four month hold period expiring on December 9, 2017.

RISKS AND UNCERTAINTIES

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 analyze 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.

JAPAN GOLD CORP. (Previously Sky Ridge Resources Ltd.)

Management's Discussion and Analysis

For three months ended June 30, 2017 and 2016

Liquidity risk is the risk that the Company is not able to meet its financial obligations as they fall due. All of the Company's financial liabilities such as accounts payable and accrued liabilities are classified as current and the loan due to a related party is payable on demand. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. See also Note 1 of the Financial Statements.

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 Japanese Yen ("Yen").

At June 30, 2017, the Company had Yen 232,867,471 (approximately CDN\$2,691,948) in cash, and Yen 15,590,422 (approximately CDN\$180,225) in accounts payable and accrued liabilities. As at June 30, 2017, Yen amounts were converted at a rate of 0.01156 to CDN\$1. A 10% fluctuation in foreign exchange would result in a net change of approximately CDN\$269,195.

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.

CRITICAL ACCOUNTING POLICIES

Reference should be made to the Company's significant accounting policies contained in Note 3 of the Company's consolidated financial statements as at December 31, 2016. These accounting policies can have a significant impact on the financial performance and financial position of the Company.

Change in fiscal year end

The Company changed its fiscal year end from June 30 to December 31, effective December 31, 2016 in order to coincide the Company's annual reporting as a public company with its peers in the mining industry.

The timing and ending date of the periods, including the comparative periods, of each interim financial report and the annual financial statements to be filed for the Company's transition year and its new financial year are as follows:

Transition Year	Comparative Annual Financial Statements to Transition Year	Interim Periods for Transition Year	Comparative Interim Periods in Transition Year
6 months ended December 31, 2016	12 month audited annual financial statements for year ended June 30, 2016	3 month interim financial statements for period ended September 30, 2016	3 month interim financial statements for period ended September 30, 2015

JAPAN GOLD CORP. (Previously Sky Ridge Resources Ltd.)**Management's Discussion and Analysis****For three months ended June 30, 2017 and 2016**

New Financial Year	Comparative Annual Financial Statements to New Financial Year	Interim Periods for New Financial Year	Comparative Interim Periods to Interim Periods in New Financial Year
12 months ended December 31, 2017	6 month audited annual financial statements for year ended December 31, 2016 12 month audited annual financial statements for the year ended June 30, 2016	3 month interim financial statements for period ended March 31, 2017 3 and 6 month interim financial statements for period ended June 30, 2017 3 and 9 month interim financial statements for period ended September 30, 2017	3 month interim financial statements for period ended March 31, 2016 3 and 6 month interim financial statements for period ended June 30, 2016 3 and 9 month interim financial statements for period ended September 30, 2016

Significant accounting judgments and estimates

The preparation of these 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 which, 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, that 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 estimated fair value of the Company's financial assets and liabilities, are by their nature, subject to measurement uncertainty.
- ii) 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.

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 judgments about whether sufficient financing will be obtained in the near term. See Note 1 in the Financial Statements.
- ii) The Company's assessment of its functional and reporting currency of the legal parent company is denominated in Canadian dollars while the functional currency at the subsidiary is denominated in the Japanese Yen.

Financial instruments

On initial recognition, all financial assets and financial liabilities, including derivatives, are recorded at fair value. All transactions related to financial instruments are recorded on a trade date basis. The directly attributable transaction costs of financial assets and liabilities are included in the carrying value of financial assets and liabilities except transaction costs related

JAPAN GOLD CORP. (Previously Sky Ridge Resources Ltd.)

Management's Discussion and Analysis

For three months ended June 30, 2017 and 2016

to financial assets and liabilities classified as fair value through profit or loss, which are expensed in the period they are incurred. Subsequently, derivatives are measured at fair value and changes in fair value are recognized in profit or loss. For other financial assets and liabilities, subsequent measurement is as follows.

Financial assets

The Company classifies its financial assets into one of the following categories, depending on the purpose for which the asset was acquired. The Company's accounting policy for each category is as follows.

Fair value through profit or loss - This category comprises derivatives, or assets acquired or incurred principally for the purpose of selling or repurchasing it in the near term. They are carried in the statement of financial position at fair value with changes in fair value recognized in profit or loss. The Company does not have any assets classified as fair value through profit or loss.

Loans and receivables - These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are carried at amortized cost using the effective interest method less any provision for impairment. Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default. Cash is classified as loans and receivables.

Held-to-maturity investments - These assets are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Company's management has the positive intention and ability to hold to maturity. These assets are measured at amortized cost using the effective interest method. If there is objective evidence that the investment is impaired, determined by reference to external credit ratings and other relevant indicators, the financial asset is measured at the present value of estimated future cash flows. Any changes to the carrying amount of the investment, including impairment losses, are recognized in profit or loss. The Company has not classified any financial assets as held-to-maturity.

Available-for-sale - Non-derivative financial assets not included in the above categories are classified as available-for-sale. They are carried at fair value with changes in fair value recognized directly in other comprehensive income (loss). Where a decline in the fair value of an available-for-sale financial asset constitutes objective evidence of impairment, the amount of the loss is removed from equity and recognized in profit or loss. The Company has not classified any financial assets as available-for-sale.

All financial assets except for those recognized at fair value through profit or loss are subject to review for impairment at each reporting date. Financial assets are impaired when there is any objective evidence that a financial asset or a group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets, which are described above.

Financial liabilities

The Company classifies its financial liabilities into one of two categories. The Company's accounting policy for each category is as follows.

Fair value through profit or loss - This category comprises derivatives, or liabilities acquired or incurred principally for the purpose of selling or repurchasing it in the near term. They are carried in the statement of financial position at fair value with changes in fair value recognized in profit or loss. The Company has not classified any financial liabilities as fair value through profit or loss.

Other financial liabilities - This category includes accounts payable and accrued liabilities and due to related parties, which are recognized at amortized cost using the effective interest method of amortization.

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

JAPAN GOLD CORP. (Previously Sky Ridge Resources Ltd.)

Management's Discussion and Analysis

For three months ended June 30, 2017 and 2016

Level 3 - Inputs that are not based on observable market data.

The Company currently does not have any financial instruments that are recognized at fair value. The carrying value of cash, short term investment and accounts payable and accrued liabilities approximate their fair value due to their short-term nature.

New accounting standards and pronouncements

- IFRS 11 Joint Arrangements- IFRS 11, "Joint Arrangements" (IFRS 11) was amended by the IASB on May 6, 2014. The amendments add new guidance on how to account for the acquisition of an interest in a joint operation that constitutes a business. The amendments are effective for annual periods beginning on or after January 1, 2016.
- Amendments to IFRS 2 Share-based Payment - In June 2016, amendments to IAS 2 were issued to clarify how to account for certain types of share-based payment transactions. The amendments provide requirements on the accounting for the effects of vesting and non-vesting conditions on the measurement of cash-settled share-based payments, share-based payment transactions with a net settlement feature for withholding tax obligations, and a modification to the terms and conditions of a share-based payment that changes the classification of the transaction from cash-settled to equity-settled. The amendments are effective for annual periods beginning on or after January 1, 2018, with early application permitted.
- Amendments to IAS 7 – Disclosure Initiative - In January 2016, amendments to IAS 7 were issued to clarify IAS 7 to improve information provided to users of financial statements regarding an entity's financing activities. The amendments are effective for annual periods beginning on or after January 1, 2017, with earlier application being permitted.

The Company does not expect to apply these standards prior to their mandatory effective date. At this time, the Company does not anticipate that the above standards would have a significant impact on the financial statements of the Company.

QUALIFIED PERSON AND QUALITY CONTROL AND ASSURANCE

The technical information in this document has been reviewed by Dr. Michael Andrews, Director, PhD, FAusIMM, 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;*
- *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.*

JAPAN GOLD CORP. (Previously Sky Ridge Resources Ltd.)

Management's Discussion and Analysis

For three months ended June 30, 2017 and 2016

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.