



MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE MONTHS ENDED MARCH 31, 2020 AND 2019

(Expressed in Canadian dollars)

JAPAN GOLD CORP.
Management's Discussion and Analysis
For the three months ended March 31, 2020 and 2019

This Management's Discussion and Analysis ("MD&A"), prepared as of May 29, 2020, should be read in conjunction with the unaudited condensed consolidated interim financial statements of Japan Gold Corp. ("Japan Gold" or the "Company") for the three months ended March 31, 2020 and the notes thereto, which have been prepared in accordance with International Financial Reporting Standards ("IFRS"). All amounts are stated in Canadian dollars unless otherwise indicated.

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

COMPANY OVERVIEW

Japan Gold (TSX-V: JG) (OTCQB: JGLDF) is a Canadian mineral exploration company focused solely on gold exploration across the three largest islands of Japan: Hokkaido, Honshu and Kyushu. The Company has a country-wide alliance with Barrick Gold Corporation ("Barrick" or the "Barrick Alliance") to jointly explore, develop and mine certain gold mineral properties and mining projects. The Company holds a portfolio of 30 gold projects which cover areas with known gold occurrences, a history of mining and are prospective for high-grade epithermal gold mineralization. Japan Gold's leadership team has decades of resource industry and business experience, and the Company has recruited geologists and technical advisors with experience exploring and operating in Japan.

On February 23, 2020, the Company announced a country-wide alliance with Barrick and acquired six new projects in the Southern Kyushu Epithermal Gold Province. The Barrick Alliance covers the entire country of Japan including 28 out of 30 projects currently held by Japan Gold. The Barrick Alliance does not include the Ikutahara Project in Hokkaido and the Ohra-Takamine Project in Kyushu and Japan Gold will continue to advance these two projects independently. Barrick will sole fund a 2-year Initial Evaluation Phase of each project. Barrick will sole fund a subsequent 3-year Second Evaluation Phase on projects which meet the Barrick criteria. Japan Gold will act as the Manager of each project, subject to Barrick's right at any time to become the Manager of a project. Barrick may identify a project as a Designated Project, at any time during the Initial Evaluation Phase or the Second Evaluation Phase, which Barrick may elect to sole fund to completion of a pre-feasibility study ("PFS"). Upon completion of a PFS, Barrick will earn a 51% interest in the Designated Project. Barrick may elect to continue to sole fund a Designated Project following the completion of a PFS to a bankable feasibility study ("BFS"). Barrick's interest in the Designated Project at the completion of the BFS will increase to 75%. Where Barrick has elected to sole fund a Designated Project through to completion of a BFS, Japan Gold will be fully carried through completion of the BFS and retain a 25% interest in the Designated Project. Subsequent to the period ended March 31, 2020, Barrick contributed \$2,001,629 (US\$1,426,271) as partial funding for the initial evaluation phase.

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

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

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 mining and has received strong local support.

JAPAN GOLD CORP.

Management's Discussion and Analysis

For the three months ended March 31, 2020 and 2019

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

FINANCIAL SNAPSHOT

	March 31, 2020	December 31, 2019	December 31, 2018
Total assets	\$ 15,555,893	\$ 14,063,143	\$ 12,269,025
Working capital ⁽¹⁾	(1,199,120)	1,060,690	4,779,847
Net loss	(981,573)	(4,392,793)	(3,458,943)
Comprehensive income (loss)	95,128	(4,719,728)	(3,051,167)

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

At the date of this MD&A, the Company has a working capital of approximately \$6,000,000.

PROPERTY REVIEW AND OUTLOOK

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

Having prospecting rights applications accepted by METI, reserves the land for Japan Gold and allows for active surface exploration programs such as mapping, surface sampling and geophysics. Granting of Prospecting Rights by the METI allows for more advanced forms of exploration, such as drilling. As of the date of this MD&A report the Company holds priority over 30 projects, for a total of 187,074.4 hectares, a total of 594 applications accepted by METI and 74 of these granted as prospecting rights across the three main islands of Japan.

The following is a break down of the 74 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)

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

Ikutahara Project

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

Preliminary field work in Q4 2016 comprised regional drainage sampling and semi-detailed prospecting over historical gold-silver mine workings. This included prospecting, geological mapping, collecting stream sediment and Bulk Leach Extractable Gold ("BLEG") drainage samples, along with rock float and outcrop sampling. Stream sediment and BLEG sampling are used

JAPAN GOLD CORP.

Management's Discussion and Analysis

For the three months ended March 31, 2020 and 2019

to highlight gold dispersion and multi-element pathfinder signatures of gold-bearing quartz vein systems and potential mineralized extensions. Historical data compilation and detailed mapping of two advanced Ikutahara prospects, which are the areas surrounding the historic Ryuo gold-silver mine and Akebono gold-silver workings were also completed.

Extensive gold, arsenic, antimony and mercury drainage 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 supported these multi-element anomalies. Subsequent 2017 follow-up evaluation field programs (semi-detailed to detailed geologic mapping, geochemical rock sampling, spectral alteration studies and field reviews by Company consultants) was undertaken over ranked drainage anomalies and historical mine workings with the aim of establishing multiple drill targets.

During November-December 2017 scout drilling at the Akebono prospect targeting known and possible extensions of high-grade shoots in the Akebono vein system were suspended due to abnormally severe winter conditions. Three drill holes totaling 333.6m were completed using Company-owned, man-portable diamond core drill rigs operated by Sumiko Resources Exploration & Development Co., Ltd., (SRED). The rationale for acquisition of two PMC400 drill rigs and one PMC700 drill rig was that it was considered it would give the Company independence and flexibility on the timing and execution of its drill programs.

Results from the initial scout drilling program support the presence of high-grade gold shoots in the Akebono vein system previously indicated by historic sampling of underground workings. The Akebono program was a successful testing ground for the Company's operations in Japan, having worked through first-mover challenges of permitting, administration, and advancing the field activities to drilling.

Continued surface prospecting and mapping in Q1-Q3 2018 over the historic Kitano-o Gold District (Kitano-o, Ikutahara, Showa mines and the Sakinzawa workings) highlighted the presence of high-grade gold mineralization in grab samples taken from historic mine dumps and workings. Geological and alteration mapping and geochemical sampling is used to develop an understanding of the controls on epithermal gold-vein mineralization. New prospect areas Toge Ridge and Asada Ridge were identified through these prospecting activities and geological modeling. Applications for planned drill programs within designated Protected Forest of which the majority of prospect areas lie within were initiated mid-2018 by the Company's permitting team.

Surface prospecting of the Kitano-o Gold District continued throughout 2019 with ridge and spur composite soil sampling, geological mapping & rock sampling, along with spectral alteration mapping undertaken over the Sakinzawa, Toge Hill, Asada Ridge and northern extensions of the latter two. To enhance geological modeling and refine drill targeting grid-based resistivity surveys (CSAMT & AMT techniques) were completed over the main Kitano-o and Ryuo prospect in Q4 2019. Similar prospect-scale gravity surveys were completed over the same prospect areas, along with the Toge Hill and Asada Ridge areas in Q3/Q4 2019.

Following the issuing of relevant permits in July 2019 the Company commenced Phase 1 drilling at the Kitano-o prospect. Six holes aggregating 2,387 m were drilled to test the western and central portions of the inferred 3 km mineralized zone of epithermal gold-silver veins beneath the historic Kitano-o Mine surface workings.

Drill results when combined with surface geochemistry, CSAMT and gravity geophysics data, suggest that the eastern part of the prospect is where a large epithermal system developed at depth, whereas the drilled western area is more likely to be the lateral outflow zone.

Permitting for 2020 drilling programs in the eastern Kitano-o and Ryuo prospect areas are being advanced by the Company's permitting team. Because of the effects of the on-going Covid 19 pandemic the permitting process has been delayed but is expected to be completed by September.

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. The project area contains an intact mineralized epithermal vein system part of which was historically mined up to 1943 (41.6K oz gold). This forming part of the highly gold endowed Hokusatsu-Kushikino mining district. Regional

JAPAN GOLD CORP.
Management's Discussion and Analysis
For the three months ended March 31, 2020 and 2019

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 were somewhat sporadic in 2018 and Q1 2019 with 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 hosted by hydrothermally altered Miocene volcanic rocks which in parts are overlain by post-mineral ash cover. The presence of sinter at several localities indicates the fossil geothermal system is well preserved and with known surface/near surface mineralization, represents a significant exploration target for shallow-level epithermal gold-silver deposits.

Based on the positive surface results together with field-truthing of historical mine plans a four-hole scout drilling program was proposed. Following stakeholder engagement and consents, along with other required formalities the relevant drilling permit was issued by METI authorities in mid-June 2019. A fourth drill rig was imported into Japan and drilling operations commenced in late June 2019, however only the first drillhole was completed, with a second in progress when a management decision was made to mobilize all Company drilling teams to Hokkaido to complete the drill program at the Kitano-o prospect before the full onset of winter. The drill rig was subsequently mothballed and placed on standby.

During January-February 2020 surface activities completed included grid-based (6.4 x 3.3 km) composite soil sampling with associated geological & alteration mapping, 35 km of resistivity mapping ("controlled source audio-frequency magnetotellurics" or CSAMT) and acquisition of Bouguer gravity data over an approximate area of 8 x 4 km centered on the Urushi-Takamine-Ohra mine corridor. Geophysical data is currently being processed, modelled, and interpreted by outside consultants.

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 epithermal alteration 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 mineralisation related to advanced argillic alteration the Company believes this area is worthy of more detailed exploration.

Kamitsue Project

The Kamitsue property is located 10 km southeast of the Taio mine in the Northern Kyushu Epithermal Province. The Taio mine, northern Kyushu's largest gold mine, produced approximately 1.2 million ounces of gold at an average grade of 6.3 g/t between 1903-73. At least 40 mine portals and associated workings from the pre-WWII era are noted within the property, however no gold production records have been sourced to date. A large east-west oriented area of clay alteration and geochemical anomalism with localised quartz veining was identified by the MMAJ during regional metallogenic and follow-up prospect-scale surveys in the 1990's across the project area. This lithocap may have formed above a telescoped porphyry system.

During Q2 2018 limited reconnaissance and spectral alteration mapping was completed over the Project area. Modeling of spectral alteration data and coincidental metal zonation patterns suggests the potential for near surface porphyry mineralization.

Under the First Quantum Minerals joint venture reconnaissance geo-mapping and sampling over the lithocap and peripheral epithermal veins was completed in November 2018. From this program rock and soil sampling, along with spectral alteration, heavy mineral concentrate and geochronology studies were undertaken.

In Q1 2019 First Quantum withdrew from the joint venture. Geophysical modelling and interpretation by consultant Steve Garwin suggests that the Kamitsue lithocap project exhibits features of a gold-rich porphyry system, is inferred to have undergone the most erosion, and therefore is believed to have the best potential to host a relatively shallow mineralized porphyry intrusion.

JAPAN GOLD CORP.
Management's Discussion and Analysis
For the three months ended March 31, 2020 and 2019

Aibetsu Project

The Aibetsu Project encompasses five historical gold-silver and mercury mines and/or mineral occurrences and is located in the Kamikawa district of northern Hokkaido, within the Kitami mining region. 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 0.95 m @ 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. Infill and extensions of the MMAJ soil sampling program over a 5 x 4 km grid area was also completed. Results confirm the presence of high-grade gold mineralization within and around the historic Tokusei mine workings and emphasize significant potential for extensions to the epithermal vein system at the Tokusei mine. Subsequent spectral alteration studies of sample duplicates confirmed these findings.

In Q1 2019 a preliminary drilling business plan was submitted to the METI authorities. A number of changes have subsequently been made to the document and dialogue continues with METI on an on-going basis.

Barrick Alliance

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

Subsequent to the Barrick Alliance announcement the Company's permitting team has applied for METI consent to undertake regional drainage sampling programs over the Kyushu Project areas, whilst compilation of digital drainage maps & planned sampling localities and acquisition of regional gravity has been on-going. The regional program will include sampling of stream sediments for bulk leach extractable gold ("BLEG"), and multi-element pathfinder analysis along with gravity surveys over the 1,521 square kilometers covered by the Barrick Alliance Projects on the islands of Kyushu, Honshu and Hokkaido. The program will progress from the south to the north of Japan and is anticipated to be completed within one year with Japan Gold acting as the Operator.

COVID-19 Operating Plan

Japan Gold has taken appropriate steps so that the Company can operate effectively while following government health protocols.

Through the Company's COVID-19 Operating Plan, the Company has instituted strict prevention measures to protect the Company's workforce and the local communities. Exploration geologists and field assistants have been gradually mobilized to Kyushu and have been exercising 14-day self-isolation prior to commencing work. Japan Gold will continue to closely monitor the rapidly changing COVID-19 landscape and act proactively to protect the health of its workforce and stakeholders.

JAPAN GOLD CORP.
Management's Discussion and Analysis
For the three months ended March 31, 2020 and 2019

SUMMARY OF QUARTERLY RESULTS

	March 31, 2020	December 31, 2019	September 30, 2019	June 30, 2019
Total assets	\$15,555,893	\$14,063,143	\$15,536,324	\$9,670,965
Working capital (deficiency)	(1,199,120)	1,060,690	4,608,285	1,258,939
Net loss	(981,573)	(976,727)	(1,257,527)	(1,092,975)
Basic and diluted loss per share	(0.01)	(0.01)	(0.01)	(0.01)

	March 31, 2019	December 31, 2018	September 30, 2018	June 30, 2018
Total assets	\$10,147,411	\$12,269,025	\$ 5,132,088	\$ 5,646,182
Working capital (deficiency)	3,643,005	4,779,847	(550,178)	438,168
Net loss	(1,065,564)	(863,718)	(883,893)	(750,998)
Basic and diluted loss per share	(0.01)	(0.00)	(0.01)	(0.02)

Total assets increased from \$5,132,088 as at September 30, 2018 to \$15,555,893 as at March 31, 2020. This increase is attributed to two equity financings of \$7,141,166 which closed in August 2019 and \$6,650,000 which closed in December of 2018. These funds were mostly used to fund the Company's exploration and drilling programs. As at March 31, 2020, the Company has capitalized a total of \$14,077,174 in exploration and evaluation assets (December 31, 2019 - \$11,565,906).

RESULTS OF OPERATIONS FOR THE THREE MONTHS ENDED MARCH 31, 2020

During the three-month period ended March 31, 2020, the Company had a net loss of \$981,573 compared to a loss of \$1,065,564 for the three-month period ended March 31, 2019. Fluctuations occurred in the following categories:

- The Company incurred \$74,031 (2019: \$44,361) in project evaluation costs. Project evaluation costs relate to the general exploration and generative project work performed on the Company's projects that are not yet capitalized.
- Salaries in the current period were \$121,803 compared to \$67,593 in 2019. These costs relate to the Company's subsidiary in Japan. Salaries expensed were increased compared to the 2019 because the Company's employees focused more time on acquiring new projects and therefore related salary costs could not be capitalized.
- The Company recorded share-based compensation of \$116,256 during the period ended March 31, 2020 related to the stock options issued during the years ended December 31, 2019 and 2018 (March 31, 2019 - \$383,145).
- The Company recorded travel expense of \$15,007 during the period ended March 31, 2020 compared to travel cost of \$49,943 recorded during the same period in 2019. Travel costs during the current period were significantly lower as the outbreak of COVID-19 significantly limited international travel.

LIQUIDITY AND CAPITAL RESOURCES

The Company's cash and cash equivalents as at March 31, 2020 was \$410,008 which was a decrease from \$1,452,270 as at December 31, 2019. As at March 31, 2020, the Company has a working capital deficiency of \$1,119,120 compared to a working capital of \$1,060,690 as at December 31, 2019.

The financial information presented in this MD&A is based on consolidated financial statements that have been prepared on the basis of accounting principles applicable to a "going concern", which assumes that the Company will continue its operations for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations. The Company has not generated any revenues or cash flows from operations to date. The Company expects that it will require additional debt or equity funding in the next 12 months in order to continue its planned exploration and evaluation activities and meet its business objectives. The Company plans to raise the necessary funds primarily through issuance of shares. The Company's ability to continue on a going concern basis is therefore dependent on its ability to successfully raise additional funds. Although the Company has been successful in the past in obtaining financing, there is no assurance that it will be able to

JAPAN GOLD CORP.
Management's Discussion and Analysis
For the three months ended March 31, 2020 and 2019

obtain adequate financing in the future or that such financing will be on terms acceptable to the Company. Subsequent to the period ended March 31, 2020, the Company's closed its first tranche of an oversubscribed private placement for gross proceeds of \$3,569,500 (see Note 13).

During the period ended March 31, 2020, the COVID-19 outbreak was declared a pandemic by the World Health Organization. The situation is dynamic and the ultimate duration and magnitude of the impact on the economy and the Company's business are not known at this time. These impacts could include an impact on the Company's ability to obtain future debt and equity financing to fund ongoing exploration activities as well as our ability to explore and conduct business. These conditions result in significant uncertainties that may cast substantial doubt about the Company's ability to continue as a going concern. The Company's financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern.

Net cash used in operating activities for the period ended March 31, 2020 was \$789,788 compared to net cash used of \$772,733 during the period ended March 31, 2019. The cash used in operating activities reflected the Company's general and administrative expenses as well as efforts by the Company during 2019 to continue to build its project portfolio.

Net cash used in investing activities during the period ended March 31, 2020 was \$1,182,698 (March 31, 2019: \$447,673). This was mainly due to the expenditures incurred to advance the Company's key projects in Ikutahara and Ohra-Takamine within the granted licenses totaling \$1,182,698 (March 31, 2019: \$431,181).

Net cash from financing activities during the period ended March 31, 2020 was \$930,490 (March 31, 2019: cash used in financing activities of \$1,150,947). During the period, the Company paid \$19,510 in lease payments on drilling equipment. The Company also received \$1,000,000 in loans from Southern Arc. During the period ended March 31, 2019, the Company repaid \$1,150,947 of Advances to Southern Arc.

RELATED PARTY TRANSACTIONS

Key management and personnel compensation

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

	Period ended March 31, 2020	Period ended March 31, 2019
Management fees	\$ 141,000	\$ 150,000
Project evaluation-consulting	\$ 69,737	\$ 72,331
Consulting fees	\$ 42,000	\$ 42,000
Director fees	\$ 21,318	\$ 22,500
Share-based compensation	\$ 78,342	\$ 314,758

During the period ended March 31, 2020, the Company incurred \$141,000 (March 31, 2019: \$150,000) in management fees for administrative, finance and accounting services and certain office expenses to J. Proust & Associates Inc., a private company controlled by John Proust, the Chief Executive Officer of the Company. No amounts are payable to the related entity at March 31, 2020 or December 31, 2019.

The Company also incurred \$69,737 in consulting fees for project evaluation to Andrew Rowe, an officer of the Company (March 31, 2019: \$72,331). As at March 31, 2020, \$18,469 (December 31, 2019: \$23,348) were outstanding and payable to the officer.

During the period ended March 31, 2020, the Company incurred \$42,000 (March 31, 2019: \$42,000) in consulting fees to M&S Yamada Consultants LLC, a private company controlled by Mitsuhiko Yamada, a director of the Company and the representative director of JGKK. No amounts are payable to the related entity at March 31, 2020 or December 31, 2019.

JAPAN GOLD CORP.
Management's Discussion and Analysis
For the three months ended March 31, 2020 and 2019

Other related party transactions

During the period ended March 31, 2020, Southern Arc, a significant shareholder of the Company and a company with common directors and management, charged the Company \$33,195 (March 31, 2019: \$30,279) in rent and office expenses. As at March 31, 2020, \$33,195 (December 31, 2019: \$33,419) of these fees were included in accounts payable and accrued liabilities.

On March 9, 2020, Southern Arc provided an unsecured non-interest bearing loan to the Company in the principal amount of \$1,000,000. This Loan is for a 6-month term ending on September 9, 2020. In consideration for the Loan, Southern Arc received a cash fee of \$50,000 and 500,000 non-transferable share purchase warrants. The fair value of these warrants was determined to be \$35,609 using the Black-Scholes pricing model and the following weighted average assumptions: Risk-free interest rate – 1.58%; expected volatility – 75%; share price of \$0.32 and strike price - \$0.40; expected life of warrants – 1 year. The above transactions occurred in the normal course of operations and are recorded at the consideration established and agreed to by the related parties.

SUBSEQUENT EVENTS

On April 20, 2020, the Company announced a non-brokered private placement (the "Private Placement") of up to 12,000,000 units of the Company (the "Units") at a price of \$0.25 per Unit for gross proceeds of up to \$3,000,000 to the Company. Each Unit consists of one common share of the Company and one half of a transferable common share purchase warrant. Each whole warrant will entitle the holder to purchase one common share at a price of \$0.40 per common share for a period of 24 months from the date of closing of the Private Placement. On May 11, 2020, the Company closed the first tranche of the oversubscribed Private Placement by issuing 14,278,000 units for gross proceeds of \$3,569,500. This first closing included the conversion of Southern Arc's \$1,000,000 loan into units of the Private Placement. On June 1, 2020, the Company closed the second and final tranche of the previously announced Private Placement by issuing 20,000,000 units at a price of \$0.25 per unit for gross proceeds of \$5,000,000. Together with the first tranche, the Company raised a total of \$7,569,500 and settled \$1,000,000 of debt by converting the loan into units of the Private Placement.

The Company paid finders a cash commission of \$126,720 on the first tranche of the Private Placement and finders' warrants to purchase 506,880 of common shares in connection with the first tranche of the Private Placement. On the second tranche of the Private Placement, the Company paid cash commission of \$66,060 and finders' warrants to purchase 264,240 common shares. Finders' warrants are exercisable at a price of \$0.25 per common share for a period of 12 months from closing.

Subsequent to the period ended March 31, 2020, the Company issued 4,315,000 stock options to certain directors, officers, employees and consultants of the Company. The options are exercisable at a price of \$0.30 per share for a period of ten years from the date of grant. The vesting terms of these options are 33.33% immediately, and 33.33% every year thereafter.

CURRENT SHARE DATA

As at the date of this MD&A, the Company had 174,377,839 common shares issued and outstanding.

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

Outstanding and exercisable	Weighted average exercise price	Expiry date
3,924,950 \$	0.40	September 15, 2026
275,000 \$	0.40	October 28, 2026
1,525,050 \$	0.16	December 13, 2028
5,230,000 \$	0.20	January 24, 2029
120,000 \$	0.27	June 3, 2024
4,315,000 \$	0.30	May 13, 2030
15,390,000 \$	0.28	

JAPAN GOLD CORP.
Management's Discussion and Analysis
For the three months ended March 31, 2020 and 2019

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

Outstanding		Weighted average exercise price	Expiry date	Weighted average remaining life (years)
12,500,000	\$	0.40	August 9, 2022	2.19
13,224,379		0.42	August 22, 2021	1.22
1,510,435		0.27	August 22, 2020	0.22
500,000		0.40	March 9, 2021	0.77
7,139,000		0.40	May 11, 2022	1.94
506,880		0.25	May 11, 2021	0.94
8,525,000		0.40	May 29, 2022	1.99
264,240		0.25	May 29, 2021	0.99
1,475,000		0.40	June 1, 2022	2.00
45,644,934	\$	0.40		1.72

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 downturn that could affect demand for the Company's products and likely impact operating results. In particular, the recent outbreak of COVID-19 has had a negative impact on global financial conditions. The Company cannot accurately predict the impact COVID-19 will have on the Company's business, including its ability to obtain financing or third parties' ability to meet their obligations with the Company, as well as due to uncertainties relating to the ultimate geographic spread of the virus, the severity of the disease, the duration of the outbreak, and the length of travel and quarantine restrictions imposed by governments of affected countries.

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

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

Liquidity risk is the risk that the Company is not able to meet its financial obligations as they fall due. The Company ensures that there is sufficient capital in order to meet short term business requirements after taking into account the Company's cash and cash equivalents. All of the Company's financial liabilities, including accounts payable and accrued liabilities and loan from related party, are classified as current while the Company's obligation to make lease payments is disclosed in Note 7. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at March 31, 2020, the Company has a working capital deficiency and therefore cannot readily discharge of its current liabilities. However, subsequent to the period ended March 31, 2020, the Company's closed its first tranche of a private placement for gross proceeds of \$3,569,500 (see Note 13).

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

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

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

JAPAN GOLD CORP.
Management's Discussion and Analysis
For the three months ended March 31, 2020 and 2019

Other risk factors

Industry

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

Gold and metal prices

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

Permitting risk

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

Ability to raise funding

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

Global economic conditions

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

CRITICAL ACCOUNTING POLICIES

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

Significant accounting judgments and estimates

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

JAPAN GOLD CORP.
Management's Discussion and Analysis
For the three months ended March 31, 2020 and 2019

Critical accounting estimates

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

- i) The application of the Company's accounting policy for exploration expenditure requires estimates in determining whether it is likely that future economic benefits will flow to the Company, which may be based on assumptions about future events or circumstances. Estimates and assumptions made may change if new information becomes available. If, after an expenditure is capitalized, information becomes available suggesting that the recovery of the expenditure is unlikely, the amount capitalized is written off in profit or loss in the year the new information becomes available. Ownership of exploration and evaluation assets involves certain inherent risks, including geological, commodity prices, operating costs and permitting risks. Many of these risks are outside of the Company's control.
- ii) The determination of fair value of share-based compensation associated with stock options and finders' fee warrants require assumptions with respect to volatility, expected life and discount rates. Changes in these assumptions impact the share-based compensation recognized in profit or loss over the vesting period of the stock options.

Critical accounting judgments

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

- i) The Company's assessment of its ability to continue as a going concern requires significant judgments about whether there are material uncertainties that may cast significant doubt about the Company's ability to continue as a going concern. The Company must determine whether sufficient financing will be obtained in the near term. See note 1.
- ii) The determination of the functional currency of the Company and its subsidiaries requires significant judgment where the primary economic environment in which the subsidiary operates may not be clear. This can have a significant impact on the consolidated results of the Company based on the foreign currency translation method.

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.

JAPAN GOLD CORP.

Management's Discussion and Analysis

For the three months ended March 31, 2020 and 2019

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.