



MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2025 AND 2024

(Unaudited - expressed in Canadian dollars)

JAPAN GOLD CORP.
Management's Discussion and Analysis
For the periods ended June 30, 2025 and 2024

This Management's Discussion and Analysis ("MD&A"), prepared as of August 21, 2025, should be read in conjunction with the unaudited condensed consolidated interim financial statements of Japan Gold Corp. ("Japan Gold" or the "Company") for the period ended June 30, 2025 and the notes thereto, which have been prepared in accordance with IFRS Accounting Standards ("IFRS") as issued by the International Accounting Standards Board. All amounts are stated in Canadian dollars unless otherwise indicated. Statements in this MD&A that are not historical facts are "forward-looking statements" that are subject to risk factors set out in a cautionary note contained herein. Readers are cautioned not to put undue reliance on forward-looking statements.

HIGHLIGHTS FOR THE PERIOD ENDED JUNE 30, 2025 AND THE SUBSEQUENT PERIOD

Barrick Alliance Projects

In August 2024, the Barrick Alliance announced that it would focus its exploration activities on the Togi, Hakuryu and Ebino Projects. The Company has subsequently carried out initial drill programs at each of these three projects, as elaborated further below. As at the date of this MD&A, the Company has received total funding of \$23,155,932 (US\$17,375,498) since the commencement of the Barrick Alliance in February 2020 from Barrick Mining Corp ("Barrick") for work to jointly explore, develop and mine certain gold mineral properties in Japan. Funding received from January 1, 2025, to the date of this MD&A totals \$3,182,146 (US\$2,282,238).

Togi Project

- Mapping within the Togi Project confirmed the potential for concealed targets along a four-kilometre normal fault zone Northeast of the Mori vein workings. Eight line-kilometres of controlled-source audio frequency magnetotellurics ("CSAMT") geophysics were completed over the target in November 2023 highlighting resistivity features interpreted as normal faults associated with low sulfidation systems.
- Two drill holes totalling 968 metres were completed at the Akasaka target in November 2024 targeting concealed strike extensions of the Mori vein. Drilling intersected parallel alteration zones representing inferred structural extensions of the Mori fault and Mori vein hanging-wall structures. The Mori fault zone intersected in the lower sections of both drill holes is also anomalous in gold, hosting breccia clasts of quartz-carbonate vein.

Hakuryu Project

- Drilling at the Hakuryu Project commenced in April 2025. This first phase of drilling was comprised of three holes, with a total drilling length of 568 metres, from two drilling sites designed to test the Hakuryu No. 3 vein. The Hakuryu Project sits in the Konomai Mine district, which had historic production of 2.35 million ounces of gold.
- Subsequent to the reporting period, assay results indicated that two drillholes (DDH-HAK-001 & DDH-HAK-002) intersected anomalous gold mineralization. The mineralization is associated with a zone of hydrothermal brecciation which sits on the hanging wall side of a well-developed fault zone. The mineralization in both holes is associated with the same structural zone, indicating continuity of the mineral intersection over 145 metres of strike.
- The drill results also confirmed high-grade gold mineralization including the presence of high-grade mineralization within a zone of well-developed faulting and brecciation within the anomalous areas. Although no primary epithermal veins were encountered, the largely untested structural zone is part of a much more extensive corridor of alteration that extends for over 5km.
- A drone magnetic survey was completed in July 2024 over the majority of the project at 100 m spacing to further advance identification of multiple targets across the project.
- Soil sampling was conducted for multi-element analysis and Terra-Spec analysis over the Hakuryu No.3- Yakiyama Trend. A total of 312 samples were collected.

Ebino Project

- The Ebino drill program commenced in June, consisting of three drill holes totalling approximately 1,300 metres to test the Otsuka and Kuwanoki-zuru ("KZ") targets located within the Hokusatsu district. Hokusatsu is Japan's premier epithermal district, containing a number of major deposits including the world class Hishikari gold mine. Located 10 kilometres north of the Hishikari Mine, drilling at Ebino aims to assess the potential for concealed epithermal quartz veins at depth.
- The Otsuka, KZ and Masaki prospects, occur along a 10 by 2.5-kilometre corridor on the east side of the project.
- Geological mapping, soil sampling and a ground magnetic survey was previously completed over the area. A total of 1,060 soil samples were collected, and 575-line km of ground magnetics.
- Drill results are pending.

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Japan Gold Projects

An extensive six-month review of the Company's portfolio was completed in September 2024, resulting in the reduction from 35 to 26 projects. The ground reduction was strategic in order to focus and prioritize resources and advance exploration targets. The Company has prioritized the Mizobe Project for drilling during Q3, 2025 with ongoing advancement of additional projects underway.

Mizobe Project

- The project is located within the Hokusatsu region in Kyushu. The project was previously part of the Barrick Alliance. In August 2024, Barrick withdrew from the Mizobe Project, and it is now 100% under development by Japan Gold.
- The Mizobe Project is largely overlain by post mineralization cover; however, limited previous drilling below this cover (7 drill holes - completed) has confirmed the presence of anomalous gold, arsenic and antimony. The extent and source of the mineralization are yet to be determined.
- Target review and generation exercise has been completed, involving a detailed review of drill holes, geochemistry and geophysics.
- Additional surface mapping was completed over the outcrop areas within the project area.
- Permitting has been completed, and drilling is expected to commence in Q3, 2025.

Capital Raising Activities

Equity Financing

- On August 22, 2025, the Company closed a non-brokered private placement financing of 25,845,000 common shares of the Company at a price of \$0.08 per share for gross proceeds of \$2,067,600, which includes 17,182,500 shares sold to a strategic investor and major shareholder of the Company. In connection with the financing, the Company issued 150,000 shares in finder's fees to an arm's-length finder.

Royalty Sale

- On February 4, 2025, the Company along with its wholly-owned subsidiary JGKK entered into an investment agreement ("Investment Agreement") with Osisko Gold Royalties Ltd ("Osisko") to sell to Osisko 1.5% net smelter royalty (the "Initial Royalty") on certain Japan Gold Corp. properties and assets in Japan that are not (or subsequently are not) subject to the Barrick Alliance (collectively, the "Royalty Properties"), as evidenced by a royalty agreement entered into by the Company and Osisko concurrently with the Investment Agreement, for cash consideration of US\$5,000,000. On the first anniversary of the Investment Agreement, or such other date mutually agreed to between the Company and Osisko, Osisko will have the option to purchase an additional 0.5% net smelter return royalty (together with the Initial Royalty, as the case may be, the "Royalty") from JGKK on the Royalty Properties, for additional cash consideration of US\$3,000,000 payable by Osisko to the Company on such date.
- The Royalty is a secured obligation of the Company evidenced initially by, among other things, a share pledge by the Company of JGKK's shares as well as by a guarantee from Japan Gold Corp., with a full security package to be put in place by the parties following further consultation with the applicable governmental authorities and to the extent permitted under applicable laws and the Barrick Alliance agreement dated February 23, 2020 among the Company and Barrick Mining Corporation. The Company has granted Osisko certain rights as part of the transaction, including a right of first refusal on future royalty and stream transactions on present and future Japan Gold Corp. properties that are not subject to the Barrick Alliance. Net proceeds of the Transaction will be primarily used by the Company for the exploration, development and general advancement of the Royalty Properties, with the balance to be used for general working capital purposes.

Convertible Debentures

- On April 29, 2024, the Company closed a non-brokered private placement of unsecured convertible debentures (the "Debentures") for gross proceeds of \$2,755,000 (US\$2,000,000) to Equinox Partners Investment Management LLC ("Equinox"), an existing strategic investor. The Debentures had an original maturity date of April 29, 2027, being the date that was three years from the date of issuance (the "Maturity Date"). The principal amount of the Debentures was convertible, at the election of the Company after the initial four month hold period prior to the Maturity Date, into common shares of the Company at a price of \$0.13 per common share.

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- The Debentures bore interest from the date of issue until the Maturity Date or date of conversion at a rate of 10% per annum non-compounded and payable on the Maturity Date in common shares. With TSX Venture Exchange ("TSXV") acceptance, all interest that was accrued in arrears on the principal amount outstanding under the Debentures was payable in common shares at a price per share which equals the greater of the 'Market Price' (as that term is defined in the policies of the TSXV) or \$0.13 on the date the accrued interest became payable.
- In connection with the Debentures, the proceeds received were initially classified and recorded as equity because the Company had the ability to settle this obligation by delivering a fixed number of shares. The interest component of the convertible debt was recognized as a derivative asset and accounted for as part of the host debt contract since the interest is payable solely in shares and the interest is closely related to the principal amount. The total transaction costs amounted to \$33,887, which have been recorded as share issuance costs. These costs are associated with legal fees and TSXV filing fees.
- On November 7, 2024, the Company announced that disinterested shareholders approved Equinox becoming a new "Control Person" of the Company upon conversion of outstanding Debentures. The Company converted the Debentures issued to Equinox in April 2024, totalling US\$2,000,000 (C\$2,755,000) in principal, plus accrued interest, into 22,338,738 common shares of the Company at a deemed price of \$0.13 per share. Prior to the conversion of the Debentures, Equinox held 50,612,280 shares, representing approximately 19.73% of the common shares of the Company. Following the conversion, Equinox held 72,951,018 shares, representing approximately 26.16% of the issued and outstanding common shares of the Company at that time.

Other

- The Company announced a brokered private placement disclosed in the press release dated April 14, 2025. On May 30, 2025, the private placement expired, and the engagement letter with the agents was terminated.

Leadership

- On April 14, 2025, the Company appointed Jason Letto as Vice President, Exploration and Masanao Kusui as General Manager, Business Administration. Mr. Letto brings extensive geological expertise to the Company's gold exploration programs in Japan. He had previously worked at Vale for 21 years over a wide range of projects and commodities globally, including gold exploration and projects in Asia. He has a proven track record in mineral discovery, including six significant mineral deposits and additions to mineral resource inventories across Inferred, Indicated and Measured resource classifications. Mr. Kusui is responsible for managing the Company's office in Tokyo, overseeing all aspects of Japan Gold KK, including managing the prospecting rights, accounting and logistics in Japan. Mr. Kusui had previously worked for Marubeni Group, a major Japanese integrated trading and investment business conglomerate and has been with the Company for the past seven years.
- The Company also announced the appointment of Fraser MacCorquodale as Senior Technical Advisor focusing on technical guidance for the Company's discovery team. Mr. MacCorquodale was previously President & COO of the Company. He is a mining expert in a variety of gold and copper deposits built through exploring and assessing over 300 global projects. Mr. MacCorquodale has over 35 years of global gold and copper exploration experience, including leading Newcrest Mining's global exploration team from 2008 to 2023, which resulted in the discoveries of Golpu Deeps, (Papua New Guinea), East Ridge (Canada), Havieron (Australia), Toguraci Deeps (Indonesia), and Seguela (West Africa). Mr. MacCorquodale is skilled in strategy development and execution, development of growth pipelines, mergers and acquisitions and targeting, built on a deep technical knowledge of epithermal gold and porphyry copper-gold deposits. He has expertise in near-mine, brownfield, and greenfield exploration across different cultural and geographical settings, including Australia, Indonesia, Papua New Guinea, Canada, USA, Ecuador, Argentina, and Chile. Mr. MacCorquodale is a recipient of the Colin Spence Award for Excellence in Global Mineral Exploration from the Association for Mineral Exploration.
- On January 17, 2025, the Company appointed Cailey Barker to its Advisory Board. Mr. Barker's experience in the mining and finance industry spans over 30 years, having most recently served as Portfolio Manager at BlackRock Investment Management, where he also held concurrent roles as Head of Mining and Head of Research. Before joining BlackRock, he was a top ranked Senior Mining Analyst at several sell-side institutions including Numis Securities and Royal Bank of Canada, as well as industry consultancy Brook Hunt (now Wood Mackenzie). Mr. Barker is also an entrepreneur and small business executive who has a deep understanding of the mining industry, having started his career as an exploration geologist in Africa.

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COMPANY OVERVIEW

Japan Gold Corp. (TSX-V: JG) (OTCQB: JGLDF) is a Canadian mineral exploration company focused solely on gold exploration across the three largest islands of Japan: Hokkaido, Honshu, and Kyushu. The Company holds a significant portfolio of gold projects which cover areas with known gold occurrences, a history of mining, and are prospective for high-grade epithermal gold mineralization. The Company's leadership team represents decades of resource industry and business experience, and the Company has an operational team of geologists, drillers and technical advisors with experience exploring and operating in Japan and have a track record of discoveries world-wide.

On February 24, 2020, the Company announced an alliance with Barrick to jointly explore, develop, and mine certain gold mineral properties and mining projects with the potential to host Tier 1 or Tier 2 gold ore bodies. Barrick sole funded a 30-month Initial Evaluation Phase on the majority of the Company project portfolio. Japan Gold acts as the Manager of each project, subject to Barrick's right at any time to become the Manager of a project. Barrick may identify a project as a Designated Project at any time during the Initial Evaluation Phase or the Second Evaluation Phase and elect to sole fund to completion of a pre-feasibility study ("PFS"). Upon completion of a PFS, Barrick will earn a 51% interest in the Designated Project. Barrick may elect to continue to sole fund a Designated Project following the completion of a PFS to a bankable feasibility study ("BFS"). Barrick's interest in the Designated Project at the completion of the BFS will increase to 75%. Where Barrick has elected to sole fund a Designated Project through to completion of a BFS, Japan Gold will be fully carried through completion of the BFS and retain a 25% interest in the Designated Project. On receipt of funds from Barrick, the Company records amounts received as restricted cash with an offsetting payable to Barrick. The payable to Barrick is decreased as qualifying expenditures are incurred.

On September 6, 2022, the Company announced that Barrick had selected six projects from the portfolio to continue within the Second Evaluation Phase (see detailed discussion of the Barrick Alliance below). In addition, Barrick will be continuing their Initial Evaluation Phase on two projects and three project extensions that were added to the Barrick Alliance following its formation. Barrick will continue to provide full support and solely fund all Barrick Alliance activities.

On August 19, 2024, the Company announced the advancement of the Ebino, Togi and Hakuryu projects in Japan currently under the Barrick Alliance Second Evaluation Phase. The three projects have been prioritized and are being advanced to being tested through drilling. The three remaining projects (Mizobe, Aibetsu and Tenryu) that will not proceed under the Barrick Alliance are now included in Japan Gold's portfolio of assets and the Company will continue to advance these projects independently. To date, Barrick has funded a total of \$23,155,932 (US\$17,375,498). Barrick has not yet declared any project as a Designated Project.

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

FINANCIAL SNAPSHOT

	June 30, 2025	December 31, 2024	December 31, 2023
Total assets	\$ 26,151,957	\$ 27,437,582	\$ 28,758,287
Working capital ⁽¹⁾	3,657,690	(70,084)	1,954,859
Net loss	(2,778,679)	(4,156,605)	(3,271,587)
Comprehensive loss	(2,394,494)	(4,561,029)	(5,361,175)
Loss per share	(0.01)	(0.02)	(0.01)

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

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 and commenced building of its exploration portfolio with its first submission of prospecting rights applications in late 2014.

Having prospecting rights applications accepted by Ministry of Economy, Trade and Industry, ("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 26 projects across the three main islands of Japan, for a total of 277,774 hectares. This encompasses a total of 910 prospecting rights license applications accepted by METI, of which 363 have been granted as prospecting rights licenses.

The following is a breakdown of the 363 current Prospecting Rights:

- 18 Prospecting Rights at the Aibetsu Project (5,756 hectares)
- 14 Prospecting Rights at the Bajo Project (4,478 hectares)
- 51 Prospecting Rights at the Ebino Project (15,741 hectares)
- 39 Prospecting Rights at the Gumyo Project (10,529 hectares)
- 3 Prospecting Rights at the Hakuryu Project (1,017 hectares)
- 18 Prospecting Rights at the Ikutahara Project (6,293 hectares)
- 20 Prospecting Rights at the Isa Project (5,959 hectares)
- 6 Prospecting Rights at the Kurino Project (933 hectares)
- 23 Prospecting Rights at the Kushikino-Iriki Project (7,202 hectares)
- 22 Prospecting Rights at the Mizobe Project (5,163 hectares)
- 19 Prospecting Rights at the Mizobe-Onoyama Project (4,785 hectares)
- 9 Prospecting Rights at the Mizobe West Project (2,416 hectares)
- 22 Prospecting Rights at the North Taio Project (7,009 hectares)
- 6 Prospecting Rights at the Ohra-Takamine Project (2,024 hectares)
- 11 Prospecting Rights at the Onoyama Project (2,784 hectares)
- 15 Prospecting Rights at the Onoyama-Yamagano Project (4,913 hectares)
- 15 Prospecting Rights at the OT-Yaeyama Project (4,484 hectares)
- 37 Prospecting Rights at the Tobaru-Fuke Project (10,935 hectares)
- 15 Prospecting Rights at the Togi Project (3,990 hectares)
- Prospecting Rights at the Tobaru Project (1,347 hectares): On September 2024, the 4 Prospecting Rights expired and were successfully re-applied.

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

Barrick Alliance

As noted above, on August 19, 2024, the company announced the advancement of the Ebino, Hakuryu, and Togi Projects, included in the Barrick Alliance at the time of its original formation, to the program's Second Evaluation Phase following a comprehensive program of field and data review.

Ebino Project

The Ebino Project, located 10 kilometres north of the Hishikari Mine, includes three distinct prospects, Otsuka, KZ and Masaki, that occur along a 10 by 2.5-kilometre corridor on the east side of the project. Induced Polarization surveying was completed in November 2022 at the Otsuka prospect located 10 kilometres north of the Hishikari mine. A total of 9.4-line kilometres were completed along a 4-kilometre-long alteration zone which overlies well-defined gravity anomalies.

Several other significant alteration zones are located within the project including the Masaki, KZ and Aoki zones, distributed along the same or parallel structures to those that host the high-grade Hishikari and Okuchi gold mines. Systematic programs completed over the project by the Barrick Alliance including mapping, soil sampling and ground magnetics define an extensive epithermal alteration system. Zoned clay alteration assemblages identified including alunite + kaolinite + dickite indicate shallow level preservation and raise the potential for discovery of high-grade gold epithermal veins at depth or on the peripheries of the alteration.

The Company received the necessary permits to commence its drill program in June 2025 and has completed three drill holes totalling approximately 1,300 metres to test the Otsuka and KZ targets. Drill results are pending.

Hakuryu Project

The Hakuryu Project is located at the southern end of the 16-kilometre-long Konomai gold field. The northern and central parts of the Konomai vein field were developed and mined by SMM between 1915-1973 producing 2.35 Moz of gold at an average grade of 6.4 g/t¹.

Mapping completed by the Barrick Alliance in 2023 focused on several vein prospects in the southern part of the project including the Hakuryu, Kokuryu, Yakiyama and Sekizen vein zones. At the Hakuryu No. 3 Vein, mapping identified vein outcrops up to 30 metres wide and 140 metres long. Discontinuous vein outcrops up to 15 metres wide and vein scree are mapped an additional 500 metres along strike to the northeast where further strike extension is covered by younger basalt lava. To the southwest of the No. 3 Vein, vein scree was sampled along a 2.3-kilometre-long section of the Yakiyama Ridge towards the Yakiyama No. 2 Vein. No production records for the Yakiyama No. 2 vein have been located; however, sampling of scattered vein floats around the rehabilitated workings has yielded up to 54.6 g/t gold. Gold grades up to 24.0 g/t were reported from float shedding off the Hakuryu No. 3 vein. These targets had not been previously drilled.

To confirm drill targeting, the Barrick Alliance completed a drone magnetic survey over the majority of the project at 100 m spacing to further advance interpretation of multiple targets across the project.

The survey proposed to map out hydrothermal alteration associated with strike extensions of the discontinuously exposed veins. The survey data is currently under review as of the date of this MD&A. Soil sampling was conducted for multi-element analysis and Terra-Spec analysis over the Hakuryu No.3- Yakiyama Trend. A total of 312 samples were collected.

Drilling at the Hakuryu Project commenced in April 2025. The first phase of drilling comprised three holes from two drilling sites, with a total drilling length of 568 metres, designed to test the Hakuryu No. 3 vein.

As at the date of this MD&A, assay highlights include:

- 16.2 g/t Au over 0.6 metres (Drill hole: DDH-HAK-001), from 103.8 metres (a reassay of this interval yielded 24.1 g/t over 0.6 metres, from 103.8 metres)
- 1.5 g/t Au over 3.3 metres (Drill hole: DDH-HAK-002), from 164.2 metres

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Assay results indicate that two drillholes (DDH-HAK-001 & DDH-HAK-002) intersected anomalous gold mineralization. The mineralization is associated with a zone of hydrothermal brecciation which sits on the hanging wall side of a well-developed fault zone. The mineralization in both holes is associated with the same structural zone, indicating continuity of the mineral intersection over 145 metres of strike. Drillhole 3 (DDH-HAK-003) targeted the same structural zone but did not intersect anomalous gold, possibly due to a structural offset from faulting. Originally planned for four drill holes totalling up to 700 metres, three holes totalling 568 metres were sufficient to effectively evaluate the immediate target.

The drill results confirmed anomalous gold mineralization including the presence of high-grade mineralization within a zone of well-developed faulting and brecciation. Although no primary epithermal veins were encountered, the largely untested structural zone is part of a much more extensive corridor of alteration that extends for over 5km.

Togi Project

The Togi Project is located in the central west part of Honshu Island on the Noto Peninsula covering the historic Togi goldfield. Gold mineralization was discovered in the Togi area in 1896, and historic records report seven separate areas of workings along a 7-kilometre trend which produced a combined 48,000 ounces of gold and 180,000 ounces of silver between 1910-211. A similar geological setting is noted 160 kilometres along strike to the northeast on Sado Island, which hosts Japan's second largest gold mine, the Sado Mine with production of 2.5 million ounces of gold and 74 million ounces of silver prior to its closure in 1974.

In Q2, 2023, mapping was completed at the Togi Project confirming the potential for concealed targets along a four-kilometre normal fault zone NE of the Mori vein workings. Deposits mined in the project area are divided into the Urugami deposits in the southwest and Hirochi deposits in the northeast, the latter now falling within a newly defined 'Akasaka target' area. The Mori vein within the Akasaka target produced 16,500 ounces of gold at an average grade of 14 g/t gold and is reported to be up to 4 metres wide, with gold values ranging between 8 to 20 g/t gold¹. Records show the mineralization at lower mine levels open at depth with average grades of 8.12 g/t gold and 56.9 g/t silver; workings did not exceed 120 metres below portal level.

Exploration by the Barrick Alliance is focused on searching for the strike extensions of the Mori vein obscured by post mineralization cover. Geological mapping of the potential strike extent identified sinter scree, and mineralized quartz vein boulders and cobbles hosting gold grades up to 79.7 g/t gold. SMAT geophysics was used to help target within the area of cover at the Akasaka target, and surveying was completed along a 2-kilometre section of the Mori fault. The survey highlighted resistivity features which may represent vein targets. An initial 1,000-metre 2-hole drill program to test the Akasaka target commenced in September 2024 and was completed in November 2024.

Two drill holes located 700 metres along strike of the Mori workings and spaced 350 metres apart targeted vein extensions below concentrations of sinter scree, and quartz vein boulders and cobbles hosting gold grades up to 79.7 g/t gold. Drilling intersected parallel alteration zones representing inferred structural extensions of the Mori fault and Mori vein hanging-wall structures concealed by up to 140 metres of syn to post mineralization andesite and conglomerate. Alteration intersected hosts low-temperature clay assemblages and spaced narrow opaline to chalcedonic-carbonate-sulphide veins anomalous in pathfinder elements including gold. The Mori Fault zone intersected in the lower sections of both drill holes is also anomalous in gold, hosting breccia clasts of quartz-carbonate vein indicating the fault was actively moving during mineralization providing the potential for dynamic boiling levels and faulting.

References

¹The Mining and Materials Processing Institute of Japan (1989) Gold Mines in Japan Vol.1

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Ikutahara Project

The Ikutahara Project consists of 21,332-hectares, which includes 6,293 hectares of prospecting rights and 16,086.8 hectares of prospecting rights application. Located 20 kilometres southeast of the historic Konomai mine in north Hokkaido, the Ikutahara Project hosts 17 historic gold mines and workings including the Kitano-o mine (1924-43) which produced 96,450 ounces of gold from surficial eluvial placers associated with sinter deposits and sub-sinter epithermal veins.

The Ryuo Prospect located in the northwest of the Ikutahara project hosts five areas of historical workings along a 1 km open ended zone of alteration and mineralization. Drilling in 2021-22 encountered high-grade extensions below the historical Jinja workings including: 4.9 metres @ 12.1 g/t Au and 33 g/t Ag (IKDD21-001); and IKDD21-010: 20 m @ 6.3 g/t Au and 15.7 g/t Ag, including 5 metres @ 15.2 g/t Au and 13.1 g/t Ag (IKDD21-010). Additional high-grade intersections were encountered up to 750 metres further along strike including 0.45 metres @ 1,395 g/t Au and 768 g/t Ag (IKDD21-008) and 1.00 metre @ 30.0 g/t Au & 284.0 g/t Ag (IKDD21-007). The mineralization at Ryuo is hosted within an elongate ~1-kilometre-long window of pre-mineral geology, and late or post-mineral rhyolite lava encloses and overlies potential strike extensions. Two phases of soil grids were completed in 2021 and 2022 to test for concealed extensions, this work identified areas of silicification and path-finder element anomalism in the northeast & southeast corners of the 4.5 by 3.5-kilometre grid area which remain open and require further follow up.

Important insights gained from the drilling at Ryuo to date include the identification of high-grade gold events across the prospect, wide high-grade mineralized vein structures, and the intimate relationship of certain rhyolite phases with mineralization. The down-plunge extension of the Jinja shoot along the rhyolite dome margin remains open and post-mineral faulting across the prospect has off-set of vein-zone extensions that require further modelling.

Upon completion of drilling at Ryuo in 2022 operations shifted to the east side of the Kitano-o prospect where three 700-metre-deep drill holes were completed to target the source of 96,000 ounces of gold mined from the paleosurface sinter at Kitano-o. The initial scout drill holes at east Kitano-o targeted combined geochemical and geophysical anomalies below historic workings and adjacent to major graben and rhyolite dome structures proximal to the Cretaceous basement interface.

Drilling, to date, has not yielded a source for the significant amount of gold precipitated at the paleo-surface. With a more complete geochemical coverage from soil sampling, it is now interpreted that these gold-bearing paleo-surface expressions are decoupled from structures hosting the boiling-zone vein systems developed at depth.

Between 2020 and 2022 composite soil samples were collected along a 7-kilometre-long section of a major deep-seated graben fault which bounds the east side of the Kitano-o gold district and localizes the majority of epithermal mineralization in the project. The presence of both sinter material at Kitano-o and of numerous areas of steam-heated clay alteration with coincident gold and path-finder elements indicate at least three fully preserved epithermal systems are developed at depth within the district.

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

To further advance the Showa-Ikutahara mine strong gold and pathfinder element anomalies an 11-line kilometre CSAMT survey was completed over the prospects in Q4, 2023. The CSAMT data identified thick resistive features below the anomalous soils, potentially indicating widespread silicification associated with a concealed vein system. This area is near drill ready and will be advanced based on permits and funding.

On December 14, 2022, the Company announced the completion of the drilling activities at the Saroma prospect, where six initial scout drill holes tested a 1-kilometre section of the Saroma vein. The Saroma vein is located at the northeast end of an open-ended 3.5-kilometre-long mineralized structure defined by the Saroma, Chitose and Taiho mine workings.

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Multiple veins hosting high-grade silver, and gold mineralization were successfully intercepted in all six drill holes with vein widths up to 8 metres (true width). Quartz veining exhibits impressive chalcedony-rich low-sulphidation epithermal vein textures, indicating good preservation of the vein system and potential to depth and along strike.

Reconnaissance mapping along the Saroma structure at the Chitose and Taiho workings confirmed banded chalcedony vein outcrops up to 5 metres wide with broad silicification envelopes and surface and rock samples up to 10.85 grams per tonne gold. The historical Jomon workings located another 5 kilometres southwest of the Taiho workings lie on an inferred continuation of the Saroma structure. Reconnaissance mapping completed along the 9-kilometre-long open-ended structure between Saroma and Jomon successfully identified areas of alteration and float of high-level vein material up to 54 g/t gold. A soil grid was commenced, and geochemical results have identified several gold and pathfinder anomalies along the corridor which remain open-ended. Further work is now required to define and expand extensions towards drill targeting along this potentially significant vein hosting structure.

Mizobe Project

The Mizobe Project is located in the Hokusatsu Region of Southern Kyushu in a similar geological setting to the Sumitomo Metal Mining Co., Ltd. ("SMM") Hishikari gold mine, located 23 kilometres to the north. The Mizobe Project is largely overlain by post mineralization cover. However, limited previous drilling below this cover (7 drill holes completed) has confirmed the presence of anomalous gold, arsenic and antimony. The extent and source of mineralization are yet to be determined.

An Induced Polarization "IP" geophysical survey comprising 14.6-line kilometres was completed over the eastern part of the Mizobe Project in September 2022 aimed at mapping subsurface chargeability and resistivity features below a thin veneer of post-mineral volcanic ash, potentially representing buried mineralization and surrounding alteration haloes.

An initial three framework drill holes were commenced in February 2023 targeting interpreted structural extensions below post-mineral volcanic ash on large step-outs between 600 to 1,000 metres from known surface mineralization and historical drilling data. Drilling encountered the following significant mineralized interval from MZDD23-003:

144.0 m @ 0.7 g/t Au & 2.1 g/t Ag from 47.0 m;
including: 68.25 m @ 0.9 g/t Au & 2.1 g/t Ag and;
16.0 m @ 2.8 g/t Au & 4.5 g/t Ag;
and, 10.0 m @ 4.3 g/t Au & 6.6 g/t Ag.

A second round of drilling at Mizobe completed in Q4, 2023 comprised an additional four diamond holes on large, up to 500-metre step-outs around the long-mineralized intercept in MZDD23-003. All drill holes continued to encounter hydrothermal alteration with the best interval from drill hole MZDD23-004:

33.55 m @ 0.6 g/t Au & 3.1 g/t Ag from 28.3 m;
including: 12.0 m @ 1.0 g/t Au & 4.5 g/t Ag

Multiple alteration and mineralizing events are observed in the drill core including banded chalcedony-sulphide vein clasts, banded carbonate-quartz-sulphide veins, and hydrothermal brecciation which has provided a permeability pathway and host for a younger gold-sulphide mineralization event. Banded chalcedony is a quartz vein texture that may represent the upper parts of epithermal vein systems, fragments of this banded chalcedony now incorporated into a younger mineralized hydrothermal breccia provide a vector towards potential deeper structure-controlled vein-style mineralization not yet identified.

The next phase of drilling will aim to test for the potential of epithermal veining at depth below existing drill intercepts. Permitting has been completed with drilling expected to commence in Q3, 2025.

Other Projects

The Company has completed a review of projects not selected by Barrick for further work, but which exhibit strong exploration potential. Data sets for each project include historical data compilations, work completed by both the Company and by the Barrick Alliance. The Company continues to seek additional relationships and foreign investment to advance the Japan Gold project portfolio.

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SUMMARY OF QUARTERLY RESULTS

	June 30, 2025	March 31, 2025	December 31, 2024	September 30, 2024*
Total assets	\$26,151,957	\$27,546,800	\$27,437,582	\$29,042,593
Working capital	3,657,690	5,493,320	(70,084)	1,328,957
Net loss	(1,222,949)	(1,555,730)	(1,826,403)	(1,031,657)
Basic and diluted loss per share	(0.00)	(0.01)	(0.01)	(0.00)

	June 30, 2024*	March 31, 2024	December 31, 2023	September 30, 2023
Total assets	\$27,553,680	\$26,531,802	\$28,758,287	\$28,784,272
Working capital	2,333,197	827,443	1,954,859	3,101,908
Net loss	(1,049,599)	(874,309)	(768,401)	(679,350)
Basic and diluted loss per share	(0.00)	(0.00)	(0.00)	(0.00)

*June 30, 2024 and September 30, 2024 numbers have been restated on pages 19-20.

The Company continues to explore and capitalize exploration and evaluation expenditures related to the Company's exploration and drilling programs. As at June 30, 2025, the Company has capitalized a total of \$20,724,600 (December 31, 2024 - \$26,299,033) of exploration and evaluation expenditures. This decrease is due to the sale of 1.5% in net smelter royalties to Osisko on the Company's projects which resulted in a reduction of \$7,029,050 against exploration and evaluation assets. Working capital increased from \$(70,084) deficiency at December 31, 2024, to a working capital of \$3,657,690 in June 30, 2025 as a result of the US\$5,000,000 received from Osisko.

RESULTS OF OPERATIONS FOR THE THREE MONTHS ENDED JUNE 30, 2025

During the three-month period ended June 30, 2025, the Company incurred a net loss of \$1,222,949 compared to a net loss of \$350,382 (before restatements – see page 19) for the three-month period ended June 30, 2024. Significant changes occurred in the following categories:

- The Company recognized project evaluation costs of \$149,756 (June 30, 2024 - \$197,765) on activities related to the projects that are no longer included within the Barrick Alliance.
- The Company recorded higher share-based compensation of \$225,714 related to stock options and RSUs granted in the three-month period (June 30, 2024 – \$51,573 related to stock options granted in this period).
- The Company recognized higher professional fees of \$169,129 (June 30, 2024 - \$96,452) due to costs related to royalty sale and financing activities during the period.
- The Company incurred \$79,092 (June 30, 2024 - \$8,228 in foreign exchange income) in foreign exchange loss as a result of a strengthening Yen compared to Canadian dollars.

RESULTS OF OPERATIONS FOR THE SIX MONTHS ENDED JUNE 30, 2025

During the six-month period ended June 30, 2025, the Company had a net loss of \$2,778,679 compared to a loss of \$1,224,691 (before restatements – see page 19) for the six-month period ended June 30, 2024. Significant changes occurred in the following categories:

- The Company recognized project evaluation costs of \$393,250 (June 30, 2024 - \$361,761) on activities related to the projects that are no longer included within the Barrick Alliance.
- The Company recorded share-based compensation of \$510,087 related to stock options and RSUs granted in the six-month period (June 30, 2024 - \$54,030).
- The Company incurred occupancy and office costs of \$129,721 during the six-month period ended June 30, 2025 (June 30, 2024 – \$200,019). This amount includes \$137,021 in rent and office expenses related to the head office, partially offset by \$7,299 received in connection with rent and office costs in Japan during the same period.

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- The Company recognized higher professional fees of \$479,580 (June 30, 2024 - \$170,493) due to costs related to royalty sale and financing activities during the period.
- The Company incurred \$244,783 (June 30, 2024 - \$4,734) in foreign exchange loss as a result of a strengthening Yen compared to Canadian dollars.

LIQUIDITY AND CAPITAL RESOURCES

The Company's cash and cash equivalents as at June 30, 2025, were \$4,048,391 which was an increase from \$80,230 as at December 31, 2024. As at June 30, 2025, the Company has working capital of \$3,657,690 compared to a working capital deficiency of \$70,084 as at December 31, 2024.

Net cash used in operating activities for the period ended June 30, 2025, was \$1,179,983 compared to net cash used of \$2,053,686 during the period ended June 30, 2024. The cash used in operating activities reflected the Company's efforts in continuing to build and assess its project portfolio during the period.

Net cash used in investing activities during the period ended June 30, 2025, was \$1,280,430 compared to net cash used of \$163,477 during the period ended June 30, 2024. The increase primarily reflects expenditures to advance the Company's key projects and evaluate additional opportunities within its portfolio, in contrast to the prior year's focus on Alliance projects, which are funded by Barrick.

Net cash from financing activities during the period ended June 30, 2025 was \$7,029,050 resulting from the sale of royalty during the period (June 30, 2024: \$2,697,714 resulting from the convertible debenture financing).

These condensed consolidated interim financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assumes that the Company will continue its operations for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations as they become due. The Company has not generated any revenues or cash flows from operations to date. For the period ended June 30, 2025, the Company incurred negative cash flows from operations of \$1,179,983 and recorded a net loss of \$2,778,679. The Company's ability to continue as a going concern is dependent on its ability to successfully raise additional financing, entering into a joint venture, sale of all or a portion of the Company's assets, the outright sale of the Company, the successful development of the Company's mineral property interests, or a combination thereof. The Company believes that it will be able to continue as a going concern for the foreseeable future based on the Company's historical and anticipated ability to raise additional financing to further advance its projects. However, the Company will continue to incur negative cash flows from operations and the Company will require additional funding in the future. 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 factors indicate the existence of a material uncertainty that may cast significant doubt upon the Company's ability to continue as a going concern. These condensed consolidated interim financial statements do not give effect to any 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. Such adjustments could be material.

RELATED PARTY TRANSACTIONS

Key management and personnel compensation

Key management personnel include the officers and directors of the Company. Key management compensation and amounts paid to companies controlled by key management consists of the following:

During the period ended June 30, 2025, the Company incurred \$283,019 (June 30, 2024: \$312,116 in management fees and \$154,200 (June 30, 2024: \$104,100) in consulting fees for administrative, finance and accounting services to a private company controlled by John Proust, the Chief Executive Officer of the Company. The Company also reimbursed such private company \$74,397 in occupancy costs during the period ended June 30, 2025 (June 30, 2024: \$51,066). As at June 30, 2025, \$Nil (December 31, 2024: \$Nil) of these fees were outstanding and payable to the officer. During the period ended June 30, 2025, the Company recorded \$1,259 (June 30, 2024: \$1,211) in other income relating to a private Japanese entity controlled by the Chief Executive Officer. As at June 30, 2025, \$3,680 (December 31, 2024: \$2,421) was receivable to the Company.

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The Company incurred \$25,019 in management fees (June 30, 2024: \$Nil) to Jason Letto, the VP Exploration of the Company. As at June 30, 2025, \$Nil (December 31, 2024: \$Nil) of these fees were outstanding and payable to the officer.

The Company incurred \$32,936 in consulting fees (June 30, 2024: \$32,560) to Takashi Kuriyama, the Chief Operating Officer (previously General Manager of Exploration) of the Company. As at June 30, 2025, \$11,227 (December 31, 2024: \$5,085) of these fees were outstanding and payable to the officer.

The Company incurred \$76,873 (June 30, 2024: \$77,234) in director fees to directors of the Company. As at June 30, 2025, \$15,375 (December 31, 2024: \$42,150) of these fees were outstanding and payable to the directors.

The Company incurred \$236,150 (June 30, 2024: \$38,358) in share-based compensation to related parties.

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

Other related party transactions

On January 17, 2025, the Company entered into a loan agreement for \$140,000 with a director of the Company. The loan was repayable in full by March 18, 2025, or such earlier date as the Company may elect, and bears interest at a rate of 12% per annum. The Company intended to use the proceeds of the loan for short-term working capital purposes.

In relation to the loan agreement, the Company issued 2,000,000 non-transferable share purchase warrants to the lender as consideration for providing the loan. Each warrant will entitle the lender to purchase one common share of the Company at an exercise price of \$0.07 for a period of 12 months following the date of issuance.

The loan was repaid in full on February 13, 2025. The total repayment included accrued interest of \$1,381, resulting in a repayment amount of \$141,381.

CURRENT SHARE DATA

As at the date of this MD&A, the Company had 304,849,217 common shares issued and outstanding.

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

Outstanding		Weighted average exercise price	Expiry date	Weighted average remaining life (years)
900,000	\$	0.40	September 15, 2026	1.21
250,000	\$	0.16	December 13, 2028	3.46
1,180,000	\$	0.20	January 24, 2029	3.57
1,000,000	\$	0.30	May 13, 2030	4.87
660,000	\$	0.35	December 23, 2026	1.48
200,000	\$	0.20	April 10, 2029	3.78
1,200,000	\$	0.20	April 11, 2029	3.78
2,450,000	\$	0.13	January 19, 2030	4.56
7,840,000	\$	0.23		3.14

As at the date of this MD&A, 7,840,000 of the options are outstanding where 6,173,337 of the options are exercisable with a weighted average exercise price of \$0.24.

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

Outstanding	Share price on date of grant	Expiry date	Weighted average remaining life (years)
1,561,682 \$	0.12	April 11, 2027	1.64
10,000,000 \$	0.08	November 7, 2026	1.21
300,000 \$	0.07	January 16, 2027	1.41
950,000 \$	0.09	January 20, 2027	1.42
900,000 \$	0.13	March 26, 2027	1.59
384,615 \$	0.12	May 1, 2027	1.69
14,096,297			2.05

As at the date of this MD&A, 14,096,297 restricted share units are outstanding and 500,000 restricted share units are exercisable.

As at the date of this MD&A, the Company has 2,000,000 warrants outstanding. Each warrant will entitle the holder to purchase one common share of the Company at an exercise price of \$0.07 and expiry date of March 19, 2026.

RISKS AND UNCERTAINTIES

The Company's business could be significantly adversely affected by certain external risks that could adversely affect the economies and financial markets of many countries, resulting in an economic downturn that could affect the Company's products and likely impact operating results. These factors may impact the Company's ability to obtain financing or third parties' ability to meet their obligations with the Company.

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

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

Liquidity risk is the risk that the Company is not able to meet its financial obligations as they fall due. The Company ensures that there is sufficient capital in order to meet short term business requirements after taking into account the Company's cash and cash equivalents. All of the Company's financial liabilities, are classified as current. The Company's approach to managing liquidity risk is to ensure as far as possible that it will have sufficient liquidity to meet liabilities when due.

Credit risk - Financial instruments that potentially subject the Company to credit risk consist of cash and cash equivalents, restricted cash, deposits and accounts receivable. The Company limits its credit exposure on cash and cash equivalents and restricted cash by holding its deposits mainly with high credit quality financial institutions as determined by credit agencies. The carrying value of these financial assets represents the maximum exposure to credit risk. The Company has no history of credit loss and no allowance for credit loss recorded at June 30, 2025 and December 31, 2024.

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices. The Company is currently exposed to interest rate risk to the extent that the cash and short-term investment maintained at the financial institutions are subject to a floating rate of interest. The interest rate risk on the Company's cash and short-term investment is not significant.

The Company operates in Japan and is subject to foreign currency fluctuations primarily on its cash and accounts payable and accrued liabilities denominated in a currency other than Japanese yen ("Yen or ¥"). As at June 30, 2025, this exposure is minimal. Additionally, the Company is exposed to foreign exchange risk on non-Canadian denominated monetary assets and liabilities recorded in Japan Gold. As at June 30, 2025, every 1% change in foreign exchange rate in either direction would result in a change in net loss of approximately \$3,200.

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Fair value

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

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

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

Other risk factors

Industry

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

Gold and other metal prices

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

Permitting risk

The Company operates under the Mining Act (established in 1950) as amended in 2011 (implemented in 2012). Under the Mining Act, the Company has applied for prospecting rights which once granted, are valid for a maximum of 6 years. When prospecting rights applications are made and accepted for filing by the Ministry of Economy, Trade and Industry (METI) but prior to granting (the reservation period), the applicant has the exclusive opportunity to do early-stage exploration work including mapping, geology, geochemistry and geophysics but not trenching or drilling. There is no fixed timetable for the reservation period. Once granted, the prospecting rights may be converted to digging rights (mining rights). If not converted or in the process of being converted, prospecting rights will expire at the end of a 6-year period. There is no guarantee that the Company will be able to satisfy the requirements to convert its prospecting rights to digging rights within the defined 6-year time frame. The Company may reapply for expired prospecting rights on the same basis as new applicants but would not have any priority when doing so. Prospecting rights applications are processed on a "first to file" basis unless applications are submitted by multiple parties at the same time in which case applications will be subject to a lottery. The Company retains priority over new third-party prospecting rights applicants by submitting applications to convert its existing prospecting rights to digging rights prior to the expiry of the granted prospecting rights. This priority right remains in place until the digging rights are granted, or the application is rejected. The Company's project portfolio currently has 910 prospecting right applications accepted by METI. Of the 910 prospecting rights applications, 363 prospecting rights have been granted, in several batches, on 26 projects, enabling advanced exploration including drilling. The currently granted prospecting rights expire from 2025 through 2031. The Company work programs and budgets are designed to advance exploration on prospecting rights to prepare for potential conversion to digging rights.

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

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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.

Geopolitical risk

The Company recognizes the inherent uncertainties associated with geopolitical risks. Events such as trade disputes, changes in government policies, and regional conflicts may adversely impact various sectors of the economy, including but not limited to, financials, energy, metals and mining. These risks may result in disruptions to supply chains, fluctuations in currency exchange rates, and changes in demand for the Company's products and operations. As a result, the Company's business, financial condition, and results of operations may be negatively affected by economic and other consequences from geopolitical developments.

Climate change risk

The Company acknowledges the importance of addressing climate change risks. Environmental concerns, regulatory changes, and shifting consumer preferences toward sustainability could impact the Company's operations and business. Physical climate change risks such as extreme weather events and transition risks related to regulatory shifts and market preferences are considerations. The Company is committed to evaluating and managing our environmental footprint, pursuing sustainable practices, exploring innovative technologies to minimize environmental impact and staying informed about evolving climate-related regulations.

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.

MATERIAL ACCOUNTING POLICIES

Reference should be made to the Company's material accounting policy information contained in Note 2 of the Company's consolidated financial statements as at December 31, 2024. These accounting policies can have a significant impact on the financial performance and financial position of the Company.

Significant accounting judgments and estimates

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

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Estimation of uncertainty

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

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

For the year ended December 31, 2024, the Company recorded an impairment charge of \$206,142 related to the relinquishment of certain projects. For the period ended June 30, 2025 there were no indicators of impairment identified with respect to the Company's exploration and evaluation assets.

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

Judgments

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

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

- ii) Recoverability of exploration and evaluation assets

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

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

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

LIMITATIONS OF CONTROLS AND PROCEDURES

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

QUALIFIED PERSON AND QUALITY CONTROL AND ASSURANCE

The technical information for the period ended December 31, 2024 and up to February 28, 2025 were reviewed under Andrew Rowe, former Exploration Manager, BAppSc, FAusIMM, FSEG as the Qualified Person as defined by National Instrument 43-101 Standards of Disclosure for Mineral Projects.

Subsequent to February 28, 2025, the Company's Qualified person is Fraser MacCorquodale, Senior Technical Advisor, BAppSc, MAIF who has extensive experience relevant to the style of mineralization under consideration and qualifies as a Qualified Person as defined by National Instrument 43-101 Standards of Disclosure for Mineral Projects.

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 infectious disease outbreak, or geopolitical conflicts;*
- *unpredictable changes to the market prices for gold, copper and other commodities;*
- *exploration and developments costs for properties in Japan;*

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- 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.

Restatement of the Company's quarterly financial statements as at and for the three months ended June 30, 2024 and September 30, 2024

The Company's previously reported quarterly financial statements as at and for the three months ended June 30, 2024 and September 30, 2024 did not appropriately account for the convertible debenture entered in April 2024. The previously reported quarterly financial statements as at and for the three months ended June 30, 2024 did not appropriately classify the conversion feature of the convertible debt and accounted for it as a liability instead of classifying it as an equity. The proceeds received from the convertible debt are classified as equity because the Company can settle this obligation by delivering a fixed number of shares. For further details of the transaction, please refer to notes 2 and 6 of the annual financial statements of the Company as at and for the year ended December 31, 2024.

The change has been applied prospectively on the annual financial statements as at December 31, 2024 and prior period amounts have not been restated. Comparative information is presented as previously reported. There are no impacts on the current period.

As such, and as shown in the table below, the previously reported amounts in the statement of financial position as at June 30, 2024 and September 30, 2024 and previously reported amounts in the statements of loss and comprehensive loss for the three months ended June 30, 2024 and September 30, 2024,

Statement of financial position as at June 30, 2024	Convertible debt	Derivative liability	Total liabilities	Share capital	Contributed surplus	Deficit	Total shareholders' equity
Previously reported	\$1,568,791	\$515,144	\$2,870,045	\$59,659,032	\$6,745,105	\$(35,271,409)	\$24,683,635
Adjustment	(1,568,791)	(515,144)	(2,083,935)	(18,645)	2,801,797	(699,217)	2,083,935
As restated	\$ -	\$ -	\$ 786,110	\$59,640,387	\$9,546,902	\$(35,970,626)	\$26,767,570

JAPAN GOLD CORP.**Management's Discussion and Analysis****For the periods ended June 30, 2025 and 2024**

Statement of loss and comprehensive loss for the three months ended June 30, 2024	Interest expense	Accretion expense	Unrealized gain on derivative liability	Foreign exchange (income) loss	Net loss for the period	Net comprehensive loss for the period	Basic and diluted loss per share
Previously reported	\$45,920	\$38,510	\$(713,450)	\$(8,228)	\$350,382	\$352,874	\$0.00
Adjustment	877	(38,510)	713,450	23,400	699,217	699,217	-
As restated	\$46,797	\$ -	\$ -	\$15,172	\$1,049,599	\$1,052,091	\$0.00

Statement of financial position as at September 30, 2024	Convertible debt	Derivative liability	Total liabilities	Share capital	Contributed surplus	Deficit	Total shareholders' equity
Previously reported	\$1,695,436	\$516,553	\$2,954,522	\$59,659,032	\$6,794,368	\$(36,376,920)	\$26,088,071
Adjustment	(1,695,436)	(516,533)	(2,211,989)	(33,886)	2,871,238	(625,363)	2,211,989
As restated	\$ -	\$ -	\$ 742,533	\$59,625,146	\$9,665,606	\$(37,002,283)	\$28,300,060

Statement of loss and comprehensive income for the three months ended September 30, 2024	Interest expense	Accretion expense	Unrealized loss on derivative liability	Net loss for the period	Net comprehensive income for the period	Basic and diluted loss per share
Previously reported	\$68,880	\$57,765	\$16,650	\$1,105,511	\$(1,135,517)	\$0.00
Adjustment	561	(57,765)	(16,650)	(73,854)	(73,854)	-
As restated	\$69,411	\$ -	\$ -	\$1,031,657	\$(1,429,027)	\$0.00