



CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

**FOR THE THREE MONTHS ENDED
MARCH 31, 2026 AND 2025**

(Unaudited - expressed in Canadian dollars)

JAPAN GOLD CORP.
CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
March 31, 2026

Notice of No Auditor Review

The accompanying unaudited condensed consolidated interim financial statements of Japan Gold Corp. for the three-month period ended March 31, 2026 have been prepared by the Company's management and approved by the Audit Committee and Board of Directors of the Company.

In accordance with National Instrument 51-102, the Company discloses that its independent auditor has not performed a review of these unaudited condensed consolidated interim financial statements.

May 21, 2026

JAPAN GOLD CORP.

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION

(Unaudited - Expressed in Canadian dollars)

As at		March 31, 2026		December 31, 2025
Assets				
Current				
Cash and cash equivalents (Note 3)	\$	1,450,079	\$	2,969,607
Accounts receivable		232,118		209,894
Prepaid expenses and deposits		177,444		129,832
		1,859,641		3,309,333
Non-current assets				
Deposit		69,354		69,196
Exploration and evaluation assets (Note 4)		21,065,737		20,372,360
Property, plant and equipment (Note 5)		168,885		197,390
Total assets	\$	23,163,617	\$	23,948,279
Liabilities				
Current				
Accounts payable and accrued liabilities	\$	412,889	\$	647,931
Total liabilities		412,889		647,931
Shareholders' equity				
Share capital (Note 6)		64,859,976		64,584,226
Contributed surplus		7,889,203		7,927,296
Accumulated other comprehensive loss		(5,963,656)		(6,021,967)
Deficit		(44,034,795)		(43,189,207)
Total shareholders' equity		22,750,728		23,300,348
Total liabilities and shareholders' equity	\$	23,163,617	\$	23,948,279

Nature and continuance of operations (Note 1)

Subsequent events (Note 11)

Approved by the Board of Directors and authorized for issuance on May 21, 2026:

On behalf of the Board of Directors"Murray Flanigan" Director"John Proust" Director

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

JAPAN GOLD CORP.**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS**

(Unaudited - Expressed in Canadian dollars)

For the periods ended	March 31, 2026	March 31, 2025
Expenses		
Consulting (Note 7)	\$ 91,362	\$ 120,234
Depreciation (Note 5)	5,484	1,738
Director fees (Note 7)	38,288	38,288
Filing and regulatory	33,814	33,118
Foreign exchange (gain) loss	(8,927)	165,691
Insurance	18,966	21,699
Investor relations	90,329	102,513
Management fees (Note 7)	129,000	132,666
Occupancy and office (Note 7)	90,551	46,127
Professional fees	51,031	310,451
Project evaluation (Note 7)	276,764	243,494
Share-based compensation (Note 6)	97,657	284,373
Transfer agent	2,863	1,994
Travel	35,151	51,963
Loss before other items	952,333	1,554,349
Other items		
Interest income (Note 3)	(111,051)	-
Interest expense (Note 7)	-	1,381
Loss on disposal of asset (Note 5)	4,306	-
	(106,745)	1,381
Net loss for the period	845,588	1,555,730
Foreign exchange income on translation of foreign operations	(58,311)	(1,197,806)
Net comprehensive loss for the period	\$ 787,277	\$ 357,924
Loss per share		
Basic and diluted loss per share	\$ (0.00)	\$ (0.01)
Weighted average number of shares outstanding	305,604,772	278,854,217

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

JAPAN GOLD CORP.**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS**

(Unaudited - expressed in Canadian dollars)

For the periods ended	March 31, 2026	March 31, 2025
Cash flows from operating activities		
Net loss for the period	\$ (845,588)	\$ (1,555,730)
Adjustments for:		
Share-based compensation (Note 6)	97,657	284,373
Depreciation (Note 5)	5,484	1,738
Loss on disposal of asset (Note 5)	4,306	-
Interest income (Note 3)	(111,051)	-
Interest expense (Note 7)	-	1,381
Unrealized foreign exchange (gain) loss	(8,927)	165,691
Changes in non-cash working capital items:		
Accounts receivable, prepaid expenses and deposits	(69,994)	558,519
Accounts payable and accrued liabilities	(235,599)	(697,419)
Net cash used in operating activities	(1,163,712)	(1,241,447)
Cash flows from investing activities		
Interest received (Note 3)	111,051	-
Exploration and evaluation expenditure (Note 4)	(612,308)	(264,498)
Acquisition of property, plant and equipment, net (Note 5)	(2,740)	-
Reimbursements of Barrick Alliance expenditures, net (Note 4)	-	307,708
Net cash (used in) from investing activities	(503,997)	43,210
Cash flows from financing activities		
Proceeds received from royalty sale, net (Note 4)	-	7,029,050
Proceeds received from warrant exercise (Note 6)	140,000	-
Net cash from financing activities	140,000	7,029,050
Change in cash and cash equivalents during the period	\$ (1,527,709)	\$ 5,830,813
Effect of foreign exchange on cash and cash equivalents	8,181	(74,000)
Cash and cash equivalents, beginning of the period	2,969,607	80,230
Cash and cash equivalents, end of the period	\$ 1,450,079	\$ 5,837,043

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

JAPAN GOLD CORP.

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE PERIODS ENDED MARCH 31, 2026 AND MARCH 31, 2025

(Unaudited - expressed in Canadian dollars)

	Number of shares	Share capital	Contributed surplus	Accumulated other comprehensive income (loss)	Deficit	Total equity
Balance, December 31, 2024	278,854,217	\$ 62,525,066	\$ 6,937,228	\$ (4,761,437)	\$ (38,203,323)	\$ 26,497,534
Share-based compensation	-	-	284,373	-	-	284,373
Net loss for the period	-	-	-	-	(1,555,730)	(1,555,730)
Foreign currency translation	-	-	-	1,197,806	-	1,197,806
Balance, March 31, 2025	278,854,217	\$ 62,525,066	\$ 7,221,601	\$ (3,563,631)	\$ (39,759,053)	\$ 26,423,983

	Number of shares	Share capital	Contributed surplus	Accumulated other comprehensive income (loss)	Deficit	Total equity
Balance, December 31, 2025	305,099,217	\$ 64,584,226	\$ 7,927,296	\$ (6,021,967)	\$ (43,189,207)	\$ 23,300,348
Share-based compensation	-	-	97,657	-	-	97,657
Shares issued to settle RSUs (Note 6)	150,000	9,750	(9,750)	-	-	-
Warrants exercised (Notes 6 and 7)	2,000,000	266,000	(126,000)	-	-	140,000
Net loss for the period	-	-	-	-	(845,588)	(845,588)
Foreign currency translation	-	-	-	58,311	-	58,311
Balance, March 31, 2026	307,249,217	\$ 64,859,976	\$ 7,889,203	\$ (5,963,656)	\$ (44,034,795)	\$ 22,750,728

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

JAPAN GOLD CORP.**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

For the three months ended March 31, 2026 and March 31, 2025

(Unaudited - expressed in Canadian dollars)

1. NATURE AND CONTINUANCE OF OPERATIONS

Japan Gold Corp. (“Japan Gold” or “the Company”) is incorporated under the laws of British Columbia.

The Company is exploring and evaluating mineral properties across the three largest islands of Japan: Hokkaido, Honshu, and Kyushu. The Company’s head office is at Suite 650-669 Howe Street, Vancouver, British Columbia, Canada, V6C 0B4. The Company’s shares are traded on the TSX Venture Exchange (“TSX-V”) under the symbol “JG” and on the OTC Markets (“OTCQB”) under the symbol “JGLDF”.

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 March 31, 2026, the Company incurred negative cash flows from operations of \$1,163,712 and recorded a net loss of \$845,588. 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.

2. MATERIAL ACCOUNTING POLICY INFORMATION**Basis of presentation**

These unaudited condensed consolidated interim financial statements have been prepared in accordance with the International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”). These unaudited condensed consolidated interim financial statements have been prepared in accordance with IAS 34, Interim Financial Reporting and follow the same accounting policies and methods of application as the Company’s most recent annual financial statements.

These consolidated financial statements were approved for issuance by the Company’s Board of Directors on May 21, 2026.

Basis of consolidation

These unaudited condensed consolidated interim financial statements include the accounts of the Company and its wholly owned Japanese subsidiary, Japan Gold KK (“JGKK”). All intercompany balances and transactions have been eliminated on consolidation. The Company consolidates subsidiaries where it has the ability to exercise control. Control over an investee is defined to exist when the investor is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Particularly, the Company controls investees, if and only if, the Company has all of the following: power over the investee, exposure, or rights to variable returns from its involvement with the investee, and the ability to use its power over the investee to affect its returns.

JAPAN GOLD CORP.**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

For the three months ended March 31, 2026 and March 31, 2025

(Unaudited - expressed in Canadian dollars)

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)**Significant accounting judgments and estimates**

The preparation of these condensed consolidated interim 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 condensed consolidated interim financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. These condensed consolidated interim financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the financial statements and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised, and in 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 circumstances.

In preparing the Company's unaudited condensed consolidated interim financial statements for the three months ended March 31, 2026, the Company applied the critical judgments and estimates disclosed in Note 2 of the audited consolidated financial statements for the year ended December 31, 2025.

3. CASH AND CASH EQUIVALENTS

As at March 31, 2026, the balance of cash and cash equivalents is \$1,450,079 (December 31, 2025: \$2,969,607) of which \$Nil (December 31, 2025: \$2,864,554) is cash equivalents related to Guaranteed Investment Certificates ("GICs") purchased during the period. During the period ended March 31, 2026, the Company redeemed \$Nil of Canadian GIC's to fund operations (December 31, 2025: \$Nil). During the period ended March 31, 2026, the Company redeemed \$2,090,000 of US GIC's to fund operations (December 31, 2025: \$2,810,000) and earned interest income of \$111,051 (March 31, 2025 - \$Nil) from GICs held during the prior year.

4. EXPLORATION AND EVALUATION ASSETS

	Ikutahara project	Ohra- Takamine project	Mizobe project	Bajo project	Hakuryu project	Other projects	Total
Balance, December 31, 2024	\$20,723,294	\$5,037,920	\$ 228,189	\$ 132,446	\$ -	\$ 177,184	\$26,299,033
Geoscience - consulting	218,862	181,543	502,993	19,012	198,547	82,691	1,203,648
Drilling	-	-	256,075	-	-	-	256,075
Insurance	5,311	770	5,981	-	892	-	12,954
Depreciation	38,008	48,000	1,779	-	-	-	87,787
Travel	8,040	1,860	83,598	3,702	7,645	1,163	106,008
Field supplies	71,816	36,325	363,040	16,417	51,397	179,067	718,062
Foreign currency translation	(890,910)	(253,730)	(93,535)	(10,608)	(9,239)	(24,135)	(1,282,157)
Sale of royalty	(5,175,172)	(1,296,123)	(345,822)	(41,292)	(63,936)	(106,705)	(7,029,050)
Balance, December 31, 2025	\$14,999,249	\$3,756,565	\$1,002,298	\$ 119,677	\$ 185,306	\$ 309,265	\$20,372,360
Geoscience - consulting	45,762	48,213	9,715	277,959	9,933	26,513	418,095
Insurance	2,935	576	-	848	700	-	5,059
Depreciation	11,131	6,836	3,878	-	-	-	21,845
Travel	1,011	265	751	35,890	(669)	(553)	36,695
Field supplies	10,318	17,535	11,443	59,002	15,731	38,430	152,459
Foreign currency translation	41,803	11,812	3,144	1,083	347	1,035	59,224
Balance, March 31, 2026	\$ 15,112,209	\$ 3,841,802	\$1,031,229	\$ 494,459	\$ 211,348	\$ 374,690	\$ 21,065,737

* Other projects consist of Aibetsu project, Ebino project, Gumyo project, Isa project, Kurino project, Kushikino-Iriki project, Mizobe-Onoyama project, Mizobe West project, North Taio project, Onoyama project, Onoyama-Yamagano project, OT-Yaeyama project, Tobaru project Tobaru-Fuke project and Togi project.

JAPAN GOLD CORP.**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

For the three months ended March 31, 2026 and March 31, 2025

(Unaudited - expressed in Canadian dollars)

4. EXPLORATION AND EVALUATION ASSETS (continued)

The Company's current project portfolio consists of prospecting rights licenses and prospecting rights license applications for a combined area of 276,686 hectares over 26 separate projects on the three main islands of Japan. See below for a summary of the Company's current Prospecting Rights, which total to 112,543 hectares over 383 Prospecting Rights:

- 9 Prospecting Rights at the Aibetsu Project (2,840 hectares)
- 21 Prospecting Rights at the Bajo Project (6,332 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)
- 35 Prospecting Rights at the Kushikino-Iriki Project (11,163 hectares)
- 22 Prospecting Rights at the Mizobe Project (5,163 hectares)
- 20 Prospecting Rights at the Mizobe-Onoyama Project (5,125 hectares)
- 9 Prospecting Rights at the Mizobe West Project (2,416 hectares)
- 22 Prospecting Rights at the North Taio Project (7,009 hectares)
- 3 Prospecting Rights at the Ohra-Takamine Project (1,018 hectares)
- 11 Prospecting Rights at the Onoyama Project (2,784 hectares)
- 18 Prospecting Rights at the Onoyama-Yamagano Project (5,774 hectares)
- 20 Prospecting Rights at the OT-Yaeyama Project (6,175 hectares)
- 4 Prospecting Rights at the Tobaru Project (1,347 hectares)
- 37 Prospecting Rights at the Tobaru-Fuke Project (10,935 hectares)
- 15 Prospecting Rights at the Togi Project (3,990 hectares)

Osisko 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 ("OR Royalties") to sell to OR Royalties 1.5% net smelter royalty (the "Initial Royalty") on certain Japan Gold Corp. properties and assets in Japan, now including properties that were formerly subject to the Barrick Alliance (collectively the "Royalty Properties"), as evidenced by a royalty agreement entered into by the Company and OR Royalties concurrently with the Investment Agreement, for cash consideration of US\$5,000,000 (\$7,029,050). As at December 31, 2025, the Company received net proceeds of \$7,029,050 from the royalty sale and recorded this against the exploration and evaluation assets.

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. Following the conclusion of the Barrick Alliance, the former Barrick Alliance Projects, Hakuryu, Togi and Ebino have now been added to the Royalty Properties. The Company has granted OR Royalties 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.

On the first anniversary of the Investment Agreement, or such other date mutually agreed to between the Company and OR Royalties, OR Royalties 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 OR Royalties to the Company on such date.

On February 1, 2026, the Company granted a 9-month extension to OR Royalties through an amending agreement, giving OR Royalties until November 4, 2026, to exercise the right to increase its existing royalty interest. The amending agreement includes a 30 day's notice acceleration clause if the Company enters into a joint venture agreement with a mid-tier or major mining company, and that agreement requires the partner to invest a minimum of \$5.0 million in cash proceeds into Japan Gold or the properties covered by the royalty in favour of OR Royalties, within six months of the date on which the joint venture agreement is executed.

JAPAN GOLD CORP.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the three months ended March 31, 2026 and March 31, 2025

(Unaudited - expressed in Canadian dollars)

4. EXPLORATION AND EVALUATION ASSETS (continued)

Barrick Alliance

On February 23, 2020, the Company entered into a country wide alliance with Barrick Mining Corporation (“Barrick”) to jointly explore, develop and mine certain gold mineral properties in Japan (the “Barrick Alliance”). The Barrick Alliance covered 29 out of 31 projects that were held by JGKK and Barrick fully funded a 2-year Initial Evaluation Phase comprising a majority of the projects (minimum funding of US\$3,000,000 per year) and funded a subsequent 3-year Second Evaluation Phase (minimum funding of US\$4 million per year) on three projects that met Barrick’s inclusion criteria and returned 26 projects to the Company. The three projects were the Togi, Hakuryu and Ebino projects. Barrick continued to provide full support and sole fund all Barrick Alliance activities for the three selected projects while the Company acted as the Manager.

On September 29, 2025, the Company announced the conclusion of the Barrick Alliance where Barrick and the Company mutually agreed to terminate the strategic alliance agreement to be effective as at October 31, 2025 (“Effective date”). As of the Effective date, Barrick no longer hold any right to or interest in any of the Company’s portfolio of mineral rights in Japan, including the Barrick Alliance Projects, Hakuryu, Togi and Ebino. The Company received total funding of \$23,257,218 (US\$17,447,251) for the Barrick Alliance activities.

The Company is internally evaluating all projects with a view to determining which project to advance independently or by bringing in new joint venture partners.

JAPAN GOLD CORP.**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

For the three months ended March 31, 2026 and March 31, 2025

(Unaudited - expressed in Canadian dollars)

5. PROPERTY, PLANT AND EQUIPMENT

Cost	Heavy		Furniture and				
	Equipment	Vehicles	Building	Land	Fixtures	Total	
At December 31, 2024	\$ 877,798	\$ 127,836	\$ 111,929	\$ 9,398	\$ 282,964	\$ 1,409,925	
Purchases	-	23,984	24,319	-	58,055	106,358	
Foreign currency translation adjustment	(41,162)	(7,554)	(6,831)	(441)	(17,045)	(73,033)	
At December 31, 2025	836,636	144,266	129,417	8,957	323,974	1,443,250	
Purchases	-	-	-	-	2,740	2,740	
Disposal of asset	-	(4,844)	-	-	-	(4,844)	
Foreign currency translation adjustment	1,915	319	297	21	746	3,298	
At March 31, 2026	\$ 838,551	\$ 139,741	\$ 129,714	\$ 8,978	\$ 327,460	\$ 1,444,444	
Accumulated depreciation							
At December 31, 2024	\$ 793,143	\$ 105,428	\$ 77,710	\$ -	\$ 234,725	\$ 1,211,006	
Depreciation capitalized to exploration and evaluation assets	39,374	19,037	14,487	-	14,889	87,787	
Depreciation expense	-	-	-	-	10,229	10,229	
Foreign currency translation adjustment	(39,753)	(6,181)	(4,587)	-	(12,641)	(63,162)	
At December 31, 2025	792,764	118,284	87,610	-	247,202	1,245,860	
Depreciation capitalized to exploration and evaluation assets	7,911	3,062	3,857	-	5,939	20,769	
Disposal of asset	-	(538)	-	-	-	(538)	
Depreciation expense	-	-	-	-	5,484	5,484	
Foreign currency translation adjustment	1,831	1,354	209	-	590	3,984	
At March 31, 2026	\$ 802,506	\$ 122,162	\$ 91,676	\$ -	\$ 259,215	\$ 1,275,559	
Net carrying value, December 31, 2025	\$ 43,872	\$ 25,982	\$ 41,807	\$ 8,957	\$ 76,772	\$ 197,390	
Net carrying value, March 31, 2026	\$ 36,045	\$ 17,579	\$ 38,038	\$ 8,978	\$ 68,245	\$ 168,885	

JAPAN GOLD CORP.**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

For the three months ended March 31, 2026 and March 31, 2025

(Unaudited - expressed in Canadian dollars)

6. SHARE CAPITAL**Authorized capital**

The Company is authorized to issue an unlimited number of common and preferred shares without par value. There are currently no preferred shares issued and outstanding.

On November 18, 2025, the Company issued 250,000 common shares upon the vesting of restricted share units.

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 valued at \$12,000. The Company also incurred \$10,870 in filing and regulatory fees and \$16,320 in professional fees related to the financing.

On February 10, 2026, the Company issued 150,000 common shares upon the vesting of restricted share units.

On March 13, 2026, the Company issued 2,000,000 common shares upon the exercise of warrants at an exercise price of \$0.07 per warrant for gross proceeds of \$140,000.

Compensation Plan

In 2023, the Company adopted an omnibus equity incentive plan (the "Compensation Plan") which was approved at the Company's annual general meeting of stockholders held on October 12, 2023. The Compensation Plan includes stock options and restricted share units and is supported by a resolution capping all types of consideration referred to in the Compensation Plan to a rolling maximum of 10% of the total number of issued and outstanding common shares of the Company as measured on the date of each grant.

Share options

The Company issues share options in compliance with the TSX-V's policy for granting share options. Under the Compensation Plan, the maximum number of common shares reserved for issuance may not exceed 10% of the total number of issued and outstanding common shares and, to any one optionee, may not exceed 5% of the issued common shares on a yearly basis. The exercise price of each option shall not be less than the market price of the Company's stock at the date of grant. Options have expiry dates of no later than 10 years after the grant date. Vesting of options is determined by the Board of Directors at the time of grant.

A summary of the changes in share options is presented below:

	Number of Options	Weighted Average Exercise Price
Outstanding at December 31, 2024	15,510,000	\$ 0.30
Expired	(8,900,000)	0.31
Forfeited	(1,505,000)	0.26
Granted	2,450,000	0.13
Outstanding at December 31, 2025	7,555,000	\$ 0.23
Outstanding at March 31, 2026	7,555,000	\$ 0.23

On January 20, 2025, the Company granted 2,450,000 options to employees and consultants. The stock options are exercisable at \$0.13 per share for a period of five years, with one-third of the options vesting on grant and one-third of the options vesting every six months thereafter.

The Company recorded share-based compensation expense of \$5,785 for the period ended March 31, 2026 relating to the options granted during 2025 (March 31, 2025: \$81,977).

JAPAN GOLD CORP.**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

For the three months ended March 31, 2026 and March 31, 2025

(Unaudited - expressed in Canadian dollars)

6. SHARE CAPITAL (continued)**Share options (continued)**

The following weighted average assumptions were used for the Black-Scholes valuation of share options granted:

		January 20, 2025
Risk-free interest rate		2.95%
Expected life of options (in years)		5
Expected volatility		83%
Share price at grant date	\$	0.09
Exercise price	\$	0.13
Fair value	\$	0.05
Forfeiture rate		-
Dividend rate		-

The following table summarizes information about the share options outstanding as at March 31, 2026:

Outstanding	Weighted average exercise price	Expiry date	Weighted average remaining life (years)
900,000	\$ 0.40	September 15, 2026	0.46
250,000	\$ 0.16	December 13, 2028	2.71
1,180,000	\$ 0.20	January 24, 2029	2.82
1,000,000	\$ 0.30	May 13, 2030	4.12
590,000	\$ 0.35	December 23, 2026	0.73
200,000	\$ 0.20	April 10, 2029	3.03
1,200,000	\$ 0.20	April 11, 2029	3.03
2,235,000	\$ 0.13	January 20, 2030	3.81
7,555,000	\$ 0.23		2.88

As at March 31, 2026, the Company has 7,555,000 options issued and outstanding where 6,755,000 options are exercisable as at March 31, 2026 with a weighted average exercise price of \$0.23 (December 31, 2025: 6,010,003 options exercisable at a weighted average exercise price of \$0.23).

Restricted Share Units

Restricted Share Units (“RSUs”) are share-based payments, which are measured at the grant date fair value and amortized over their applicable vesting periods. The offset to the recorded cost is to share-based payment reserve, and ultimately any amounts in share-based payment reserve are transferred to share capital upon settlement of the RSUs with common shares.

RSUs do not require the payment of any monetary consideration to the Company. Instead, they represent the right to receive common shares, or a payment representing common shares, following the attainment of vesting criteria determined at date of grant, notably a requirement that an individual remains eligible for awards for a specified period of time. The option to settle the RSUs in common shares or cash is at the Company’s election, and the Company intends to settle its RSUs with common shares issued from treasury.

JAPAN GOLD CORP.**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

For the three months ended March 31, 2026 and March 31, 2025

(Unaudited - expressed in Canadian dollars)

6. SHARE CAPITAL (continued)**Restricted Share Units (continued)**

A summary of the changes in RSUs is presented below:

	Number of RSUs
Outstanding at December 31, 2024	12,061,682
Granted	2,534,615
Settled	(250,000)
Forfeited	(500,000)
Outstanding at December 31, 2025	13,846,297
Settled	(150,000)
Outstanding at March 31, 2026	13,696,297

On January 16, 2025, the Company granted 300,000 RSUs to a consultant of the Company. The RSUs will vest over a 24-month period, with 50% vesting after 12 months from the date of grant. The share price on the grant date was \$0.07.

On January 20, 2025, the Company granted 950,000 RSUs to non-insiders of the Company. The RSUs will vest over a 24-month period, with 50% vesting after 12 months from the date of grant. The share price on the grant date was \$0.09.

On March 26, 2025, the Company granted 900,000 RSUs to an officer and a consultant of the Company. The RSUs will vest over a 24-month period, with 50% vesting after 12 months from the date of grant. The share price on the grant date was \$0.14.

On May 1, 2025, the Company granted 384,615 RSUs to the VP Exploration, an employee of the Company. The RSUs will vest over a 24-month period, with 50% vesting after 12 months from the date of grant. The share price on the grant date was \$0.12.

The Company recorded share-based compensation expense of \$91,872 for the period ended March 31, 2026 relating to RSUs granted (March 31, 2025: \$202,396).

The following table summarizes information about the RSUs outstanding as at March 31, 2026:

Outstanding	Share price on date of grant	Expiry date	Weighted average remaining life (years)
1,561,682	\$ 0.12	April 11, 2027	1.03
9,750,000	\$ 0.08	November 7, 2026	0.61
150,000	\$ 0.07	January 16, 2027	0.80
950,000	\$ 0.09	January 20, 2027	0.81
900,000	\$ 0.14	March 26, 2027	0.99
384,615	\$ 0.12	May 1, 2027	1.08
13,696,297			0.71

Warrants

During the period ended March 31, 2026, 2,000,000 warrants were exercised at an exercise price of \$0.07 per warrant for gross proceeds of \$140,000. As at March 31, 2026, the Company has no warrants issued and outstanding.

JAPAN GOLD CORP.**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

For the three months ended March 31, 2026 and March 31, 2025

(Unaudited - expressed in Canadian dollars)

7. 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 March 31, 2026, the Company incurred \$129,000 (March 31, 2025: \$129,000) in management fees and \$83,100 (March 31, 2025: \$77,100) in consulting fees for administrative, finance and accounting services to a private company controlled by the Chief Executive Officer of the Company. The Company also reimbursed such private company \$36,750 in occupancy costs during the period ended March 31, 2026 (March 31, 2025: \$33,750). As at March 31, 2026, \$Nil (December 31, 2025: \$Nil) of these fees were outstanding and payable to the officer. During the period ended March 31, 2026, the Company recorded \$578 (March 31, 2025: \$628) in other income relating to a private Japanese entity controlled by the Chief Executive Officer. As at March 31, 2026, \$5,461 (December 31, 2025: \$4,883) was receivable to the Company.

The Company incurred \$42,038 in consulting fees (March 31, 2025: \$6,057) to the Chief Operating Officer. As at March 31, 2026, \$16,490 (December 31, 2025: \$13,358) of these fees were outstanding and payable to the officer.

The Company incurred \$37,523 in project evaluation (March 31, 2025: \$Nil) to the VP Exploration of the Company. As at March 31, 2026, \$Nil (December 31, 2025: \$Nil) of these fees were outstanding and payable to the officer.

The Company incurred \$38,288 (March 31, 2025: \$38,288) in director fees to directors of the Company. As at March 31, 2026, \$15,375 (December 31, 2025: \$Nil) of these fees were outstanding and payable to the directors.

The Company incurred \$55,143 (March 31, 2025: \$103,912) 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 14, 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 proceeds of the loan were used by the Company for short-term working capital purposes.

The loan was fully repaid on February 13, 2025 for total cash consideration of \$141,381, which included contractual interest of \$1,381.

In connection with the loan, the Company granted 2,000,000 non-transferable share purchase warrants exercisable at \$0.07 per share for a period of 12 months. The warrants were subject to TSX Venture Exchange approval and were issued on March 19, 2025.

As the warrants were approved and issued after the loan had been fully repaid, the loan and warrants were accounted for as separate transactions. The warrants were measured at fair value on March 19, 2025 using the Black-Scholes option pricing model, resulting in a value of \$126,000, which was recognized as a financing expense with a corresponding increase in contributed surplus.

The valuation incorporated key assumptions including a share price of \$0.125, an exercise price of \$0.07, an expected life of one year, volatility of approximately 70%, a risk-free interest rate of approximately 3%–4%, and no expected dividends.

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

JAPAN GOLD CORP.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the three months ended March 31, 2026 and March 31, 2025

(Unaudited - expressed in Canadian dollars)

8. FINANCIAL INSTRUMENTS

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 net loss.

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

Liquidity risk is the risk that the Company is not able to meet its financial obligations as they fall due. The Company's financial liabilities, comprising its accounts payable and accrued 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 funds to meet liabilities when due (see also Note 1).

Credit risk Financial instruments that potentially subject the Company to credit risk consist of cash and cash equivalents, deposits, and accounts receivable. The Company limits its credit exposure on cash and cash equivalents 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 March 31, 2026 and December 31, 2025.

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 March 31, 2026, the Company limits its exposure by holding its cash mostly in Canadian dollar. Additionally, the Company is exposed to foreign exchange risk on non-Canadian denominated monetary assets and liabilities recorded in Japan Gold. As at March 31, 2026, every 1% of change in foreign exchange rate in either direction would result in change in net loss of approximately \$2,100.

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, accounts receivables, deposits and accounts payable and accrued liabilities approximate their fair values due to their short terms to maturity.

JAPAN GOLD CORP.**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

For the three months ended March 31, 2026 and March 31, 2025

(Unaudited - expressed in Canadian dollars)

9. CAPITAL MANAGEMENT

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the exploration and development of its mineral properties, and to maintain a flexible capital structure. The Company considers items included in shareholders' equity as capital. The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of its underlying assets. In order to maintain or adjust its capital structure, the Company may issue new shares or return capital to its shareholder.

The Company currently does not earn any revenue and has relied on existing cash balances and capital financing to fund its operations. The Company is currently not subject to externally imposed capital requirements.

There were no changes in the Company's approach to capital management for the period ended March 31, 2026.

10. SEGMENTED INFORMATION

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Chief Executive Officer. The Company has identified one reportable operating segment - the exploration and evaluation of mineral properties across the three largest islands of Japan: Hokkaido, Honshu, and Kyushu.

The breakdown by geographic area as at March 31, 2026 is as follows:

		Canada		Japan	Consolidated
Current assets	\$	1,549,772	\$	309,869	\$ 1,859,641
Non-current assets		2,361,288		18,942,688	21,303,976
Total assets	\$	3,911,060	\$	19,252,557	\$ 23,163,617
Total liabilities	\$	169,746	\$	243,143	\$ 412,889

The breakdown by geographic area as at December 31, 2025 is as follows:

		Canada		Japan	Consolidated
Current assets	\$	3,036,584	\$	272,749	\$ 3,309,333
Non-current assets		2,343,214		18,295,732	20,638,946
Total assets	\$	5,379,798	\$	18,568,481	\$ 23,948,279
Total liabilities	\$	325,009	\$	322,922	\$ 647,931

JAPAN GOLD CORP.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the three months ended March 31, 2026 and March 31, 2025

(Unaudited - expressed in Canadian dollars)

11. SUBSEQUENT EVENTS

Subsequent to the period ended March 31, 2026, the Company settled 192,308 vested RSUs by issuing common shares of the Company.

On April 23, 2026, the Company closed a non-brokered private placement of unsecured convertible debentures (the "Debenture") for gross proceeds of US\$1,000,000 (CDN\$1,390,700) (the "Offering") to Equinox Partners Investment Management, LLC ("Equinox"), a strategic investor and major shareholder of the Company.

The Debenture will mature on the date that is three years from the date of issuance (the "Maturity Date"). The Debenture will bear interest at a rate of 10% per annum (non-compounded), accruing daily but payable, in cash, only at the Maturity Date, on the occurrence of an Event of Default or upon an early redemption. The Company will have the right, at its option, to make an early redemption in cash of all or any part of the principal amount together with payment of any accrued but unpaid interest. In addition, the Company will have the right, at its election, to satisfy its obligation to pay cash to the Debenture holder through the delivery of common shares of the Company ("Shares") in lieu of cash, at a price per share which equals the greater of: (i) the most recent Market Price of the Shares on the TSX Venture Exchange on the date that the accrued interest becomes payable; (ii) \$0.11; and (iii) a price per security or conversion price of debt securities in a Future Financing Event. A "Future Financing Event" will be considered the most recent issuance and sale of securities by the Company in which the Company issues or sells any common shares (or units consisting of common shares and warrants), or in which the Company issues or sells any convertible debt security issued by the Company by way of a private placement during the twelve (12) month period immediately following the closing date of the Offering, provided that such Future Financing Event results in gross offering proceeds of not less than CDN \$2,000,000.

The net proceeds from the Offering will be used for general working capital purposes. The Debenture and any securities issuable upon conversion will be subject to a statutory hold period of four months from the date of issuance of the Debenture, expiring on August 23, 2026.