



MANAGEMENT'S DISCUSSION AND ANALYSIS

**FOR THE THREE AND NINE MONTHS ENDED
SEPTEMBER 30, 2016 AND 2015**

(Unaudited - expressed in Canadian dollars)

JAPAN GOLD CORP.
Management's Discussion and Analysis
For the period ended September 30, 2016 and 2015

This Management's Discussion and Analysis ("MD&A"), prepared as of November 23, 2016, should be read in conjunction with the audited annual financial statements of Japan Gold Corp. ("Japan Gold" or the "Company") for the year ended December 31, 2015, and the unaudited condensed consolidated interim financial statements for the three and nine months ended September 30, 2016 and notes thereto, which have been prepared in accordance with International Financial Reporting Standards ("IFRS"). All amounts are stated in Canadian dollars unless otherwise indicated.

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

COMPANY OVERVIEW

Japan Gold Corp. ("Japan Gold" or "the Company") (previously Sky Ridge Resources Ltd.) was incorporated under the laws of British Columbia.

On September 18, 2016, the Company changed its name to Japan Gold from Sky Ridge Resources Ltd. ("Sky Ridge") upon completing a transaction (the "Acquisition") in which the Company issued shares to shareholders of Southern Arc Minerals Japan KK ("SAMJ") to acquire all of SAMJ's issued and outstanding shares. This resulted in SAMJ becoming a wholly-owned subsidiary of Japan Gold. Following the completion of the Acquisition, the Company became the Resulting Issuer and continued trading on the TSX Venture Exchange ("TSX-V") under the symbol "JG". In connection with the Acquisition, the Company also completed a financing for gross proceeds of \$7,000,000 for 17,500,000 common shares at a price of \$0.40 per share. The Company also issued 500,000 shares in finders' fee and granted 4,724,950 share options to directors, officers and consultants of the Company exercisable at \$0.40 with a ten year expiry.

The Company is currently in the process of acquiring and exploring and evaluating potential properties in northern Hokkaido and northern Honshu, Japan. The Company does not currently own any mineral property licenses.

FINANCIAL SNAPSHOT

| | September 30, 2016 | December 31, 2015 |
|--------------------|--------------------|-------------------|
| Total assets | \$ 7,213,426 | \$ 7,560 |
| Working capital | 6,562,236 | (738,847) |
| Comprehensive loss | (7,488,132) | (370,786) |

At the date of this MD&A, the Company has a working capital of approximately \$5.96 million.

PROPERTY REVIEW AND OUTLOOK

Based on a desktop review of historical gold production and Japan's extensive geoscientific database, the Company pinpointed areas that are very compelling from a geological perspective and lodged 80 prospecting rights license applications throughout Hokkaido and northern Honshu over eight project areas. Four of the project areas (38 applications in northern Hokkaido) target high-grade epithermal gold deposits. The other four project areas (42 applications in Hokkaido and northern Honshu) target prospective epithermal gold deposits and areas of gold-bearing advanced argillic alteration lithocaps, which could indicate the presence of a porphyry mineral environment. The combined area under application by Japan Gold currently comprises 27,153 hectares over the eight project areas.

All 80 of the Company's prospecting rights license applications have been accepted for further review, effectively reserving the application areas for the Company and allowing low impact forms of exploration to immediately commence, such as mapping, surface sampling and geophysics. The Company has completed an extensive review of the Metal Mining Agency of Japan ("MMAJ") database, which includes detailed and relevant information about historical drilling results and mine production. Field work to date has comprised mostly confirmatory checking of historical mine work and MMAJ alteration mapping, with a focus on the lithocap/porphyry targets.

Ikutawara is the Company's most advanced project, with some mapping/sampling and orientation ground magnetics completed in 2015. The Ikutawara applications host numerous historical gold workings including the Kitano-o mine, which has recorded production of 96,450 ounces of gold between 1924 and 1943 from sinterous and sub-sinter quartz veins. The

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Company has located several high-priority exploration targets which require varying levels of work to focus drilling. Upon receipt of the prospecting licenses, the Company intends to commence with trenching and drilling at the Ikutawara targets while continuing with preliminary exploration on the other projects.

The Company is currently performing drainage geochemical survey and prospecting, which focuses on streams surrounding the known historic gold workings within the project area. The aims are to determine the levels of gold dispersion and multi-element fingerprints in stream sediments associated with each of the prospects to highlight potential for mineralized extensions and new resources along the strike projections of these potential gold bearing vein systems. A total of 164 samples were collected up until the date of this MD&A covering about 50% of the Ikutawara applications area. A total of 135 rock samples were also collected concurrently with the drainage sampling which will also be assayed. These samples are anticipated to be sent offshore for further analysis.

The Company is also performing geological mapping and rock chip sampling within the Ikutawara applications. An area of 1.5 km² was mapped at 1:2,000 scale over the mine workings and along tracks and creeks. The Company is currently in the process of analyzing the data received from mapping and will utilize this information to prepare a scout drilling proposal.

Japan is considered one of the most stable and corruption-free jurisdictions in the world. The mining regulatory framework is well established and transparent, with easy access to government officials and a comprehensive support program to facilitate stakeholder consultation. The Company deliberately chose applications in sparsely populated areas with a history of mining, and has received strong local support to date.

SUMMARY OF QUARTERLY RESULTS

| | September 30, 2016 | June 30, 2016 | March 31, 2016 | December 31, 2015 |
|----------------------------------|-----------------------|------------------|-------------------|----------------------|
| Total assets | \$ 7,213,426 | \$ 8,270 | \$ 1,497 | \$ 7,560 |
| Working capital (deficiency) | 6,562,236 | (948,669) | (810,637) | (738,848) |
| Net loss | (7,312,550) | (138,031) | (70,971) | (61,318) |
| Basic and diluted loss per share | (0.46) | (0.28) | (0.14) | (0.12) |

| | September 30, 2015 | June 30, 2015 | March 31, 2015 | December 31, 2014 |
|----------------------------------|-----------------------|------------------|-------------------|----------------------|
| Total assets | \$ 1,497 | \$ 12,287 | \$ 1,891 | \$ 5,845 |
| Working capital | (677,530) | (483,042) | (303,945) | (236,308) |
| Net loss | (141,582) | (179,095) | (50,109) | (66,520) |
| Basic and diluted loss per share | (0.28) | (0.36) | (0.10) | (0.13) |

OVERALL PERFORMANCE AND RESULTS OF OPERATIONS

Total assets increased from \$7,560 in the previous year ended December 31, 2015 to \$7,213,426 as at September 30, 2016. This increase is attributed to the Acquisition of SAMJ by Sky Ridge Resources Ltd., and a concurrent financing for gross proceeds of \$7,000,000. The most significant asset at September 30, 2016 is short-term investment of \$6,330,000 (December 31, 2015: \$Nil). Total liabilities decreased from \$746,407 in 2015 to \$589,583 as at September 30, 2016. This reduction was mainly due to the forgiveness of amounts owed to Southern Arc Minerals Inc., the former parent company of SAMJ.

RESULTS OF OPERATIONS FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2016

During the three-month period ended September 30, 2016, the Company had a net loss of \$7,312,550 compared to a loss of \$141,582 for the three-month period ended September 30, 2015. Fluctuations occurred in the following categories:

- The Company recorded a reverse acquisition cost of \$4,353,742 (September 30, 2015 - \$Nil) related to the Acquisition. The substance of the transaction was a reverse acquisition of a non-operating company and as a result, did not meet the definition of a business under IFRS 3, Business Combinations. As a result, the fair value of the consideration of the

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Acquisition less the fair value of the net liabilities of Sky Ridge plus transaction costs and finders' fee, resulted in a reverse acquisition cost of \$4,353,742 for the period ended September 30, 2016.

- b) As part of the Acquisition, the Company issued 4,724,950 (September 30, 2015 - \$Nil) share options to new directors, officers, consultants and charitable organizations of Japan Gold with an exercise price of \$0.40 and a fair market value of \$0.43 per share option for total share based compensation of \$2,051,483. All of the new options granted have fully vested.
- c) Consulting fees in the current quarter were \$190,155 compared to \$110,175 in the same period in the previous quarter. This increase was due to higher consulting activities incurred for exploration work and new license applications during the current quarter.
- d) Marketing fees in the current quarter was \$374,440 compared to \$Nil in the same period in the previous quarter. This was related to marketing efforts and materials in connection with the launch of Japan Gold.
- e) Professional fees of \$64,929 during the current quarter (September 30, 2015 - \$Nil) were mainly due to legal fees spent to complete the Acquisition.
- f) Travel of \$107,569 related to Japan site visits along with travel costs associated with license applications during the current quarter (September 30, 2015 - \$5,164).
- g) The Company incurred \$34,943 in filing and regulatory fees and \$13,993 in transfer agent fees during the three-month period ended September 30, 2016 (September 30, 2015 - \$Nil) as these are costs related to going public.

RESULTS OF OPERATIONS FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2016

During the nine month period ended September 30, 2016, the Company had a net loss of \$7,521,552 compared to a loss of \$370,786 for the previous period ended September 30, 2015. Fluctuations occurred in the following categories:

- a) The Company recorded a reverse acquisition cost of \$4,353,742 (September 30, 2015 - \$Nil) related to the Acquisition. The substance of the transaction was a reverse acquisition of a non-operating company and as a result, did not meet the definition of a business under IFRS 3, Business Combinations. As a result, the fair value of the consideration of the Acquisition less the fair value of the net liabilities of Sky Ridge plus transaction costs and finders' fee, resulted in a reverse acquisition cost of \$4,353,742 for the period ended September 30, 2016.
- b) As part of the Acquisition, the Company issued 4,724,950 (September 30, 2015 - \$Nil) share options to new directors, officers and consultants of Japan Gold with an exercise price of \$0.40 and a fair market value of \$0.43 per share option for total share based compensation of \$2,051,483. All of the new options granted have fully vested.
- c) Consulting fees in the current quarter were \$355,973 compared to \$311,860 in the same period in the previous quarter. This increase was due to higher consulting activities incurred for exploration work and new license applications during the nine month period ended September 30, 2016.
- d) Marketing fees in the current quarter was \$374,440 compared to \$Nil in the same period in the previous quarter. This was related to marketing efforts and materials in connection with the launch of Japan Gold.
- e) General and administrative costs increased to \$80,093 from \$33,534 in the previous period due to increased activities in Japan and head office.
- f) Professional fees of \$69,839 during the current quarter (September 30, 2015 - \$Nil) related to legal fees spent to complete the Acquisition.
- g) Travel of \$130,754 related Japan site visits along with travel costs associated with license applications during the current quarter (September 30, 2015 - \$24,551).
- h) The Company incurred \$34,943 in filing and regulatory fees and \$13,993 in transfer agent fees during the three-month period ended September 30, 2016 (September 30, 2015 - \$Nil) as these are costs related to going public.

LIQUIDITY AND CAPITAL RESOURCES

The Company's cash position at September 30, 2016 was \$541,484, an increase of \$537,299 from December 31, 2015. The increase in cash is primarily due to the cash received from Sky Ridge as part of the Acquisition. During the period ended

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September 30, 2016, the Company completed a private placement by issuing 17,500,000 shares at a price of \$0.40 per share for gross proceeds of \$7,000,000. As at September 30, 2016, the Company holds a short-term investment of \$6,330,000 which can be redeemed at any time. As at September 30, 2016, the Company has a working capital of \$6,562,236 compared to a working capital deficiency of \$738,847 as at December 31, 2015.

Net cash used in operating activities for the period ended September 30, 2016 was \$851,802 compared to net cash used of \$341,322 during the period ended September 30, 2015. The cash used in operating activities reflects the increase in level of exploration and corporate activity and an increase in accounts payable balance during the period.

Net cash used in investing activities during the period ended September 30, 2016 was \$6,061,607 (September 30, 2015 - \$Nil). This was mainly due to the purchase of short-term investments of \$6,000,000 as part of the funds raised from the private placement as well as an acquisition of a house in Japan totaling \$61,607. The purpose of the house is to act as a base camp for the Company's exploration consultants as well as provide storage for tools and samples.

Financing activities during the period ended September 30, 2016 related to the private placement of \$6,780,375 (net of share issue costs), cash received from warrant exercise of \$12,000 as well as cash received from Sky Ridge as part of the Acquisition of \$658,333.

The accompanying financial statements have been prepared on the basis of accounting principles applicable to a "going concern", which assume that the Company will continue its operations for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations. The Company does not currently generate any revenues or have operations that generate cash flows. The Company's ability to continue on a going concern basis depends on its ability to successfully raise financing. Although the Company has been successful in the past in obtaining financing, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms acceptable to the Company. This material uncertainty may cast significant doubt about the Company's ability to continue as a going concern. These unaudited condensed consolidated interim financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern.

RELATED PARTY TRANSACTIONS

Key management and personnel compensation

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

| | September 30, 2016 | September 30, 2015 |
|--------------------------|-------------------------------|-------------------------------|
| Management fees | \$ 14,000 | \$ - |
| Due to related party | - | 648,884 |
| Share-based compensation | 1,563,051 | - |

During the period ended September 30, 2016, the Company accrued \$14,000 (September 30, 2015: \$Nil) in management fees to a J. Proust & Associates, a private company controlled by John Proust, the CEO of the Company. This fee is inclusive of administrative, finance and accounting fees, as well as certain office expenses. As at September 30, 2016, accounts payable and accrued liabilities included \$14,000 (December 31, 2015: \$Nil) payable to the related entity.

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

During the period ended September 30, 2015, the Company owed \$648,884 to Southern Arc Minerals Inc., the former parent company of SAMJ.

CURRENT SHARE DATA

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As at the date of this MD&A, the Company had 55,447,745 common shares issued and outstanding. On September 16, 2016, the Company granted 4,724,950 share options to directors, officers and consultants with an exercise price of \$0.40 with an expiry of 10 years. These options are currently fully vested. As at the date of this MD&A, the total amount of share options outstanding is 5,544,776. As at the date of this MD&A, the Company has no share purchase warrants outstanding.

RISKS AND UNCERTAINTIES

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

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

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

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

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

At September 30, 2016, the Company had Yen 3,859,541 (approximately CDN\$50,020) in cash, and Yen 9,684,421 (approximately CDN\$125,510) in accounts payable and accrued liabilities. As at September 30, 2016, Yen amounts were converted at a rate of 0.012960 to CDN\$1. A 10% fluctuation in foreign exchange would result in a net change of approximately CDN\$5,002.

Industry

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

Gold and metal prices

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

CRITICAL ACCOUNTING POLICIES

Reference should be made to the Company's significant accounting policies contained in Note 3 of the Company's condensed consolidated financial statements as at September 30, 2016. These accounting policies can have a significant impact on the financial performance and financial position of the Company.

Significant accounting judgments and estimates

The preparation of these 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

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expenses during the reporting period. Actual outcomes could differ from these estimates. These financial statements include estimates which, by their nature, are uncertain. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future conditions and other factors, including expectations of future events that are believed to be reasonable under the current circumstances.

Critical accounting estimates

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

- i) The estimated fair value of the Company's financial assets and liabilities, are by their nature, subject to measurement uncertainty.
- ii) The application of the Company's accounting policy for exploration expenditure requires estimates in determining whether it is likely that future economic benefits will flow to the Company, which may be based on assumptions about future events or circumstances. Estimates and assumptions made may change if new information becomes available. If, after an expenditure is capitalized, information becomes available suggesting that the recovery of the expenditure is unlikely, the amount capitalized is written off in profit or loss in the year the new information becomes available.

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

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

Financial instruments

On initial recognition, all financial assets and financial liabilities, including derivatives, are recorded at fair value. All transactions related to financial instruments are recorded on a trade date basis. The directly attributable transaction costs of financial assets and liabilities are included in the carrying value of financial assets and liabilities except transaction costs related to financial assets and liabilities classified as fair value through profit or loss, which are expensed in the period they are incurred. Subsequently, derivatives are measured at fair value and changes in fair value are recognized in profit or loss. For other financial assets and liabilities, subsequent measurement is as follows.

Financial assets

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

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

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

Held-to-maturity investments - These assets are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Company's management has the positive intention and ability to hold to maturity. These assets are measured at amortized cost using the effective interest method. If there is objective evidence that the investment is impaired,

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determined by reference to external credit ratings and other relevant indicators, the financial asset is measured at the present value of estimated future cash flows. Any changes to the carrying amount of the investment, including impairment losses, are recognized in profit or loss. The Company has not classified any financial assets as held-to-maturity.

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

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

Financial liabilities

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

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

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

Fair value

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

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

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

New accounting standards and pronouncements

- IFRS 9 - Financial Instruments. This IFRS introduces new requirements for classifying and measuring financial assets and liabilities and carries over from the requirements of IAS 39 - Financial Instruments: Recognition and measurement, derecognition of financial assets and financial liabilities. The required adoption date for IFRS 9 is January 1, 2018.
- IFRS 15 - Revenue from Contracts with Customers. This IFRS establishes principles to address the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. IFRS 15 will be effective for annual periods beginning on or after January 1, 2018, with early adoption permitted.
- IFRS 16 - Leases. This IFRS, which supersedes IAS 17 - Leases, specifies how to recognize, present and disclose leases. The standard provides a single lessee accounting model, requiring the recognition of assets and liabilities for all leases, unless the lease term is 12 months or less or the underlying asset has a low value. IFRS 16 is

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effective for annual periods beginning on or after January 1, 2019, with early adoption permitted if IFRS 15 has also been applied.

The Company does not expect to apply these standards prior to their mandatory effective date and will assess their impact at that time.

QUALIFIED PERSON AND QUALITY CONTROL AND ASSURANCE

The technical information in this document has been reviewed by Dr. Michael Andrews, Director, PhD, FAusIMM, who has sufficient experience relevant to the style of mineralization under consideration and qualifies as a Qualified Person as defined by National Instrument 43-101.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

Certain of the statements made and information contained herein is "forward-looking information" within the meaning of the British Columbia Securities Act. These statements relate to future events or the Company's future performance. All statements, other than statements of historical fact, may be forward-looking statements. Generally, these forward-looking statements can be identified by the use of forward-looking terminology such as "anticipates", "plans", "budget", "scheduled", "continue", "estimates", "forecasts", "expect", "is expected", "project", "propose", "potential", "targeting", "intends", "believes" or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might", or "will be taken", "occur" or "be achieved" or the negative connotation thereof. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. The Company believes that the expectations reflected in those forward-looking statements are reasonable, but no assurance can be given that these expectations will prove to be correct and such forward-looking statements included in this MD&A should not be unduly relied upon by readers, as actual results may vary. These statements speak only as of the date of this MD&A and are expressly qualified, in their entirety, by this cautionary statement. In particular, this MD&A contains forward-looking statements, pertaining to the following: capital expenditure programs, development of resources, treatment under governmental and taxation regimes, expectations regarding the Company's ability to raise capital, expenditures to be made by the Company and its joint venture partners on its properties and work plans to be conducted.

With respect to forward-looking statements listed above and contained in the MD&A, the Company has made assumptions regarding, among other things:

- uncertainties relating to receiving mining, exploration and other permits in Japan;*
- unpredictable changes to the market prices for gold, copper and other commodities;*
- exploration and developments costs for properties in Japan;*
- availability of additional financing and farm-in or joint-venture partners;*
- anticipated results of exploration and development activities;*
- the Company's ability to obtain additional financing on satisfactory terms or at all.*

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.