

Japan Gold

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Japan Gold making rapid and targeted progress as it seeks to uncover the country's gold riches

- First-mover advantage in Japan, which is currently underexplored but has rich history of gold mining
- Holds 24 projects across the three largest islands and has started drilling
- Strongly funded to continue exploration

What Japan Gold does:

Japan Gold Corp (CVE:JG) (OTCMKTS:JGLDF) is the first foreign mineral explorer to focus solely on the east Asian island country.

After a flurry of recent acquisitions, the firm now holds 24 gold projects within the major epithermal gold provinces of Japan across the country's three largest islands - Hokkaido, Honshu and Kyushu.

These three islands have at least six distinct epithermal gold provinces, which historically hosted 70 producing gold mines, including five with over 1 million ounce deposits. The firm's exploration licenses and applications cover at least 42 historically producing mines and workings.

Notably, the still-producing Hishikari mine on Kyushu is one of the world's highest-grade gold mines and has churned out over 7.6 million ounces of gold between 1985-2018 at average gold grades of 30-40 grams per ton (g/t).

Goldcorp Inc (TSE:G) holds a 19.9% strategic investment in Japan Gold, with a focus on two projects which will be drilled in 2019. Japan Gold also holds five lithocap projects targeting copper-gold mineralization, as part of an strategic alliance with First Quantum Minerals Ltd (TSE:FM).

Japan Gold says it is operating in a stable and corrupt-free jurisdiction with an established regulatory framework and is advancing its projects in areas of underexplored terrain with known mineralization and limited competition.

How is it doing:

It's been a busy 2019 for the firm so far, with more to come as it continues to increase its footprint in Japan and has started drilling.

First phase drilling, in a maiden drilling programme, began in June at the Ohra-Takamine project on the island of Kyushu following government approval, with an initial four holes, over around 2,000 metres (m). First assays are expected this Fall.

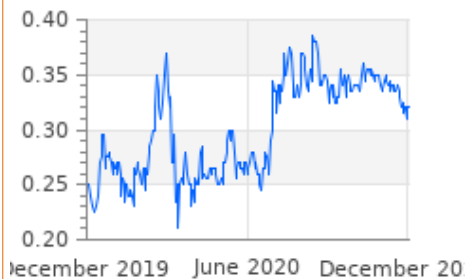
Initially, the plan is to test beneath three shallow historic gold mines, the Ohra, Takamine and Urushi mines, which were in production until the government closed them down in 1943.

In July, the group said it had kicked off a new drilling program - the second - at its Ikutahara project in Hokkaido, Japan, focusing on the Kitano-o prospect, a large swathe of land that houses six historic gold mines which produced over

Price: 0.325

Market Cap: \$57.16 m

1 Year Share Price Graph



Share Information

Code: JG

Listing: TSX-V

52 week High Low
0.45 0.21

Sector: Gold & silver

Website: www.japangold.com

Company Synopsis:

Japan Gold Corp. (TSX-V: JG) (OTCQB: JGLDF) is a Canadian mineral exploration company leveraging its first-mover advantage as the first foreign exploration company to focus entirely on gold and copper-gold opportunities in Japan. The Company holds a portfolio of 12 Gold Projects which cover areas with known gold occurrences, a history of mining and are prospective for high-grade epithermal gold mineralization.

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96,000 ounces of gold averaging a grade of 5.9 grams per ton.

Japan Gold said it aimed to drill six holes totaling around 3,000 metres to test the western and central areas of a 3 kilometer (km) long mineralized corridor.

In August, the firm raised C\$7.14 million for further exploration through a private placing - which was oversubscribed due to investor demand - underlining that the group's message was gaining traction. Funds added to the shareholder list from the financing included Donald Smith Value Fund, L.P. and Libra Advisors LLC.

On September 9, it revealed its portfolio had now expanded to 24 gold projects in Japan having acquired five new assets on Kyushu. In March this year, it held 17 projects across 715.29 sq km.

The five new projects span 21,000 hectares and means the company holds a dominant position on the island, immediately along strike and adjacent to historic and currently producing mines.

Those projects include Hishikari mine where 7.6 million ounces have been produced to date at average grades of between 30 and 40 g/t of gold.

The firm's increasing footprint comes after a series of releases saying it had acquired new ground. Last month, two new prospecting rights on Kyushu were approved by the Japanese government and the group doubled its footprint at the Sanru project on the island of Hokkaido with 40 new approved claims.

The Sanru project lies immediately along strike of the region's second largest gold mine - the Sanru mine - which has produced 225,000 ounces of gold at an average grade of 7.4 g/t and 1.4 million ounces silver.

In July, the authorities accepted the firm's application for 15 new prospecting areas, covering 3,990 hectares on the Noto Peninsula region of Honshu Island - covering a 7km long zone of alteration and historic gold mining known as the Togi Goldfield.

Inflection points:

- Drill assays from the Takamine project and Kitano-o
- Acquisition of more ground

What the CEO said:

In June, Japan Gold's president and CEO John Proust said at the time of the maiden drilling program at their Ohro-Takamine project, that he was pleased with the stage the firm was at and its plans were all on track.

"This is an important stage in the development of the company because not only are we the first mover into Japan and not only have we gotten the first permits and been the first company to advance to this drill stage in Kyushu, but we think this will demonstrate the value of our properties and the merits throughout the Japan with the various projects we have," he commented.

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