

Japan Gold

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Japan Gold continues to push its gold projects in Japan forward

In the case of Japan Gold (CVE:JG) (OTCMKTS:JGLDF), the saying "the early bird gets the worm" is apt. The company was the first exploration company permitted to operate in Japan, with its roots stretching back to 2013.

Today, Japan Gold's exploration licenses and applications cover more than 40 historically producing mines and workings. The company holds 17 projects, for a combined area of 715.29 sq km across the three largest islands of Japan: Hokkaido, Honshu and Kyushu.

The company is kicking off a 2019 drill program shortly and the upcoming drill campaign is the culmination of a lot of hard work. Three rigs will focus on the Ikutahara project where an initial 3,000 metre drilling program. Another rig will operate at its Kyushu projects with a 2,100-metre program will start in June.

Proactive spoke with CEO John Proust to get the latest on the company's achievements to-date and what investors can look forward to coming up.

Why did you choose Japan? What initially attracted you and why is Japan a good place to explore?

Japan hosts 76 known past-producing gold mines. All these gold mines were shut down in 1943 as part of a moratorium that was implemented by the government in light of World War II. Following that, there was a short period of small-scale production in the 1960s and 1970s and since then, production has been limited to a handful of mines including the Hishikari mine which still produces today and is one of the world's highest-grade gold mines. The Hishikari mine has produced over 7.6 million ounces of gold between 1985 and 2018 at an average grade of 30 to 40 grams per tonne gold and it is currently the only active gold mine in Japan.

READ: Japan Gold has a first-mover advantage when it comes to gold exploration in Japan

Despite being one of the most safe and corruption-free jurisdictions in the world, there has been very little gold exploration in Japan since WWII. When the Japan Mining Act was amended in 2012 allowing foreign mineral companies the ability to hold exploration and mining permits, Japan Gold was the first company to seize this opportunity.

You have a drill program kicking off. What's happening over the next few months for Japan Gold and how does set up the activity later in 2019?

We are embarking on an aggressive 2019 exploration program, a large component of which will be drilling for high-grade gold mineralization on two highly ranked targets in northern Hokkaido and southern Kyushu.

A 3,000 m Phase 1 scout drilling program at the Ikutahara Project will target vein structures along the central and western portions of the 3 km long east-west trending Kitano-o Mine workings. A series of drill holes are planned to test across the inferred vein corridor, where numerous narrow gold-bearing quartz veins are recorded immediately below

Price: C\$0.26

Market Cap: C\$29.55M

1 Year Share Price Graph



Share Information

Code: JG

Listing: TSX-V

52 week High Low
C\$0.38 C\$0.07

Sector: Mining

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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surface-workings and cutting into the sinter horizon/paleo-surface.

A 2,100 m Phase 1 scout drilling program at the Ohra-Takamine Project is planned to test along the 3.5 km of strike which hosts the historic Ohra, Takamine and Urushi Gold Mines.

We also look forward to developing new drill targets at Aibetsu, Hakuryu and Sanru. All of these opportunities are particularly unique based on a lack of modern-exploration carried out in these historic mining districts.

We're interested to know about your top projects and why you chose them as the focus of your exploration. The Ikutahara Project is the company's most advanced project and comprises 56 prospecting rights applications. Japan's third-largest gold mine, Konamai, which operated between 1917-1974, is located along the same geological trend 20km northwest of the Ikutahara project. The most significant historic gold production in our Ikutahara project came from the Kitano-o Mine (1924-43), reported to have produced 96,450 ounces at a grade of 5.9 grams per tonne gold, largely from the mining of gold-bearing eluvium, associated with sinter deposits and sub-sinter epithermal veins.

The historic Kitano-o gold district comprises four known historic eluvial and hard rock gold mines and workings: Kitano-o, Ikutahara, Showa and Sakinzawa over an approximate six by 2.5 km area.

The Ohra-Takamine project lies within the Hokusatsu-Kushikino mining district, 7.5km to the southwest of the historic Yamagano mine, which produced 910,000 ounces of gold at a grade of 17.4 grams per tonne. Within the property, historical production included the Ohra (27,000 ounces gold), Takamine-Urushi (13,000 ounces of gold) and Takamine (1,600 ounces of gold) mines. Vein number two of the Takamine-Urushi mine was reported to carry gold grades between 50-100 grams per tonne gold.

Another notable gold producer within the district is the Hishikari mine, with 7.6 million ounces produced to-date at average grades of 30 to 40 grams per tonne gold.

Due to the high prospectivity of the district, known auriferous low sulfidation epithermal vein mineralization both within and peripheral to the property and basically intact fossil geothermal systems, we believe this area is worthy of detailed exploration.

What have I missed? Anything you'd like to highlight?

Drilling equipment and personnel with relevant experience in drilling epithermal vein targets are in short supply in Japan because of the lack of exploration in recent years and the focus of the Japanese drilling industry is on geothermal drilling.

We've acquired our own drill rigs and experienced supporting personnel to satisfy our requirements for independence and flexibility. We currently have four drill rigs in country and 18 experienced expatriate drilling personnel to assist with the drilling programs.

--Responses have been edited for length and clarity--

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