



Suite 650 – 669 Howe Street
Vancouver, British Columbia
V6C 0B4 Canada
www.japangold.com

Form 51-102F6V
STATEMENT OF EXECUTIVE COMPENSATION

Except where otherwise indicated, the information contained herein is stated as of December 31, 2023.

For the purposes set out below a “Named Executive Officer” or “NEO” means:

- (a) the Company’s chief executive officer (“CEO”);
- (b) the Company’s chief financial officer (“CFO”);
- (c) in respect of the Company and its subsidiaries, the most highly compensated executive officer other than the CEO and the CFO, at the end of the most recently completed financial year whose total compensation was more than \$150,000 for that financial year; and
- (d) each individual who would be a Named Executive Officer under subsection (c) above but for the fact that the individual was not an executive officer of the Company, and was not acting in a similar capacity, at the end of that financial year.

As at December 31, 2023, the end of the most recently completed financial year of the Company, the Company had four NEOs, whose names and positions held within the Company are set out in the summary compensation table below.

An NEO or director of the Company is not permitted to purchase financial instruments, including, for greater certainty, prepaid variable forward contracts, equity swaps, collars, or units of exchange funds, that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly by the NEO or director.

DIRECTOR AND NAMED EXECUTIVE OFFICER COMPENSATION

Director and Named Executive Officer Compensation, excluding Compensation Securities

The following table is a summary of compensation (excluding compensation securities) paid, payable, awarded, granted, given, or otherwise provided, directly or indirectly, by the Company, or a subsidiary of the Company to each NEO and director for each of the Company’s two most recently completed financial years.

Table of compensation excluding compensation securities							
Name and position	Year Ended	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of all other compensation (\$)	Total compensation (\$)
John Proust ⁽¹⁾ CEO, Chairman and Director	2023	348,000	Nil	Nil	Nil	Nil	348,000
	2022	348,000	Nil	Nil	Nil	Nil	348,000

Table of compensation excluding compensation securities							
Name and position	Year Ended	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of all other compensation (\$)	Total compensation (\$)
Vincent Boon <i>CFO</i>	2023	180,000	Nil	Nil	Nil	Nil	180,000
	2022	180,000	Nil	Nil	Nil	Nil	180,000
Andrew Rowe ⁽²⁾ <i>Vice President, Exploration</i>	2023	212,737	Nil	Nil	Nil	Nil	212,737
	2022	174,641	Nil	Nil	Nil	Nil	174,641
Takashi Kuriyama ⁽³⁾ <i>General Manager, Exploration and Director</i>	2023	165,732	Nil	Nil	Nil	Nil	165,732
	2022	177,348	Nil	Nil	Nil	Nil	177,348
Murray Flanigan <i>Director</i>	2023	30,000	Nil	Nil	Nil	Nil	30,000
	2022	30,000	Nil	Nil	Nil	Nil	30,000
Tanneke Heersche <i>Director</i>	2023	30,000	Nil	Nil	Nil	Nil	30,000
	2022	30,000	Nil	Nil	Nil	Nil	30,000
Michael Carrick <i>Director</i>	2023	30,000	Nil	Nil	Nil	Nil	30,000
	2022	30,000	Nil	Nil	Nil	Nil	30,000
Ian Burney <i>Director</i>	2023	30,000	Nil	Nil	Nil	Nil	30,000
	2022	30,000	Nil	Nil	Nil	Nil	30,000
Paul Harbidge ⁽⁴⁾ <i>Former Director</i>	2023	30,000	Nil	Nil	Nil	Nil	30,000
	2022	30,000	Nil	Nil	Nil	Nil	30,000
Mitsuhiko Yamada ⁽⁵⁾ <i>Former Director</i>	2023	Nil	Nil	Nil	Nil	Nil	Nil
	2022	168,000	Nil	Nil	Nil	Nil	168,000

Notes:

- (1) John Proust received compensation in the total amount of \$290,720 for the year ended 2023 in his position as CEO and received compensation in the total amount of \$Nil for the year ended 2023 in his position as a director of the Company. Mr. Proust is also the representing director of Japan Gold KK (“JGKK”), a wholly-owned subsidiary of the Company, effective January 1, 2023. In the year ended 2023, Mr. Proust received \$57,280 in his position as a director of JGKK. In the year ended 2022, Mr. Proust received compensation of \$58,850 in his position as a director of JGKK, \$289,150 in his position as an officer of the Company, and \$Nil in his position as director of the Company.
- (2) Andrew Rowe is also a director of JGKK. In the year ended 2023, Mr. Rowe received compensation of \$114,560 in his position as a director of JGKK, and \$98,177 in his position as an officer of the Company. In the year ended 2022, Mr. Rowe received compensation of \$119,260 in his position as a director of JGKK, and \$55,381 in his position as an officer of the Company.
- (3) Takashi. Kuriyama was appointed as a director of the Company on January 1, 2023. Mr. Kuriyama is also a director of JGKK. In the year ended 2023, Mr. Kuriyama received compensation of \$153,130 in his position as an officer of the Company, and \$12,602 in his position as a director of JGKK, and \$Nil in his position as a director of the Company. In the year ended 2022, Mr. Kuriyama received compensation of \$164,229 in his position as an officer of the Company, and \$13,119 in his position as a director of JGKK.
- (4) Paul Harbidge resigned as a director of the Company effective May 17, 2024, and Dr. Keiko Hattori was appointed as a director of the Company on May 21, 2024.
- (5) Mitsuhiko Yamada was also the representing director of JGKK until December 31, 2022, when Mr. Proust assumed this role. Effective December 31, 2022, Mr. Yamada retired as a director of the Company.

External management companies

John Proust, CEO and Vincent Boon, CFO are not employees of the Company. On September 16, 2016 and subsequently on January 1, 2022, the Company entered into consulting services agreements with J. Proust & Associates Inc. (“**JPA**”) and Portland Management Inc. (“**PMI**”) respectively, pursuant to which the Company agreed to retain the services of JPA and PMI as independent contractors whereby JPA agreed to provide management and consulting services, including the provision of a Chief Executive Officer, and PMI agreed to provide accounting and administrative services, including the provision of a Chief Financial Officer, Corporate Secretary, controller and accountant. JPA and PMI are private British Columbia companies beneficially owned by John Proust. In consideration for JPA providing the services to the Company, the Company agreed to pay JPA \$29,000 plus GST per month and PMI \$32,000 plus GST per month, both of which may be revised from time to time upon mutual agreement of the parties. During the financial year ended December 31, 2023, Mr. Proust received compensation in the amount of \$348,000 for services performed as Chief Executive Officer of the Company and director of JGKK, and Mr. Boon received compensation in the amount of \$180,000 for services performed as Chief Financial Officer.

Stock Options and Other Compensation Securities

The following table contains information on compensation securities that were granted or issued to the directors and NEOs of the Company by the Company in the most recently completed financial year for services provided or to be provided, directly or indirectly, to the Company.

Compensation Securities							
Name and position	Type of compensation security	Number of compensation securities, number of underlying securities, and percentage of class	Date of issue or grant	Issue, conversion or exercise price (\$)	Closing price of security or underlying security on date of grant (\$)	Closing price of security or underlying security at year end (\$)	Expiry date
John Proust ⁽¹⁾ <i>CEO, Chairman and Director</i>	N/A	Nil	N/A	N/A	N/A	N/A	N/A
Vincent Boon ⁽²⁾ <i>CFO</i>	N/A	Nil	N/A	N/A	N/A	N/A	N/A
Andrew Rowe ⁽³⁾ <i>Vice President, Exploration</i>	N/A	Nil	N/A	N/A	N/A	N/A	N/A
Takashi Kuriyama ⁽⁴⁾ <i>Director and General Manager Exploration</i>	N/A	Nil	N/A	N/A	N/A	N/A	N/A
Murray Flanigan ⁽⁵⁾ <i>Lead Director</i>	N/A	Nil	N/A	N/A	N/A	N/A	N/A
Tanneke Heersche ⁽⁶⁾ <i>Director</i>	N/A	Nil	N/A	N/A	N/A	N/A	N/A
Michael Carrick ⁽⁷⁾ <i>Director</i>	N/A	Nil	N/A	N/A	N/A	N/A	N/A
Ian Burney ⁽⁸⁾ <i>Director</i>	N/A	Nil	N/A	N/A	N/A	N/A	N/A
Paul Harbidge ⁽⁹⁾ <i>Former Director</i>	N/A	Nil	N/A	N/A	N/A	N/A	N/A

Notes:

- (1) As at December 31, 2023, John Proust owned an aggregate of 6,000,000 compensation securities, comprised solely of stock options, each of which is exercisable into one common share.
- (2) As at December 31, 2023, Vincent Boon owned an aggregate of 700,000 compensation securities, comprised solely of stock options, each of which is exercisable into one common share.
- (3) As at December 31, 2023, Andrew Rowe owned an aggregate of 1,900,000 compensation securities, comprised solely of stock options, each of which is exercisable into one common share.
- (4) As at December 31, 2023, Takashi Kuriyama owned an aggregate of 700,000 compensation securities, comprised solely of stock options, each of which is exercisable into one common share.
- (5) As at December 31, 2023, Murray Flanigan owned an aggregate of 600,000 compensation securities, comprised solely of stock options, each of which is exercisable into one common share.
- (6) As at December 31, 2023, Tanneke Heersche owned an aggregate of 200,000 compensation securities, comprised solely of stock options, each of which is exercisable into one common share.
- (7) As at December 31, 2023, Michael Carrick owned an aggregate of 200,000 compensation securities, comprised solely of stock options, each of which is exercisable into one common share.
- (8) As at December 31, 2023, Ian Burney owned an aggregate of 200,000 compensation securities, comprised solely of stock options, each of which is exercisable into one common share.
- (9) As at December 31, 2023, Paul Harbidge owned an aggregate of 750,000 compensation securities, comprised solely of stock options, each of which is exercisable into one common share.

No compensation securities were exercised by a director or NEO during the Company's most recently completed financial year.

Omnibus Equity Incentive Plan

The Company's omnibus equity incentive plan (the "**Plan**") was previously approved by shareholders of the Company (the "**Shareholders**") at the annual general meeting of the Shareholders held on October 12, 2023, and is required to be approved at the next annual general meeting of the Shareholders. The purpose of the Plan is to provide an incentive to directors, employees and consultants to acquire a proprietary interest in the Company, to continue their participation in the affairs of the Company and to increase their efforts on behalf of the Company.

The Plan includes the ability to issue stock options ("**Options**"), restricted share units ("**RSUs**"), performance share units ("**PSUs**"), and deferred share units ("**DSUs**"), and together with Options, RSUs, and PSUs, the "**Awards**"). The aggregate number of common shares of the Company ("**Shares**") reserved for issuance in respect of Awards shall not exceed 10% of the total number of issued Shares (calculated on a rolling, non-diluted basis) at the time an Award is granted.

The Plan is considered an "evergreen" plan, since Awards which have been exercised, cancelled, terminated, surrendered, forfeited or expired without being exercised shall be available for subsequent grants under the Plan, and the number of Awards available to grant increases as the number of issued and outstanding Shares increases.

A summary of the Plan is set out below. The following summary of the Plan and proposed amendments do not purport to be complete and is qualified in its entirety by reference to the Plan. Shareholders may also obtain copies of the Plan from the Company on written request.

Eligible Participants.

Awards may be granted under the Plan to directors and senior officers of the Company or its subsidiaries ("**Directors**"), management company employees, employees of the Company or its subsidiaries, (collectively, "**Employees**") or consultants of the Company or its subsidiaries ("**Consultants**"), and together with the Directors and Employees the "**Participants**"). The board of directors of the Company (the "**Board**"), in its discretion, determines which of the Participants will be granted Awards under the Plan.

Type of Awards.

The Company may grant Awards to Participants under the Plan, All of the Awards described below are subject to the conditions, limitations, restrictions, exercise price, vesting, settlement and forfeiture provisions determined by the Board, in its sole discretion, subject to such limitations provided in the Plan, and will generally be evidenced by an award agreement.

Options

Each Option entitles a holder thereof to purchase a prescribed number of Shares at an exercise price determined by the Board at the time of the grant of the Option, which includes an incentive stock option (an “**ISO**”) (an ISO being an Option granted to a U.S. participant intended to constitute an incentive stock option within the meaning of the United States Internal Revenue Code of 1986, as amended (the “**U.S. Tax Code**”)).

ISOs are available only for Participants who are employees of the Company, or a “parent corporation” or “subsidiary corporation” (as such terms are defined in Section 424(e) and (f) of the U.S. Tax Code), on the date the Option is granted. A Participant who holds an ISO must continue as an employee, except that upon termination of employment the Option will continue to be treated as an ISO for up to three months, after which the Option will no longer qualify as an ISO, except as otherwise provided herein.

RSUs

A RSU is a right awarded to a Participant, as compensation for employment or consulting services or services as a director or officer, to receive for no additional cash consideration, securities of the Company upon specified vesting criteria being satisfied, and subject to the terms and conditions of the Plan and the applicable award agreement, and which may be paid in cash and/or Shares.

PSUs

A PSU is a right awarded to a Participant, as compensation for employment or consulting services or services as a director or officer, to receive, for no additional cash consideration, securities of the Company upon specified performance and vesting criteria being satisfied, subject to the terms and conditions of the Plan and the applicable award agreement, and which may be paid in cash and/or Shares.

DSUs

A DSU is a right granted to a Participant, as compensation for employment or consulting services or services as a director or officer, to receive, for no additional cash consideration, securities of the Company on a deferred basis upon specified vesting criteria being satisfied, subject to the terms and conditions of the Plan and the applicable award agreement, and which may be paid in cash and/or Shares.

Number of Shares Reserved. The aggregate number of Shares reserved for issuance in respect of Awards shall not exceed ten (10%) percent of the total number of issued and outstanding Shares (calculated on a rolling, non-diluted basis) at the time an Award is granted. Awards that are exercised, cancelled or expire prior to exercise continue to be issuable under the Plan.

Limitations. Under the Plan, the aggregate number of Shares that are issuable pursuant to all Awards granted or issued to any one person (including companies wholly owned by that person) in a 12-month period must not exceed 5% of the issued and outstanding Shares, calculated on the date the Award is granted or issued to the person. The aggregate number of Shares that are issuable pursuant to all Awards granted or issued to any one Consultant in a 12-month period must not exceed 2% of the issued and outstanding Shares, calculated at the date the Award is granted or issued. The aggregate number of Shares issuable pursuant to all Awards granted or issued to all persons retained to provide investor relations services to the Company (including Consultants and Employees or Directors whose role and duties primarily consist of providing investor relations services) must not exceed 2% of the issued and outstanding Shares in any 12-month period, calculated at the date an Award is granted or issued to any such person. Disinterested shareholder approval will be required for any grant of Awards which will result in the number of Shares issuable pursuant to all Awards granted or issued to Insiders (as defined in the *Securities Act* (British Columbia)) as a group at any point in time or within a 12-month period exceeding 10% of the issued and outstanding Shares.

Exercise Price. The exercise price of Options granted under the Plan is determined by the Board, provided that it is not less than the discounted market price, as that term is defined in the TSX Venture Exchange (“**TSX-V**”) Corporate Finance Manual, or such other minimum price as is permitted by the TSX-V in accordance with the policies in effect at the time of the grant, or, if the Shares are no longer listed on the TSX-V, then such other exchange or quotation system on which the Shares are listed or quoted for trading. The exercise price of Options granted to Insiders may not be decreased without disinterested shareholder approval at the time of the proposed amendment.

Cashless Exercise. Subject to the rules and policies of the TSX-V, the Board may, in its discretion and at any time, determine to grant a Participant the alternative, when entitled to exercise an Option, to deal with such Option on a “cashless exercise” basis, on such terms as the Board may determine in its discretion (the “**Cashless Exercise Right**”). Without limitation, the Board may determine in its discretion that such Cashless Exercise Right, if any, grants a Participant the right to engage a broker to sell such number of Shares as is necessary to raise an amount equal to the aggregate exercise price for all Options being exercised by that Participant and any applicable tax withholdings. Pursuant to the award agreement, the Participant may authorize the broker to sell shares on the open market and forward the proceeds to the Company to satisfy the exercise price and any applicable tax withholdings, promptly following which the Company shall issue the Shares underlying the number of Options as provided for in the award agreement. In the event the Company permits a Participant to exercise a Cashless Exercise Right, the Company shall make an election pursuant to subsection 110(1.1) of the *Income Tax Act* (Canada).

Term of Options. Subject to the termination and change of control provisions noted below, the term of any Options granted under the Plan is determined by the Board and may not exceed ten (10) years from the date of grant. Disinterested shareholder approval will be required for any extension to Options granted to individuals that are Insiders at the time of the proposed amendment.

Deferment. Subject to the terms and conditions of the applicable award agreement, if a Participant wishes to defer settling an Award of RSUs, the Participant must provide written notice to the Company within three business days of the Vesting Date (as defined in the Plan). Subject to the terms and conditions of the applicable award agreement, if a Participant wishes to defer settling an Award of PSUs, the Participant must provide written notice to the Company within three business days of the Determination Date (as defined in the Plan).

Vesting. All Options granted pursuant to the Plan will be subject to such vesting requirements as may be prescribed by the TSX-V, if applicable, or as may be imposed by the Board. Options issued to persons retained to provide Investor Relations Activities (as defined in the TSX-V Corporate Finance Manual) must vest in stages over 12 months with no more than one-quarter of the Options vesting in any three-month period. No Awards issued pursuant to the Plan, other than Options, may vest before the date that is one year following the date it is granted or issued.

Termination.

Options

Any Options granted pursuant to the Plan will terminate at the end of the term of the Option. Where a Participant’s relationship with the Company is terminated by the Company or a subsidiary for cause, all Options granted to the Participant under the Plan will immediately terminate without payment, be forfeited and cancelled and shall be of no further force or effect as of the termination date. Where a Participant’s relationship with the Company terminates by reason of termination by the Company or a subsidiary without cause, by voluntary termination, voluntary resignation or due to retirement by the Participant, such that the Participant no longer qualifies as an eligible person, all Options granted to the Participant under the Plan that have not vested will, unless the applicable award agreement provides otherwise and subject to the provisions below, immediately terminate without payment, be forfeited and cancelled and shall be of no further force or effect as of the termination date; provided, however, that any Options granted to such Participant which, prior to the Participant’s termination without cause, voluntary termination, voluntary resignation or retirement, had vested pursuant to the terms of the applicable award agreement will accrue to the Participant in accordance with the Plan and shall be exercisable by such Participant for a period of 90 days following the date the Participant ceased to be an eligible person, or such longer period as may be provided for in the award agreement or as may be determined by the Board provided such period does not exceed 12 months after the termination date.

RSUs

Where a Participant’s relationship with the Company is terminated by the Company or a subsidiary for cause, all RSUs granted to the Participant under the Plan will immediately terminate without payment, be forfeited and cancelled and shall be of no further force or effect as of the termination date.

Where a Participant’s relationship with the Company terminates by reason of termination by the Company or a subsidiary without cause, by voluntary termination, voluntary resignation or due to retirement by the Participant, all RSUs granted to the Participant under the Plan that have not vested will, unless the applicable award agreement provides otherwise and subject to the provisions below, immediately terminate without payment, be forfeited and cancelled and shall be of no further force or effect as of the termination date and the Participant shall have no right, title or interest therein whatsoever; provided, however, that any RSUs granted to such Participant which, prior to the Participant’s termination without cause, voluntary termination, voluntary resignation or retirement, had vested pursuant to the terms of the applicable award agreement will accrue to the Participant in accordance with the Plan.

PSUs

Where a Participant's relationship with the Company is terminated by the Company or a subsidiary for cause, all PSUs granted to the Participant under the Plan will immediately terminate without payment, be forfeited and cancelled and shall be of no further force or effect as of the termination date.

Where a Participant's relationship with the Company terminates by reason of termination by the Company or a subsidiary without cause, by voluntary termination, voluntary resignation or due to retirement by the Participant, all PSUs granted to the Participant which have not vested will, unless the award agreement provides otherwise and subject to the provisions below, immediately terminate without payment, be forfeited and cancelled and shall be of no further force or effect as of the termination date, and the Participant shall have no right, title or interest therein whatsoever; provided, however, the Board may determine, in its sole discretion, the number of the Participant's PSUs that will vest based on the extent to which the applicable performance have been satisfied in that portion of the performance cycle that has lapsed.

DSUs

Upon a Participant ceasing to be a Participant by reason of Termination for Cause (as defined in the Plan), the Participant's participation in the Plan shall be terminated immediately, all DSUs credited to such Participant's account that have not vested shall be forfeited and cancelled, and the Participant's rights to Shares or cash equivalent or a combination thereof that relate to such Participant's unvested DSUs shall be forfeited and cancelled on the date of termination. The Participant shall not receive any payment in lieu of cancelled DSUs that have not vested. "Termination for Cause" shall include, among other things, gross misconduct, theft, fraud, breach of confidentiality or breach of the Company's codes of conduct and any other reason determined by the Company to be cause for termination. For the purposes of the Plan, the determination by the Company that the Participant was Terminated for Cause shall be binding on the Participant.

Adjustments. Any adjustment to Awards granted or issued (except in relation to a consolidation or share split) must be subject to the prior acceptance of the TSX-V, including adjustments related to an amalgamation, merger, arrangement, reorganization, spin-off, dividend or recapitalization. The Company will seek disinterested shareholder approval in respect of any material amendment to the Plan.

Employment, consulting and management agreements

On January 1, 2022, the Company entered into the JPA Consulting Agreement and Portland Management Inc Agreement with JPA and PMI respectively pursuant to which the Company agreed to retain the services of JPA and PMI as independent contractors. Pursuant to the agreements, JPA agreed to provide management consulting services including the provision of a Chief Executive Officer and PMI agreed to provide finance, accounting and administrative services including the provision of a Chief Financial Officer, Corporate Secretary, controller and accountant. JPA and PMI are private British Columbia companies beneficially owned by John Proust. In consideration for JPA providing the services to the Company, the Company agreed to pay JPA \$29,000 plus GST per month and PMI \$32,000 plus GST per month, both of which may be revised from time to time upon mutual agreement of the parties. During the financial year ended December 31, 2023, the Company paid a total of \$564,000 to JPA and PMI. Either party may, upon 90 days' written notice to the other party, terminate the JPA Consulting Agreement and PMI Consulting Agreement. During the financial year ended December 31, 2023, Mr. Proust received compensation in the amount of \$348,000 for services performed as Chief Executive Officer and as director of JGKK, and Mr. Boon received compensation in the amount of \$180,000 for services performed as Chief Financial Officer.

On September 1, 2020, the Company entered into a consulting agreement with Takashi Kuriyama pursuant to which Mr. Kuriyama was engaged as the Company's General Manager of Exploration to provide management, analysis and strategic advice related to the development of the Company's gold and copper-gold exploration projects in Japan on a non-exclusive basis. In consideration for the services to be provided by Mr. Kuriyama, the Company has agreed to pay a monthly consulting fee of ¥1,200,000,¹ and a business trip allowance of ¥55,000² per day. The agreement contains non-disclosure provisions and automatically renews on an annual basis unless terminated by either party by giving the other party not less than thirty days' written notice. Effective January 1, 2023, Mr. Kuriyama was appointed as a director of the Company.

The Company engaged Andrew Rowe as the Company's Vice President, Exploration to manage the technical planning, project management and operational execution of the Company's projects in Japan. Mr. Rowe is also responsible for budgeting, administration, and recruitment of staff for the Company's office in Japan. In consideration for the consulting services to be

¹ approximately \$11,220 based on exchange rate of C\$1: ¥106.9519 on December 31, 2023.

² approximately \$514 based on exchange rate of C\$1: ¥106.9519 on December 31, 2023.

provided by Mr. Rowe, the Company has agreed to pay a monthly consulting fee of approximately \$14,600 for his services or at a rate of USD\$900³ per day. The Company has also agreed to reimburse Mr. Rowe for travel and meal expenses. Either party may terminate the arrangement by providing one month's written notice unless the agreement is terminated for cause.

The Company incurred \$212,737 in consulting fees for project evaluation to Mr. Rowe during the year ended December 31, 2023 and the Company paid \$99,481 in consulting fees to Mr. Kuriyama.

On September 16, 2016, and amended November 27, 2017, JGKK, entered into a consulting agreement (the "**M&S Consulting Agreement**") with M&S Yamada Consultants, LLC ("**M&S**") pursuant to which JGKK agreed to retain M&S to provide consulting services from time to time, including providing analysis and strategic advice related to the development of JGKK's gold and copper-gold exploration projects in Japan. Mr. Mitsuhiro Yamada (a former director of the Company) is the Managing Member and Representative Member of M&S. Pursuant to the M&S Consulting Agreement, JGKK agreed to pay M&S, commencing November 27, 2017, \$14,000 monthly in consideration for M&S' services and duties to JGKK. The M&S Consulting Agreement has a term of one year and automatically renews each year until terminated by either party in accordance with the agreement. During the financial year ended December 31, 2022, the Company paid a total of \$168,000 to M&S. Either party may, upon 30 days' written notice to the other party, terminate the M&S Consulting Agreement. Effective January 1, 2023, Mitsuhiro Yamada resigned as a director of the Company but remains an advisor to the Company.

Other than disclosed herein, the Company does not have any agreement or arrangement under which compensation was provided during the most recently completed financial year or is payable in respect of services provided to the Company or any of its subsidiaries that were performed by a director or NEO, or performed by any other party but are services typically provided by a director or a NEO.

Oversight and Description of Director and Named Executive Officer Compensation

The objective of the Company's compensation program is to compensate the executive officers for their services to the Company at a level that is both in line with the Company's fiscal resources and competitive with mineral exploration companies of a similar size at a similar stage of development.

The Company compensates its executive officers based on their skill, qualifications, experience level, level of responsibility involved in their position, the existing stage of development of the Company, the Company's resources, industry practice and regulatory guidelines regarding executive compensation levels.

To date, the Company has not specified significant elements of compensation tied to any performance criteria awarded to, earned by, paid or payable to each NEO, and no formulas have been developed to assign a specific weighting to any such components. Compensation of NEOs is handled by the Company's compensation committee (the "**Compensation Committee**"). The Compensation Committee is comprised of two or more "independent" directors, whose primary function is to monitor and make recommendations to the Board in respect of the total compensation paid by the Company to its directors and senior executives. The current members of the Compensation Committee are Michael Carrick (Chair), Murray Flanigan, and Tanneke Heersche. The functions of the Compensation Committee are governed by the Company's compensation committee charter (the "**Compensation Committee Charter**") which was adopted by the Board on November 23, 2016. Pursuant to the Compensation Committee Charter, the Compensation Committee will review the total compensation (including direct salary and annual bonus as well as long term stock-related incentive plans) paid to each executive officer of the Company on an annual basis. In addition, the Compensation Committee will review and consider corporate goals and objectives relevant to compensation for all executive officers, evaluate the performance of each executive officer in light of those corporate goals and objectives, and determine and/or make recommendations to the Board with respect to the level of compensation for the executive officers based on this evaluation. The Committee also reviews annually, and submit to the Board for its approval, the compensation to be paid to members of the Board as directors, in light of director compensation guidelines established by the Board.

The Compensation Committee has implemented three levels of compensation to align the interests of the executive officers with those of the Shareholders. First, executive officers may be paid a monthly consulting fee or salary. Second, the Board and/or Compensation Committee may award executive officers long term incentives in the form of stock options. Finally, and only in special circumstances, the Board and/or Compensation Committee may award cash or share bonuses for exceptional performance that results in a significant increase in Shareholder value.

³ approximately \$1,190 based on exchange rate of C\$1: US\$0.7561 on December 31, 2023.

The base compensation of the executive officers is reviewed and set annually by the Board based on recommendations by the Compensation Committee. The CEO has substantial input in setting annual compensation levels. The CEO is directly responsible for the financial resources and operations of the Company. In addition, the CEO and Board, with recommendations from the Compensation Committee, from time to time determine the stock option grants to be made pursuant to the Company's stock option plan. Previous grants of stock options are taken into account when considering new grants. The Board awards bonuses at its sole discretion. The Board does not have pre-existing performance criteria or objectives.

Compensation for the most recently completed financial year should not be considered an indicator of expected compensation levels in future periods. All compensation is subject to and dependent on the Company's financial resources and prospects.

In determining the compensation paid to the Company's NEOs for the financial year ended December 31, 2023, the Compensation Committee considered a variety of factors including the long-term interests of the Company and its shareholders, the implications of the risks associated with the Company's compensation policies and practices in light of the financial performance of the Company, the overall financial and operating performance of the Company and the Compensation Committee's assessment of each NEO's individual performance and contribution toward meeting corporate objectives.

The Company does not anticipate any significant changes to the Company's compensation policies that could or will have an effect on director or named executive officer compensation.

Pension Disclosure

The Company does not have a pension plan that provides for payments or benefits to the NEOs or Directors at, following, or in connection with retirement.

ADDITIONAL INFORMATION

Additional information relating to the Company is available on the SEDAR+ website at www.sedarplus.ca.