

eResearch

Recommendation

Speculative Buy

Target Price

\$0.90

Risk

High

Ave. Monthly Trading Vol.

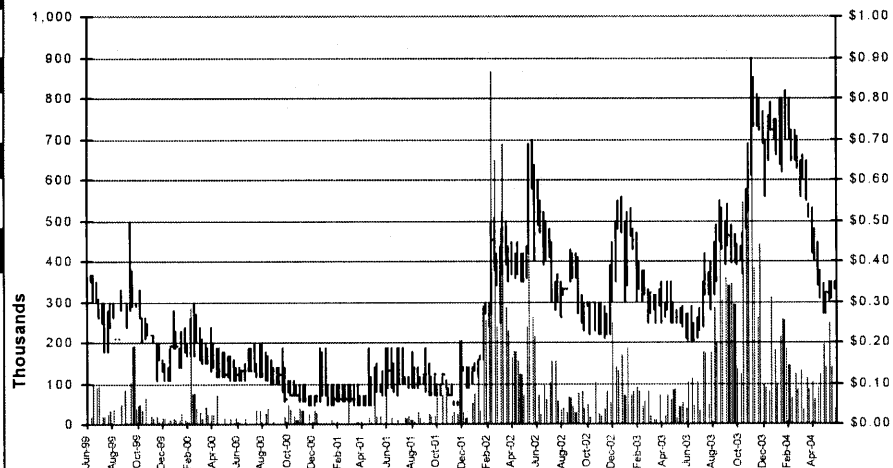
907,892

Quick Facts

Recent Price \$0.34
 Symbol JPN:TSX-V
 Shares O/S (f/d) 51.3 million
 52 Wk. Range \$0.90-\$0.20
 Fiscal Year End Dec. 31

	EPS	CFPS
1998	\$0.01	\$(0.06)
1999	(0.23)	(0.03)
2000	(0.04)	(0.02)
2001	(0.02)	(0.02)

J-Pacific Gold Inc.



Data Source: www.wallstreetcity.com

J-Pacific Gold Inc. is involved in the acquisition, exploration and development of gold properties, with focus on North America.

STRENGTHS

- Well financed
- Joint venture partnership with Jipangu Inc.
- Several good exploration targets to advance

RISKS

- Gold price volatility
- Inherent risk in mineral exploration

CONCLUSION

- Exploration programs advancing
- Improved profile and liquidity

QUICKVIEW

We are recommending J-Pacific Gold Inc. as a Speculative Buy to investors seeking exposure to early stage gold exploration projects situated in established mining regions of Nevada, British Columbia and Quebec.

We expect to see appreciation of the Company's share price on positive news from additional exploration on the two recently discovered mineralized zones on the Company's Elizabeth Project in British Columbia and on exploration results from the Golden Trend and HC Projects located in Nevada. We also anticipate share appreciation in the next 12 months if field studies on the recently acquired Montgolfier Project located in northwestern Quebec turn up interesting results.

QUARTERLY UPDATE

Given the geological potential, the Company's projects and the progress the Company has made in the past 18 months in advancing the projects, we are setting a 12-month target price of C\$0.90.

THE COMPANY

J-Pacific is focused on gold exploration in North America. The business model is to assemble prospective properties, pull together the historical results, carry out low cost exploration concepts and if the project is prospective, bring in partners to further advance them. J-Pacific only retains a property if the initial results are favourable. This approach to exploration provides shareholders with exposure to numerous projects, any of which could pay off.

J-Pacific was incorporated in British Columbia in 1990 under the name Claimstaker Resources Ltd. and has been exploring for precious metals ever since. In 1995, the Company acquired the Blackdome Project located in British Columbia and in 2002, the Elizabeth Project located 30 kilometres southwest of the Blackdome project.

The Blackdome Gold Mine is the most advanced near-term production asset of the Company. J-Pacific advanced the Blackdome Gold Mine property to production in late 1998 but suspended operations due to the low price for gold in 1999. In May 2004, J-Pacific contracted Roscoe Postle Associates to develop a comprehensive exploration plan for the Blackdome Gold Mine Project. A collection, compilation and synthesis of the historic Blackdome exploration and production data into a digital database will provide for a more accurate understanding of previous exploration activities, and will be used to develop and prioritize exploration targets.

In 1996, J-Pacific acquired the Golden Trend property properties in Nevada. This property is near Placer Dome Inc.'s Pipeline/Cortez operations. In 2002, J-Pacific leased the HC Project also in the Battle Mountain/Eureka Trend, the RC Project on the southern Carlin Trend, and the Callaghan property located in north central Nevada. J-Pacific also owns the Zenda Gold Mine in California, an advanced stage epithermal gold silver project.

In 2004, J-Pacific acquired the 3,552-hectare Montgolfier project in northwestern Quebec located near the Casa Berardi Mine block where Aurizon Mines Ltd has defined a 1.5 million ounce gold resource. The Company's immediate plans are to review the historic exploration data and carry out limited additional field studies to define and prioritize drill targets.

J-Pacific's controlling shareholder is Jipangu Inc., a Tokyo-based private investment fund that is focused on investments in the gold sector, owning approximately 34.7% of J-Pacific's outstanding common shares. Jipangu Inc. and J-Pacific completed a letter of intent in March of 2004 under which Jipangu can earn a 50% interest in J-Pacific's Golden Trend and HC properties in Nevada by funding exploration over a four-year period in the aggregate amount of US\$2,750,000 on the Golden Trend Project and US\$1,750,000 on the HC Project.

The Company is well managed by a team of business professionals with a good understanding of mining, business and finance.

The Company has 51.3 million shares issued (fully diluted) and as of June 1, 2004, the Company's market capitalization was \$17.4 million. The Company appears to have the ability to raise the funds and partners necessary for future operations.

The Company has exploration properties in several well-known mining districts including British Columbia, Quebec and Nevada

An experienced management team with the ability to raise funds

PROJECTS

British Columbia Projects

Blackdome Gold Mine

The Blackdome Gold Mine is located about 250 kilometres north of Vancouver and 70 kilometres west northwest of the town of Clinton, British Columbia. Including the Blackdome South claims, the property consists of 81 mineral claims, 10 crown-granted mineral claims, and two mining leases. This is a good asset for J-Pacific because it has previous production of approximately 240,000 ounces of gold and all of the necessary infrastructure including road access, production permits and a fully equipped, modern 200-ton per day flotation and gravity mill on site.

The Blackdome Gold Mine is located on a large, mostly under-explored property. First discovered in 1950s the property was eventually brought into commercial production in 1986. Although a successful gold operation, the Blackdome Gold Mine suffered from corporate consolidation and differing shareholder agendas that led to a situation where the mine was undercapitalized and its reserves exhausted. The cash operation cost of production for the Blackdome Gold Mine averaged approximately US\$208 per ounce of gold.

J-Pacific purchased a 100% interest in the Blackdome Gold Mine property in 1994 for cash, shares and debentures issued to the vendor. J-Pacific's intention was to restart the mine operation, but initial attempts proved challenging. The current management of the Company has preferred to take a more cautious approach to the property by completing additional exploration to add and upgrade the current Inferred Resources to a higher confidence level. Presently, the Blackdome Property has a drill-inferred resource of 124,120 tonnes averaging 12.8 grams of gold per tonne (0.37 oz/ton) and 33.7 grams of silver per tonne (0.98 oz/ton) for an in situ total of 50,834 ounces of gold and 134,386 ounces of silver.

Gold mineralization at the Blackdome Gold Mine is hosted in a series of quartz vein systems. The mineralization is discontinuous and nuggety in its occurrence. In 2001, J-Pacific commissioned SRK Consulting to complete a geological model, resource estimate and preliminary exploration-risk assessment of the project, which resulted in SRK concluding that Blackdome has significant potential to host entirely new economic ore bodies.

In May 2004, J-Pacific contracted Roscoe Postle Associates Inc. to develop a comprehensive exploration plan for the Blackdome Gold Mine Project. Based on the results of the exploration plan, J-Pacific is preparing the Blackdome Gold Mine for a resumption of exploration work. The Company is optimistic that future exploration will lead to the commissioning of an independent feasibility study to help prepare for a potential mine start.

Roscoe Postle Associates Inc. are developing a comprehensive exploration plan for the Blackdome Gold Mine Project

Elizabeth Project

J-Pacific acquired the 4,450-hectare (10,955 acre) Elizabeth Project in 2002. The Project is located 30 kilometres south-southwest of the Blackdome project and 30 kilometres north-northeast of the town of Bralorne, British Columbia. Given the proximity of the Elizabeth Project to the Company's Blackdome Gold Mine, this project could be complementary to any future production using the existing mill facilities at the Blackdome Gold Mine.

Gold was discovered on the property in 1939, and in subsequent years it was explored by surface trenching and through a number of short underground tunnels. The veins are characterized by coarse visible gold that is not uniformly distributed. Widths are typically a half to one metre thick, with gold assays often at the multiple ounce level. Exploration efforts have confirmed four mineralized zones on the property.

After acquiring the property in 2002, the Company initiated work with geological mapping and underground sampling. The underground sampling confirmed the high-grade nature of the veins and the presence of coarse visible gold. Sixteen drill holes tested the West and Main Veins resulting in a best intersection of 7.74 g/t gold (0.226 ounces/ton) over a core length of 3.3 metres (10.8 feet).

Two new gold zones were discovered during the Phase Two exploration program

During 2003, J-Pacific conducted its Phase Two exploration program that included an extension of the geochemical grids, prospecting, rock sampling, trenching and sampling the West and Main Veins. During this exploration process, two new gold and copper mineralized zones were identified as the Southwest Vein Zones and the No. 9 Vein.

The Southwest Vein is a new zone of quartz veins located approximately 400 metres (1,300 feet) southwest of the West and Main Vein area. The zone, has been traced for 150 metres (490 feet) and ranges in width from a few centimetres to 2.75 metres (7 feet) wide; it contains 0.01 grams to 194.33 grams of gold /tonne (5.67 oz Au/t) and remains open in both directions along strike and down dip.

The new discoveries are well removed from the historically explored areas of the property and represent significant opportunity for new gold discoveries

Another new discovery was the No. 9 area located approximately 700 metres (2,300 feet) northeast of the Main and West Vein area. Soil sampling has delineated a geochemical anomaly containing gold, arsenic, copper and molybdenum extending over a 450-metre (1,475 feet) length.

Fifty-three rock and 135 soil samples were collected during Phase Two exploration. Seven of the soil samples contained in excess of one gram gold per tonne and six of the subsequent rock samples assayed greater than 1 gram gold per tonne, with many of the anomalous samples associated with a zone, 15 to 30 metres wide, of altered feldspar porphyry and listwanite. West of the listwanite area, a granitic intrusion with characteristic porphyry copper alteration was discovered to contain copper and molybdenum mineralization ranging up to 6,547 ppm and 350 ppm respectively.

J-Pacific has begun a 1,500-metre diamond drilling program to target the Southwest and No. 9 Vein areas to better understand the geometry and grades of the two zones. In addition, in the No.9 Vein zone area, geochemical grid sampling will be extended to the north and south and a magnetometer survey will be conducted over the entire grid. The drilling program should be completed by the third week of June, 2004.

Quebec Property

Montgolfier Project

In May 2004, J-Pacific Resources entered into an option agreement to purchase 100% of a 3,552 -hectare property situated in the Montgolfier and Orvilliers Townships, Quebec. The agreement requires that J-Pacific make a payment of C\$40,000 and issue 50,000 common shares to the Vendor. To maintain the agreement, J-Pacific will make additional cash payments of C\$40,000 by the first and second anniversaries, and C\$100,000 by the third anniversary of the agreement. The Vendor retains a two percent Net Smelter Royalty, of which one and one half percent can be purchased back by J-Pacific for C\$1.5 million.

The Montgolfier Project is located in northwestern Quebec approximately 12 kilometres east of the Casa Berardi Mine block, where Aurizon Mines Ltd. has outlined a 1.5 million ounce gold resource and is currently advancing the project towards a development decision. The Project straddles the Casa Berardi deformation zone over a strike length of approximately 25 kilometres.

Three companies conducted previous exploration between 1984 and 1991: Boulder Mountain Resources, Teck Exploration/Golden Hope Resources, and Placer Dome/Golden Shield Resources. According to Government of Quebec assessment records 78 exploration holes were drilled between 1985 and 1991 along the 25 kilometre strike of the property. Thirty-three of these holes intersected gold mineralization ranging from 1.0 to 14.8 grams of gold per tonne over 0.3 to 4.6 metre widths.

During 2004, J-Pacific plans to review historical work data and carry out limited field studies to define and prioritize targets for an initial drilling campaign.

Nevada Properties

Golden Trend Project, Nevada

The Golden Trend property is located 300 miles northeast of Reno, Nevada within the Battle Mountain-Eureka trend that is host to a number of current and past producers including Pipeline, Cortez, Horse Canyon and the Buckhorn mines. Placer Dome's most recent discovery, Cortez Hills (3 million ounces gold in all categories) deposit is eight miles to the northwest. The Golden Trend is contiguous and southwest of Placer Dome's ET Blue property.

The property consists of 111 claims, 90 claims of which are subject to a 3% net smelter royalty (2% is purchasable). As mentioned above, J-Pacific signed a letter of intent with Jipangu Inc. allowing Jipangu to acquire 50% of the property by funding US\$2.5 million over the next four years. Upon exercising the option, Jipangu will have the right to earn an additional 15% interest by completing an independent feasibility study and by financing the property into commercial production.

The deposits of the Battle Mountain-Eureka Trend are generally sediment hosted, and are referred to as Carlin type. The host Paleozoic carbonate rocks are mineralized where they have been cut by high angle faults which acted as conduits for the gold-bearing hydrothermal fluids. Recent dramatic discoveries of high-grade gold deposits in these feeders and associated structures have significantly expanded the potential of these environments.

Within this region of the Abitibi greenstone belt, an interconnected network of deformation zones host a number of significant gold occurrences

A JV partnership with Jipangu Inc. provides funds necessary to advance exploration

The property is cut along its entire western side by the Cortez Fault and associated structures and bounded on the east by the northern Nevada rift zone, creating an uplifted block of stratigraphy that brings the key Lower Plate rocks closer to the surface. Roberts Mountain Thrust Lower Plate rocks are exposed with a mile of the north side of the claim group, and are projected under shallow cover under much of the property. Exploration conducted by J-Pacific in 1998 and 1999 identified coincident gold and arsenic soil anomalies that were correlated with high angle structures. Geochemically anomalous gold and arsenic in rock, and occasionally anomalous copper values, have been identified in other areas of the property.

As follow-up to these geochemical surveys, nine shallow reverse circulation holes were drilled. Values in excess of 3,000 ppm arsenic and 100 ppm gold as well as an area of silicification were intersected. These may be associated with a mineralized porphyritic intrusive system. The strongly altered intrusive rock, and the gold-arsenic mineralization appears to be spatially related to a splay off the Cortez Fault, itself a prominent structural feature in major gold deposits of the district.

In 2004, J-Pacific is planning an aggressive exploration program that is to include geological modeling, geophysical surveying and drilling. The Golden Trend requires several deep drilling holes to further investigate the mineral system at depth as most of the gold discoveries made in the region have been discovered 100 to 200 metres below surface.

HC Property

The HC Property is also situated in the Battle Mountain/Eureka Trend, three miles south east of the Buckhorn Mine. The 50-claim group is held under a lease/option agreement. As mentioned above, Jipangu Inc. recently signed a letter of intent to acquire 50% interest in the HC Project by expending US\$1.75 million in exploration over a four-year period.

The HC presents a Rain-like gold deposit target with respect to its structural, stratigraphic, geochemical and alteration characteristics. Exploration plans for 2004 include geological modeling, geophysical surveying and drilling.

Other Properties

The Company also has two Nevada Projects, the RC Project and Callaghan, and a California project, the Zenda Gold Mine. There are no immediate plans to conduct additional exploration on these properties.

MANAGEMENT AND DIRECTORS

The Company's officers and directors all have extensive experience in the junior mineral exploration sector. There is a solid blend of geological experience and more advanced financial, accounting and general business background.

Nick Ferris, President, Director and CEO

Mr. Ferris has managed J-Pacific since mid-2000 and has an extensive background in economics and finance at senior managerial levels including Lloyds Bank Canada and the Canadian Home Income Plan.

Ralph Braun, MBA, CGA, Chief Financial Officer

In addition to his CFO responsibilities, Mr. Braun coordinates information and technology applications and project planning for J-Pacific. Before joining J-Pacific in early May 2001, Mr. Braun was the Controller for the Canadian Home Income Plan.

D'Arcy Adam, Director

Mr. Adam is involved in British Columbia's vehicle and equipment leasing industry. Mr. Adam brings to J-Pacific Gold over 30 years of financing expertise.

Kazuo Shuto, Director

Mr. Shuto has over 40 years of international experience in exploration for precious and base metals and industrial minerals, and is an acknowledged expert in the field of deep-sea mineral prospecting. A graduate of Tohoku University, Mr. Shuto is a member of the Society of Economic Geologists, and has held senior positions with Nippon Mining Co., Nikko Exploration and Development Co., Deep Ocean Resources Development Co., and the Japan Mining Engineering Center for International Cooperation. Mr. Shuto currently serves as the Chief Geologist and a Director of Jipangu, Inc. of Tokyo, Japan

Driffield Cameron, Director

Mr. Cameron is the Vice President of Exploration for High River Gold Mines Ltd. He is a fellow of the Geological Association of Canada and has over 30 years of international experience in exploration for precious and base metals, uranium and industrial minerals.

Manabu Kameda, Director

Mr. Kameda is a Director of Jipangu Inc., a Tokyo-based gold investment company and the largest shareholder of J-Pacific Gold. Mr. Kameda has extensive experience in commercial banking and has consulted for both public and private companies.

Mr. Jean-Pierre Schumacher, Director

Mr. Schumacher has experience in the capital markets and corporate finance through previous employment with Mark Rich & Co. Holdings, CS First Boston Corporation, Credit Suisse and the Union Bank of Switzerland. Currently, Mr. Schumacher is the founding member, managing partner and C.E.O of Lion Capital Group AG in Zurich.

Advisory Committee

J-Pacific has recently formed an Advisory Committee to assist in the growth and development of the business. The Company has granted incentive options to each member of the Advisory Committee for the purchase of 100,000 common shares at a price of \$0.50 per share and for the purchase of 50,000 common shares at a price of C\$1.00 per share for a period of three years. The initial members of the Advisory Committee are:

Alexander Korelin-a gold industry analyst, director of American Pacific Bank and publisher of the Northwest Commentary.

Ferdinand Lips-a Swiss banker and author of Gold Wars.

Bill Murphy-the founder of the Gold Anti-Trust Action Committee (GATA) and the proprietor of lemetropolecafe.com.

John Sibley-an international mining and securities lawyer.

FINANCIAL FORECAST AND VALUATION

Over the last quarter, the Company completed one private placement for total proceeds of C\$770,000. This amount, along with the US\$150,000 from Jipangu Inc. paid upon entering into the option agreement on the two Nevada Projects, will provide ample cash flow to advance the exploration programs planned for 2004. J-Pacific management does not appear to have any difficulty in raising the capital necessary to complete their planned programs, and in fact, have a significant advantage as it clearly has the financial support of its major shareholder Jipangu Inc. Now, with the joint venture agreement signed on the two Nevada projects, it is likely the Company will not require additional financings for the this year.

We expect an appreciation of the Company's share price if the results of the Phase Two work conducted on the Company's Elizabeth Project are encouraging-it is probable that the work program planned in 2004 will continue to find additional gold-bearing veins. The key here is that this project is in close proximity to the Company's flagship Blackdome Gold Mine, where a fully functional flotation and gravity mill is located. If significant reserves of gold can be defined at the Elizabeth Project, it will supplement the inferred resources at the Blackmore Mine and could help provide the impetus to kick start commercial production at the Blackdome Gold Mine.

Interest in the Nevada properties has been enhanced with the announcement of the joint venture option with Jipangu Inc. The exploration funds from this joint venture program will provide J-Pacific with all of the tools to complete an extensive exploration program on two of the most prospective properties of the Company's Nevada portfolio. Previous work has provided encouraging results and the interest in these projects is being enhanced by the multi-million ounce discoveries in the region and the exploration that is currently being done by Placer Dome in close proximity to the Golden Trend property. A gold discovery on the Nevada properties would result in a significant capital appreciation of the Company's share price.

We believe there is good potential for exploration success from this exploration company. Our 12-month target price for shares in J-Pacific is C\$0.90 based on positive exploration results during a good gold market.

eResearch Recommendation System

- Buy:** Expected total return within the next 12 months is at least 20%
- Speculative Buy:** Expected total return within the next 12 months is at least 40%. Risk is High (see below)
- Hold:** Expected total return within the next 12 months is between 20% and the T-Bill rate
- Sell:** Expected total return within the next 12 months is less than the T-Bill rate

eResearch Risk Rating System

A company may have some but not necessarily all of the following characteristics of a specific risk rating to qualify for that rating:

- High Risk:** Financial - Little or no revenue and earnings, limited financial history, weak balance sheet, negative free cash flows, poor working capital solvency, no dividends.
Operational - Weak competitive market position, high cost structure, industry consolidating, business model/technology unproven or out-of-date.
- Medium Risk:** Financial - Several years of revenue and positive earnings, balance sheet in line with industry average, positive free cash flow, adequate working capital solvency, may or may not pay a dividend.
Operational - Competitive market position and cost structure, industry stable, business model/technology is well established and consistent with current state of industry
- Low Risk:** Financial - Strong revenue growth and earnings over several years, stronger than average balance sheet, strong positive free cash flows, above average working capital solvency, company may pay (and stock may yield) substantial dividends or company may actively buy back stock.
Operational - Dominant player in its market, below average cost structure, company may be a consolidator, company may have a leading market/technology position.

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