



TAKU GOLD
CORP.

Taku Gold Corp.
(An Exploration Stage Company)

Management's Discussion and Analysis

For the nine months ended September 30, 2018 and 2017

TAKU GOLD CORP.

MANAGEMENT'S DISCUSSION AND ANALYSIS

GENERAL

The following management's discussion and analysis ("MD&A") of Taku Gold Corp. ("Taku" or the "Company"), has been prepared by management in accordance with the requirements of National Instrument 51-102 as of November 22, 2018. This MD&A should be read in conjunction with the unaudited condensed interim financial statements for the nine months ended September 30, 2018 and 2017, the audited financial statements for the years ended December 31, 2017 and 2016 and the accompanying notes thereto, all have been prepared in accordance with International Financial Reporting Standards ("IFRS"). The information contained herein is not a substitute for detailed investigation or analysis on any particular issue. The information provided in this document is not intended to be a comprehensive review of all matters and developments concerning the Company. The Company is presently a "Venture Issuer" as defined in National Instrument 51-102. Additional information relevant to the Company's activities can be found on SEDAR at www.sedar.com and the Company's website at takugold.com. All amounts are expressed in Canadian dollars unless otherwise indicated.

The following MD&A includes certain statements that are considered forward-looking statements. Please refer to "Forward-Looking Information" for a discussion on the risks and uncertainties related to such information.

COMPANY BACKGROUND

The Company was incorporated on July 19, 1999, under the laws of the province of British Columbia, Canada, and its principal activity is the acquisition and exploration of mineral properties in Canada. The Company is a reporting issuer in the provinces of Alberta and British Columbia and its outstanding common shares are listed on the Canadian Securities Exchange (the "CSE") under the symbol "TAK" and on the OTCQB Venture Market in the United States under the symbol "TAKUF".

CORPORATE HIGHLIGHTS

In September 2018, the Company appointed Neil Swift as the Company's interim President and CEO. Gilles Dessureau resigned from his position as interim President of the Company.

In December 2017, the Company appointed Peter Bures, C.F. Trey Wasser III and Lori Walton to the Company's board of directors. Gilles Dessureau was appointed the interim President of the Company and Greg Hayes was appointed the interim Chief Financial Officer and Corporate Secretary. Zachery Dingsdale, Mark Fekete and Stephen Smith resigned from all positions as directors and officers of the Company.

In August 2017, two new members were elected to the Company's Board of Directors: Dennis Fentie and Janet Lee-Sheriff. Four incumbent Directors were also reelected: Zachery Dingsdale, Mark Fekete, Stephen Smith and Patricia Wilson.

In July 2017, the Company completed the second and final tranche of a non-brokered private placement and raised gross proceeds of \$1,298,000 by issuing 12,980,000 units at a price of \$0.10 per unit. Each unit consists of one common share and one common share purchase warrant, with each warrant entitling the holder to purchase an additional common share at a price of \$0.15 per share for a period of two years.

In May 2017, the Company completed the first tranche of a non-brokered private placement and raised gross proceeds of \$405,000 by issuing 4,050,000 units at a price of \$0.10 per unit. Each unit consists of one common share and one common share purchase warrant, with each warrant entitling the holder to purchase an additional common share at a price of \$0.10 per share for a period of two years.

MINERAL PROPERTIES

The Company's principal business activity is acquiring and developing mineral properties, and Taku holds a portfolio of properties located in Yukon and northern British Columbia, as described below. Additional information on carrying values of the properties and any remaining underlying obligations can be found in note 6 to the Company's audited financial statements.

White Gold-Dawson Range District, Yukon

Taku currently holds nine properties covering approximately 47,000 hectares in the White Gold-Dawson Range district of Yukon. The Klondike, located just south of Dawson City, is famous for the gold rush of 1898 and its rich placer gold deposits. The White Gold area lies just south of the Klondike and has only recently been recognized for its hard rock gold potential. This potential is highlighted by the Coffee gold deposit held by Goldcorp Inc. Coffee was discovered in May 2010 by Kaminak Gold Corp., and by January 2016 was taken to the positive feasibility stage based on 2.9 million indicated ounces gold and 2.2 million inferred ounces gold. Kaminak was bought by Goldcorp in May 2016 in an all share transaction valued at \$520 million. Coffee is currently on track to be producing by 2020.

Coffee's rapid path from discovery to feasibility has attracted the attention of other majors. In November 2016 a new company, White Gold Corp., was formed by the amalgamation of 21 properties covering 12,301 claims. This transaction was supported by Agnico Eagle Mines Ltd. with a \$14.3 million equity investment. In June 2017, White Gold acquired all of Kinross Gold Corp.'s assets in the White Gold area to bring its total land base to 19,438 quartz claims totaling 390,000 hectares. Upon completion of the transaction, Kinross held a 19.9% stake in the company. Agnico Eagle invested another \$8.8 million to facilitate the transaction and maintain its 19.9% interest in White Gold.

In addition, there are numerous advanced projects held by juniors in the White Gold-Dawson Range district including Boulevard (Independence), Eldorado (Klondike), Klaza (Rockhaven), QV (Comstock), and Freegold Mountain (Triumph). Taku has been in this rapidly emerging gold camp since 2010 and is well placed with a strategic land position, a large database and local knowledge. To date the Company's main properties have been at Rosebute and Sulphur. Taku also holds the Quartz, Wounded Moose and Bishop

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properties in this district. In 2017, Taku purchased the Chopin, Korat, Lucky Joe and 40-Mile properties from Golden Predator Mining Corp. ("Golden Predator"), and also obtained an option on the Sonora Gulch property from Golden Predator.

In September 2017, a \$360 million combined federal and territorial infrastructure program was announced with the goal to improve road access in the mineral-rich areas of Yukon. The "Yukon Resource Gateway Project" will help upgrade over 650 kilometres of road and build or replace numerous bridges, culverts, and stream crossings including four separate public road systems in the White Gold-Dawson Range district.

Rosebute Gold Property, Yukon

The 694-claim (14,365-hectare) Rosebute property is located approximately 65 kilometres due south of Dawson City, at the headwaters of Rosebute Creek, a tributary of the Yukon River. Exploration work on the Rosebute property is targeting structurally controlled, orogenic gold deposits. To date three gold-in-soil target areas have been generated on the property by Taku including the Nor'west, Hudbay and Furtrade zones. In May 2016, Independence Gold Corp. optioned Rosebute and completed surface geophysics, mapping and sampling at the Hudbay zone followed by a 12-hole (924-metre) rotary air blast drill program. Best results were obtained in holes RO16-015 which intersected 0.5 g/t Au over 36.6m and RO16-16 which intersected 0.31 g/t Au over 38.1m. In February 2017, Independence dropped the option.

In 2017, Taku extended detailed grid soil geochemical sampling to the south and west of Hudbay zone and did reconnaissance ridge and spur-type soil sampling over the western third of the property where no exploration work had been completed previously. This work extended the Hudbay zone approximately 200 metres southwest. Results to date warrant further work on all three zones to determine the orientation and extent of gold mineralization.

Sulphur Gold Property, Yukon

The 543-claim (11,344-hectare) Sulphur property is located approximately 45 kilometres southeast of Dawson City and straddles Sulphur Creek. Exploration work on the property is targeting structurally controlled, orogenic gold deposits.

At least 5 mineralized zones (Lions, Riders, Blues, Esks, and Stamps) defined by gold-in soil anomalies with gold greater than 60ppb have been identified on the property. Previous work by Taku identified a conductor adjacent to the Lions zone that is the potential cause of a gold-arsenic-silver anomaly, and prospective as a gold-bearing bedrock structure. Previous trenching and drilling appears to have focused directly over the soil anomaly and did not test the conductor. In 2017, Taku excavated four trenches and drilled 780 metres in eight holes to test the Lions zone. The drilling was successful in intersecting the structure, however no significant gold values were obtained. The gold-in-soil anomalies on the property remain unexplained and further work is required to determine the distribution and extent of the gold mineralization in bedrock.

Quartz Gold Property, Yukon

The 146-claim (3,022-hectare) Quartz property is located at the headwaters of Calder and Blanche creeks approximately 30 kilometres southeast of Dawson City. Exploration work on the property is targeting structurally controlled, orogenic gold deposits. Good access is provided by several seasonal trails that lead from the Quartz Creek road onto the property. The Quartz claims are adjacent to Klondike Gold Corp.'s Eldorado property where there is ongoing drilling at the Lone Star zone. There are also numerous large-scale placer gold mining operations on Quartz Creek directly east of the property. Mineralization on the Quartz property is generally hosted within structurally controlled quartz veins and can be associated with small amounts of pyrite and galena. A small anomalous gold-in-soil zone is associated with a magnetic high on the north western portion of the property adjacent to Klondike gold's Eldorado Property.

In 2017, Taku completed detailed soil geochemical sampling, prospecting, and trenching adjacent to a strong magnetic high in the northwest corner of the property. Two trenches (for a total of 194.4m) were excavated, and a total of 46 samples were collected. The best result in the trenching was 109.5ppb Au over 0.4m. Further work is required to test the extent of the gold mineralization.

Wounded Moose and Bishop Gold Properties, Yukon

No work was completed in 2017 at the 66-claim (1,379-hectare) Wounded Moose or the 18-claim (376-hectare) Bishop properties located approximately 55 kilometres south of Dawson City. Both of these properties have gold targets that warrant additional work.

The Wounded Moose property covers a northwest-trending, moderate to strong, linear gold-in-soil trend over a distance of 500m in the north-central part of the property. Gold values within the anomaly varied from 21 to 102 parts per billion Au gold ("ppb Au"). In 2013 trenching over this anomaly returned up to 2.3 grams per tonne gold ("g/t Au") over 5.0 metres. In 2016 a VLF electromagnetic survey was completed over the northern part of Wounded Moose, and airborne magnetic data collected in 2011 was re-interpreted. This work identified a magnetic low with several coincident bedrock VLF conductors approximately 200 metres northeast of and roughly parallel to the gold-in-soil trend. This feature needs to be tested to see if it outlines a gold-bearing bedrock structure.

The Bishop property covers a circular, moderate to strong, gold-in-soil anomaly measuring 200 by 200 metres on the north slope of a low hill located in the centre of the property. Gold values within anomaly trend varied from 21 to 86 parts per billion Au gold. In 2016 a VLF electromagnetic survey was completed. No clear bedrock targets were identified, although several north-trending VLF conductors were defined adjacent to the gold-in-soil anomaly. Further work is required to determine the source and extent of gold mineralization.

Chopin, Korat, Lucky Joe and 40 Mile Gold Properties, Yukon

In July 2017, the Company purchased a 100% interest in the Chopin, Korat, Lucky Joe and 40 Mile properties from Golden Predator, and subsequently completed some preliminary work on all of the properties except Chopin, primarily to address assessment work deadlines.

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The 9-claim (182-hectare) Korat property covers a 1km long exploration target defined by gold-in soil anomalies (the Diego Zone) up to 105ppb Au and is located approximately 8km north of Comstock's VG gold deposit. In 2017, Taku carried out a soil sampling program with 116 soils samples collected on 50m intervals on 100 m spaced lines over the Diego trend. Encouraging results (up to 104.9ppb gold in soils) from Korat confirmed and strengthened the Diego anomaly (now ~100x1,000m), including a 0.63g/t Au grab sample from the Diego showing.

The 65-claim (1,316-hectare) 40 Mile property covers a 750m long, linear gold-in-soil anomaly with gold values above 100ppb Au and up to 1630ppb Au with float samples assaying up to a maximum of 0.53g/t Au. It is thought that the soil anomaly traces a gold-bearing fault structure. A small trenching program was completed at 40 Mile in August 2018. Upon analysis of the trenching results, the Company decided to terminate the option agreement and wrote off the balance of the property.

The 548-claim (11,097-hectare) Lucky Joe property covers several orogenic gold and porphyry copper-gold mineralized zones including: Bear Cub, Lucky Joe, and Ryan's Creek zones. Historical work on the property includes approximately 7,000m in 42 holes drilled on the property since 1970 and has produced significant mineralized intersections at each zone including: the Bear Cub Zone: 22.m of 0.217% Cu, 0.088 g/t Au, and 74.1m of 0.135% Cu, and 0.032 g/t Au, the Lucky Joe Zone: 30m of 0.36% Cu, and 22.87m of 0.62% Cu, and Ryan's Creek Zone: 12.05m of 0.8 g/t Au, 7.3m of 0.91% Cu, 0.5g/t Au, and 2.4m of 3.24 g/t Au.

In 2017, Grid soil sampling (consisting of 327 samples) on the west boundary of the Lucky Joe property along with 13 rock samples collected in the northern portion of the property (outside of the known mineralized zones) failed to return any significant gold values.

Sonora Gulch Gold Property, Yukon

In July 2017, the Company entered into an option agreement with Golden Predator to earn a 100% interest in the 259-claim (5,414-hectare) Sonora Gulch property. It is located in the Whitehorse Mining District approximately 110km northwest of the town of Carmacks, and approximately 265km north of Whitehorse. It covers multiple styles of mineralization including porphyry copper-gold mineralization associated with Cretaceous porphyry intrusions similar to the Casino Deposit (4.5 billion lbs copper, 8.9 Million oz. gold), mesothermal Au-Ag + base metal skarn/replacement style mineralization and high level epithermal Au-Ag style mineralization. Four zones have been identified on the property with significant mineralization (Amadeus, Nightmusic, Jupiter, and Gold Vein Zones), and at least 4 additional zones host untested gold-in-soil anomalies.

Historical work at Sonora Gulch has identified significant mineralization in 4 zones, including the following intercepts:

- **Amadeus Zone** - drill hole SG06-06 intersected 11.1m of 8.01 g/t Au, and SG07-12 intersected 88m of 0.85g/t Au and 14.0m of 1.05 g/t Au.
- **Nightmusic Zone** - drill hole SG08-27 intersected 26.6m of 4.96 g/t Au, 11.9 g/t Ag and 0.23% Cu.
- **Gold Vein Zone** - drill hole SG10-55 intersected 51.0m of 0.179 g/t Au, and 4.0m of 11.3 g/t Au and 263 g/t Ag. Also in the Gold Vein Zone, drill hole SG11-58 intersected 234.0m of 0.45 g/t Au and 3 g/t Ag.
- **Jupiter Zone** - drill hole SG10-53 intersected 16.0m of 1.88 g/t Au and SG10-47 intersected 6.0m of 1.44 g/t Au.

In 2017, a total of 116 soil samples were collected at 50m spaced centers on 100m spaced lines. The soil sampling outlined an ENE trend (100x1000m) of anomalous (>20ppb) gold in soil (up to 104.9ppb).

Keno Hill Gold District, Yukon

The Keno Hill area, located in the Mayo Mining District, has long been known for its spectacular silver deposits. It is Canada's second largest silver producing area after Cobalt, Ontario, and has the distinction of being Canada's highest-grade silver camp. However the Keno Hill area is now also being recognized for its gold potential as Victoria Gold Corp. readies its Eagle Gold deposit for production, and a number of juniors including Banyan Gold Corp., Generic Gold Corp. and Zonte Metals Inc. are aggressively exploring on adjacent properties. On the silver side, Alexco Resource Corp. has consolidated and continues to explore the former Keno Hill camp, and Metallic Minerals Corp. is also exploring for silver on its significant land package. Taku's McQ and Keynote properties are located in this developing exploration camp.

McQ Gold Property, Yukon

The 198-claim (3,780-hectare) McQ property is located in the Mayo Mining District, approximately 35km northwest of Mayo. It covers several reduced intrusion related gold targets similar to Victoria Gold's Eagle deposit and Golden Predator's Gold Dome property, where historical work has outlined anomalous gold-in-soil values up to a maximum of 259 part per billion gold ("ppb Au") with coincident anomalous arsenic and silver values from a ridge in the southeast part of the property as well as silver values up to 3.5 grams per tonne silver ("g/t Ag") on a ridge in the northern part of the property.

In 2017, Taku completed a 538-sample soil geochemical survey on the property. The sampling extended a known gold-in-soil zone up to length of 1.6 kilometres along a southwest-trending ridge. Gold values within the zone range from trace to 259 ppb Au with elevated arsenic values up to 1,682 ppm As. The zone occurs on the south boundary of the McQ property adjacent to Golden Predator's Gold Dome property where exploration drilling has intercepted significant gold mineralization in several zones.

Taku staked 100 additional mineral claims at McQ in 2017, based on the positive results of the soil sampling program.

Keynote Gold Property, Yukon

In July 2017, Taku purchased a 100% interest in the 77-claim (1,518-hectare) Keynote property, located approximately 15 kilometres southeast of Keno City. Work to date on Keynote has located an anomalous gold-in-soil zone with values from trace to 292 ppb Au on the east side of the property. Surface rock grabs ranging from 175 to 553 ppb Au have been collected from this zone. The gold

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values are associated with sheeted quartz veins and elevated arsenic values. This style of mineralization appears to fit the reduced IRGS-type deposit model. One day of soil sampling was completed on Keynote in 2017 for assessment work purposes.

Tag Gold-Silver Property, British Columbia

The 26-claim (2,429-ha) Tag Gold-Silver property is located 35 kilometres due west of Atlin on Taku Arm of Tagish Lake in Northern British Columbia. The property covers 6.2 kilometres of the 025 Fault Zone ("025FZ"). The 025FZ is a highly deformed interval of shearing, quartz veining, stockwork and breccia with disseminated to stringer sulphide mineralization that cuts calcareous sedimentary rocks.

In 2009, an initial NI43-101 compliant resource was estimated using a 3.0gpt gold equivalent cut-off on 28 eligible holes drilled at the "Main" zone. Estimated mineral resources are 250,000 tonnes at 2.97g/t Au and 12.09g/t Ag indicated, and 400,000 tonnes at 2.98g/t Au and 9.91g/t Ag inferred. Additional drilling to expand the resource at the Main zone or to discover new mineralized zones is needed to further advance the Tag project

Mr. Gilles R. Dessureau, M.Sc., P.Geo., a Qualified Person as defined by National Instrument 43-101 has reviewed, verified and approved disclosure of the technical information contained in this MD&A.

SUMMARY OF QUARTERLY RESULTS

The following summary of quarterly results is derived from the Company's unaudited interim financial statements prepared by management:

	September 30, 2018	June 30, 2018	March 31, 2018	December 31, 2017
Operating expenses, excluding stock-based compensation	\$ (41,057)	\$ (66,810)	\$ (61,065)	\$ (293,834)
Stock-based compensation	(25,321)	(36,134)	(42,066)	(149,979)
Interest revenue	1,798	1,884	1,594	98
Fair value adjustment on marketable securities	(4,000)	(4,000)	(3,000)	(17,000)
Impairment of mineral properties	(249,162)	-	-	-
Net loss and comprehensive loss	(317,742)	(105,060)	(104,537)	(460,715)
Basic & diluted loss per share	\$ (0.01)	\$ (0.00)	\$ (0.00)	\$ (0.01)

	September 30, 2017	June 30, 2017	March 31, 2017	December 31, 2016
Operating expenses, excluding stock-based compensation	\$ (138,227)	\$ (82,610)	\$ (56,761)	\$ (83,911)
Stock-based compensation	-	-	-	(122,985)
Interest revenue	-	-	60	-
Fair value adjustment on marketable securities	-	-	-	(26,000)
Net loss and comprehensive loss	(138,227)	(82,610)	(56,701)	(232,896)
Basic & diluted loss per share	\$ (0.01)	\$ (0.01)	\$ (0.00)	\$ (0.02)

The Company is an exploration stage entity engaged in the exploration and evaluation of gold resource properties in Canada. Operating expenses have generally been decreasing from the comparative prior periods as the Company has been focused on cost control and been doing relatively little active exploration. Operating expenses were exceptionally high in the quarter ended December 31, 2017 due to costs associated with a changeover in Company management. Non-cash stock-based compensation expense varies depending on the timing of option grants and their vesting schedules. The Company terminated their option agreement on the 40 Mile property, leading to the large impairment charge recorded in the current quarter.

The Company's net loss in future quarters may vary significantly depending on the scope of the Company's exploration activities and the timing and amounts of any non-cash expenses such as stock-based compensation and impairments.

RESULTS OF OPERATIONS

The following discussion addresses the operating results and financial condition of the Company for the three and nine-month period ended September 30, 2018 compared with the three and nine-month period ended September 30, 2017.

Nine months ended September 30, 2018

The Company had a net loss for the nine-month period ended September 30, 2018 of \$527,339 (2017 - \$277,538). The increase of \$249,801 in the net loss for the nine-month period ended September 30, 2018 compared to the nine-month period ended September 30, 2017 was primarily due to an impairment charge of mineral properties of \$249,162 (2017 - \$Nil) recorded when the Company terminated their option agreement on the 40 Mile Property. In addition, stock-based compensation of \$103,521 was recorded in the nine-month per ended September 30, 2018 (2017 - \$Nil). Stock-based compensation charges vary with the timing of option grants and the vesting schedules of those options.

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Excluding the impairment charge and stock-based compensation, the net loss was \$174,656 for the nine months ended September 30, 2018 versus \$277,538 in the comparative period – a drop of \$102,882. This was primarily driven by decreases in management and consulting fees of \$65,656, professional fees of \$15,479 and travel and promotion expenses of \$21,329 as the Company focused on cost control.

Three months ended September 30, 2018

The Company had a net loss for the three-month period ended September 30, 2018 of \$317,742 versus a net loss of \$138,227 in the comparative quarter. The increase of \$179,515 in the net loss for the three-month period ended September 30, 2018 compared to the three-month period ended September 30, 2017 was primarily due to an impairment charge of mineral properties of \$249,162 (2017 - \$Nil) recorded when the Company terminated their option agreement on the 40 Mile Property. In addition, stock-based compensation of \$25,321 was recorded in the current quarter (2017 - \$Nil). Stock based compensation charges vary with the timing of option grants and the vesting schedules of those options.

Excluding the impairment charge and stock-based compensation, the net loss was \$43,259 for the three months ended September 30, 2018 versus \$138,227 in the comparative period – a drop of \$94,968. This was primarily driven by decreases in management and consulting fees of \$53,409, professional fees of \$20,222, office and miscellaneous expenses of \$15,491 and travel and promotion expenses of \$7,866 as the Company focused on cost control.

LIQUIDITY AND GOING CONCERN

At September 30, 2018, the Company had cash and cash equivalents of \$338,233 (December 31, 2017- \$426,733), working capital of \$340,343 (December 31, 2017 - \$514,098), and an accumulated deficit of \$19,189,144 (December 31, 2017 - \$18,661,805). For the nine months ended September 30, 2018, a net loss of \$527,339 was recorded (2017 - \$277,538). The Company has no source of operating cash flows, and operations to date have been funded primarily from the issue of share capital. As a result, the Company's ability to continue as a going concern is contingent upon its ability to obtain additional financing.

The Company is currently exploring its mineral properties and has not yet determined the existence of economically recoverable reserves. The recoverability of the amounts shown for interests in mineral properties is dependent upon the discovery of economically recoverable reserves or proceeds from the disposition thereof, confirmation of the Company's interest in the underlying mineral claims, the ability of the Company to obtain financing to complete development of the properties and on future profitable operations.

These financial statements have been prepared on the assumption that the Company will continue as a going concern, which assumes that the Company will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. Management estimates that it has sufficient working capital to fund its operating costs over the next year, but not enough to undertake a significant amount of mineral exploration activities. The Company's continued operations are dependent on its ability to raise additional funding from equity financings, loans, or other arrangements. There is no assurance that future financing activities will be successful. These conditions give rise to a material uncertainty which casts significant doubt on the Company's ability to continue as a going concern, and, therefore, its ability to realize its assets and discharge its liabilities in the ordinary course of operations. These financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and balance sheet classifications that would be necessary were the going concern assumption not appropriate. Such adjustments could be material.

The Company did not complete any financings during the nine-month period ended September 30, 2018. The following financings were completed during the year ended December 31, 2017:

- In July 2017, the Company closed a private placement for 12,980,000 units at a price of \$0.10 per unit for gross proceeds of \$1,298,000. Each unit consists of one common share and one share purchase warrant, with each warrant entitling the holder to acquire one additional common share of the Company at \$0.15 per share for a period of two years. The Company paid cash share issuance costs of \$75,504 and issued 766,800 agent warrants valued at \$161,028 in connection with the placement.
- In May 2017, the Company closed a private placement for 4,050,000 units at a price of \$0.10 per unit for gross proceeds of \$405,000. Each unit consists of one common share and one share purchase warrant, with each warrant entitling the holder to acquire one additional common share of the Company at \$0.15 per share for a period of two years. The Company paid cash share issuance costs of \$11,430 and issued 114,300 agent warrants valued at \$12,573 in connection with the placement.

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RELATED PARTY TRANSACTIONS

Related parties include current and former directors and officers of the Company, and the following organizations:

Name	Relationship
Golden Predator Mining Corp. ("GPY")	A significant shareholder of the Company
Solidus Geological Services	A private company owned by Gilles Dessureau*
Tangent Management Corp.	A private company owned by Zachery Dingsdale* and Stephen Smith*
Breakaway Exploration Management Inc.	A private company owned by Mark Fekete*
Bhamji Taxation Services Inc.	A private company owned by Bilal Bhamji*

* Former officers or directors of the Company

As at September 30, 2018, accounts payable and accrued liabilities included \$18,450 (December 31, 2017 - \$3,242) owing to GPY.

During the period ended September 30, 2018 and 2017, the Company paid or accrued the following amounts to key management (officers and directors) or to companies controlled by key management:

Name of Company, Director or Officer	Nature of transactions	2018	2017
Golden Predator Mining Corp.	Management fees and office rent	\$ 63,000	\$ -
Solidus Geological Services	Consulting fees for Gilles Dessureau	16,590	-
Zachery Dingsdale*	Management fees	-	60,000
Tangent Management Corp.	Management fees for Stephen Smith	-	52,500
Tangent Management Corp.	Office rent	-	3,000
Breakaway Exploration Management Inc.	Exploration expenditures	-	189,149
Bhamji Taxation Services Inc.	Accounting services	-	39,500
Stock-based compensation to directors and officers	Option grants	95,732	-
		\$ 175,322	\$ 344,149

* Former officers or directors of the Company

ACCOUNTING POLICIES

The Company's significant accounting policies are described in Note 2 to the Company's audited consolidated financial statements for the years ended December 31, 2017 and 2016. Current period changes to the Company's accounting policies are described in Note 2 to the Company's condensed interim financial statements for the nine months ended September 30, 2018 and 2017.

OFF-BALANCE SHEET ARRANGEMENTS

As at September 30, 2018, the Company had no material off-balance sheet arrangements such as guarantee contracts, contingent interest in assets transferred to an entity, derivative instruments obligations or any obligations that trigger financing, liquidity, market or credit risk to the Company.

PROPOSED TRANSACTIONS

There are no proposed transactions that have not been disclosed herein.

FINANCIAL INSTRUMENTS

Financial instruments include cash and any contracts that give rise to a financial asset to one party and a financial liability or equity instrument to another party. As at September 30, 2018 and December 31, 2017, the Company's carrying values of cash and cash equivalents, accounts receivable and accounts payable and accrued liabilities approximate their fair values due to their short term to maturity.

The three levels of the fair value hierarchy are:

- 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.

As at September 30, 2018 and December 31, 2017, the Company's marketable securities are based on level 1 inputs of the fair value hierarchy and the values are based on the closing trading price of the shares on public stock exchanges at the period-end date.

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FINANCIAL RISK MANAGEMENT

Market risk

Market risk is the risk of loss that may arise from changes in market fluctuations such as those listed below. The fluctuations may be significant.

Foreign exchange risk

The Company operates mainly in Canada, but a small portion of the Company's financial assets and liabilities may be denominated in US dollars. The Company does not undertake currency-hedging activities but continuously monitors its exposure to foreign exchange risk to determine if any mitigation strategies warrant consideration.

Credit risk

Credit risk is the risk of loss associated with counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash and cash equivalents, accounts receivable and reclamation bonds. The Company has no significant concentration of credit risk arising from operations. Cash and cash equivalents consist primarily of cash or short term GIC's held at major Canadian financial institutions and accounts receivable consists primarily of goods and services tax and a minimal amount of accrued interest. Reclamation bonds consist of GIC's held at major Canadian financial institutions. Management believes the risk of loss for these financial instruments to be minimal.

Interest rate risk

Interest rate risk mainly arises from the Company's cash and cash equivalents, which receive interest based on market interest rates. Fluctuations in interest cash flows due to changes in market interest rates are not significant.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its current obligations as they become due. The Company prepares annual exploration and administrative budgets and monitors expenditures to manage short-term liquidity. Due to the nature of the Company's activities, funding for long-term liquidity needs is dependent on the Company's ability to obtain additional financing through various means, including equity financing. There can be no assurance that the Company will be able to obtain adequate financing or that the terms of such financing will be favorable. As at September 30, 2018, the Company had working capital of \$340,343 (December 31, 2017 - \$514,098).

All of the Company's financial liabilities, consisting of accounts payable and accrued liabilities totaling \$47,428 as at September 30, 2018 (December 31, 2017 - \$31,293) are expected to be settled within one year.

Price risk

The Company is exposed to price risk with respect to equity prices. Equity price risk is the risk of loss associated with movements in individual equity prices or general movements in the level of the stock market. The Company closely monitors individual equity movements and the stock markets to determine appropriate actions to be taken by the Company. The Company has investments in certain publicly traded companies (marketable securities), and there can be no assurance that the Company can exit these positions if required, so there is a risk that proceeds may not approximate the carrying value of these investments. At September 30, 2018, a 10% fluctuation in the price of the Company's marketable securities would increase or decrease comprehensive loss by \$1,200 (December 31, 2017 - \$2,300).

CAPITAL MANAGEMENT

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the exploration and development of its mineral properties, acquire additional mineral property interests and to maintain a flexible capital structure that optimizes the costs of capital at an acceptable level of risk. In the management of capital, the Company includes components of shareholders' equity. The Company manages the capital structure and adjusts it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, issue debt, acquire or dispose of assets or adjust the amount of cash and cash equivalents and marketable securities.

The Company is not currently subject to externally imposed capital requirements. There were no changes in the Company's approach to capital management during the nine months ended September 30, 2018 and 2017.

CRITICAL ACCOUNTING ESTIMATES

The Company has prepared its financial statements in accordance with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB"). Note 2 of the audited financial statements for the years ended December 31, 2017 and 2016 provides details of significant accounting policies and accounting policy decisions for significant or potentially significant areas that have had an impact on the Company's financial statements or may have an impact in future periods. Current period changes to the Company's accounting policies are described in Note 2 to the Company's condensed interim financial statements for the nine months ended September 30, 2018 and 2017.

The preparation of financial statements in conformity with IFRS requires management to use estimates and assumptions that affect the reported amounts of assets and liabilities, as well as revenues and expenses. Readers are encouraged to refer to the critical accounting policies and estimates as described in the Company's audited financial statements for the years ended December 31, 2017 and 2016 and the Company's unaudited condensed interim financial statements for the nine months ended September 30, 2018 and 2017.

TAKU GOLD CORP.

MANAGEMENT'S DISCUSSION AND ANALYSIS

DISCLOSURE CONTROLS AND PROCEDURES

In connection with National Instrument 52-109 (Certificate of Disclosure in Issuer's Annual and Interim Filings) ("NI 52-109"), the Chief Executive Officer and Chief Financial Officer of the Company have filed Venture Issuer Basic Certificates with respect to the financial information contained in the unaudited condensed financial statements for the nine months ended September 30, 2018 and 2017 and this accompanying MD&A (together, the "Interim Filings").

In contrast to the full certificate under NI 52-109, the Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting, as defined in NI 52-109. For further information, the reader should refer to the Venture Issuer Basic Certificates filed by the Company with the Interim Filings on SEDAR at www.sedar.com.

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The information provided in this report, including the financial statements, is the responsibility of management. In the preparation of these statements, estimates are sometimes necessary to make a determination of future values for certain assets or liabilities. Management believes such estimates have been based on careful judgments and have been properly reflected in the financial statements.

OTHER MD&A REQUIREMENTS

Additional disclosure of the Company's technical reports, material change reports, news releases and other information can be obtained on SEDAR at www.sedar.com.

FORWARD-LOOKING INFORMATION

This Management Discussion and Analysis contains "forward-looking information" which includes, but is not limited to, information about the transactions, statements with respect to the future financial or operating performances of the Company and its projects, the use of proceeds from financings, expected contractual cash flow requirements, the future price of gold, the estimation of mineral reserves and resources, the realization of mineral reserve estimates, the timing and amount of estimated future production revenues, margins, costs of production, capital, operating and exploration expenditures, costs and timing of the development of new deposits, costs and timing of future exploration, cost and timing of plant and equipment, requirements for additional capital, government regulation of mining operations, environmental risks, reclamation and rehabilitation expenses, title disputes or claims, limitations of insurance coverage and the timing and possible outcome of pending litigation and regulatory matters. Often, but not always, forward-looking information statements can be identified by the use of words such as "proposes", "plans", "expects", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", or "believes", or variations (including negative variations) of such words and phrases, or state that certain actions, events or results "may", "could", "would", "might", or "will" be taken, occur or be achieved. The forward-looking statements are based on a number of assumptions, including, but not limited to, assumptions regarding general business, regulatory and economic conditions, the supply and demand for, and the level and volatility of the price of gold, the timing of the receipt of regulatory and government approvals for our development projects once the decision has been made to advance to production, the costs of production and the productivity levels as well as those of our competitors, power prices, availability of water and power resources for our future operations, market competition, the accuracy of our reserve and resource estimates (including with respect to size, grade and recoverability) and the geological, operational and price assumptions on which these are based, conditions in financial markets, our ability to attract and retain skilled staff, and our ability to procure equipment and operating supplies.

Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such factors include, among others, general business, economic, competitive, political and social uncertainties; the actual results of current exploration activities and feasibility studies; assumptions in economic evaluations that may prove inaccurate; fluctuations in the value of the Canadian or US dollar; future prices of gold; possible variations of ore grade or recovery rates; failure of plant or equipment or failure to operate as anticipated; accidents; labour disputes or slowdowns or other risks of the mining industry; climatic conditions; political instability; or arbitrary decisions by government authorities.

Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results to differ from those anticipated, estimated or intended. Forward-looking statements contained herein are made as of the date of this Management Discussion and Analysis based on the opinions and estimates of management. There can be no assurance that forward-looking 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.

RISKS AND UNCERTAINTIES

Prior to making an investment decision, investors should consider the investment risks set out below and those described elsewhere in this document, which are in addition to the usual risks associated with an investment in a business at an early stage of development. The directors of the Company consider the risks set out below to be the most significant to potential investors in the Company, but are not all of the risks associated with an investment in securities of the Company. If any of these risks materialize into actual events or circumstances or other possible additional risks and uncertainties of which the Directors are currently unaware, or which they consider not to be material in relation to the Company's business, actually occur, the Company's assets, liabilities, financial condition, results of operations (including future results of operations), business and business prospects, are likely to be materially and adversely affected. In such circumstances, the price of the Company's securities could decline and investors may lose all or part of their investment.

TAKU GOLD CORP.
MANAGEMENT'S DISCUSSION AND ANALYSIS

Availability of financing

There is no assurance that additional funding will be available to the Company for additional exploration or for the substantial capital that is typically required in order to bring a mineral project to the production decision or to place a property into commercial production. There can be no assurance that the Company will be able to obtain adequate financing in the future or that the terms of such financing will be favorable. Failure to obtain such additional financing could result in the delay or indefinite postponement of further exploration and development of its properties.

Title matters

While the Company has performed its due diligence with respect to title of its properties, this should not be construed as a guarantee of title. The properties may be subject to prior unregistered agreements of transfer or other adverse land claims, and title may be affected by undetected defects.

Management

The Company is dependent on a relatively small number of key personnel, the loss of any of whom could have an adverse effect on the Company.

Economics of developing mineral properties

Mineral exploration and development involves a high degree of risk and few properties that are explored are ultimately developed into producing mines.

With respect to the Company's properties, should any mineral resource exist, substantial expenditures will be required to confirm that mineral reserves which are sufficient to commercially mine exist on its current properties, and to obtain the environmental approvals and permits required to commence commercial operations. Should any resource be defined on such properties, there can be no assurance that the mineral resources on such properties can be commercially mined or that the metallurgical processing will produce economically viable, merchantable products. The decision as to whether a property contains a commercial mineral deposit and should be brought into production will depend upon the results of exploration programs and/or feasibility studies, and the recommendations of duly qualified engineers and/or geologists, all of which involves significant expense. This decision will involve consideration and evaluation of several significant factors including, but not limited to: (i) costs of bringing a property into production, including exploration and development work, preparation of production feasibility studies and construction of production facilities; (ii) availability and costs of financing; (iii) ongoing costs of production; (iv) market prices for the minerals to be produced; (v) environmental compliance regulations and restraints (including potential environmental liabilities associated with historical exploration activities); and (vi) political climate and/or governmental regulation and control.

The ability of the Company to sell and profit from the sale of any eventual mineral production from any of the Company's properties will be subject to the prevailing conditions in the global minerals marketplace at the time of sale. The global minerals marketplace is subject to global economic activity and changing attitudes of consumers and other end users' demand for mineral products. Many of these factors are beyond the control of the Company and therefore represent a market risk that could affect the long-term viability of the Company and its operations.

**TAKU GOLD CORP.
MANAGEMENT'S DISCUSSION AND ANALYSIS**

OUTSTANDING SHARE DATA AS AT NOVEMBER 22, 2018

a) Issued share capital:
There are 39,846,515 common shares issued and outstanding.

b) Outstanding stock options:

Expiry Date	Outstanding Options	Exercise Price (\$)
April 15, 2021	260,000	0.07
June 30, 2021	60,000	0.10
September 7, 2021	250,000	0.05
September 8, 2022	700,000	0.20
December 15, 2022	900,000	0.13
	2,170,000	0.14

c) Outstanding warrants:

Expiry Date	Outstanding Warrants	Exercise Price (\$)
May 18, 2019	4,164,300	0.15
July 4, 2019	13,746,800	0.15
	17,911,100	0.15

DIRECTORS AND OFFICERS

Janet Lee-Sheriff, Director
Peter Bures, Director
C.F. Trey Wasser III, Director
Lori Walton, Director
Dennis Fentie, Director
Patricia Wilson, Director
Neil Swift, Interim President and CEO
Greg Hayes, Interim CFO and Corporate Secretary