

TAKU GOLD

CORP.

Taku Gold Corp.

(An Exploration Stage Company)

Management's Discussion and Analysis

For the nine months ended September 30, 2019 and 2018

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, 2019. This MD&A should be read in conjunction with the unaudited condensed interim financial statements for the nine months ended September 30, 2019 and 2018, the audited financial statements for the years ended December 31, 2018 and 2017 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 www.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".

CORPORATE HIGHLIGHTS

1. The Company announced a series of acquisitions to acquire and consolidate the high-grade Portland Project, located in the greater White Gold District (see News Releases dated July 8, 2019 and August 6, 2019).
2. The Company optioned the Gold Run and Midas properties in the White Gold District.
3. The Company acquired a 100% interest in the Sonora Gulch Property, located in Yukon's White Gold District.
4. A ~300-meter trenching program was completed on the Rosebute property. Results are pending.
5. Small soil sampling programs were completed at the McQ, Midas, Gold Run, Portland and Quartz properties. Results for approximately 570 soil samples are pending.
6. On the Midas property, a 100-pound bulk sample was collected from a 0.8m wide quartz-limonite-pyrite-galena vein. The sample has been submitted for metallurgical analysis to investigate its amenability to gravity recovery methods. Results are pending.
7. Jordan Butler was appointed as the Company's Chief Executive Officer. Neil Swift resigned from his position as interim President and Chief Executive Officer;

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/Klondike Gold Districts, Yukon

Taku currently holds eleven properties covering approximately 50,000 hectares in the White Gold and Klondike gold districts of Yukon. The Klondike Gold District, located just south of Dawson City, is famous for the gold rush of 1898 and its rich placer gold deposits. The White Gold District lies just south of the Klondike Gold District 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'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

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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 significant projects held by juniors in the White Gold and Klondike Gold Districts including JP Ross – Vertigo Discovery (White Gold), Golden Saddle (White Gold), Casino (Western Copper and Gold), Eldorado (Klondike), Klaza (Rockhaven), and Freegold Mountain (Triumph).

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 km 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.

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. Project descriptions, including the recently acquired Portland, Gold Run and Midas properties are described below.

Portland Gold Property, Yukon

The Portland Gold property covers an area of approximately 1,525 Ha and is road-accessible through a network of summer roads from Dawson City, Yukon which lies 42 km away. The property lies along a series of parallel northwest trending gold bearing structures including the Gold Run Fault. An initial drill program was conducted in 2011 consisting of seven NQ2 diamond drill holes, of which five holes intersected significant mineralization with less than 11% of the drilled meters having been sampled. Further work at the property may include auger soil sampling, trenching, VLF and additional diamond drilling.

In 2019, the Company acquired the Portland Gold Project from a local prospector in exchange for \$20,000 and a 1.0% NSR Royalty, of which 100% can be repurchased for \$200,000.

The Company completed a small soil sampling program in 2019 to extend coverage to the north and south of the historic Gold Run showing. Results are pending.

Gold Run Property, Yukon

The Gold Run Property covers an area of approximately 895 ha consisting of 44 contiguous quartz claims located 47 km from Dawson and accessible through a network of improved dirt roads. The property covers a 4 km segment of the regional Rabbit thrust fault that is reported to extend at least 55 km with gold mineralization reported along its length.

Previous exploration has identified gold mineralization along a northwest trend consisting of quartz veins, veinlets and stockworks that are typically 2 to 10 cm in width and thought to be laterally continuous. The majority of previous work on the project has focused on the Doron Zone, where 22 distinct gold-bearing veins or alteration zones have been identified with grades of up to 2.2 g/t gold over 18.2 m including 9.1 g/t gold over 1.8 m (Trench 07-04) and 14.7 g/t gold over 1.9 m (Trench 09-02). Mineralization at the Doron Zone remains open in all directions.

On August 1, 2019, the Company signed an option agreement to acquire a 100% interest in the Gold Run property, subject a 2.0% NSR royalty of which half may be re-purchased for \$1,500,000, in exchange for \$150,000 in cash and 300,000 shares over a five-year period. Following completion of the option agreement, an annual advance minimum royalty payment of \$10,000 will be paid to the optionor. Additionally, if Taku Gold completes a Pre-Feasibility Study then a payment equal to \$1.50 per gold equivalent ounce will apply to resources in the inferred or higher category.

The Company completed a small soil sampling program at the Gold Run property in 2019. Results are pending.

Midas Property, Yukon

The Midas Property covers an area of approximately 1,322 ha consisting of 65 contiguous quartz claims located 38 km from Dawson and accessible through a network of improved dirt roads. The project is located within a similar geological environment to the Gold Run Property but covers a separate parallel southwest dipping thrust fault, the Gold Run Fault. The project is bound by Dominion Creek and Sulphur Creek, which are two world-class placer gold deposits. Combined, these creeks have yielded an estimated 2,000,000 ounces of placer gold since discovery in 1896.

Previous work on the project has been limited to soil sampling, rock sampling and trenching with no known previous drilling. This work has identified seven zones, most significant of which is the high-grade Carib Zone where limited trenching suggests a minimum 570 m strike length that is open ended. A 2018 trench at the Carib Zone encountered a quartz vein that assayed 83.5 g/t gold and 435 g/t

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silver over a 1.0 m channel sample (Trench 18-19) and is open for expansion to the north. A second trench sample at the Carib Zone returned 50.5 g/t gold and 1,977 g/t silver over 0.6 m (Trench T3-17).

On August 1, 2019, the Company signed an option agreement to acquire a 100% interest in the Midas property, subject a 2.0% NSR royalty of which half may be re-purchased for \$1,500,000, in exchange for \$150,000 in cash and 300,000 shares over a five-year period. Following completion of the option agreement, an annual advance minimum royalty payment of \$10,000 will be paid to the optionor. Additionally, if Taku Gold completes a Pre-Feasibility Study then a payment equal to \$1.50 per gold equivalent ounce will apply to resources in the inferred or higher category.

The Company completed a small soil sampling program and collected a 100 lb bulk sample at the Midas property in 2019. The bulk sample was collected from a 0.8m wide quartz-limonite-pyrite-galena vein and has been submitted for metallurgical analysis in order investigate the amenability of gravity recovery methods. Results are pending.

Sonora Gulch Property, Yukon

The Company owns a 100% interest in the Sonora Gulch property located within the White Gold District, approximately 110 km northwest of the town of Carmacks, and approximately 265 km 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:

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

Rosebute Property, Yukon

The Company owns a 100% interest in the 694-claim (14,365-hectare) Rosebute property, which is located approximately 65 km 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 with trenching at the Hudbay zone having encountered 6.2 g/t gold over 5.0 m, 1.2 g/t gold over 10.0 m and 1.5 g/t over 20.0 m

The Rosebute property appears to lie along trend from White Gold Corp.'s Vertigo discovery, where maiden 2018 drill results were highlighted by 22.5 g/t gold over 30.5 m. Recent work by White Gold Corp. has expanded mineralization along this trend to their recently announced Titan target, where soil sampling results exceeded 100,000 ppb gold - representing the highest result ever within their 400,000-sample database (see White Gold Corp's News Release dated September 5, 2019). The Rosebute property is approximately 5 km north of the Titan target and along the emerging trend. No significant soil sampling has been completed in that area of the Rosebute property.

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 m southwest. Results to date warrant further work on all three zones to determine the orientation and extent of gold mineralization.

In 2019, the Company completed two trenches totaling almost 300m at the HudBay zone. These trenches were completed perpendicular to previous trenching, which appears to have been near parallel to the strike of known gold-bearing zones. Results are pending.

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Lucky Joe Property, Yukon

The Company owns a 100% interest in the 548-claim (11,097-hectare) Lucky Joe property, which covers several orogenic gold and porphyry copper-gold mineralized zones including: Bear Cub, Lucky Joe, and Ryan's Creek zones. The Lucky Joe and Bear Cub zones together outline a hydrothermal system over 21 km long and up to 3 km wide, while the Ryan's Creek zone parallels the Lucky Joe zone and is located 4 km to the southwest.

Historical work on the property includes approximately 7,000 m 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 0.22% copper, 0.09 g/t gold, and 74.1 m of 0.14% copper, and 0.03 g/t Gold, the Lucky Joe Zone: 30 m of 0.36% copper, and 22.9 m of 0.62% copper, and Ryan's Creek Zone: 12.1 m of 0.8 g/t gold, 7.3m of 0.91% copper, 0.5 g/t gold, and 2.4 m of 3.24 g/t gold.

Sulphur Gold Property, Yukon

The Company's owns a 100% interest in the 543-claim (11,344-hectare) Sulphur property, which is located approximately 45 km 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 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 m 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 Company owns a 100% interest in the 146-claim (3,022-hectare) Quartz property, located at the headwaters of Calder and Blanche creeks approximately 30 km 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.

The Company completed a small soil sampling program at the Quartz property in 2019. Results are pending.

Wounded Moose and Bishop Gold Properties, Yukon

The Company owns a 100% interest in the Wounded Moose property, which covers a northwest-trending, moderate to strong, linear gold-in-soil trend over a distance of 500 m in the north-central part of the property. Gold values within the anomaly varied from 21 to 102 ppb gold. In 2013 trenching over this anomaly returned up to 2.3 g/t gold over 5.0 m. 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 m 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 m 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 ppb 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.

Korat Property, Yukon

The Company owns a 100% interest in the 9-claim (182-hectare) Korat property that covers a 1 km long exploration target defined by gold-in soil anomalies (the Diego Zone) up to 105 ppb gold and is located approximately 8 km north of White Gold Corp.'s QV gold deposit. In 2017, Taku carried out a soil sampling program with 116 soils samples collected on 50 m intervals on 100 m spaced lines

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over the Diego trend. Encouraging results (up to 104.9 ppb gold in soils) from Korat confirmed and strengthened the Diego anomaly (now ~100 x 1,000 m), including a 0.63 g/t gold grab sample from the Diego showing.

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 commercial production. 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 43-claim (879-hectare) McQ property is located 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. Historical work has outlined anomalous gold-in-soil values up to a maximum of 259 ppb gold over a 1.6 km length that also has coincident anomalous arsenic and silver values.

The Company completed a small soil sampling program at the McQ property in 2019. Results are pending.

Keynote Gold Property, Yukon

The Keynote property is located approximately 15 km southeast of Keno City. Work to date on Keynote has located an anomalous gold-in-soil zone with values from trace to 292 ppb gold on the east side of the property. Surface rock grab samples range from 175 to 553 ppb gold have been collected from this zone. The gold values are associated with sheeted quartz veins and elevated arsenic values. This style of mineralization appears to fit the reduced IRGS-type deposit model.

Tag Gold-Silver Property, British Columbia

The 22-claim (1,071-hectare) Tag Gold-Silver property is located 35 km due west of Atlin on Taku Arm of Tagish Lake in Northern British Columbia. The property covers 6.2 km 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 3.0 g/t gold equivalent cut-off on 28 eligible holes drilled at the "Main" zone. Estimated mineral resources are 250,000 tonnes at 2.97 g/t gold and 12.09 g/t silver indicated, and 400,000 tonnes at 2.98 g/t Au and 9.91 g/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. Jeff Cary, CPG, 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.

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SUMMARY OF QUARTERLY RESULTS

The following is a summary of quarterly results of the Company for the most recent eight quarters:

	September 30, 2019	June 30, 2019	March 31, 2019	December 31, 2018
Operating expenses, excluding stock-based compensation	\$ (45,466)	\$ (53,791)	\$ (45,779)	\$ (62,819)
Stock-based compensation	(6,009)	(5,503)	(9,208)	(8,043)
Interest revenue	32	31	32	1,543
Fair value adjustment on marketable securities	2,000	(2,000)	5,000	(3,000)
Impairment of mineral properties	-	-	-	(2,885)
Net loss and comprehensive loss	(49,443)	(61,263)	(49,955)	(75,204)
Basic & diluted loss per share	\$ (0.00)	\$ (0.00)	\$ (0.00)	\$ (0.00)

	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)

RESULTS OF OPERATIONS

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 can also vary significantly 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 quarter ended September 30, 2018.

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.

Nine months ended September 30, 2019

The Company had a net loss for the nine-month period ended September 30, 2019 of \$160,661 (2018 - \$527,339). The decrease of \$366,678 in the net loss for the nine-month period ended September 30, 2019 compared to the nine-month period ended September 30, 2018 was primarily due to a mineral property impairment charge of \$249,162 recorded in the nine-months ended September 30, 2018 when the Company terminated the option agreement on the 40 Mile Property. No impairment charges were recorded in the current period. Stock-based compensation also dropped by \$82,801 compared to the comparative period, down to \$20,720 for the nine-months ended September 30, 2019 (2018 - \$103,521). Stock-based compensation charges vary with the timing of option grants

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and the vesting schedules of those options. Excluding stock-based compensation, cash operating expenses were \$145,036 for the nine months ended September 30, 2019 versus \$168,932 in the comparative period – a drop of \$23,896. This was primarily driven by a drop in professional fees of \$27,283 – from \$59,647 during the nine months ended September 30, 2018 to \$32,364 during the current period as the Company shifted additional functions in-house and relied less on outside professionals.

Three months ended September 30, 2019

The Company had a net loss for the three-month period ended September 30, 2019 of \$49,443 (2018 - \$317,742). The decrease of \$268,299 in the net loss for the three-month period ended September 30, 2019 compared to the three-month period ended September 30, 2018 was primarily due to a mineral property impairment charge of \$249,162 recorded in the three-months ended September 30, 2018 when the Company terminated the option agreement on the 40 Mile Property. No impairment charges were recorded in the current period. Stock-based compensation charges in the current period were \$6,009 (2018 - \$25,321) – a drop of \$19,312. Stock-based compensation charges vary with the timing of option grants and the vesting schedules of those options. Excluding stock-based compensation, cash operating expenses were stable compared to the comparative quarter - \$45,466 for the three months ended September 30, 2019 versus \$41,057 in the comparative period.

LIQUIDITY AND GOING CONCERN

At September 30, 2019, the Company had cash and cash equivalents of \$51,587 (December 31, 2018 - \$254,247), working capital of \$10,462 (December 31, 2018 - \$273,182), and an accumulated deficit of \$19,425,009 (December 31, 2018 - \$19,264,348). For the nine months ended September 30, 2019, a net loss of \$160,661 was recorded (2018 - \$527,339). 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. Due to its low working capital position, management estimates that it will require additional financing to fund its operating costs for the current fiscal year. 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, 2019 or during the year ended December 31, 2018.

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*

* Former officer of the Company

As at September 30, 2019, accounts payable and accrued liabilities included \$15,120 (December 31, 2018 - \$3,360) owing to GPY.

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During the periods ended September 30, 2019 and 2018, 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	2019	2018
Golden Predator Mining Corp.	Management fees and office rent	\$ 57,000	\$ 63,000
Golden Predator Mining Corp.	Consulting fees and exploration expenditures	11,000	-
Solidus Geological Services	Consulting fees for Gilles Dessureau*	-	16,590
Neil Swift*	Consulting fees	1,925	-
Stock-based compensation to directors and officers	Option grants	19,060	103,522
		\$ 88,985	\$ 183,112

* Former officer of the Company

ACCOUNTING POLICIES

The Company's significant accounting policies are described in Note 2 to the Company's audited financial statements for the years ended December 31, 2018 and 2017. The Company adopted the new accounting standard *IFRS 16 – Leases* for the year beginning January 1, 2019. The new accounting policy did not have any impact on the Company's financial statements.

OFF-BALANCE SHEET ARRANGEMENTS

As at September 30, 2019, 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, 2019 and December 31, 2018, 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, 2019 and December 31, 2018, 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.

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.

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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 receivable from the government of Canada, for which management believes the risk of loss to be minimal. 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, 2019, the Company had working capital of \$10,462 (December 31, 2018 - \$273,182).

All of the Company's financial liabilities, consisting of accounts payable and accrued liabilities totaling \$85,145 as at September 30, 2019 (December 31, 2018 - \$23,053) 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, 2019, a 10% fluctuation in the price of the Company's marketable securities would increase or decrease comprehensive loss by \$1,400 (December 31, 2018 - \$900).

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-month periods ended September 30, 2019 and 2018.

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, 2018 and 2017 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.

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The Company adopted the new accounting standard *IFRS 16 – Leases* for the year beginning January 1, 2019. The new accounting policy did not have any impact on the Company's financial statements.

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, 2018 and 2017 and the Company's unaudited condensed interim financial statements for the nine months ended September 30, 2019 and 2018.

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, 2019 and 2018 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 Annual 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

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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.

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 involve 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 mineral marketplace at the time of sale. The global minerals marketplace is

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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.

OUTSTANDING SHARE DATA AS AT NOVEMBER 22, 2019

1. Issued share capital:

There are 45,021,515 common shares issued and outstanding.

2. Outstanding stock options:

Expiry Date	Outstanding Options	Exercise Price (\$)
April 15, 2021	130,000	0.07
June 30, 2021	30,000	0.10
September 7, 2021	125,000	0.05
June 1, 2022	100,000	0.07
August 6, 2022	200,000	0.07
September 8, 2022	600,000	0.20
December 15, 2022	900,000	0.13
	2,085,000	0.13

DIRECTORS AND OFFICERS

Janet Lee-Sheriff, Director

Peter Bures, Director

C.F. Trey Wasser III, Director

Lori Walton, Director

Patricia Wilson, Director

Jordan Butler, President and CEO

Greg Hayes, Interim CFO and Corporate Secretary