



TAKARA RESOURCES INC.

**MANAGEMENT'S DISCUSSION AND ANALYSIS
OF THE COMPANY'S FINANCIAL CONDITION
AND RESULTS OF OPERATIONS
NINE MONTHS ENDED
SEPTEMBER 30, 2015**

TAKARA RESOURCES INC.
Management Discussion and Analysis
For the nine months ended September 30, 2015

Note to readers

This management discussion and analysis (“MD&A”) is prepared as at September 30, 2015 and should be read in conjunction with the September 30, 2015 condensed interim financial statements and the December 31, 2014 audited consolidated financial statements and notes thereto of Takara Resources Inc. (“Takara” or the “Company”), which have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as published by the International Accounting Standards Board (IASB). All figures are in Canadian dollars unless stated otherwise. This discussion contains forward-looking statements that are not historical in nature and involves risks and uncertainties. Forward-looking statements are not guarantees as to the Company’s future results as there are inherent difficulties in predicting future results. Accordingly, actual results could differ materially from those expressed or implied in the forward looking statements. Additional information, including the above mentioned financial statements, which contain extensive disclosure of the history and properties of the Company are available on SEDAR and may be accessed at www.sedar.com.

Cautionary Note Regarding Forward-Looking Statements

This MD&A includes "forward-looking statements", within the meaning of applicable securities legislation, which are based on the opinions and estimates of management and are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "budget", "plan", "continue", "estimate", "expect", "forecast", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe" and similar words suggesting future outcomes or statements regarding an outlook. Such risks and uncertainties include, but are not limited to, risks associated with the mining industry (including operational risks in exploration development and production; delays or changes in plans with respect to exploration or development projects or capital expenditures; the uncertainty of reserve estimates; the uncertainty of estimates and projections in relation to production, costs and expenses; the uncertainty surrounding the ability of Takara to obtain all permits, consents or authorizations required for its operations and activities; and health safety and environmental risks), the risk of commodity price and foreign exchange rate fluctuations, the ability of Takara to fund the capital and operating expenses necessary to achieve the business objectives of Takara, the uncertainty associated with commercial negotiations and negotiating with foreign governments and risks associated with international business activities, as well as those risks described in public disclosure documents filed by Takara. Due to the risks, uncertainties and assumptions inherent in forward-looking statements, prospective investors in securities of Takara should not place undue reliance on these forward-looking statements.

Readers are cautioned that the foregoing lists of risks, uncertainties and other factors are not exhaustive. The forward-looking statements contained in this MD&A are made as of the date hereof and the Company undertakes no obligation to update publicly or revise any forward-looking statements or in any other documents filed with Canadian securities regulatory authorities, whether as a result of new information, future events or otherwise, except in accordance with applicable securities laws. The forward-looking statements are expressly qualified by this cautionary statement.

REPORT DATE

The information in this report is presented as of November 30, 2015.

TAKARA RESOURCES INC.
Management Discussion and Analysis
For the nine months ended September 30, 2015

Overview

Takara is a mineral exploration company that, in late 2013, established its primary focus on uranium assets located in the Athabasca Basin region of Saskatchewan, Canada.

Due to the difficult market conditions facing junior exploration companies for the last two years, Takara began to investigate new opportunities. On December 14th, 2013 the Company entered into an agreement with a private company in respect of the acquisition of a 100% interest in mineral claims prospective for uranium exploration in the northwest region of the Athabasca Basin, Saskatchewan. The claims comprise 19,180 hectares located in the uranium-prolific Beaverlodge District, near Uranium City, Saskatchewan, where the former Eldorado Mining and Refining Limited, predecessor company to Cameco, operated its uranium mines. As announced on May 12, 2014, the Company added an additional 8,365 hectares in the region, bringing the total land position to 27,460. In addition, the Company closed the previously announced sale of its interest in its exploration assets in Guyana in 2013.

Highlights for the period ended December 31, 2014 and for the subsequent periods to November 30, 2015

On April 11, 2014 the Company announced a non-brokered private placement offering of up to \$350,000. Due to continued weakness in capital markets for junior exploration companies, Takara elected to withdraw the financing until market conditions improve and postpone the planned exploration program.

On May 6, 2014, the Company appointed Mr. William C. Kerr, P. Geo. to the position of Vice President Exploration. Mr. Kerr is a professional geologist with over 35 years of experience in senior exploration and mining management roles including fourteen years with Denison Mines, the last seven as worldwide Vice President, Exploration where he led successful uranium exploration programs in the Athabasca Basin including discovery success at Midwest A, and the Phoenix deposit at Wheeler River. He also has extensive experience evaluating mineral properties and completing detailed economic valuations of numerous early and advanced stage uranium assets in the Athabasca Basin. Mr. Kerr is a P. Geo and a member of the Association of Professional Geoscientists of Ontario, and a Fellow of the Geological Association of Canada. A published author on high-grade uranium with the Society of Economic Geologists, he has also served as past Chairman of the Exploration Section of the Saskatchewan Mining Association.

On May 12, 2014 the Company announced that it had acquired additional claims representing approximately 8,365 hectares in the Athabasca Basin, Saskatchewan for total cash consideration of \$60,000 and a 2% net smelter return royalty. Two of these three claims are contiguous to Takara's existing claims in the Basin and brings the total land holdings in the Beaverlodge District to approximately 27,460 Ha. The additional claims cover the northeast and southwest extensions of the mineralized Camp Lake fault, which is present for 8 kilometers on the original claim group. This fault is a splay similar to the St. Louis Fault which is postulated to be the main ore controlling structure in the Beaverlodge camp.

On December 30, 2014 the Company expanded its exposure to uranium by entering into an option agreement with Lakeland Resources Inc. to acquire a 50% interest, in the Fond du Lac Property, located in the northern Athabasca Basin region, Saskatchewan. The Property consists of one mineral claim, and is 2,827 hectares in size. The property is situated at the margin of the Athabasca Basin where the depth to the unconformity is relatively shallow. The historic and recent exploration has identified the presence of an optimal geological setting for the formation of unconformity-style mineralization. Historic exploration was conducted in the 1976 to 1984 era by Saskatchewan Mining and Development Corporation and Urangesellschaft Canada Ltd. Exploration consisted of regional airborne and geochemical surveys, followed by detailed ground EM, magnetic and gravity surveys and drilling of one hole in 1984. This

TAKARA RESOURCES INC.
Management Discussion and Analysis
For the nine months ended September 30, 2015

property fitted well with Takara’s exploration strategy to target shallow cover or basin perimeter bedrock hosted uranium mineralization that is projected to be less expensive and faster to find, delineate and develop than other targets in the Athabasca Basin. These additional claims expanded Takara’s coverage in this accessible known uranium-bearing region. Takara has the right to earn a 50% interest in the Property by issuing 1,500,000 common shares to Lakeland, which was completed, and by spending \$100,000 on exploration on the property and by issuing an additional 250,000 shares by June 1, 2015. The property is subject to a 1.5% NSR to the original vendor.

On September 15, 2015, Takara and Gold Bullion Development Corp. entered into a definitive purchase and sale agreement for Takara to acquire certain properties of Gold Bullion situated in Ontario, through the acquisition of Gold Bullion’s wholly-owned subsidiary, Castle Silver Mines Inc. (“CSM”). CSM currently owns a 100% interest in the 3,300-hectare Castle Silver Mine property, a past producer located near the northern Ontario community of Gowganda and 85km northwest of the historic Cobalt silver mining camp. Under the terms of the Agreement, Takara will acquire all of the issued and outstanding common shares of CSM from Gold Bullion in exchange for 10,000,000 units of Takara issued in equal stages of 2,500,000 units over a 4-year period (each unit consists of one common share in the capital of Takara and one common share purchase warrant exercisable at \$0.10, expiring one year from the date of issuance of the units. Distinct trains of strongly altered, sulphide-rich, rusty, angular boulders were discovered late last year on the Castle Property (see Gold Bullion news release December 8, 2014), just a few hundred meters from 2011 drill hole CA11-08 that returned the exceptionally high-grade silver intersection. CSM continues to investigate the source of these mineralized boulders which may represent a separate gold system at Castle overlooked by previous explorers and operators. The Castle Mine produced over 20 million ounces of silver between 1917 and 1989 when Agnico Eagle, the last operator, closed the mine due to low metal prices. Further information regarding the property can be found in Gold Bullion’s 43-101 Technical Report dated August 15, 2011 filed on SEDAR at www.sedar.com

Results of Operations for the nine months ended September 30, 2015

For the nine months ended September 31, 2015, the company reported a loss of \$391,985 compared to a loss of \$178,148 for the nine months ended September 30, 2014. Increased expenses to acquire the Castle project are the main reasons for this increase.

Expense Summary

A summary of the activity for the nine months ended September 30, 2015 and 2014 are as follows:

	September 30,	
	2015	2014
Expenses		
Geology, geophysics and surveys	\$330,761	\$ 63,739
Administrative and general expenses	11,037	74,748
Professional fees	31,458	37,806
Promotion and shareholder communication	21,729	1,855
	\$394,985	\$178,148

TAKARA RESOURCES INC.
Management Discussion and Analysis
For the nine months ended September 30, 2015

Liquidity and Capital Resources

Cash and equivalents totaled \$73,710 as at September 30, 2015, 2015 compared to \$3,257 as at December 31, 2014. Net working capital deficiency as at September 30, 2015 totaled \$199,292 and as at December 31, 2014 - \$199,710.

There can be no assurance that the Company will be successful in its efforts to arrange additional financing on terms satisfactory to the Company. If additional financing is raised by the issuance of shares from the treasury of the Company, control of Takara may change and shareholders may suffer additional dilution. During the nine months ended September 30, 2015, adequate financing has not been available, however, with the acquisition of the Castle project, management is of the opinion that additional funding can now be obtained.

As an exploration stage Company without a revenue stream, the Company budgets and plans exploration and administrative expenses, and closely monitors its monthly expenditures, investments and cash position.

Summary of Quarterly Results

Following is a summary of selected financial data for the Company's last eight completed quarters.

	<i>Sept 30 2015</i>	<i>June 30 2015</i>	<i>Mar 31 2015</i>	<i>Dec 31 2014</i>	<i>Sept 30 2014</i>	<i>Jun 30 2014</i>	<i>Mar 31 2014</i>	<i>Dec 31 2013</i>
Operating Loss	\$(327,996)	\$(66,989)	\$(8,842)	\$(147,306)	\$(34,690)	\$(127,747)	\$4,642	\$(127,711)
Net Loss	(327,996)	(66,989)	(8,842)	(147,306)	(34,690)	(127,747)	4,642	(127,711)
Loss per Share	\$(0.02)	\$(0.00)	\$(0.00)	\$(0.01)	\$(0.01)	\$(0.00)	\$(0.00)	\$(0.01)

The Company's level of activity and expenditures during a specific quarter are influenced by the availability of working capital, the availability of additional external financing, the time required to gather, analyze and report on geological data related to mineral properties, the results of the Company's prior exploration activities on its properties and the amount of expenditure required to advance its projects.

Related Party Transactions

The Company has entered into agreements with officers of the Company and private companies controlled by officers and directors of the Company for management consulting, geological consulting and other services required by the Company.

Management compensation

In accordance with IAS 24, key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including any directors (executive and non-executive) of the Company.

The remuneration paid to officers and directors of the Company operating in a management capacity for the nine months ended September 30, 2015 was \$10,500 (2014 - \$69,125).

Included in accounts payable and accrued liabilities was \$149,500 (2014 - \$55,446) payable to officers and directors of the Company or companies controlled by them. These amounts are unsecured and non-interest bearing with no fixed terms of repayment.

TAKARA RESOURCES INC.
Management Discussion and Analysis
For the nine months ended September 30, 2015

Commitments and Contingencies

(a) Environmental Contingencies

The Company's exploration activities are subject to various laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations.

(b) Flow-Through Shares

Pursuant to the issuance of 2,560,000 flow-through shares on December 31, 2013, the Company renounced \$128,000 of qualified exploration expenditures with an effective date of December 31, 2013. The Company was required to expend this amount on qualified exploration expenditures by December 31, 2014. As of December 31, 2014, the Company has expended \$64,990 of this amount on qualified exploration expenditures. There was a shortfall of qualified expenditures of approximately \$63,010 as at December 31, 2014.

The Company has indemnified the subscribers of current and previous flow-through share offerings against any tax related amounts that may become payable by the subscribers as a result of the Company not meeting this expenditure commitment.

(c) Management Contracts

The Company is party to a management contract. Upon the occurrence of certain events such as a change in control, the contract requires payment of up to \$180,000. As a triggering event has not taken place, the contingent payment has not been reflected in these consolidated financial statements.

Subsequent Events

On October 8, 2015, the Company, subject to TSX-Venture Exchange approval, entered into an Assignment Agreement with Gold Bullion Development Corp., granting Takara the right to acquire a 100% interest in the Beaver and Violet cobalt and silver properties located in the township of Coleman, in northern Ontario. Pursuant to the Agreement, Takara will pay to Gold Bullion Development Corp. an aggregate of \$75,000, consisting of \$15,000 payable within ten days upon execution of the Agreement plus four equal instalments of \$15,000 on the first, second, third and fourth anniversary dates of the date of the Agreement.

Effective October 1, 2015, the Company entered into a consulting agreement with a director of the Company. The fee for consulting services is \$3,000 per month

Off-Balance Sheet Arrangements

There are no off-balance sheet arrangements as at September 30, 2015.

TAKARA RESOURCES INC.
Management Discussion and Analysis
For the nine months ended September 30, 2015

Outstanding Share Data

The Company's authorized capital is an unlimited number of common shares without par value and . As at the date of this report there were 25,182,647 shares issued and outstanding. The Company had 6,647,000 share purchase warrants outstanding. Each warrant entitles the holder to purchase one common share at a price of \$0.10 per share until July 31, 2017.

Financial Instruments

The Company's financial instruments consist of cash, other receivables, trade payables and other payables.

1. Risk management and hedging activities

In the normal course of operations the company is exposed to various financial risks. Management's close involvement in the operations allows for the identification of risks and variances from expectations. The company does not meaningfully participate in the use of financial instruments to control these risks. The company has no designated hedging transactions. The financial risks and management's risk management objectives and policies are as follows:

- a. Currency risk - The Company does not hold any assets or liabilities denominated in a foreign currency.
- b. Price risk - The Company is exposed to price risk with respect to commodity prices. As the company is not a producing entity, this risk does not currently affect earnings, however, the risk could affect the completion of future equity transactions. The company monitors commodity prices of precious metals and the stock market to determine the timing, nature and extent of equity transactions.
- c. Credit risk - Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the company. The company is exposed to credit risk on cash. Cash is held with an established Canadian financial institution. The company does not have any derivatives or similar instruments that mitigate the maximum exposure to credit risk. The carrying amount of financial assets recorded as at December 31, 2014 in the amount of \$3,257 represents the maximum exposure to credit risk at the reporting date.
- d. Liquidity risk - Liquidity risk is the risk that arises when the maturity of assets and liabilities does not match. Management monitors the company's liquidity by assessing forecast and actual cash flows and by maintaining adequate cash on hand. As at September 30, 2015, the Company had a working capital deficiency in the amount of \$199,292.
- e. Interest rate risk - The company is not exposed to any meaningful interest rate risk due to the short term nature and immateriality of its interest generating asset.
- f. Sensitivity analysis The Company has cash and cash equivalents subject to interest rate risk of approximately \$73,710. A 1% change in the primary interest rate would not affect the reported net income by a material amount.
- g. Fair values, carrying amounts and changes in fair value The fair values of the company's financial instruments approximate their carrying value due to their short-term nature. Fair

TAKARA RESOURCES INC.
Management Discussion and Analysis
For the nine months ended September 30, 2015

value amounts represent point-in-time estimates and may not reflect fair value in the future. The measurements are subjective in nature, involve uncertainties and are a matter of judgment. The methods and assumptions used to develop fair value measurements, for those financial instruments where fair value is recognized in the balance sheet, have been prioritized into three levels as per the fair value hierarchy in Canadian generally accepted accounting principles.

Level 1 includes quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 includes inputs that are observable other than quoted prices included in level 1.

Level 3 includes inputs that are not based on observable market data.

- h. Collateral - The carrying value of financial assets the company has pledged as collateral as at September 30, 2015 is \$Nil (2014 - \$Nil).

Risks and Uncertainties

The exploration and development of mineral deposits involves significant risks over an extended period of time which requires a combination of careful evaluation, experience and knowledge. The Company may not be able to mitigate these significant risks. Few properties that are explored are ultimately developed into producing mines. The long-term profitability of the Company's operations will be primarily related to its ability to finance its working capital and operations which will be in part related to the cost and success of its exploration programs. Additionally, there are a number of factors beyond the control the Company including but not limited to the availability of skilled personnel, qualified vendors, construction and production targets, timetables, anticipated timing of grant of permits and governmental incentives, favourable commodities markets, contractual commitments, litigation matters, the inability to mitigate financial and operational risks, inability to have access to the capital markets and the availability of critical equipment.

Substantial expenditures are required to establish reserves through drilling to determine the technical and economic feasibility of mining and extracting resources from them and, if warranted, to develop the mining, processing facilities and infrastructure at any chosen site. Although substantial benefits may be derived from the discovery of a mineralized deposit, it is impossible to ensure that the current mineral properties in which the Company has an interest will result in profitable mining operations. Furthermore, there can be no assurance that the Company's estimates of future exploration expenditures will prove accurate and actual expenditures may be significantly higher than currently anticipated. Determining if a deposit will be commercially viable depends on a number of factors, some of which are the particular attributes of the deposit including the size and grade, costs and efficiency of the recovery methods that can be employed, proximity to infrastructure, land use and environmental protection. As the effect of these factors cannot be accurately predicted, any combination of them may result in the Company not receiving an adequate return on its invested capital, if any.

The exploration and development of mineral projects always involves significant risks over an extended period of time. Even where a combination of careful evaluation, experience and knowledge are evident, there is no assurance that an exploration project can be profitable or successful. The long-term viability of the Company's operations will be in part correlated to the cost and success of its exploration programs, which may be affected by a number of factors beyond the control of the Company including but not limited to commodity prices, the availability of skilled personnel, qualified vendors and critical equipment.

TAKARA RESOURCES INC.
Management Discussion and Analysis
For the nine months ended September 30, 2015

The operations of the Company are speculative due to the nature of the Company's business. An investment in securities entails a number of risks factors, which should be considered carefully; the following risk factors pertain to the business operations of Takara, include, but are not limited to the following:

Nature of Mineral Exploration and Mining

The exploration and development of mineral deposits involves significant risks over an extended period of time which even a combination of careful evaluation, experience, and knowledge may not eliminate, and few properties which are explored are ultimately developed into producing mines. The long-term profitability of the Company's operations will be in part related to the cost and success of its exploration programs, which may be affected by a number of factors out of the Company's control, such as the availability of skilled personnel, qualified vendors, construction and production targets, timetables, anticipated timing of grant of permits and governmental incentives, expected continuity of a favourable nickel and other commodities markets, contractual commitments, litigation matters and measures of mitigating financial and operational risks, continuous access to the capital markets, and the availability of critical equipment.

Substantial expenditures are required to establish reserves through drilling, to determine the technical and economic feasibility of mining and extracting them, and, if warranted, to develop the mining and processing facilities and infrastructure at any site chosen for mining. Although substantial benefits may be derived from the discovery of a major mineralized deposit, it is impossible to ensure that the current proposed exploration programs on the properties in which the Company has an interest will result in profitable mining operations. Furthermore, there can be no assurance that the Company's estimates of future exploration expenditures will prove accurate, and actual expenditures may be significantly higher than currently anticipated. Whether a deposit will be commercially viable depends on a number of factors, some of which are the particular attributes of the deposit, such as its size and grade, costs and efficiency of the recovery methods that can be employed, proximity to infrastructure, land use, and environmental protection. The effect of these factors cannot be accurately predicted, but the combination of these factors may result in the Company not receiving an adequate return on its invested capital.

Mineral Deposits and Production Costs; Commodity Prices

The economics of developing mineral deposits are affected by many factors including variations in the grade of ore mined, the cost of operations, and fluctuations in the sales price of products. The value of the Company's mineral properties is heavily influenced by commodity prices. Commodity prices can and do change by substantial amounts over short periods of time, and are affected by numerous factors beyond the control of the Company, including changes in the level of supply and demand, international economic and political trends, expectations of inflation, currency exchange fluctuations, interest rates and global or regional consumption patterns, speculative activities and increased production arising from improved mining and production methods and new discoveries. There can be no assurance that the prices of mineral products will be sufficient to ensure that the Company's properties can be mined profitably. Depending on the price received for minerals produced, the Company may determine that it is impractical to commence or continue commercial production.

Exploration, Development and Resource and Reserve Estimates

The exploration and development of natural resources involve a high degree of risk and few properties, which are explored, are ultimately developed into producing properties. Although the mineral resources set out herein have been carefully prepared and reviewed or verified by independent mining experts, these amounts are estimates only and no assurance can be given that an identified mineral resource will ever qualify as a commercially mineable (or viable) ore body which can be legally and economically exploited.

TAKARA RESOURCES INC.
Management Discussion and Analysis
For the nine months ended September 30, 2015

In addition, the grade of mineralization ultimately mined may differ from that indicated by drilling results and such differences could be material. Production can be affected by such factors as permitting regulations and requirements, weather, environmental factors, technical difficulties, unusual or unexpected geological formations and work interruptions.

Short-term factors, such as the need for orderly development of deposits or the processing of new or different grades, may have an adverse effect on mining operations and on the results of operations. There can be no assurance that minerals recovered in small-scale laboratory tests will be duplicated in large-scale tests under on-site conditions or in production scale operations.

Exploration and Development Risks

Mineral exploration and mining involve considerable financial and technical risk. Substantial expenditures are usually required to establish ore reserves, to evaluate metallurgical processes and to construct mining and processing facilities at a particular site. It is impossible to assure that the current exploration programs planned by the Company will result in profitable commercial mining operations, as few properties that are explored are ultimately developed into producing mines. Unusual or unexpected geological formations, unstable ground conditions that could result in cave-ins or landslides, floods, power outages or fuel shortages, labour disruptions, fires, explosions, and the inability to obtain suitable or adequate machinery, equipment or labour are risks associated with the conduct of exploration programs and the operation of mines. The Company has no experience in the development and operation of mines or in the construction of facilities required to bring mines into production. The Company has relied, and may continue to rely, upon consultants for expertise with respect to the construction and operation of a mining facility.

Financing Risks

The Company will need additional funding to remain a going concern and operate with its current assets. The Company currently has limited financial resources, no source of operating cash flow and no assurance that additional funding, equity or debt based, will be available for further exploration and development of its projects. There can be no assurance that it will obtain adequate financing in the future or that the terms of such financing will be favourable. Failure to obtain such additional financing could result in delay or indefinite postponement of further exploration and development of the Company's projects, and the possibility of loss of such properties is currently substantial.

Liquidity Concerns and Future Financing

The further development and exploration of the various mineral properties in which the Company may acquire interests depend upon the Company's ability to obtain financing through joint ventures, equity financing or other means. An additional equity financing could cause substantial dilution to the Company's shareholders. There is no assurance that the Company will be successful in obtaining required financing as and when needed. Volatile markets for precious and base metals may make it difficult or impossible for the Company to obtain debt financing or equity financing on favourable terms or at all. Failure to obtain such additional financing could result in delay or indefinite postponement of further exploration and development any property interests the Company may acquire with the possible dilution or loss of such interests.

As of the date hereof, the Company does not have the financial resources required to advance projects. The Company will need to obtain further debt or equity financing from external sources in order to fund future projects as a going concern, to conduct exploration activities and fund other expenses. There is no assurance that the Company will be able to obtain debt or equity financing on favourable terms, or at all. Failure to obtain such financing could result in delay or indefinite postponement of further exploration and development of future projects.

Environmental and other Regulatory Requirements

The activities of the Company are subject to environmental regulations promulgated by government agencies from time to time. Environmental legislation generally provides for restrictions and prohibitions on spills, releases or emissions of various substances produced in association with certain mining industry operations. A breach of such legislation may result in imposition of fines and penalties and other liabilities against the Company.

Permits and Licenses

The operations of the Company will require licenses and permits from various governmental and non-governmental authorities. The Company has obtained, or will obtain all necessary licenses and permits required to carry on with activities, which it is currently conducting or which it proposes to conduct under applicable laws and regulations. However, such licenses and permits are subject to change in regulations and in various operating circumstances, including in circumstances of a changing Government. There can be no assurance that the Company will be able to maintain or obtain all necessary licenses and permits required to carry out exploration, development and mining operations at its proposed projects. The Company has made applications for extensions to licences and has made application to change certain licences and there is no assurance that the applications will be successful, thereby putting the Company at risk of losing various mineral property rights.

Competition

The mineral exploration and mining business is competitive in all of its phases. The Company competes with numerous other companies and individuals, including competitors with greater financial, technical and other resources than the Company, in the search for and the acquisition of attractive mineral properties. The ability of the Company to maintain its current projects, as well as acquire new properties in the future will depend not only on its ability to develop and finance its present properties, but also on its ability to select and acquire suitable properties or prospects for mineral exploration. There is no assurance that the Company will continue to be able to compete successfully, if at all, with its competition in acquiring such properties or prospects, or even maintaining rights to its current projects.

Title to Some of the Company's Mineral Properties May be Challenged or Defective

The acquisition of title to mineral properties is a very detailed and time-consuming process. Title to mineral concessions may be disputed. Although the Company believes it has taken reasonable measures to ensure proper title to its properties, there is no guarantee that title to any of such properties will not be challenged or impaired. Third parties have made claims underlying portions of the Company's interests, including prior unregistered liens, agreements and transfers or claims, including aboriginal land claims. Title may also be affected by, among other things, undetected defects. As a result, the Company may be constrained in its ability to operate its properties or unable to enforce its rights with respect to its properties. An impairment to or defect in the Company's title to its properties could have a material adverse effect on the Company's business, financial condition or results of operations.

No Assurance of Title to Property

While the Company has conducted title searches on all of its mineral properties and, to the best of its knowledge, title to all of its properties and properties in which it has the right to acquire or earn an interest are in good standing, this should not be construed as a guarantee of title. The Company's claims may be subject to prior unregistered agreements or transfers or third party land claims and title may be affected by

TAKARA RESOURCES INC.
Management Discussion and Analysis
For the nine months ended September 30, 2015

undetected defects. Furthermore, there is no assurance that the interests of the Company in any of its properties may not be challenged or impugned.

Conflicts of Interest

The directors and officers of the Company will not be devoting all of their time to the affairs of the Company. The directors and officers of the Company are directors and officers of other companies, some of which are in the same business as the Company. The directors and officers of the Company are required by law to act in the best interests of the Company. They have the same obligations to the other companies in respect of which they act as directors and officers. Discharge by the directors and officers of their obligations to the Company may result in a breach of their obligations to the other companies, and in certain circumstances this could expose the Company to liability to those companies. Similarly, discharge by the directors and officers of their obligations to the other companies could result in a breach of their obligation to act in the best interests of the Company. Such conflicting legal obligations may expose the Company to liability to others and impair its ability to achieve its business objectives.

Insurance

The Company's insurance policies in place from time to time may not be adequate for the Company to protect itself against certain risks associated with mineral exploration and its corporate activities. Currently the Company has no policies in place and the Company will remain at risk and will be potentially subject to liability for hazards.

Fluctuation in Market Value of Takara's Shares

The market price of a publicly-traded stock is affected by many variables not directly related to the corporate performance of the Company, including the market in which it is traded, the strength of the economy generally, the availability and attractiveness of alternative investments, and the breadth of the public market for the stock. The effect of these and other factors on the market price of the Common Shares of the Company on The TSX Venture Exchange in the future cannot be predicted.

Critical Accounting Policies and Estimates

In preparing the consolidated financial statements, management has to make estimates and assumptions that affect the amounts reported in the financial statements and the accompanying notes. Based on historical experience, current conditions, expert advice and application of accounting policies, management makes assumptions that are believed to be adequate and reasonable under the circumstances.

Internal Controls Over Financial Reporting and Disclosures

The Chief Executive Officer and the Chief Financial Officer of the Company are responsible for establishing and maintaining controls and procedures regarding the communication of information about the Company, as well as internal controls over its financial reporting. The Chief Financial Officer has conducted an evaluation of the controls and procedures regarding communication of information and has concluded these controls and procedures were effective for the nine months ended September 30, 2015. The Chief Executive Officer together with the Chief Financial Officer is responsible for designing internal controls over financial reporting or for causing it to be designed under their supervision. During the nine months ended September 30, 2015, all existing systems have been documented and inadequacies have been corrected, as necessary. The Chief Executive Officer together with the Chief Financial Officer, have evaluated whether there were changes to internal control over financial reporting during the nine months ended September 30, 2015, that have materially affected, or are reasonably likely to materially affect, its internal control over financial reporting. No such changes were identified through their evaluation.

TAKARA RESOURCES INC.
Management Discussion and Analysis
For the nine months ended September 30, 2015

Future changes in accounting standards not yet adopted

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods on or after January 1, 2015 or later periods. Many are not applicable or do not have a significant impact to the Company and have been excluded. The following have not yet been adopted and are being evaluated to determine their impact on the Company.

IFRS 9 Financial Instruments (“IFRS 9”)

IFRS 9 was issued by the IASB in November 2009 with additions in October 2010 and May 2013 and will replace IAS 39 Financial Instruments: Recognition and Measurement (“IAS 39”). IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9, except that an entity choosing to measure a financial liability at fair value will present the portion of any change in its fair value due to changes in the entity’s own credit risk in other comprehensive income, rather than within profit or loss. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 is effective for annual periods beginning on or after January 1, 2018. Earlier adoption is permitted.

The Company is in the process of reviewing the standard to determine the impact on the consolidated financial statements.

Additional Information

Additional information about Takara Resources Inc., including the annual information form, may be obtained from the Company’s website at www.takararesources.com or on SEDAR at www.sedar.com.

Management’s Responsibility

Management is responsible for all information contained in this report. The audited consolidated financial statements for the nine months ended September 30, 2015 have been prepared in accordance with IFRS and include amounts based on management’s informed judgments and estimates. The financial and operating information included in this report is consistent with that contained in the financial statements for year ended December 31, 2014 in all material aspects.

Management maintains internal controls to provide reasonable assurance that financial information is reliable and accurate and assets are safeguarded.