TAKU GOLD CORP.

FOR THE THREE MONTHS ENDED June 30, 2012

Management Discussion and Analysis (MD&A) Form 51-102F1

OVERVIEW:

The following management's discussion and analysis ("MD&A") of the financial condition and results of the operations of Taku Gold Corp. (the "Company" or "Taku") constitutes management's review of the factors that affected the Company's financial and operating performance for the six months ended June 30, 2012. This MD&A was written to comply with the requirements of National Instrument 51-102 – Continuous Disclosure Obligations. This discussion is dated August 13, 2012, should be read in conjunction with the audited annual financial statements of the Company for the year ended December 30, 2011, together with the notes thereto, and the unaudited interim financial statements for the six months ended June 30, 2012, together with the notes thereto. Results are reported in Canadian dollars, unless otherwise noted. The audited annual financial statements have been prepared in accordance with Canadian generally accepted accounting principles ("GAAP"). The unaudited interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") for interim financial reporting and, accordingly, include condensed information and notes required by IFRS for interim financial statements. In the opinion of management, all adjustments (which consist only of normal recurring adjustments) considered necessary for a fair presentation have been included. The results for the interim periods presented are not necessarily indicative of the results that may be expected for any future period. Information contained herein is presented as at August 13, 2012, unless otherwise indicated.

The Company is currently engaged in exploration and development of mineral properties and does not have any source of revenue or operating assets. The recoverability of the amounts shown for mineral properties is dependent upon the ability of the Company to obtain necessary financing to complete exploration, technical studies and, if warranted, development and future profitable production or proceeds from the disposition of properties. The amounts shown as mineral properties represent costs to date and do not necessarily represent present or future values.

The Company is a reporting issuer under applicable securities legislation in the provinces of Alberta and British Columbia and its outstanding common shares ("Common Shares") are listed on the TSX Venture Exchange (the "TSX.V") under the symbol "TAK.V".

Further information about the Company is available on SEDAR at www.sedar.com.

Adoption of International Financial Reporting Standards ("IFRS")

The Company's unaudited financial statements and the financial data included in the MD&A have been prepared in accordance with IFRS as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee that are expected to be effective as at December 31, 2011, the date of the Corporation's first annual reporting under IFRS. The adoption of IFRS does not impact the underlying economics of the Company's operations.

The IFRS accounting polices set forth in Note 2 of the unaudited financial statements have been applied in preparing the financial statements for the six months ended June 30, 2012 and 2011.

The adoption of IFRS has not had an impact on the Company's strategic decisions, exploration activities, or cash flow.

Cautionary Note Regarding Forward-Looking Statements

Except for statements of historical fact relating to the Company, certain information contained in this MD&A constitutes “forward-looking information” under Canadian securities legislation. Forward-looking information may include, but is not limited to, statements with respect to the potential of the Company’s properties; the future price of coal, gold, silver and copper; success of exploration activities; cost and timing of future exploration and development; the estimation of mineral resources; conclusions of economic evaluations; requirements for additional capital; and other statements relating to the financial and business prospects of the Company. Generally, forward-looking information can be identified by the use of forward-looking terminology such as “plans”, “expects” or “does not expect”, “is expected”, “budget”, “scheduled”, “estimates”, “forecasts”, “intends”, “anticipates” or “does not anticipate”, or “believes”, or variations of such words and phrases or statements that certain actions, events or results “may”, “could”, ”would”, “might” or “will be taken”, “occur” or “be achieved”. Forward-looking information is based on the reasonable assumptions, estimates, analysis and opinions of management made in light of its experience and its perception of trends, current conditions and expected developments, as well as other factors that management believes to be relevant and reasonable in the circumstances at the date that such statements are made, and is inherently subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Company to be materially different from those expressed or implied by such forward-looking information, including but not limited to risks related to: unexpected events and delays during permitting; the possibility that future exploration results will not be consistent with the Company’s expectations; timing and availability of external financing on acceptable terms and in light of the current decline in global liquidity and credit availability; uncertainty of mineral resources; future prices of coal, gold, silver and copper; currency exchange rates; government regulation of mining operations; failure of equipment or processes to operate as anticipated; risks inherent in coal, gold, silver and copper exploration and development including environmental hazards, industrial accidents, unusual or unexpected geological formations; and uncertain political and economic environments. Although management of the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such 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 information. The Company does not undertake to update any forward-looking information, except in accordance with applicable securities laws.

MINERAL PROPERTIES:

The Company’s principal business activities include acquiring and developing mineral properties. At June 30, 2012, the Company’s principal mineral interests are located in Canada as follows:

TAG Gold-Silver Property within the Atlin mining division of British Columbia

The TAG Gold-Silver property consists of 26 claims (2,429ha) and is located 35km due west of Atlin on Taku Arm of Tagish Lake. The lake provides good access by barge and float plane. A winterized, 16-man camp has been built on the property.

The property covers 6.2km 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. Sediment-hosted, structurally controlled gold deposits are some of the world's most significant gold resources. The TAG property shows all the features that characterize these deposit types.

Between 2006 and 2008, Taku completed airborne geophysical, soil geochemical and prospecting surveys as well as extensive surface trenching and 11,476m of drilling in 69 drill holes. Taku has completed a 43-101 initial mineral resource estimate from 28 holes drilled on the Main Zone at the far south end of the 025FZ.

The Tag property remains wide open for further exploration. A new surface showing was discovered in 2008. This showing is located on the south margin of a quartz diorite intrusion that is well outlined by the airborne magnetic survey. The area underlain by the quartz diorite will be the focus for Taku's future exploration efforts.

White Gold District Properties, Yukon

In 2010, Taku optioned and staked numerous properties in the White Gold District Yukon. Together the 9 properties cover 3,233 claims (66,920 hectares) of prospective rock types and structures similar to Kinross' Golden Saddle project 35km due south and Kinross's JP Ross project 10km due east.

Taku has completed a high resolution, multi-sensor, airborne geophysical survey over all of Taku's Yukon properties.

The company has also completed detailed deep-auger geochemical surveys on all Properties all of which having ongoing significant placer gold production on them.

In 2011, Taku also completed a mechanical trenching program and limited diamond drilling on the Company's White Gold Properties.

The highlights of Taku's exploration efforts in Yukon to date are as follows:

- Total soils collected – 42,000+
- Total trenches – 11
- Total coverage of airborne geophysics – 76,000 hectares

On February 2, 2012 Taku announced it will be concentrating exploration efforts on the Rosebute Property on the Norwest zone. It is anticipated that the three gold-rich areas within the Norwest zone will be mapped, trenched and sampled, and then drilled. Detailed soil sampling and possibly trenching will also be undertaken at the two new zones mentioned above. A preliminary budget of $700,000 has been proposed for the project and work began in early June 2012.

Taku also intends to conduct a drill program on its Sulphur Property in 2012. On May 31, 2012, Taku announced the commencement of the Sulphur Property exploration. A preliminary budget of $600,000 has been proposed for the Sulphur Property drilling.

Mark Fekete, P.Geo is the designated "qualified person" as defined in Section 1.2 in and for the purposes of National Instrument 43-101 responsible for the technical content. Mark Fekete is a Company Director.

SUMMARY OF QUARTERLY RESULTS

The Company is an exploration stage entity engaged in the acquisition, exploration, evaluation and development of principally gold resource properties. At this time, any issues of seasonality or commodity market fluctuations have no direct impact on the Company's results or operations. The Company currently defers its exploration expenditures to mineral exploration properties. A summary of selected information for each of the eight most recent quarters is as follows:

	30 June-12	31 Mar-12	31 Dec-11	30 Sept-11	30 Jun-11	31 Mar-11	31 Dec-10	30 Sept-10
	IFRS	IFRS	IFRS	IFRS	IFRS	IFRS	IFRS	IFRS
Net Revenue	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Net Earnings (loss)	(181,752)	(217,625)	(2,487,226)	38,874	10,937	(516,122)	1,554,589)	(576,295)
Loss per share	($0.01)	($0.01)	($0.03)	$0.00	$0.00	$(0.01)	($0.02)	($0.02)

In general, overall spending levels have varied commensurate with the changes in the Company's exploration, development and corporate activities

RESULTS OF OPERATIONS

	Three Months Period Ended June 30, 2012	Three Months Period Ended June 30, 2011	Six Months Period Ended June 30, 2012	Six Months Period Ended June 30, 2011
LOSS BEFORE INCOME TAXES				
Amortization	$ -	$ -	$ -	$ -
Consulting (Note 5)	79,400	77,694	169,689	120,752
Directors fees (Note 5)	15,000	15,000	30,000	30,000
Investor relations	-	9,000	3,000	18,000
Management fees (Note 5)	22,500	22,500	45,000	45,000
Office and miscellaneous (Note 5)	28,039	43,320	58,133	74,176
Professional fees (Note5)	15,520	25,520	36,820	44,489
Transfer agent, filing fees	2,725	5,353	9,465	16,528
Stock-based compensation	-	-	-	821,630
Travel and promotion	23,318	61,696	53,096	93,355
Website development	134	980	730	2,255
	186,636	261,063	405,933	1,266,185
Other items				
Interest income	4,884	-	6,556	-
	181,752	261,063	399,377	1,266,185
LOSS BEFORE INCOME TAXES	(181,752)	(261,063)	(399,377)	(1,266,185)
Income tax recovery	-	272,000	-	761,000
INCOME (LOSS) AND COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD	$ (181,752)	$ 10,937	$ (399,377)	$ (505,185)

Six months ended June 30, 2012, compared with three months ended June 30, 2011

The Company's loss before future income tax recovery totaled $399,377 for the six months ended June 30, 2011, which compares with a loss of $1,266,185 the six months ended June 30, 2011. The decrease in loss of $866,808 was principally due to:

- Stock-based compensation expense during the period ended June 30, 2012 was nil compared to $821,630 during the six months ended June 30, 2011.

- Consulting fees increased of $48,937 can be attributed to increased corporate activities.

- During 2011 the Company opened an office in Cobourg Ontario, which accounts for decreasing in Office and miscellaneous expenditures by $16,043

- Travel and promotion decreased of $40,259 can be attributed to Company attending fewer trade shows.

Three months ended June 30, 2012, compared with three months ended June 30, 2011

The Company's loss before future income tax recovery totaled $181,752 for the three months ended June 30, 2011, which compares with a loss of $261,063 for the three months ended June 30, 2011. The decrease in loss of $79,311 was principally due to:

- During 2011 the Company opened an office in Cobourg Ontario, which accounts for decreasing in Office and miscellaneous expenditures by $15,281

- Travel and promotion decreased of $38,378 can be attributed to Company attending fewer trade shows.

Selected Quarterly Information for three months ended June 30:

	2012	2011	2010
	IFRS	***IFRS***	***IFRS***
Consulting fees	79,400	77,694	34,212
Management fees	22,500	22,500	19,500
Professional fees	15,520	25,520	16,546
Stock-based compensation	-	-	205,800
Income tax recovery	-	272,000	-
Net loss for period	(181,752)	10,937	(343,129)
Working capital	2,824,159	5,899,757	204,098
Exploration and evaluation assets	10,632,919	9,113,923	4,484,058
Shareholder equity	12,738,922	14,725,680	4,703,035

LIQUIDITY, CAPITAL RESOURCES AND BUSINESS PROSPECTS

The Company has no operating revenue and therefore must utilize it current cash reserves and rely on external financing to generate capital to maintain its capacity to meet working capital requirements and ongoing discretionary exploration programs. As a result, the Company continues to incur net losses. As of June 30, 2012, the Company had $2,388,422 in cash, 70,465,139 common shares issued and outstanding, 30,460,000 share purchase warrants outstanding, 3,679,200 Agents' options outstanding and 5,518,667 options outstanding.

During the six months period ended June 30, 2012, no share purchase warrants or stock options were exercised.

During the six months period ended June 30, 2012, the Company spent $470,353 in operations and $707,792 in mineral property acquisitions and exploration activities.

The Company's management believes that the Company has sufficient funds for the next six months to enable to meet the ongoing obligations as they become due. The Company recognizes that it will require additional funding which the Company will raise through the market and debt instruments but there can be no assurance the management can raise the required capital.

To the date of this MD&A, the cash resources of the Company are held in cash with a major Canadian financial institution. The Company continues to have no debt and its credit and interest rate risk is minimal. Accounts payable and accrued liabilities are short-term and non-interest bearing. The Company's liquidity risk with financial instruments is minimal. In addition, accounts receivable are composed mainly of sales tax receivable from government authorities in Canada.

SUBSEQUENT EVENTS

n/a

SHARE CAPITAL:

Issued and outstanding as at August 13, 2012, there were:

a. 70,465,139 common shares outstanding.
b. 14,400,000 share purchase warrants outstanding.
c. 1,419,200 Agent options outstanding.
d. 5,518,667 stock options outstanding.

TRANSACTIONS WITH RELATED PARTIES

During the period ended June 30, the Company had the following transactions in the normal course of operations with directors and companies with common directors:

	Six months period ended	
	June 30, 2012	June 30, 2011
Consulting (b)	$ 30,000	$ 29,000
Director fees (c)	30,000	30,000
Management fees (a)	45,000	45,000
Mineral property – exploration expenditures (a)	52,500	73,350
Professional fees (a)	30,000	29,000
Office rent and supplies (c)	21,000	10,800
Stock-based compensation	-	566,642
	$ 208,500	$ 783,792

These charges were measured by the exchange amount, which is the amount agreed upon by the transacting parties.

a. The Company paid $45,000 in management fees to the President of the Company; $30,000 in professional fees to the CFO of the Company; and $52,500 in mineral property exploration consulting to the VP of Exploration.
b. $30,000 in consulting fees for administration to a private company controlled by two directors of the Company;
c. $30,000 to the directors of the Company as director fees;
d. $21,000 in rent to a private company controlled by two directors of the Company

These charges were measured by the exchange amount, which is the amount agreed upon by the transacting parties.

The Company has the following contractual commitments:

i) By an agreement, a director of the Company has agreed to provide the Company management services for a monthly fee of $7,500, which agreement may be terminated with six months' severance.

ii) By an agreement, a director of the Company has agreed to provide the Company management services for a monthly fee of $5,000, which agreement may be terminated with six months' severance.

OFF-BALANCE SHEET ARRANGEMENT

The Company does not have any off-balance sheet items.

SIGNIFICANT ACCOUNTING POLICIES AND NEW ACCOUNTING POLICIES

A detailed summary of the Company's significant accounting policies is included in note 2 of the Company's unaudited financial statements for the period ended June 30, 2012.

CRITICAL ACCOUNTING ESTIMATES

The Company is a development stage company. The unaudited financial statements have been prepared using accounting principles applicable to a going concern which assumes the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations. There are conditions which may raise doubt regarding this assumption. The financial statements do not include adjustments that would be necessary should the Company be unable to continue as a going concern. These adjustments could be material.

The amounts recorded for capitalized exploration and evaluation assets, stock based compensation and future income taxes are based on estimates. By their nature, these estimates are subject to measurement uncertainty and changes in these estimates may impact the financial statements for future periods. Amounts recorded for exploration and evaluation assets represent costs incurred to date and are not intended to reflect present or future values. The recoverability of amounts shown for exploration and evaluation assets is dependent upon the discovery of economically recoverable reserves and future production or proceeds from the disposition thereof.

FINANCIAL INSTRUMENTS

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

The Company's exposure to financial risk factors is detailed in Note 12 to the interim financial statements. While the Company is a development stage company and has no production or sales revenues, it bears commodity price risk in that commodity prices may influence investors and thus impact the outcome of the Company's future equity financings. The Company considers that supply and demand fundamentals for gold remain strong.

CAPITAL DISCLOSURE

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern to pursue the development of its mineral properties and to maintain a flexible capital structure which optimizes the cost of capital within a framework of acceptable risk. In the management of capital, the Company includes the components of shareholders' equity.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust its capital structure, the Company may issue new shares, issue new debt, acquire or dispose of assets or adjust the amount of cash and cash equivalents. As at June 30, 2012, the Company has not entered into any debt financing.

The Company is dependent on the capital markets as its sole source of operating capital and the Company's capital resources are largely determined by the strength of the junior resource markets and by the status of the Company's projects in relation to these markets, and its ability to compete for investor support of its projects.

The Company is not subject to any capital requirements.

INVESTOR RELATIONS ACTIVITIES

Investor Relations activities of the Company consisted of the dissemination of news releases by officers and directors. In addition, management of the Company responded to requests by shareholders and investment dealers for information, and disseminated financial information as required by applicable laws. The Directors of the Company have been actively contacting interested parties. The Company did not engaged any IR company during the period under review and may engage in significant public relations and investor relations activities in the future in order to achieve its long-term goals.

RISK FACTORS

An investment in the securities of the Company is highly speculative and involves numerous and significant risks. Such investment should be undertaken only by investors whose financial resources are sufficient to enable them to assume such risks and who have no need for immediate liquidity in their investment. Prospective investors should carefully consider the risk factors that have affected, and which in the future are reasonably expected to affect, the Company and its financial position. Please refer to the section entitled "Risk Factors" in the Company's management's discussion and analysis for the fiscal year ended December 31, 2011, available on SEDAR at www.sedar.com. There have been no significant changes to such risk factors since that date.

Risk management is carried out by the Company's management team with guidance from the Audit Committee under policies approved by the Board of Directors. The Board of Directors also provides regular guidance for overall risk management.

DISCLOSURE OF INTERNAL CONTROLS

In the light of the Company's small size, controls and procedures for financial reporting and public disclosure are affected by limited segregation of duties. To mitigate potential control weaknesses, the Chief Executive Officer ('CEO') is actively involved in the day to day business of the Company, the CEO and Chief Financial Officer ('CFO') jointly review all payments, and the Company has implemented accounting data review procedures to assist the integrity of reports. It is not economically feasible, at the Company's current size and with the limited number of staff available, to achieve optimum or complete segregation of duties. Also, the Company does not have a sufficient number of finance personnel with the required technical knowledge to address all complex and non-routine accounting transactions that may arise. These weaknesses in internal controls raise the possibility that a material misstatement may not be prevented or detected. Management and the Board of Directors work towards mitigating the risk of material misstatements: the integral role of the CEO in day to day operations provides a direct connection to source data, the review and approval by the Board of all material transactions and the use of accounting data review procedures, all provide a further level of assurance. The Company has no plans to remediate the above weaknesses which are linked with its current size and nature of operations.

Although the British Columbia Securities Commission exempted Venture Issuers from the requirement to certify disclosure controls and procedures, Management has established processes to provide them sufficient knowledge to support representations that they have exercised reasonable diligence that

(i) the unaudited interim financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of and for the periods presented by the unaudited interim financial statements; and

(ii) the unaudited interim financial statements fairly present in all material respects the financial condition, results of operations and cash flows of the Company, as of the date of and for the periods presented.

In contrast to the certificate required for non-venture issuers under National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings (NI 52-109), this Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures (DC&P) and internal control over financial reporting (ICFR), as defined in NI 52-109. In particular, the certifying officers filing this certificate are not making any representations relating to the establishment and maintenance of:

i) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and

ii) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's GAAP.

The issuer's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in the certificate. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

There have been no significant changes in the Company's disclosure controls and processes during the six months ended June 30, 2012.

ADDITIONAL INFORMATION

Additional information relating to the Company, including the most recently completed fiscal year, is available on SEDAR at www.sedar.com.