

TAKARA RESOURCES INC.

Management's Discussion and Analysis

Year ended December 31, 2009

Dated: April 30, 2010

Introduction

The following is management's discussion and analysis of the consolidated financial condition and results of operations of Takara Resources Inc. (the "Company" or "Takara") for the year ended December 31, 2009 and the comparable year ended December 31, 2008. This discussion and analysis should be read in conjunction with the audited consolidated financial statements for the year ended December 31, 2009 and the related notes thereto (the "Financial Statements"). Additional information related to the Company can be found on SEDAR at www.sedar.com.

Nature of Operations

The Company was a capital pool company prior to the closing of its qualifying transaction on September 24, 2007, when it acquired all of the issued and outstanding securities of Takara Resources (B.C.) Inc. (formerly Takara Resources Inc. and 0754545 B.C. Ltd.), a private company carrying on business as a mineral exploration company.

Since the closing of its qualifying transaction, the Company has continued business as a mineral exploration company, exploring for a variety of deposit types: (i) uranium in the Arizona Strip situated in the northwestern portion of Arizona (uranium breccia pipes) and in northwestern Ontario (the Basket Lake project); (ii) gold in the Abitibi Greenstone Belt, Quebec (Luciana Gold Prospect), and in the interior British Columbia (epithermal gold); and (iii) nickel sulphide deposits in Manitoba (the "Miskamowin Project"). In addition to the foregoing, the Company also investigated and made progress into the acquisition of mineral rights prospective for coal exploration in South Africa, however, these were put on hold pending an improvement in the capital markets.

During the year ended December 31, 2009, the Company suspended its exploration programs given market conditions, and focussed more on preserving its assets and seeking transactions in furtherance of building longer term value.

Highlights for the year ended December 31, 2009:

On January 26, 2009 Takara announced that it had been granted five Mineral Exploration Licences prospective for nickel sulphide deposits, covering an area of ~110,000 hectares located west of Thompson, Manitoba.

On March 13, 2009 Takara announced that it had entered into a strategic alliance with Garson Gold Corp. ("Garson") in respect of a series of business transactions, including the formation of joint advisory committees, common executive teams, and the acquisition by Garson of Takara's interests in the B.C. Epithermal Gold Projects, and in the Luciana Gold Prospect in Abibiti, QC.

On June 29, 2009 the Company announced that it had entered into an agreement in respect of a proposed arms-length merger with St. Eugene Mining Corporation Ltd. ("St. Eugene"). On October 26, 2009 the Company revised the terms of the merger by blending certain members of management and the sale of Takara's Basket Lake exploration project in Northwestern Ontario. In consideration for the Basket Lake Project, St. Eugene issued to Takara 6,000,000 common shares of St. Eugene.

On October 15, 2009, Takara distributed the shares of Garson received pursuant to the Garson transaction. Each shareholder of Takara on record as of September 23, 2009 received, in addition to Takara shares already held, a dividend in kind equal to .307569 shares of Garson for every 1 share of Takara held (or 30.7 shares for every 100 Takara shares held).

On November 13, 2009 Takara announced that it has entered into an agreement with Victoria Gold Corp. ("Victoria") to acquire a subsidiary of Victoria (the "Acquisition") that holds title to two advanced stage gold projects within the Guyana Shield, Guyana, namely: (i) the Tassawini Gold Project; and (ii) the BRL Venture (the "Guyana Gold Projects"). The Tassawini Gold Project hosts a National Instrument 43-101 compliant mineral

resource of 437,000 ounces gold (indicated) and 62,000 ounces gold (inferred) in the Tassawini and Sonne Deposits. The BRL Venture is a joint venture with Newmont Overseas Exploration Limited, a subsidiary of Newmont Mining Corporation. On March 5, 2010 the Company received conditional approval from the TSX-V for the acquisition and was followed by the announcement of the signing of the share purchase agreement on March 8, 2010. On March 17, 2010 Takara announced that all documents relevant to the acquisition including the filing statement were available on www.sedar.com.

On December 7, 2009 Takara closed a non-brokered financing of 11,666,667 common shares on a private placement basis at a price of \$0.03 per share for gross proceeds of \$350,000 for general working capital purposes and project acquisition efforts.

On December 22, 2009 Takara closed a non-brokered financing of 1,250,000 common shares on a private placement basis at a price of \$0.08 per share for gross proceeds of \$100,000.

On April 8, 2010 Takara announced a non-brokered private placement offering for gross proceeds of a minimum of \$1,200,000 and maximum of \$3,000,000 in order to close the Acquisition.

Selected Annual Information

For the years ended December 31	2009	2008	2007
	\$	\$	\$
Revenue	-	-	-
Expenses	1,155,764	2,479,453	1,535,158
Net loss and comprehensive loss for the year	(691,557)	(2,172,544)	(1,534,682)
Basic and fully diluted loss per share	(0.02)	(0.07)	(0.08)
Cash flows from operating activities	(556,024)	(282,371)	(654,782)
Cash flows from investing activities	(149,260)	(1,732,097)	(705,500)
Cash flows from financing activities	533,385	(18,975)	3,728,069
Increase (decrease) in cash in year	(171,899)	(2,033,443)	2,367,787

As at December 31	2009	2008	2007
	\$	\$	\$
Total assets	877,191	1,619,282	3,864,369
Total long term financial liabilities	Nil	Nil	Nil
Cash dividends declared for all classes of shares	Nil	Nil	Nil
Dividends in kind	900,000	Nil	Nil

Results of Operations

For the year ended December 31, 2009, Takara reported a net loss of \$691,557 compared to \$2,172,544 for the year ended December 31, 2008. The difference is primarily attributed to a gain of \$400,000 (2008 – nil) on the deemed disposition of shares in Garson (which reduced the current year's loss), and write off of mineral properties and deferred exploration expenditures in the prior year of \$1,848,182 (compared to \$570,018 in the current year).

Revenues

Takara is in the exploration stage and has no revenue from mining operations.

Non-Exploration Expenditures

For the year ended December 31	2009	2008	% change
Write down of mineral properties	\$ 570,018	\$ 1,848,182	-69.16%
Management fees	166,416	31,500	428.30%
Professional and legal fees	120,533	216,029	-44.21%
Stock based compensation	111,035	130,487	-14.91%
General and administrative	96,582	96,288	0.31%
Promotion and advertising	42,736	93,712	-54.40%
Rent	25,954	18,581	39.68%
Travel	17,909	41,305	-56.64%
Amortization	4,581	3,369	35.98%
	\$ 1,155,764	\$ 2,479,453	-53.39%

During the year ended December 31, 2009 the Company terminated its interest in the Kaibab joint venture and therefore wrote off all expenditures relating to the project (\$570,018).

Management fees of \$166,416 (2008 - \$31,500) consist of \$112,416 charged by the CEO for management fees and \$54,000 to the new president (now former – see Garson Gold transaction under Exploration Activities and Expenditures on the following page) for management fees. These expenses relate to strategic and corporate advice to assist with the future growth of the Company. The increase in management fees is due to separating the CEO and President roles, for the purposes of augmenting business development opportunities and acquisition efforts.

General and administrative fees consist of office supplies, part XII.6 tax, insurance, filing fees, transfer agent fees, computer expense, accounting and business development services and a fee for the cancellation of investor presentations in Europe. These expenses were offset by the reversal of a \$29,000 accounts payable from a prior year that is not expected to be paid in the future. The current year's expense (excluding the reversed accounts payable) was higher during the year ended December 31, 2009 compared to the prior year primarily because the Company paid part XII.6 tax (\$29,976) on flow-through dollars and extra expenses were incurred as a result of cancelled meetings in Europe and additional accounting and business development services provided by a director.

Professional fees consisted of services provided by legal, accounting, tax and audit professionals. Legal fees for the year amounted to \$33,660 relating to the completion of two mineral transactions (Miskamowin and Garson), work on the Victoria Gold transaction and other corporate matters. Accounting, tax, and audit fees related to costs associated with the year end audit, tax filings, bookkeeping and costs for quarterly financial statement preparation.

Stock based compensation does not affect the cash resources of the Company. The timing of this expense is subject to the date of issue and vesting terms of the options.

Promotion and advertising of \$42,736 was significantly lower than promotion and advertising expenses incurred during the same period ended December 31, 2008, as the Company significantly reduced its business development activities during 2009 given the condition of the global markets.

Travel expenses decreased compared to the prior year. In 2008 travel costs were associated with attending mining conferences and sourcing opportunities for coal projects in South Africa during the first and second quarters of 2008. In the same period of 2009 travel was minimized and costs were primarily domestic, and related to the closing of the Garson Gold transaction and attending only the key mining conferences within Canada.

Amortization expenses are attributable to the amortization of the Company's computers and equipment.

Exploration Activities and Expenditures

As at December 31, 2009, the Company had capitalized a total of \$210,343 on its mineral properties. The challenges of raising exploration funds for the Company's early-stage projects - as a result of the global market crisis during 2008 and into 2009 as well as the lobbying efforts in Arizona - impaired the value of the Company's assets, given the limited funds in the treasury, abated prices of uranium and nickel, and limited opportunity to raise new funding to meet obligations of maintaining projects in good standing.

Accordingly, in 2009, the Company continued to reduce its operational costs, given the market downturn and difficulty to raise additional funds.

Activity during the year ended December 31, 2009

Additional Mineral Exploration Licences for Miskamowin Project: In February 2009 the Company made an application to the Manitoba mines office to acquire three additional Mineral Exploration Licenses in respect of the Miskamowin Project. The licenses were granted to the Company in March 2009.

The Garson Gold Transaction: On March 12, 2009, the Company entered into an agreement with Garson Gold Corp. in respect of a series of business transactions, including the formation of joint advisory committees, common executive teams, and the acquisition by Garson of Takara's interests in the B.C. Epithermal Gold Projects, and in the Luciana Gold Prospect in Abibiti, QC. The transaction was approved by the TSX Venture Exchange on April 27, 2009. Accordingly, Garson issued to Takara ten million (10,000,000) common shares of Garson (received April 27, 2009) and Takara issued to Garson 3,000,000 Common Shares (received August 28, 2009), and joint advisory committees were formed to focus on business development and project generation conducive to each company.

Garson Gold holds a 100% interest in The New Britannia Mine (NBM) Project in Snow Lake, Manitoba and the Copper Prince and the McMillan Gold Mine properties located in Ontario. Garson Gold's flagship project is the NBM, which covers approximately 4,840 hectares and hosts the historic New Britannia Gold Mine which operated from 1949 to 1958 and again from 1995 to 2004 and produced approximately 1.43 million ounces of gold. The resource estimate at the NBM property, audited by Micon International Ltd. in accordance with CIM classifications pursuant to National Instrument 43-101, is available for viewing on SEDAR (www.sedar.com) under Garson Gold. Infrastructure at the New Britannia Gold Mine includes a fully-permitted 2,150 tonne per day modern mill and tailings facility, and associated plant and equipment. On October 23, 2009 Garson announced a friendly takeover by Alexis Minerals Ltd. for its shares at a premium to its current market capitalization; this transaction has now been completed.

Takara announced its intention to re-distribute the Garson Shares to Takara shareholders on record as of September 23, 2009. On October 15, 2009 each shareholder of Takara was issued, in addition to Takara shares already held, a dividend in kind equal to .307569 shares of Garson Gold for every 1 share of Takara held (or, 30.7 shares for every 100 Takara common shares held).

In connection with the transaction with Garson, the President of Takara, Julie Lassonde, resigned as President of Takara and assumed the role of President of Garson. Ms. Lassonde remains a board member and Executive Vice President of Takara. Pamela Strand and Jennifer Boyle were appointed to the Advisory Board of Garson.

On October 26, 2009 Takara announced the revisions to the terms of its previously announced merger with St. Eugene Mining Corporation Ltd. ("St. Eugene") ("St. Eugene Transaction") in order that it be modeled in a similar fashion to that of Garson Gold. This amendment enables Takara to survive as an entity (and not be merged into St. Eugene) in order that it can continue as a vehicle for new projects. The newly proposed transaction with St. Eugene includes a blending of certain members of management and the sale of Takara's Basket Lake exploration project in northwestern Ontario. The transaction is intended to facilitate St. Eugene's objective of extending its exploration programs with a view to expanding the current gold resources and reactivating the Tartan Lake Gold Mine at Flin

Flon, Manitoba. In consideration for the Basket Lake project, St. Eugene issued to Takara 6,000,000 common shares of St. Eugene valued at \$210,000. These shares increased in value at December 31, 2009 to \$330,000.

As announced on November 13, 2009 Takara entered into an arms-length agreement with Victoria Gold Corp. (“Victoria”) and its wholly owned subsidiary companies, pursuant to which Takara has agreed to purchase all of the issued and outstanding shares of StrataGold (Guyana) Inc. (“SGI”), a wholly owned subsidiary of Victoria that holds, indirectly through its subsidiary, title to the Guyana Gold Projects (the “Acquisition”). In consideration for the Acquisition, Takara shall issue 21,810,000 common shares on a post consolidated basis, resulting in Victoria indirectly holding 56% of the issued and outstanding shares of Takara at the closing of the Acquisition. Victoria, through its subsidiary companies, holds a 100% interest in Tassawini and a 31.96% (as of July 1, 2009) interest in BRL Venture.

At Takara’s December 23, 2009 Annual General Meeting, Takara received shareholder approval to consolidate its common shares, whereby Takara will reduce the number of issued and fully paid shares on the basis of one new Takara share being issued in return for each three old Takara shares presently held, to be completed just prior to the closing of the Acquisition. Although the proposed consolidation is not a condition of the Acquisition, Takara shall issue to Victoria a number of shares equal to 56% of the outstanding common shares at closing of the Acquisition. As at December 31, 2009 Takara had 50,574,697 shares outstanding on a fully diluted basis. Concurrent with this transaction Takara announced a private placement offering of a minimum \$1,200,000.

Tassawini Gold Project – 100%

Since 2004, a total of \$26.3 million in exploration expenditures have been incurred on the Tassawini Gold Project, an advanced stage gold exploration project that produced over 11,000 ounces between 1907 and 1914. Tassawini is comprised of 9,650 hectares of mineral and mining rights, includes a 120-person modern camp and is accessible by air and barge throughout the year. The Tassawini Gold Project has a 43-101 compliant mineral resource at the Tassawini and Sonne deposits containing an Indicated Resource of 10,766,000 tonnes @ 1.3 grams gold per tonne (“g/t) Au/t for 437,000 ounces gold and an Inferred Resource of 1,926,999 tonnes @ 1.0 g Au/t for 62,000 ounces gold (using a 0.5 g/t gold cut-off). See 43-101 technical report dated July 10, 2008 by SRK Consulting Canada (Inc.) on www.sedar.com through Stratagold Corporation and subsequently re-stated on behalf of Takara with the same title and authors dated February 10, 2010 and press released on March 17, 2010 also on www.sedar.com under Takara. Tassawini, Sonne and seven untested surface geochemical anomalies are open for expansion and will be subject to follow up.

BRL Venture – 31.96%

The BRL Venture is a joint venture between Newmont and StrataGold Guyana Inc (“SGI”), an indirectly held subsidiary of Victoria Gold. The BRL Venture is comprised of a large strategic land position in Northwest Guyana within the Arakaka Gold District. As of June 2009, SGI held a 31.96% interest and Newmont held the remaining 68.04% interest in the BRL Venture. The district has been popular with local placer miners for the past 100 years, but until recently, had not been explored systematically using modern techniques. SGI and Newmont were the first to implement a modern exploration program. These regional exploration efforts originally covered an area of over 4,000 square kilometres resulting in two key projects areas: (1) Monosse and (2) Projects “A” and “B” (see Victoria News Release dated July 20, 2009), which host over 25 individual gold exploration targets. The current exploration program has included regional and detailed stream sediment and soil geochemistry surveys, induced polarization ground geophysical surveys, and detailed structural mapping. Trenching and drilling is now underway on projects A and B. Sale of the BRL assets is subject to the terms of the BRL Venture Agreement which include meeting certain conditions of the preemptive right which may exist with respect to the BRL Property.

Future Plans

The Company plans to undertake the work program as per the 43-101 SRK report that would see a Preliminary Economic Assessment completed on the Tassawini Gold Deposit as well as preliminary baseline environmental studies (see Filing Statement dated March 12, 2010 on www.sedar.com).

Active Mineral Projects. The Company’s active mineral properties are listed below. The following discussion includes a summary of exploration activities during the year ended December 31, 2009 and an update to disclosure

in documentation filed with regulatory authorities and available for viewing under the Company's profile on SEDAR.

Capitalized expenditures for the year ended December 31, 2009:

	Kaibab Joint Venture	Luciana Gold Prospect	BC Epithermal Gold Project	Miskamowin Nickel Project	Basket Lake	Guyana	Total
Opening balance	500,000	90,000	390,000	116,349	0	0	1,096,349
Mineral exploration License	0	0	0	31,136	75,000	0	106,136
Managing Geologist	0	0	1,800	30,200	7,400	31,416	70,816
Drilling	0	3,014	0	0	0	0	3,014
Field Supplies	0	182	0	0	0	0	182
Camp Maintenance	153	0	0	0	0	0	153
Field Office	1,534	12	0	0	0	0	1,546
Survey	4,266	0	0	0	0	0	4,266
Sample	0	4,537	0	0	0	0	4,537
Geologist	1,508	1,813	0	0	0	0	3,321
Field Operator	144	935	0	0	0	0	1,079
Equipment	7,990	0	0	0	0	0	7,990
Other	3,173	0	0	118	0	0	3,291
Filing fees on claim purchases	0	0	0	1,124	0	0	1,124
Termination fee	51,250	0	0	0	0	0	51,250
Termination of joint venture	-570,018	0	0	0	0	0	-570,018
Sale of mineral properties	0	-100,493	-391,800	0	-82,400	0	-574,693
Balance at December 31, 2009	0	0	0	178,927	0	31,416	210,343

Kaibab Joint Venture – Uranium Breccia Pipes, Arizona, USA

Takara's wholly owned subsidiary, Takara Resources (BC) Inc., had the right to earn an initial 50% interest in all breccia pipe prospects held by the Kaibab Joint Venture, by incurring \$2,000,000 in exploration expenditures and issuing 200,000 common shares (issued in 2007) to the Optionors (DIR Exploration, Inc.) on or before August 31, 2009. Upon vesting of its 50% ownership interest in the Kaibab Joint Venture, Takara could have elected, at its sole discretion, to increase its interest to 90% by agreeing to carry DIR's pro rata exploration and development costs in the joint venture to commercial production.

The Phase II exploration program for the Kaibab Joint Venture, budgeted at approximately \$700,000, was designed to refine up to 30 geological targets for further testing in subsequent rotary downhole hammer and spot coring campaigns. The Phase II program included surface geochemical and geophysical surveys (EM, CSAMT, and possible seismic), archaeological surveys, data analysis and modelling, and operations permitting (including environmental assessment reports), all of which was anticipated to be followed by drill site preparation, drilling, and reclamation work on selected targets. However, progress began to slow during the last nine months of 2008, by 2009 activity had virtually ceased altogether, given the local action taken by the Arizona Coconino County Board of Supervisors (see below) and the abatement of the market conditions.

In December 2007, the operator of the Kaibab Joint Venture submitted to the Tucson Ranger District, Kaibab National Forest, a Drilling Plan of Operation. A permit in this regard has not yet been obtained. Since early February, 2008, when the Arizona Coconino County Board of Supervisors unanimously passed a resolution opposing uranium mining in the vicinity of the Grand Canyon and its watersheds, various parties have become aggressively supportive of that initiative, lobbying to implement a change in the legislation that would have the effect of disallowing mining permits for uranium extraction in several parts of the Grand Canyon region.

These matters have been assessed on an ongoing basis by management of the Company, however, on July 21, 2009; a large area on the Arizona Strip and all of the Kaibab National Forest was segregated from mineral entry for two years pending completion of certain studies to determine whether the area should be withdrawn for 20 years. As a result, after careful consideration and investigation into mitigating opportunities, the Company took steps to terminate its participation in the Kaibab Joint Venture as at August 28, 2009. As part of the termination the Company paid a fee of \$40,000 and issued 225,000 common shares. Accordingly this project was written off as of September 30, 2009.

Miskamowin Nickel Project, Manitoba

In 2008, the Company submitted applications for nine mineral exploration licences in Northern Manitoba (west of Thompson) prospective for Nickel. In the event that such applications were accepted by the Manitoba Minister of Mines and licences granted, the agreement with Dr. James Mungall (described below) would become effective. In December 2008, and January 2009, the mineral exploration licences were granted to Takara, and accordingly, the Agreement with Dr. Mungall took effect. The Company subsequently made application for an additional three mineral exploration licences during the first quarter ended March 31, 2009, all of which have been granted by the Manitoba Mines office. The Miskamowin project area covers approximately 269,111 hectares.

The Project area is located in an underexplored area known to host ultramafic rocks correlative with the Thompson Nickel Belt (“TNB”), and is prospective for the identification of new ultramafic magmatic sulphide Ni deposits, particularly with the use of modern geological and geophysical techniques.

Takara will automatically vest a 100% interest in the project by issuing to Dr. Mungall 250,000 common shares upon receipt of TSX approval (completed), an additional 250,000 common shares one year thereafter, and an additional 250,000 common shares on the ensuing anniversary thereafter.

Thereafter, a discovery bonus shall be payable to Dr. Mungall as to: (i) 150,000 common shares and \$30,000 cash in the event that two (2) diamond drill holes located in the same claim block area each return not less than 1% Nickel over not less than 5 continuous metres; and (ii) in the event that a resource estimate compliant with National Instrument 43-101 is completed on the project by an independent Qualified Person evidencing not less than 1,000,000 tonnes having an average grade of not less than 0.9% Nickel, Mungall shall be entitled to be issued a number of shares that results in Mungall holding an aggregate 1,000,000 common shares (issued as per the Agreement) at the time of completion of the resource estimate hereinbefore described.

On April 27, 2009 Takara received TSX approval for the transaction and issued to Dr. Mungall 250,000 common shares of Takara. The Company plans to conduct an airborne survey in 2010, provided that financing plans and consultations with Nelson House and other stakeholders are completed.

The permit areas are located in the vicinity of Nelson House, Manitoba and are located close to small settlements with some infrastructure. Highway access is possible to some of the licenced areas, and a combination of foot, water, and aircraft access will be possible for all licence areas.

On December 24, 2010, Takara announced the signing of a letter of intent whereby Takara has granted Shear Minerals Ltd. (referred to as “Shear”) the right and option to acquire, subject to all underlying royalties, up to a 49% interest in all mineral rights and up to a 70% interest in the diamond only rights. Shear can acquire a 25% interest in the Project by incurring \$340,000 in exploration expenditures before January 31, 2010. If this is completed, Shear has an option to earn an additional 24% interest in the mineral rights for the Project by incurring an additional \$500,000 in exploration expenditures before December 31, 2011 and if this is completed, the issuance to Takara of

3,000,000 Common Shares of Shear. Shear will have the opportunity to earn into 70% of any diamond “target” by drill testing the target and confirming the presence of kimberlite.

On December 23, 2010 Takara also announced the mobilization of an airborne VTEM survey flown by Geotech Ltd. that will cover the property in order to confirm geology and identify prospective EM conductors for future follow up ground work followed by drill testing.

Upon receiving final results and interpretation from the 2009 airborne survey, Takara will determine future plans that could involve the drill testing of targets or Takara, may at their discretion, elect to create a new company focused on developing underexplored nickel projects in Manitoba and others identified elsewhere.

Basket Lake Uranium Project– Northwestern Ontario

Takara purchased a 100% in the Basket Lake project, by paying: (i) reimbursement of staking costs of \$125,000; (ii) \$75,000 in cash on first anniversary of the purchase agreement (remains unpaid as at the date hereof); and (iii) the issuance of 600,000 common shares, 400,000 of which were issued in December 2007, and 300,000 on December 31, 2008 (100,000 additional shares were issued in consideration for a delay in paying the second cash tranche). Takara paid a finders fee to a party at arms-length of the Company, of 60,000 common shares, and it has reserved, in favour of the vendors, a yellowcake returns royalty equal to 2 ½ % on all final uranium contained in the uranium concentrate produced from ores derived from the property, subject to a buy back of 1% of the royalty for \$1,000,000 at any time.

The Basket Lake project is prospective for uranium mineralization, and is located approximately 60 kilometres southeast of Dryden, Ontario. The Basket Lake project was acquired based on a distinct airborne radiometric anomaly that is coincident with a strong, multi-point lake sediment geochemical uranium anomaly defined by a cluster of anomalous values focussed on the claim area. No previous exploration work is known to have been conducted on the Basket Lake property, and much of the area has been recently logged providing new bedrock exposures and excellent access.

In 2008, Takara completed a 3,000 line kilometre, high-resolution aeromagnetic and radiometric geophysical and Assessment work was filed only on only the areas flown, thereby reducing the project size accordingly. Data from the survey will assist in redefining targeting for future field programs (of ground prospecting, mapping and sampling), however, no programs are planned for 2009 without a funding partner.

Takara’s capitalized costs on the Basket Lake project was \$nil at the beginning of 2009, given that the \$527,172 investment was written off as at the Company’s fiscal year ended December 31, 2008.

In October 2009, the Company vended, among other things, its interest in the Basket Lake Property to St. Eugene Mining Ltd. St. Eugene has agreed to assume all of Takara’s rights and obligations in respect of Basket Lake (see “St. Eugene Transaction”). In consideration for the property and the business combination transaction, St. Eugene issued to Takara 6,000,000 common shares of St. Eugene.

Coal Prospects – South Africa

During the first quarter ended March 31, 2009, the Company did not post any further environmental bonds in respect of its prospective coal applications submitted during 2008, as it was unable to meet the continuous financial stability test, given the market downturn in 2008.

As at the Company’s fiscal year ended December 31, 2008 the Company had halted all progress in respect of its evaluation of coal prospects in South Africa, and accordingly, it wrote off the entire investment (\$95,751). Notwithstanding this, the Company maintains a comprehensive database of coal data for potential future consideration or partnering opportunities.

Baie Verte Project – Uranium in Newfoundland and Labrador

During the first quarter ended March 31, 2009, the Company relinquished all rights in the Baie Verte Project (373 mineral claims prospective for uranium, located in the Noble Pond region of Baie Verte, Newfoundland and Labrador). A total of \$37,383 was written off as at December 31, 2008.

British Columbia Propertunities - Epithermal Gold and Lead-Zinc-Silver Sedimentary projects

The BC Project is comprised of various properties in central interior British Columbia that are prospective for epithermal-style gold and silver mineralization (Big Bar and Baez), and for sedimentary exhalative (“SEDEX”) Pb-Zn-Ag type deposits along the southernmost extension of the Selwyn Basin (Ospika Project), all of which were acquired predominantly on the basis of anomalous Cu and Au stream sediment geochemistry with potential for porphyry-style mineralization (in addition to epithermal-style precious metal mineralization).

On August 19, 2008, the Company signed an option agreement to acquire a 100% mineral interest in the Big Bar, Baez, Ospika projects and five additional prospective geochemical target properties located in the Central Interior of British Columbia. The Properties have potential to host either epithermal gold-silver mineralization and/or sedimentary exhalative Pb-Ag-Zn mineralization.

Takara agreed to option these projects in consideration for: (i) payment of \$15,000 and issuance of 250,000 shares upon signing; (ii) work commitments totalling \$250,000, \$325,000, \$400,000 and \$525,000 by the first, second, third and fourth anniversaries, respectively; (iii) payment of \$25,000, \$30,000 and \$40,000 by the first, second and third anniversaries respectively; and, (iv) issuance of 300,000, 300,000 and 350,000 shares by the first, second and third anniversaries respectively. The vendor will retain a 2% Net Smelter Royalty on each of the properties, with the first 1% purchasable for \$1 million and the final 1% on a right of first refusal.

In 2008 Takara completed a program of initial prospecting, mapping and sampling, and completed airborne and ground geophysical surveys.

As at December 31, 2008, a total of \$554,429 had been invested in the B.C. Projects. In March, 2009, the Company vended, among other things, its interest in the BC Projects to Garson Gold Corp. Garson Gold has agreed to assume all of Takara’s rights and obligations in respect of the BC Projects (see “Garson Gold Transaction”).

Luciana Gold Prospect, Abitibi, QC

On December 5, 2008 the Company signed an option agreement with Golden Valley Mines Ltd. (“Golden Valley”), pursuant to which Golden Valley granted the Company the option to earn up to a 60% interest in the “Luciana Prospect”, a permitted drill-ready mineral property prospective for gold that straddles the “Cameron Shear Zone” near Lebel-sur-Quévillon, QC.

In 2008, the Company completed a first phase drilling program, which consisted of five (5) drill-holes totaling 477 metres. Core logging and sampling were also completed, and by March, 2009, the Company vended the project to Garson Gold Corp. as part of a larger business development transaction. See Garson Gold Transaction for further details.

In order to earn a 51% interest in the Luciana Prospect, Takara had to issue to Golden Valley 250,000 common shares (completed) and shall have conducted a drilling program during the month of December, 2008 in the minimum amount of \$85,000 (completed). Additionally, it must incur an aggregate \$500,000 in exploration expenditures on or before December 31, 2011 (as to \$115,000 prior to December 31, 2009, \$175,000 prior to December 31, 2010 and \$210,000 prior to December 31, 2011).

Thereafter, Takara may elect to increase this interest to 60% by incurring an additional \$1,000,000 in exploration expenditures prior to June 30, 2013 and by issuing Golden Valley an additional 250,000 common shares. In the event that the Property evidences gold or base metals mineralization meeting a minimum threshold of 300,000 ounces gold equivalent or 1,000,000 pounds copper equivalent, Takara shall issue to Golden Valley an additional 200,000 common shares.

The transaction completed between Garson Gold and Takara was approved by the TSX Venture Exchange on April

27, 2009, and accordingly, Garson Gold assumed all of Takara's rights and obligations in respect of the Luciana Prospect.

During the fiscal year ended December 31, 2008 the Company incurred \$123,711 in deferred exploration expenditures, however, this amount was written down to \$90,000. An additional \$10,492 was incurred in exploration expenditures on the Luciana Prospect prior to closing the Garson transaction.

Financial Condition

Liquidity and Capital Resources

Working capital as at December 31, 2009 totaled \$444,513 compared to \$307,518 as at December 31, 2008. Working capital is defined as current assets minus current liabilities. The increase is due to the transaction with St. Eugene (i.e. shares of St. Eugene received on sale of Basket Lake project).

As an exploration Stage Company, with limited revenue stream, the Company budgets exploration and administrative expenses, and closely monitors its burn rate, investments and cash position.

Although the Company has sufficient cash resources to meet its current obligations, the Company is not anticipating an ongoing profit from operations and will therefore rely on its ability to obtain equity financing to fund future exploration programs. The timing and ability to do so will depend on the liquidity of the financial markets as well as the acceptance of investors to finance resource based junior companies.

On December 7, 2009 Takara closed a non brokered financing of 11,666,667 common shares on a private placement basis at a price of \$0.03 per share for gross proceeds of \$350,000.

On December 22, 2009 Takara closed a non brokered financing of 1,250,000 common shares on a private placement basis at a price of \$0.08 per share for gross proceeds of \$100,000.

Summary of Quarterly Results

	QTR 4 2009	QTR 3 2009	QTR 2 2009	QTR 1 2009
Other Income	0	0	0	0
Net Income (Loss)	\$135,134	\$(458,592)	\$(214,784)	\$(153,315)
Basic and diluted income (loss) per share	0.014	(0.013)	(0.003)	(0.005)

	QTR 4 2008	QTR 3 2008	QTR 2 2008	QTR 1 2008
Other Income	26,331	19	259	0
Net Loss	(1,665,282)	(126,895)	(252,183)	(128,124)
Basic and diluted loss per share	(0.050)	(0.004)	(0.008)	(0.004)

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.

Fourth Quarter

During the fourth quarter the Company entered into an agreement with Victoria Gold Corp. to acquire one of its subsidiaries that held title to two advanced stage gold project (as more detailed above).

During the fourth quarter the Company closed two private placements for gross proceeds of \$350,000 (as previously described in the Liquidity and Capital Resources section).

Total operating expenses in the fourth quarter of \$212,047 were offset by the gain on the disposition of the Garson shares and gain on the sale of mineral properties to result in a net income in the fourth quarter of \$135,134.

Major expense items included in the fourth quarter were management compensation of \$24,416, legal fees of \$21,379 (relating to work on the Victoria Gold transaction and other corporate matters), and stock-based compensation expense of \$111,035 related to the vesting of issued stock options to officers and directors of the Company.

Capital Stock Information

Authorized

The Company is authorized to issue an unlimited number of common shares without nominal or par value and an unlimited number of preferred shares without nominal or par value, issuable in one or more series with restrictions as determined by the Board of Directors. The holders of the common shares of the Company shall be entitled to vote at all shareholder meetings and to receive such dividend as the Board of Directors of the Company in their discretion shall declare.

Issued and Outstanding

The following details the issued and outstanding securities of the Company as at April 28, 2010:

Common shares: 51,154,697

Incentive Stock Options:

Expiring Date	Outstanding	Exercisable	Exercise Price
November 16, 2014	1,500,000	1,500,000	0.10

Warrants: All warrants have expired.

Transactions with Related Parties

Transactions with related parties are incurred in the normal course of business and are measured at the exchange amount which is the amount of consideration established and approved by the non-related parties. The related party transactions concluded during the period with directors and companies controlled by them are set out on the balance sheet and the statement of loss and comprehensive loss and deficit and are as follows:

- \$112,416 (2008 - \$108,500) in management fees was charged by a company controlled by a director and CEO of the Company. Of this amount \$41,463 (2008 - \$26,268) of these fees is included in amounts payable to related parties.
- \$40,000 (2008 - \$nil) in management fees was charged by a company controlled by a director and a former president of the Company. Of this amount, \$31,000 (2008 - \$nil) is included in amounts payable to related parties.
- \$58,416 (2008 - \$nil) in geological fees charged was by a Company controlled by a director and President of the Company and recorded as deferred exploration expenditures. \$44,481 (2008 - \$nil) of this amount is included in amounts payable to related parties.
- \$16,000 (2008 - \$18,000) was charged by a director for services - the full amount is (2008 - \$ nil) included in amounts payable to related parties.

Outlook

Takara's exploration activities have been described in the Exploration Activities and Expenditures section of this document. Given the Company's limited cash assets and the current state of the markets, the Company downsized in the past year but generated non cash transactions to generate the best value (Garson Gold and St, Eugene). Takara has chosen to focus on gold in Guyana with the acquisition of the Tassawini Gold Project and the BRL Venture from Victoria Gold. It is anticipated that this advanced gold project will provide the Company with an opportunity to raise capital and evaluate the economics of this project for future production given favorable market conditions and commodity prices.

The current financial equity market conditions and the challenging funding environment can make it difficult to raise funds by private placements of shares. The junior resource industry has been severely impacted by the world economic situation as it is considered to be a high-risk investment. There is no assurance that the Company will be successful with any financing ventures. The Company is dependent upon the continuing financial support of shareholders and obtaining financing to continue exploration of its mineral property interests. While the Company intends to advance its plans through additional equity financing, there is no assurance that any funds that will ultimately be available for operations. Recently the markets have benefited from the strengthening of commodity prices. As a consequence, the Company has decided to focus on gold, particularly one main project to take advantage of the current and forecast price of gold and an advanced project with a resource that has opportunity for growth potential and positive impact on the Company's long term outlook.

Off-Balance Sheet arrangements

There are no off-balance sheet arrangements as at December 31, 2009.

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 may not be able to mitigate. Few properties which 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 its operations, and will be in part related to the cost and success of its exploration programs. Additionally, there are 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, 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 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 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, 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, however, the combination of these factors 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 out of the Company's control, such as commodity prices, the availability of skilled personnel, qualified vendors, and 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 or proposed exploration programs on properties in which the Company has an interest will result on profitable mining operations.

There has been no significant change to the Company's risk factors from those described in the MD&A for the year ended December 31, 2009.

Critical Accounting Policies and Estimates

In preparing the 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. The Company's accounting policies are described in note 2 to the Audited Annual Financial Statements.

Internal Controls Over Financial Reporting

The Chief Executive Officer, the Chief Financial Officer, and the Chairman of the Board of Directors 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 Chairman of the Board of Directors and the Chief Financial Officer have conducted an evaluation of the controls and procedures regarding communication of information and have concluded these controls and procedures were effective for the year ended December 31, 2009. In December 2008, the Chief Executive Officer assumed the role of Chief Financial Officer upon the resignation of the interim Chief Financial Officer – and it is anticipated that the Chief Executive Officer will retain the dual roles on an interim basis until market conditions improve, financial stability can be achieved, either by way of improved market conditions or by completing a transaction favourable to the survival of the Company, and additional executives can be identified by the Board. Accordingly, since December 2008, the Chief Executive Officer, the Chief Financial Officer, together with the Chairman of the Board of Directors are responsible for designing internal controls over financial reporting or for causing it to be designed under their supervision. During 2009, all existing systems have been documented and inadequacies have been corrected, as necessary. The Chief Executive Officer and the Chief Financial Officer, together with the Chairman of the Board, have evaluated whether there were changes to internal control over financial reporting during the fiscal year ended December 31, 2009, and thereafter during the year ended December 31, 2009, 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.

Accounting Changes

In December 2008, the Canadian Institute of Chartered Accountants ("CICA") issued amendments to financial instruments sections 3855 and 3862 permitting reclassification of a financial asset or liability out of the held-for-trading or available-for-sale category to other financial instruments categories in specified circumstances effective on or after July 1, 2008. The adoption of these amendments had no impact on the financial results of the Company.

In March 2009, the CICA issued an EIC Abstract on Impairment Testing of Mineral Exploration Properties, EIC-174. This Abstract discusses the analysis recommended to be performed to determine if there has been an impairment of mineral exploration properties. The Company considered the recommendations discussed in this abstract, effective for fiscal periods beginning January 1, 2009, when testing for impairment of mineral exploration properties in the period and no impairment adjustments were required.

In June 2009, the CICA amended Section 3862, Financial Instruments - Disclosures ("Section 3862"), to include additional disclosure requirements about fair value measurement for financial instruments and liquidity risk disclosures. These amendments require a three-level hierarchy that reflects the significance of the inputs used in making the fair value measurements. The amendments to Section 3862 apply for annual financial statements relating to fiscal years ending after September 30, 2009. The three levels of fair value hierarchy under Section 3862 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 assets or liabilities, either directly or indirectly; and,
- Level 3 - Inputs for assets or liabilities that are not based on observable market data.

The Company's financial instruments include cash, GST and other receivables, shares of St. Eugene Mining Corporation Ltd, accounts payable and accrued liabilities and amounts payable to related parties.

With respect to all of these financial instruments with the exception of shares of St. Eugene Mining Corporation Ltd., the Company estimates that the fair value of these financial instruments approximates the carrying values at December 31, 2009 and 2008, respectively, and as such they are classified within Level 1 of the fair value hierarchy. The Company's investment in shares of St. Eugene Mining Corporation Ltd. is valued using quoted market prices in active markets and as such is classified within Level 1 of the fair value hierarchy. The fair value of the securities is calculated as the quoted bid price of the investment equity security multiplied by the quantity of shares held by the Company.

Future Changes in Accounting Policies

The CICA issued three new accounting standards in January 2009: Section 1582, Business Combinations, Section 1601, Consolidated Financial Statements and Section 1602, Non-Controlling Interests. These new standards will be effective for fiscal years beginning on or after January 1, 2011. The Company is in the process of evaluating the requirements of the new standards. Section 1582 replaces section 1581 and establishes standards for the accounting for a business combination. It provides the Canadian equivalent to International Financial Reporting Standard IFRS 3 - Business Combinations. The section applies prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 1, 2011. Sections 1601 and 1602 together replace section 1600, Consolidated Financial Statements. Section 1601, establishes standards for the preparation of consolidated financial statements. Section 1601 applies to interim and annual consolidated financial statements relating to fiscal years beginning on or after January 1, 2011. Section 1602 establishes standards for accounting for a non-controlling interest in a subsidiary in consolidated financial statements subsequent to a business combination. It is equivalent to the corresponding provisions of International Financial Reporting Standard IAS 27 - Consolidated and Separate Financial Statements and applies to interim and annual consolidated financial statements relating to fiscal years beginning on or after January 1, 2011.

International Financial Reporting Standards

In February 2008, the Accounting Standards Board confirmed that International Financial Reporting Standards (IFRS) will replace Canadian GAAP for publicly accountable enterprises for financial periods beginning on and after January 1, 2011. The Company's first mandatory filing under IFRS, which will be the first quarter of 2011, will contain IFRS-compliant information on a comparative basis, as well as reconciliations for that quarter and as at January 1, 2010 transition date. Although IFRS uses a conceptual framework similar to Canadian GAAP, there are significant differences in recognition, measurement and disclosure.

The Company has developed a detailed plan for IFRS convergence comprised of three related phases:

- Phase 1 review and assessment, which involved a detailed review of all relevant IFRS standards to identify differences with our current accounting policies and practices; the separate consideration of one - time accounting policy alternatives that must be addressed at the changeover date (IFRS 1 considerations), and those accounting policy choices that will be applied on an ongoing basis in periods subsequent to the changeover to IFRS; the prioritization of those differences that could have a significant impact on our financial statements, business processes and IT;
- Phase 2, design, which includes the evaluation of accounting policy alternatives and the investigation, development and documentation of solutions to resolve differences identified in phase 1, reflecting changes to existing accounting policies and practices, business processes, IT and internal controls;
- Phase 3, implementation, which involves implementing the changes to affected accounting policies and practices, business processes, systems and internal controls. The changes will be tested prior to the formal

reporting requirements under IFRS to ensure all significant differences are properly addressed in time for the changeover.

The Company is into the second phase of its conversion plan and has completed a detailed analysis of the standards, identifying a number of accounting differences and policy alternatives, including one-time accounting alternatives under IFRS. There are a number of IFRS standards in the process of being amended by the International Accounting Standards Board and are expected to continue until the transition date of January 1, 2011. The Company is actively monitoring proposed changes.

The following areas have been identified as having the highest potential impact on the Company's financial reporting: methodology for impairment testing, future taxes, accounting for stock compensation, disclosure and presentation and the provisions related to the initial adoption of IFRS under IFRS 1, *First Time Adoption*.

The Company is also working on implementing changes to its financial information systems and processes to enable it to maintain data required to report its 2010 financial information under IFRS for comparative purposes.

The Company has conducted initial training sessions targeted to various levels of the organization. Additionally, the Company will also continue to provide training to key personnel and will monitor the impacts on its business processes and information systems, and will develop a broader external communication plan. The Company's transition plans are on schedule and further updates on the status of key activities for this project will be provided in the Company's 2010 interim Management's Discussion and Analysis.

Forward Looking Statement

"All statements other than those of a historical nature are 'forward-looking statements' that may involve a number of unknown risks, uncertainties and other factors. There can be no assurance that such statements will prove to be accurate, and actual results and future events could differ materially from those anticipated in such statements."

This document contains forward-looking information that is based on expectations, assumptions and estimates as of the date of this document. The Company's forward-looking information is information that is subject to known and unknown risks and other factors that may cause future actions, conditions or events to differ materially from the anticipated actions, conditions or events expressed or implied by such forward looking information. Forward-looking information is information that does not relate strictly to historical or current facts, and can be identified by the use of the future tense or other forward-looking words such as "believe", "expect", "anticipate", "intend", "plan", "estimate", "should", "may", "could", "would", "target", "objective", "projection", "forecast", "continue", "strategy", or the negative of those terms or other variations of them or comparable terminology.

In formulating the forward-looking information above, the Company has made assumptions regarding general financial market conditions and the availability of financing.

While the Company anticipates that subsequent events and developments may cause the Company's views to change, the Company does not have an intention to update this forward-looking information, except as required by applicable securities laws. This forward-looking information represents management's views as of the date of this document and such information should not be relied upon as representing our views as of any date subsequent to the date of this document. The Company has attempted to identify important factors that could cause actual results, performance or achievements to vary from those current expectations or estimates expressed or implied by the forward-looking information. However, there may be other factors that cause results, performance or achievements not to be as expected or estimated and that could cause actual results, performance or achievements to differ materially from current expectations. There can be no assurance that forward-looking information will prove to be accurate, as actual results and future events could differ materially from those expected or estimated in such statements. Accordingly, readers should not place undue reliance on forward-looking information. These factors are not intended to represent a complete list of the factors that could affect us. See also "Risks and Uncertainties".

Subsequent Event Notes

On March 5, 2010 the Company signed a Share Purchase Agreement with Victoria Gold Corp. ("Victoria") formalizing the terms of the letter agreement entered into on November 13, 2009, pursuant to which the Company agreed to purchase all of the outstanding securities of Stratagold Guyana Inc. ("SGI"). SGI is a private Guyanese company that holds title to the Guyana Gold Projects, namely: (i) the Tassawini Gold Project; and (ii) the BRL Venture, two advanced stage gold projects within the Guyana Shield, Guyana. Details of the Acquisition were updated in press releases dated March 8 and 17, 2010.

On March 17, 2010 Takara announced that SRK Consulting (Canada) Inc. ("SRK") has readdressed to Takara the National Instrument 43-101 ("NI 43-101") Mineral Resource Estimation technical report for the Tassawini and Sonne Gold Deposits located on the Tassawini property in Guyana dated February 10, 2010. The mineral resource evaluation, previously reported in June 2008, integrated 440 diamond drill holes and 1,187 reverse circulation holes for a total of 58,390 metres (m) and 43,284 m of drilling, respectively. The Tassawini and Sonne Deposits are composed of five and four distinct auriferous zones respectively. The Sonne deposit is located at surface and is a flat-lying zone of gold mineralization entirely located in the saprolite profile. Mineral Resources are reported using 0.5 grams of gold per tonne (g/t) cut-off grade. For full details please refer to the news release and the 43-101 technical report dated February 10, 2010 and posted on www.sedar.com under Takara Resources Inc. The highlights of the mineral resource are as follows:

Table 1: Tassawini and Sonne Deposits Mineral Resource Statement, SRK Consulting (Canada) Inc., May 21, 2008.

Deposit	Category of Mineral Resource	Tonnes (Ktonnes)	Gold Grade (g/t)	Gold (ounces)
Tassawini	Indicated	10,766	1.3	437,000
Tassawini	Inferred	614	1.7	33,000
Sonne	Indicated	-	-	-
Sonne	Inferred	1,312	0.7	29,000

On April 8, 2010 Takara announced an equity financing on a private placement basis for gross proceeds of a minimum of \$1,200,000 and maximum of \$3,000,000.

On April 23, 2010 the Company announced that it had effected a 3:1 share consolidation resulting in 17,134,899 shares outstanding. Subsequently, on April 23, 2010, the Company acquired SGI in consideration for the issuance of 21,858,355 common shares. Lastly, on April 23, 2010, the Company completed the first tranche of a private placement offering of 13,259,850 Units at a price of \$0.14 per Unit for gross proceeds of \$1,885,119. Each Unit is comprised of one common share and one full purchase warrant exercisable at a price of \$0.20 for 12 months. The Company paid a 7% cash finders fee to eligible arms length finders in addition to the issuance of non-transferable share purchase warrants ("Finder's Warrant") to acquire Common Shares equal to 7% of the Units sold. Each Finder's Warrant will entitle the Finder to acquire one Common Share at a price of \$0.14 at any time within 12 months of issuance. Total shares outstanding as at April 29, 2010 is 52,253,104. Victoria holds 22,208,355 shares (42.5%).

On April 23, 2010 Takara announced that, subject to regulatory approval, that the Board of Directors has granted stock options pursuant to Takara's incentive stock option plan to certain directors, officers, employees and consultants to acquire an aggregate of 4,300,000 common shares of Takara ("Common Shares"), of which stock options to acquire an aggregate of 4,300,000 Common Shares. The stock options are exercisable at a price of \$0.18 per Common Share. The options will expire five years from the date of the grant.

On April 27, 2010 Takara announced the appointments of Mr. John McConnell and Marty Rendall, CFA, to the board of Directors of Takara, as nominees of Victoria. In order to facilitate the Acquisition, Ms. Nicole Marchand has tendered her resignation from the board of directors.

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.