

## PRESS RELEASE

### **TAKARA NEGOTIATES FINAL TERMS ON SECOND STRATEGIC ALLIANCE**

#### **Due Diligence Underway on Additional Advanced Stage Gold Opportunity**

**October 26, 2009:** Takara Resources Inc. (TKK:TSXV) ("**Takara**") continues to offer shareholders immediate and sustainable value by completing transactions with other companies that have advanced stage gold projects.

In March, 2009 Takara completed a strategic alliance transaction with Garson Gold Corp. (TSX-V:GG) (See Takara news release dated March 13, 2009). Pursuant to this transaction, each shareholder of Takara received, 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 TKK shares held). On October 20, 2009 Garson Gold announced that there was a friendly take-over offer for its shares at a premium to the current market capitalization. See news release of Garson Gold October 20, 2009 for further details.

On June 30, 2009 Takara announced a merger transaction with St. Eugene Mining Corporation Ltd (TSX-V:SEM). Takara and St. Eugene have, however, revised the terms of the June 30 agreement, 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 business combination transaction, St. Eugene shall issue to Takara 6,000,000 common shares of St. Eugene.

Jennifer Boyle, President and Chief Executive Officer of Takara, will be appointed President, Chief Executive Officer, and Director of St. Eugene, Julie Lassonde will be appointed to an advisory committee of St. Eugene, and Pamela Strand shall join the board of directors.

In the interim, Takara has conducted due diligence on certain other gold opportunities, and is currently working co-operatively in negotiating terms on an advanced stage gold project. There is no assurance that Takara will ultimately reach mutually acceptable terms in respect of this project, and accordingly, no reliance should be placed on this transaction being completed until such time as a definitive agreement can be reached.

Over the last few months Takara has evaluated numerous opportunities to support its objectives, and we believe that today's announcement, along with the strategic investment

in St. Eugene Mining Corporation, will help the Company achieve its goals. Aligning ourselves with other potential producers is forefront, as evidenced by Takara's efforts to evolve and simultaneously advance even during challenging market conditions.

The transaction contemplated with St. Eugene is subject to regulatory approval.

**For further information:**

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*Completion of the transactions described above may be subject to a number of conditions, including Exchange acceptance and disinterested Shareholder approval, if required. There can be no assurance that any of the transactions contemplated will be completed as proposed or at all.*

*Investors are cautioned that, except as disclosed in a Management Information Circular to be prepared in connection with the transaction, any information released or received with respect to the proposed transaction may not be accurate or complete and should not be relied upon. Trading in the securities of Takara Resources Inc. and St. Eugene Mining Corporation Ltd. should be considered highly speculative.*

*The TSX Venture Exchange has in no way passed upon the merits of the proposed transaction and has neither approved nor disapproved the contents of this press release. Further, the TSX Venture Exchange does not accept responsibility for the adequacy or accuracy of this release.*

*All of the forward-looking information contained in this press release is qualified by this cautionary statement. There can be no assurance that the actual results or developments anticipated by Takara, as expressed or implied by the forward-looking information, will be realized or, even if substantially realized, that they will have the expected consequences to or effects on Takara or its business operations. Takara disclaims any intention or obligation to update or revise any forward-looking information as a result of new information or future events. Readers should not place undue reliance on forward-looking information.*

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