FORM 51-102F1

MANAGEMENT'S DISCUSSION & ANALYSIS
DECLAN RESOURCES INC. ("DECLAN" OR THE "COMPANY")

August 26, 2013

The following Management's Discussion & Analysis ("MD&A") provides a review of activities, results of operations and financial condition of the Company for the three and nine months ended June 30, 2013 in comparison with those for the three and nine months ended June 30, 2012. The condensed unaudited interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") for interim financial statements and, as a result, do not contain all disclosure required under IFRS for annual financial statements. The following management discussion and analysis should be read in conjunction with the Company's annual audited financial statements for the years ended September 30, 2012 and September 30, 2011. All amounts, unless otherwise indicated, are expressed in Canadian dollars.

Forward-Looking Statements

Except for statements of historical fact, this MD&A contains certain "forward-looking information" within the meaning of applicable securities law. Forward-looking information is frequently characterized by words such as "plan", "expect", "project", "intend", "believe", "anticipate", "estimate" and other similar words, or statements that certain events or conditions "may" or "will" occur. In particular, forward-looking information in this MD&A includes, but is not limited to, statements with respect to future events and are subject to certain risks, uncertainties and assumptions. Although we believe that the expectations reflected in the forward-looking information are reasonable, there can be no assurance that such expectations will prove to be correct. We cannot guarantee future results, performance or achievements. Consequently, there is no representation that the actual results achieved will be the same, in whole or in part, as those set out in the forward-looking information.

Forward-looking information is based on the opinions and estimates of management at the date the statements are made, and are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those anticipated in the forward-looking information. Some of the risks and other factors could cause results to differ materially from those expressed in the forward-looking statements include, but are not limited to: general economic conditions in Canada, the United States and globally; industry conditions, including fluctuations in commodity prices; governmental regulation of the mining industry, including environmental regulation; geological, technical and drilling problems; unanticipated operating events; competition for and/or inability to retain drilling rigs and other services; the availability of capital on acceptable terms; the need to obtain required approvals from regulatory authorities; stock market volatility; volatility in market prices for commodities; liabilities inherent in mining operations; changes in tax laws and incentive programs relating to the mining industry; and the other factors described herein under "Risks and Uncertainties" as well as in our public filings available at www.sedar.com. Readers are cautioned that this list of risk factors should not be construed as exhaustive.

The forward-looking information contained in this MD&A is expressly qualified by this cautionary statement. We undertake no duty to update any of the forward-looking information to conform such information to actual results or to changes in our expectations except as otherwise required by applicable securities legislation. Readers are cautioned not to place undue reliance on forward-looking information.

Management's Responsibility for Financial Statements

The Company's management is responsible for the presentation and preparation of annual financial statements and the MD&A. The financial statements have been prepared in accordance with IFRS. The MD&A has been prepared in accordance with the requirements of securities regulators, including National Instrument 51-102 of the Canadian Securities Administrators.

Overview

The Company is a public company incorporated, on August 25, 2005, under the laws of British Columbia. The Company changed its name to Declan Resources Inc. on April 6, 2012. The Company is a reporting issuer in British Columbia and its common shares are listed and posted for trading on the TSX Venture Exchange under the trading symbol "LAN". The Company's offices are located at 302 – 1620 West 8th Avenue, Vancouver, B.C., V6J 1V4.

The Company is a natural resource company engaged in the acquisition and exploration and development of resource properties with its primary focus on the development of its mineral property interests in Tanzania, while it continues to evaluate new business opportunities.

Sierra Leone Property

The Company received TSX Venture Exchange approval for Declan's acquisition of 100% of the issued common shares of Talos Minerals Ltd. ("Talos") through the exchange of one common share of Declan for each one common share of Talos which is issued and outstanding. Talos is a closely held private B.C. corporation. Talos currently has 24,470,002 issued and outstanding common shares. Talos' principal assets are three mineral exploration licenses in the Kono and Bo districts of Sierra Leone. Talos' exploration licenses are held by its two 85% owned Sierra Leone subsidiaries, Greenstone Minerals (SL) Limited ("Greenstone") and Revonah Resources (SL) Limited ("Revonah"). The remaining 15% of Greenstone and Revonah is held equally by Mr. Jamal Shallop and Mr. Craig McLean, both residents of Sierra Leone.

The Talos license area in the Nimini Hills greenstone formation is in the Kono District in Eastern Sierra Leone. Its Western boundary is contiguous with Polo Resources' Komahun gold discovery which was purchased from AXMIN in December 2011. The Komahan discovery is the second most advanced gold project in Sierra Leone and Polo is currently undertaking a 28,500m resource delineation drill program. This Talos license is 54 sq km and is approximately 200km east of Freetown, the capital of Sierra Leone. Talos completed an initial geochemical sampling program on this license in 2012 and a VTEM (airborne versatile time domain electromagnetic and aeromagnetic geophysical survey) in January 2012. A technical report prepared in accordance with National Instrument 43-101 has been completed on the Nimini Hills property. The Company commenced a 4,000m wireline core drilling program in October 2012 and simultaneously initiated a multi-method ground IP geophysical survey (Gradient IP, HIRIP pole-dipole) in November 2012.

The other Talos exploration licenses are in the southern extension of the Kangari Hills in the Bo District in Central Sierra Leone. Their Northern boundary is contiguous with Cluff Gold's Baomahan gold project which is in the mine construction phase and is the largest and most advanced gold project in Sierra Leone. The two licenses are 144 sq km and 186sq km and are located approximately 120km east of Freetown. The Kangari Hills licenses include the Southern end of the Sula Mountains greenstone formation and there is extensive artisanal activity in the area.

The Company issued 24,470,002 common shares in a share for share exchange with Talos. The Company now owns 100% of Talos.

Risks and Uncertainties

The Company is in the mineral exploration and development business and, as such, is exposed to a number of risks and uncertainties that are not uncommon to other companies in the same business. Some of the possible risks include the following:

a) The industry is capital intensive and subject to fluctuations in metal prices, market sentiment, foreign exchange and interest rates. The recovery of the Company's investment in resource properties and the attainment of profitable operations are dependent upon the discovery and development of economic ore reserves and the ability to arrange sufficient financing to bring the ore reserves into production.

b) The most likely source of future funds for further acquisitions and exploration programs undertaken by the Company are the sale of equity capital or the offering by the Company of an interest in its properties to be earned by another interested party carrying out further exploration or development. If such exploration programs are successful, the development of economic ore bodies and commencement of commercial production may require future equity financings by the Company which are likely to result in substantial dilution to the holdings of existing shareholders.

c) The Company's capital resources are largely determined by the strength of the resource markets and the status of the Company's projects in relation to these markets, and its ability to compete for the investor support of its projects.

d) The prices of metals greatly affect the value of and the potential value of its properties. This, in turn greatly affects its ability to raise equity capital, negotiate option agreements and form joint ventures.

e) The Company must comply with health, safety, and environmental regulations governing air and water quality and land disturbances and provide for mine reclamation and closure costs. The Company's permission to operate could be withdrawn temporarily where there is evidence of serious breaches of such regulations, or even permanently in the case of extreme breaches. Significant liabilities could be imposed on the Company for damages, clean-up costs or penalties in the event of certain discharges into the environment, environmental damage caused by previous owners of acquired properties or noncompliance with environmental laws or regulations.

f) The operations of the Company will require various licenses and permits from various governmental authorities. There is no assurance that the Company will be successful in obtaining the necessary licenses and permits to continue exploration and development activities in the future.

g) Although the Company has taken steps to verify title to mineral properties in which it has an interest, these procedures do not guarantee the Company's title. Such properties may be subject to prior agreements or transfers and title may be affected by such undetected defects.

Should one or more of these risks and uncertainties materialize, or should underlying assumptions prove incorrect, then actual results may vary materially from those described in any forward looking statement. The development and exploration activities of the Company are subject to various laws governing exploration, development, and labour standards which may affect the operations of the Company as these laws and regulations set various standards regulating certain aspects of health and environmental quality. They provide for penalties and other liabilities for the violation of such standards and establish, in certain circumstances, obligations to rehabilitate current and former facilities and locations where operations are, or were conducted.

Overall Performance and Results of Operations

During the nine months ended June 30, 2013, the Company incurred a net loss of $3,670,659 from operations compared to a net loss of $991,004 for the nine months ended June 30, 2012. Operating expenses for the nine months ended June 30, 2013 were $3,692,537, compared to $1,003,050 for the nine months ended June 30, 2012.

Resource property exploration was $2,795,955 for the nine months ended June 30, 2013 compared to $296,701 for the nine months ended June 30, 2012 which is due to increased exploration activity in Sierra Leone.

These expenses are itemized in the Condensed Interim Statement of Comprehensive Loss in the Company's unaudited Financial Statements for the nine months ended June 30, 2013 and 2012.

Selected Annual Information

The following table sets out selected annual financial information for the financial years ended 2012 and 2011. The financial data has been prepared in accordance with IFRS:

Years Ended	September 30, 2012	September 30, 2011
Total Revenue	$ Nil	$ Nil
Loss before other items - per share(1)	($2,147,779) ($0.07)	($1,962,864) ($0.04)
Loss and comprehensive loss - per share(1)	($3,511,691) ($0.10)	($2,882,028) ($0.07)
Total Assets	$6,460,968	$335,566
Total Long Term Financial Liabilities	$Nil	$Nil
Cash Dividends Declared - per common share	$ Nil	$ Nil

Note:
1. Fully diluted earnings (loss) per share was not calculated as the effect was anti-dilutive.

Operating Expenses

Nine months ended June 30, 2013 compared to the nine months ended June 30, 2012

Operating expenses for the nine months ended June 30, 2013 were $3,692,537 compared to $1,003,050 for the nine months ended June 30, 2012. The major contributors to this change are:

1. There were increased activities in Sierra Leone during the period resulting in increase of resource property exploration by $2,499,254 (2012 – decreased by $762,064).

2. Management fees decreased by $89,325 (2012 – increased by $151,340) as the Company entered into new management agreements with certain related parties towards the end of the fiscal year in 2012.

3. Office and miscellaneous increased by $110,389 (2012 – increase by $27,417) due to the increased activities in Sierra Leone.

4. Share-based compensation increased to $114,541 (2012 – decreased by $nil). The increase is due to new options being issued during the period.

5. Travel increased by $136,520(2012 – increased by $120,971) due to increased project monitoring as a result of increased activities in Sierra Leone.

6. The Company's assets decreased to $3,010,579 (2012- increased to $6,460,968) due to increase in resource property exploration expenses.

Three months ended June 30, 2013 compared to the three months ended June 30, 2012

Operating expenses for the three months ended June 30, 2013 were $1,094,401 compared to $209,955 for the three months ended June 30, 2012. The major contributors to this change are:

1. Resource property exploration increased to $862,228 (2012 – decreased to $nil). The increase is due to increased activities in Sierra Leone.

2. Management fees decreased to $23,824 (2012 – increased to $68,000) as the company entered into new management agreements with certain related parties in fiscal year 2012.

3. Office and miscellaneous increased by $39,077 (2012 – increased by $12,976) due to increased activities in Sierra Leone.

4. Professional fees decreased by $47,135 (2012 – increased by 1,398) due to decreased work related to IFRS transition and compliance during the period.

5. Transfer agent and filing fees increased by $26,198 (2012 – decreased by $2,791) due to new stock options being issued during the year.

Summary of Quarterly Results

The following table sets out selected unaudited financial information for the eight most recently completed quarters:

Three Months Ended	June 30, 2013	March 31, 2013	December 31, 2012	September 30, 2012
Total Revenue	$Nil	$Nil	$Nil	$Nil
Loss before other items - per share(1)	($1,094,401) ($0.01)	($2,593,215) ($0.02)	($1,078,760) ($0.01)	($1,144,729) ($0.01)
Loss and comprehensive loss - per share(1)	($1,097,492) ($0.01)	($2,573,010) ($0.02)	($1,069,858) ($0.01)	($2,520.687) ($0.03)

Three Months Ended	June 30, 2012	March 31, 2012	December 31, 2011	September 30, 2011
Total Revenue	$Nil	$Nil	$Nil	$Nil
Loss before other items - per share(1)	($209,955) ($0.001)	($251,305) ($0.003)	($541,790) ($0.007)	($306,100) ($0.011)
Loss and comprehensive loss - per share(1)	($208,494) ($0.002)	($249,268) ($0.003)	($533,242) ($0.007)	($1,225,264) ($0.044)

Note:

1. Fully diluted earnings (loss) per share was not calculated as the effect was anti-dilutive.

Liquidity and Capital Resources

The Company's cash position was $144,225 as at June 30, 2013, compared to $3,650,417 as at September 30, 2012. The Company had working capital deficiency of $316,974 as at June 30, 2013 compared to a working capital of $3,239,325 as at September 30, 2012. The decrease in the Company's cash position and working capital was a direct result of financing activities offset by its operating expenses and acquisition of exploration and evaluation assets.

Off Balance Sheet Arrangements

The Company is not a party to any off-balance sheet arrangements or transactions.

Transactions with Related Parties

a) The Company's related parties consist of companies owned in whole in or in part by executive officers and directors as follows:

The Company incurred the following fees and expenses, during the period ended June 30, 2013, in the normal course of operations in connection with companies owned by key management and directors. Expenses have been measured at the exchange amount which is determined on a cost recovery basis.

Name	June 30, 2013	June 30, 2012	Position and Nature of Transactions
Carsonby Enterprises Inc. (Michelle Gahagan)	$ 45,000	$ 45,000	President – Management Services
J.W. Jardine & Company Ltd. (John Jardine)	68,000	30,000	Former CFO – Accounting Services
Buckley Dodds Parker LLP(John Parker)	10,000	-	CFO – Accounting Services
Kapelka Resources Inc. ($15,000 capitalized)	60,000	60,000	Director– Consulting Services
Total	183,000	135,000	

b) Compensation of key management personnel

The remuneration of directors and other members of key management personnel including the fees reported in Note 12 a) of the interim consolidated financial statements for the nine months ended June 30, 2013 and June 30, 2012 were as follows:

Nine months ended	June 30, 2013	June 30, 2012
Salaries and directors fees	$ 45,000	$ 45,000
Consulting fees	60,000	60,000
Accounting services	78,000	30,000
Share-based compensation	-	281,607
Total	$ 183,000	$ 416,607

As at June 30, 2013 accounts payable and accrued liabilities includes $400,000 (2012 - $NIL) owing to directors and former directors and companies controlled by a common former director for fees. The amounts owing are unsecured, non-interest bearing and have no fixed repayment terms.

These transactions were in the normal course of operations and were measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

Proposed Transactions

The Company does not have any current proposed asset or business acquisitions or dispositions, however, the Company continues to seek new business opportunities and to raise capital.

Subsequent Events

On July 10, 2013, the Company issued 2,400,000 common shares at $0.05 per share for a total consideration of $120,000. The holders of these securities must not trade the securities before November 11, 2013 per Policy 3.2 of the Exchange.

Application of new International Financial Reporting Standards

A number of new standards, amendments to standards and interpretations are not yet effective, and have not been applied in preparing this interim consolidated financial statement. The company has not early adopted any of these standards and is currently evaluating the impact, if any, that these standards might have on its financial statements.

Accounting standards issued and effective January 1, 2013.

Consolidated financial statements

IFRS 10, *Consolidated Financial Statements*, establishes principles for the presentation and preparation of consolidated financial statements when an entity controls one or more other entities. This standard:

i.) requires a parent entity (an entity that controls one or more other entities) to present consolidated financial statements.

ii.) defines the principle of control, and establishes control as the basis for consolidation

iii.) sets out how to apply the principle of control to identify whether an investor controls and investee and therefore must consolidate the investee

iv.) sets out the accounting requirements for the preparation of consolidation financial statements. IFRS 10 supersedes IAS 27 Consolidated and Separate Financial Statements and SIC-12 Consolidation-Special Purpose Entities.

Joint Arrangements

IFRS 11, *Joint Arrangements* establishes the core principle that a party to a joint arrangement determines the type of joint arrangement in which it is involved by assessing its rights and obligations and accounts for those rights and obligations in accordance with that type of joint arrangement.

Disclosure of involvement with other entities

IFRS 12 *Disclosure of Involvement with Other Entities* requires the disclosure of information that enables users of financial statements to evaluate the nature of, and risks associated with, its interests in other entities and the effect of those interest on its financial position, financial performance and cash flows.

Separate financial statements

IAS 27 *Separate Financial Statements* has the objective of setting standards to be applied in accounting for investments in subsidiaries, joint ventures, and associates when an entity elects, or is required by local regulations, to present separate (non-consolidated) financial statements.

Investment in associates and joint ventures

IAS 28 Investments in Associates and Joint Ventures prescribes the accounting for investment in associates and sets out the requirements for the application of the entity method when accounting for investments in associates and joint ventures. IAS 28 applies to all entities that are investors with joint control of, or significant influence over, an investee (associate or joint venture).

Financial Instruments and Risk Management

Financial risk management

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's financial instruments consist of cash, receivables and accounts payable and accrued liabilities.

The Company classified its cashas fair value through profit or loss; receivables as loans and receivables; and accounts payable and accrued liabilities as other financial liabilities. The fair value of cash is measured on the statement of financial position using level 1 of the fair value hierarchy. The fair values of receivables, and accounts payable and accrued liabilities approximate their book values because of the short-term nature of these instruments.

Financial instrument risk exposure

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board approves and monitors the risk management processes.

Credit risk

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its payment obligations. The Company has no material counterparties to its financial instruments with the exception of the financial institutions which hold its cash. The Company manages this credit risk by ensuring that these financial assets are placed with a major financial institution with strong investment grade ratings by a primary ratings agency. The Company's receivables consist primarily of harmonized sales tax due from the Canada Revenue Agency. The Company does not believe it has a material exposure to credit risk.

Liquidity risk

The Company ensures that there is sufficient capital in order to meet short-term business requirements, after taking into account the Company's holdings of cash. The Company's cash is invested in business accounts which are available on demand. The Company only has one contractual obligation, see note 16, other than current accounts payable and accrued liabilities.

Interest rate risk

The Company is exposed to interest rate risk. The Company's bank account earns interest income at variable rates. The fair value of its portfolio is relatively unaffected by changes in short-term interest rates. The Company's future interest income is exposed to short-term rates.

Foreign exchange Risk

The Company expects to continue to raise equity predominantly in Canadian dollars. In 2011 and going forward, the Company anticipates doing business in Africa which uses the US Dollar as its currency. As such, it is subject to risk due to fluctuations in the exchange rates between the U.S. and Canadian dollars. The Company does not enter into derivative financial instruments to mitigate its exposure to foreign currency risk. The effect of a one percent change in the foreign exchange rate on the Company's cash held in foreign currencies would be approximately $nil.

Commodity price risk

The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices of precious and base metals, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company. Fluctuations in pricing may be significant.

Political uncertainty

In conducting operations in other countries, the Company is subject to considerations and risks not typically associated with companies operating in North America. These include risks such as the political, economic and legal environments. Among other things, the Company's results may be adversely affected by changes in the political and social conditions, and by changes in governmental policies with respect to mining laws and regulations, anti-inflationary measures, currency conversion and remittance abroad, and rates and methods of taxation.

Disclosure of Outstanding Share Data

The authorized capital of the Company consists of an unlimited number of common shares without par value.

Shares Issued and Outstanding:

As at the effective date of this MD&A there were 108,353,676 common shares issued and outstanding.

Warrants:

As at the effective date of this MD&A, the Company had 7,446,643 share purchase warrants outstanding.

Stock options:

As at the effective date of this MD&A, the Company had 6,950,000 stock options outstanding and 2,516,667 exercisable.

Additional Information

Additional information relating to the Company is available under the Company's profile on SEDAR, located on the internet at www.sedar.com.

Directors and Officers

The Company's directors and officers as at the effective date of this MD&A are:

Directors:

Michelle Gahagan
Garry Clark
Michael Curtis
Craig McLean
Wayne Tisdale
Gordon King
Jamal Shallop, Director of subsidiaries, Greenstone Resources SL and Revonah Resources SL
Tyson King, Director of subsidiary, Talos Minerals Ltd.

Officers:

Wayne Tisdale, President and CEO
John Parker, CFO
Leah Martin, Corporate Secretary