DECLAN RESOURCES INC.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Canadian dollars)

Six Months Ended

MARCH 31, 2014 and 2013
(Unaudited)

NOTICE OF NO AUDITOR REVIEW OF
CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3 (3) (a), if an auditor has not performed a review of the condensed interim financial statements, they must be accompanied by a notice indicating that an auditor has not reviewed the financial statements.

The Company's independent auditor has not performed a review of these condensed interim consolidated financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

The accompanying condensed interim consolidated financial statements of the Company have been prepared by and are the responsibility of the Company's management.

DECLAN RESOURCES INC.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian dollars)
(Unaudited)
As at

	Notes	March 31, 2014	September 30, 2013
ASSETS			
Current			
Cash	5	$ 193,000	$ 48,824
Receivables	6	16,571	84,656
Exploration advances	7	221,162	205,982
Prepaid expenses	8	28,127	7,843
		458,860	347,305
Exploration and evaluation assets	9	3,922,052	2,969,531
		$ 4,380,912	$ 3,316,836
LIABILITIES			
Current			
Accounts payable and accrued liabilities	10	$ 940,442	$ 593,829
Notes payable	11	577,989	538,325
		1,518,431	1,132,154
SHAREHOLDERS' EQUITY			
Share capital	12	15,741,951	14,164,249
Share-based payment reserve	12	1,246,985	792,537
Share subscriptions received	12	128,000	-
Deficit		(14,254,455)	(12,772,104)
		2,862,481	2,184,682
		$ 4,380,912	$ 3,316,836

Nature of operations and going concern (Note 1)
Subsequent events (Note 18)

These condensed interim consolidated financial statements were authorized for issue by the Board of Directors on May 27, 2014.

They are signed on the Company's behalf by:

/s/ Michelle Gahagan Director /s/ Garry Clark Director

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

DECLAN RESOURCES INC.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(Expressed in Canadian dollars)
(Unaudited)

	Notes	Three Months Ended March 31, 2014	Three Months Ended March 31, 2013	Six Months Ended March 31, 2014	Six Months Ended March 31, 2013
Expenses					
Consulting fees		$ 14,661	$ -	$ 28,161	$ 10,000
Exploration and evaluation expenditures	9	175,145	1,251,101	389,915	1,933,724
Finance fees		37,367	-	75,565	-
Foreign exchange gain		(10,812)	(8,585)	(19,922)	(4,764)
Insurance		2,798	-	5,658	-
Investor relations		171,249	5,550	293,658	11,477
Management fees		24,125	30,176	42,125	60,176
Office and miscellaneous		34,424	46,617	69,403	92,080
Professional fees		3,469	113,906	48,869	154,091
Property investigation costs		700	-	1,111	10,000
Share-based compensation	12	182,411	-	454,448	114,542
Transfer agent and filing fees		158	12,618	3,371	15,138
Travel		59,721	63,229	90,170	196,751
Operating loss		(695,416)	(1,514,612)	(1,482,532)	(2,593,215)
Interest income		117	11,303	181	20,205
Loss and comprehensive loss for the period		$(695,299)	$ (1,503,309)	$(1,482,351)	$ (2,537,010)
Basic and diluted loss per common share		$ (0.01)	$ (0.01)	$ (0.01)	$ (0.02)
Weighted average number of common shares outstanding		137,595,771	108,353,676	134,315,652	108,353,676

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

DECLAN RESOURCES INC.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in Canadian dollars)
(Unaudited)
Six Months Ended March 31

		2014		2013
CASH FLOWS USED IN OPERATING ACTIVITIES				
Loss for the period	$	(1,482,351)	$	(2,573,010)
Items not affecting cash:				
Share-based compensation		454,448		114,542
Accretion interest		39,664		-
Unrealized foreign exchange gain		(15,180)		-
Changes in non-cash working capital:				
Decrease (increase) in receivables		68,085		(41,867)
Decrease in exploration advances		-		53
Increase in prepaid expenses		(20,284)		-
Increase in accounts payable and accrued liabilities		339,387		96,775
Net cash used in operating activities		(616,231)		(2,403,507)
CASH FLOWS USED IN INVESTING ACTIVITY				
Exploration and evaluation assets		(292,940)		-
Net cash used in investing activity		(292,940)		-
CASH FLOWS FROM FINANCING ACTIVITIES				
Issuance of share capital		986,000		-
Share subscriptions received in advance		128,000		-
Share issue costs		(60,653)		-
Net cash provided by financing activities		1,053,347		-
Increase (decrease) in cash for the period		144,176		(2,403,507)
Cash, beginning of the period		48,824		3,650,417
Cash, end of the period	$	193,000	$	1,246,910
Cash consists of:				
Cash	$	-	$	50,910
Guaranteed Investment Certificates		-		1,196,000
		-		1,246,910
Supplemental Disclosure of Cash Flow Information:				
Shares issued for exploration and evaluation assets	$	540,000	$	-
Amounts accrued for exploration and evaluation assets included in accounts payable and accrued liabilities		65,000		-
Shares issued for finders' fees for acquisition of exploration and evaluation assets		112,355		-

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

DECLAN RESOURCES INC.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(Expressed in Canadian dollars)
(Unaudited)

	Note	Number of Shares	Share Capital	Share-based Payments Reserve	Share subscriptions received	Deficit	Total Equity
Balance, September 30, 2012		108,353,676	$ 13,737,183	$ 492,261	$ -	$(8,506,175)	$ 5,723,269
Loss and comprehensive loss		-	-	-	-	(2,573,010)	(2,573,010)
Share-based compensation		-	-	114,542	-	-	114,542
Balance, March 31, 2013		108,353,676	$ 13,737,183	$ 606,803	$ -	$ (11,079,185)	$ 3,264,801
Balance, September 30, 2013		115,487,887	$ 14,164,249	$ 792,537	$ -	$(12,772,104)	$ 2,184,682
Loss and comprehensive loss		-	-	-	-	(1,482,351)	(1,482,351)
Share-based compensation	12	-	-	454,448	-	-	454,448
Share subscriptions received in advance	12	-	-	-	128,000	-	128,000
Shares issued for exploration and evaluation assets	9	5,000,000	540,000	-	-	-	540,000
Shares issued for finder's fee	9	1,106,397	112,355	-	-	-	112,355
Shares issued for private placement	12	15,000,000	750,000	-	-	-	750,000
Shares issued for warrant exercise	12	2,360,000	236,000	-	-	-	236,000
Share issue costs		-	(60,653)	-	-	-	(60,653)
Balance, March 31, 2014		138,954,284	$15,741,951	$1,246,985	$ 128,000	$(14,254,455)	$2,862,481

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

1. NATURE OF OPERATIONS AND GOING CONCERN

Declan Resources Inc. (“the Company”) was incorporated on August 25, 2005 under the Laws of British Columbia. The Company’s head office and registered and records office address is Suite 302 – 1620 West 8th Ave, Vancouver, BC, V6J 1V4, Canada. The Company is traded on the TSX Venture Exchange (“TSX-V”).

The Company is a mineral exploration company focused on acquiring, exploring and developing exploration and evaluation assets in Sierra Leone and Canada. In conducting operations in Sierra Leone, 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 in an emerging market. Among other things, the Company’s results may be adversely affected by changes in political and social conditions in Sierra Leone, 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.

At the date of the condensed interim consolidated financial statements, the Company has not identified a known body of commercial grade mineral on any of its exploration and evaluation assets. The ability of the Company to realize the costs it has incurred to date on exploration and evaluation assets is dependent upon the Company identifying a commercial mineral body, to finance its development costs and to resolve any environmental, regulatory or other constraints which may hinder the successful development of the exploration and evaluation assets. To date, the Company has not earned any revenues and is considered to be in the exploration stage.

The condensed interim consolidated financial statements have been prepared assuming the Company will continue on a going-concern basis. The Company has incurred losses since its inception and the ability of the Company to continue as a going-concern depends upon its ability to raise adequate financing and to develop profitable operations. These condensed interim consolidated financial statements do not include adjustments to amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue operations.

Management is actively targeting sources of additional financing through alliances with financial, exploration and mining entities, and other business and financial transactions which would assure continuation of the Company’s operations and exploration programs. In addition, management closely monitors commodity prices of precious metals, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company if favorable or adverse market conditions occur.

The Company estimates that it will need additional capital to operate for the upcoming year. The Company believes such financing will be available as required, however, there can be no assurance that the Company will be successful in its future financing attempts. These material uncertainties may cast doubt on the Company’s ability to continue as a going concern.

2. BASIS OF PRESENTATION

Statement of compliance

These condensed consolidated interim financial statements, including comparatives, have been prepared in accordance with IAS 34, Interim Financial Reporting, as issued by the International Accounting Standards Board ("IASB") and the interpretations of the IFRS Interpretations committee ("IFRIC"s). They do not include all disclosures required by International Financial Reporting Standards ("IFRS") for annual financial statements, and, therefore, should be read in conjunction with the Company’s audited consolidated financial statements for the year ended September 30, 2013, prepared in accordance with IFRS as issued by the IASB.

2. BASIS OF PRESENTATION (cont'd…)

Basis of presentation

These condensed consolidated interim financial statements have been prepared on a historical cost basis, using the accrual basis of accounting, except for cash flow information and for certain financial assets that are measured at fair value.

Functional and presentation currency

These condensed consolidated interim financial statements are presented in Canadian dollars, unless otherwise noted, which is both the functional currency of the parent and of the subsidiary.

Basis of consolidation

These condensed interim consolidated financial statements include the accounts of the Company and its subsidiary companies. Intercompany balances and transactions, and any unrealized income and expenses arising from intercompany transactions, are eliminated in preparing the condensed interim consolidated financial statements.

Name of Subsidiary	Place of Incorporation	Proportion of Ownership Interest	Principal Activity
Talos Minerals Ltd.	Canada	100%	Holding Company
Revonah Resources (SL) Ltd.	Sierra Leone	85%	Exploration in Sierra Leone
Greenstone Minerals (SL) Ltd.	Sierra Leone	85%	Exploration in Sierra Leone

Use of estimates and judgments

The preparation of these condensed interim consolidated financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the condensed interim consolidated financial statement. Actual results could differ from these estimates.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the end of the reporting period, that could result in a material adjustment to the carrying amounts of assets and liabilities in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

i) Exploration and evaluation assets

The carrying value and recoverability of exploration and evaluation assets requires management to make certain estimates, judgments and assumptions about its projects. Management has determined that of exploration, evaluation and related costs incurred which were capitalized may have future economic benefits and may be economically recoverable Management uses several criteria in its assessments of economic recoverability and probability of future economic benefits including geologic and other technical information, history of conversion of mineral deposits with similar characteristics to its own properties to proven and probably mineral reserves, scoping and feasibility studies, accessible facilities and existing permits.

ii) Share-based compensation

The fair value of stock options issued are subject to the limitation of the Black-Scholes option pricing model, which incorporates market data and involves uncertainty in estimates used by management in the assumptions. The Black-Scholes option pricing model requires the input of highly subjective assumptions, including the volatility of share prices, and, as a result, changes in subjective input assumptions can materially affect the fair value estimate.

2. BASIS OF PRESENTATION (cont'd…)

Use of estimates and judgments (cont'd…)

iii) Deferred income taxes

The determination of income tax is inherently complex and requires making certain estimates and assumptions about future events. The Company has adequately provided for all income tax obligations, however, changes in facts and circumstances as a result of income tax audits, reassessments, jurisprudence and any new legislation may result in an increase or decrease in the Company's provision for deferred income taxes.

3. SIGNIFICANT ACCOUNTING POLICIES

These condensed interim consolidated financial statements were prepared using the same accounting policies and methods of computation as in the Company's consolidated financial statements for the year ended September 30, 2013 except as noted below.

New accounting policies adopted

The following standards and amendments to existing standards have been adopted by the Company effective October 1, 2013:

IFRS 10, Consolidated Financial Statements

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

IFRS 11, Joint Arrangements

This standard 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.

IFRS 12, Disclosure of Involvement with Other Entities

This standard 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 interests on its financial position, financial performance and cash flows.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

New accounting policies adopted (cont'd…)

IFRS 13, Fair Value Measurement

This standard defines fair value, sets out in a single IFRS a framework for measuring fair value and requires disclosure about fair value measurements. IFRS 13 applies when another IFRS requires or permits fair value measurements or disclosures about fair value measurements (and measurements, such as fair value less cost to sell, based on fair value or disclosures about those measurements), except for: share-based payment transactions within the scope of IFRS 2 Share-based payment; leasing transactions within the scope of IAS 17 Leases; measurements that have some similarities to fair value but that are not fair value, such as net realizable value in IAS 2 Inventories or value in use in IAS 36 Impairment of Assets.

IAS 27, Separate Financial Statements

This standard 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.

IAS 28, Investments in Associates and Joint Ventures

This standard prescribes the accounting for investment in associates and sets out the requirements for the application of the equity 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).

IAS 32, Financial instruments: presentation

The amendments to this standard focused on four main areas:

i) the meaning of "currently has a legally enforceable right of set-off";
ii) the application of simultaneous realization and settlement;
iii) the offsetting of collateral amount; and
iv) the unit of account for applying the offsetting requirements.

The adoption of these standards did not have an impact on the condensed interim consolidated financial statements.

New standards, amendments and interpretations to existing standards not yet effective

The following standards, amendments to standards and interpretations have been issued but are not effective:

IFRS 9, Financial instruments

This standard was issued in November 2009 and covers the classification and measurement of financial assets as part of its project to replace IAS 39 Financial Instruments: Recognition and Measurement. In October 2010, the requirements for classifying and measuring financial liabilities were added to IFRS 9. Under this guidance, entities have the option to recognize financial liabilities at fair value through earnings. If this option is elected, entitles would be required to reverse the portion of the fair value change due to own credit risk out of earnings and recognize the change in other comprehensive income. IFRS 9 is applicable for periods beginning on or after January 1, 2018.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

New standards, amendments and interpretations to existing standards not yet effective (cont'd…)

The Company has not yet assessed the impact that the application of this standard or determined whether it will adopt this standard early.

4. ACQUISITION OF TALOS MINERALS LTD.

The Company acquired an 85% interest in certain Sierra Leone mineral properties (Note 9) through the purchase of 100% of the voting shares of Talos Minerals Ltd. ("Talos") in exchange for the issue of 24,470,002 common shares valued at $2,202,300 and 1,500,000 stock options valued at $78,200.

On July 12, 2012, the Company purchased 100% of the shares of Talos. The transaction was treated as an asset acquisition. A summary of the net assets acquired is as follows:

Cash	$	126,633
Receivables		21,716
Deposits		207,789
Exploration and evaluation assets		2,483,944
Accounts payable and accrued liabilities		(17,459)
Loans payable		(400,000)
Due to Declan		(130,000)
Net assets acquired	$	2,292,623
Consideration paid:		
Common shares	$	2,202,300
Stock options		78,200
Other acquisition costs		12,123
Total consideration paid	$	2,292,623

5. CASH

In Canadian dollars		March 31, 2014		September 30, 2013
Canadian dollar denominated deposits	$	189,417	$	34,057
United States dollar denominated deposits		2,372		13,850
Leones denominated deposits		1,211		917
Total	$	193,000	$	48,824

6. RECEIVABLES

In Canadian dollars		March 31, 2014		September 30, 2013
GST receivable	$	16,372	$	24,105
Other receivables		-		60,478
Interest receivable		199		73
Total	$	16,571	$	84,656

7. EXPLORATION ADVANCES

In Canadian dollars		March 31, 2014		September 30, 2013
Exploration advances	$	221,162	$	205,982
Total	$	221,162	$	205,982

8. PREPAID EXPENSES

In Canadian dollars		March 31, 2014		September 30, 2013
Prepaid insurance	$	2,185	$	7,843
Prepaid other		25,942		-
Total	$	28,127	$	7,843

(Expressed in Canadian dollars)

9. EXPLORATION AND EVALUATION ASSETS

Acquisition costs

Schedule of exploration and evaluation assets for the six months ended March 31, 2014 is as follows:

	Firebag River Property 9(a)	Patterson Lake Property 9(b)	Gibbon's Creek Property 9(c)	Sierra Leone Properties 9(e)	Total
Acquisition costs					
Balance, September 30, 2013	$ 1,807	$ 483,780	$ -	$ 2,483,944	$ 2,969,531
Additional costs:					
Cash	85,000	65,000	115,000	-	265,000
Other	69,064	-	78,457	-	147,521
Shares	135,000	-	405,000	-	540,000
Total acquisition costs, March 31, 2014	$ 290,871	$ 548,780	$ 598,457	$ 2,483,944	$ 3,922,052

Schedule of exploration and evaluation assets for the year ended September 30, 2013 is as follows:

	Firebag River Property 9(a)	Patterson Lake Property 9(b)	Sierra Leone Properties 9(e)	Total
Acquisition costs				
Balance, September 30, 2012	$ -	$ -	$ 2,483,944	$ 2,483,944
Additional costs:				
Cash	-	120,000	-	120,000
Other	1,807	63,780	-	65,587
Shares	-	300,000	-	300,000
Total acquisition costs, September 30, 2013	$ 1,807	$ 483,780	$ 2,483,944	$ 2,969,531

(Expressed in Canadian dollars)

9. EXPLORATION AND EVALUATION ASSETS (cont'd…)

Exploration and evaluation expenditures

Schedule of exploration and evaluation expenditures for the six months ended March 31, 2014 is as follows:

	Firebag River Property 9(a)	Patterson Lake Property 9(b)	Gibbon's Creek Property 9(c)	Sierra Leone Properties 9(e)	Expenditure Total
Exploration and evaluation expenditures					
Assays	$ 3,217	$ -	$ 1,251	$ -	$ 4,468
Consulting fees	-	-	-	85,980	85,980
Drilling	1,577	-	6,750	-	8,327
Field crew and related expenses	-	-	-	42,969	42,969
Field work	21,923	-	-	-	21,923
Geological	5,161	2,082	23,687	-	30,930
Legal	-	-	11,966	-	11,966
Licences and permits	9,794	-	1,362	-	11,156
Supplies and miscellaneous	-	-	-	27,656	27,656
Transportation and accommodation	2,123	-	878	141,539	144,540
March 31, 2014	$ 43,795	$ 2,082	$ 45,894	$ 298,144	$ 389,915

Schedule of exploration and evaluation expenditures for the six months ended March 31, 2013 is as follows:

	Sierra Leone Properties 9(e)
Exploration and evaluation expenditures	
Camp	$ 79,401
Consulting fees	257,907
Drilling and exploration	732,099
Field crew and related expenses	106,700
Geological	355,958
Supplies and miscellaneous	246,629
Transportation and accommodation	155,030
March 31, 2013	$ 1,933,724

(Expressed in Canadian dollars)

9. EXPLORATION AND EVALUATION ASSETS (cont'd…)

a) Firebag River Property

On October 24, 2013, the Company entered into a property option agreement to acquire a 100% interest in the Firebag River Property located in Alberta, Canada. To acquire the property, the Company must make cash payments of $85,000, issue 5,000,000 common shares and complete an exploration work commitment of $3,000,000 as follows:

	Acquisition in Cash	Acquisition in Shares	Exploration Work Commitments
On signing of agreement	$ 45,000	-	$ -
On approval of agreement by the TSX-V	40,000	1,500,000	-
November 5, 2014	-	1,500,000	500,000
November 5, 2015	-	2,000,000	1,000,000
November 5, 2016	-	-	1,500,000
Total	$ 85,000	5,000,000	$ 3,000,000

The Optionor retained a 2% Net Smelter Royalty ("NSR") and 4% Gross Overriding Royalty with respect to the production from the property.

626,250 common shares, valued at $56,363, were issued as a finder's fee. An additional 112,500 common shares will be issued, as a finder's fee, on the first anniversary if the Company proceeds past the first year's work program.

b) Patterson Lake Property

On September 9, 2013, the Company entered into a property option agreement to acquire a 100% interest in the Patterson Lake Property located in Saskatchewan, Canada. To acquire the property, the Company must make cash payments of $250,000, issue 4,000,000 common shares and complete an exploration work commitment of $650,000 as follows:

	Acquisition in Cash	Acquisition in Shares	Exploration Work Commitments
September 9, 2013	$ 40,000	-	$ -
September 17, 2013	80,000	-	-
September 20, 2013	-	4,000,000	-
March 17, 2014	65,000	-	-
August 31, 2014	-	-	200,000
September 17, 2014	65,000	-	-
August 31, 2015	-	-	200,000
August 31, 2016	-	-	250,000
Total	$ 250,000	4,000,000	$ 650,000

734,211 common shares, valued at $55,066, were issued as a finder's fee.

(Expressed in Canadian dollars)

9. EXPLORATION AND EVALUATION ASSETS (cont'd…)

c) Gibbon's Creek Property

On December 2, 2013, the Company entered into a property option agreement to acquire a 70% interest in the Gibbon's Creek Property located in Saskatchewan, Canada. To acquire the property, the Company must make cash payments of $1,500,000, issue 11,000,000 common shares and complete an exploration work commitment of $6,500,000 as follows:

	Acquisition in Cash	Acquisition in Shares	Exploration Work Commitments
January 18, 2014	$ 100,000	2,000,000	$ -
January 8, 2015	100,000	2,000,000	1,250,000
January 8, 2016	300,000	2,000,000	1,250,000
January 8, 2017	1,000,000	5,000,000	2,000,000
January 8, 2018	-	-	2,000,000
Total	$ 1,500,000	11,000,000	$ 6,500,000

317,647 common shares, valued at $38,117, were issued as a finder's fee.

The Property is subject to a 2% NSR of which the Company may repurchase 1% for $1,000,000.

On January 17, 2014, the Company entered into a property option agreement to acquire additional interests in the Gibbon's Creek region. The Company acquired a 100% interest in the North Star Property by making cash payments of $15,000 and issuing 1,500,000 common shares. 162,500 common shares, valued at $17,875, were issued as a finder's fee. The property is subject to a 2% NSR.

d) Six Pack Properties

On March 31, 2014, the Company entered into a property option agreement to acquire a 100% interest in the Six Pack Properties located in Alberta and Saskatchewan, Canada. To acquire the properties, the Company must make cash payments of $125,000, issue 2,500,000 common shares and complete an exploration work commitment of $225,000.

340,909 common shares will be issued as a finder's fee (Note 18(c)).

The Property is subject to a 3% NSR of which the Company may repurchase 1% for $1,000,000.

e) Sierra Leone Properties

The Company acquired 85% of the issued and outstanding shares of Revonah Resources (SL) Ltd. ("Revonah") and Greenstone Minerals (SL) Ltd. ("Greenstone") through the acquisition of Talos (Note 4). Revonah and Greenstone hold interests in certain exploration licenses located in Sierra Leone.

Upon the properties reaching the pre-feasibility stage, the Company has the right of first refusal to acquire the remaining 15% interest.

(Expressed in Canadian dollars)

10. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Falling due within the next twelve months	March 31, 2014	September 30, 2013
Accounts payable	$ 330,442	$ 159,829
Loans payable	610,000	400,000
Accrued liabilities	-	34,000
Total	$ 940,442	$ 593,829

The average credit period of purchases is one month. The Company has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms.

11. NOTES PAYABLE

Falling due within the next twelve months	March 31, 2014	September 30, 2013
Notes payable	$ 577,989	$ 538,325
Total	$ 577,989	$ 538,325

On July 5, 2013, the Company issued notes payable for proceeds of $600,000, of which $300,000 was from directors, bearing interest at 12% per annum, payable in cash. A loan bonus of 2,400,000 common shares was issued at a value of $72,000 to the lenders, which offset the notes payable, resulting in an effective rate of interest of approximately 24%. The notes mature one year from date of issuance and are secured by promissory notes. Total fees of $7,546 were paid in association with the notes. The loans bonus and fees will be accreted to finance fees, over the term of the notes.

During the six months ended March 31, 2014, the Company booked $35,901 (2013 - $Nil) and $39,664 (2013 - $Nil) in interest and accretion costs, respectively, recorded in finance fees.

12. SHARE CAPITAL AND RESERVES

a) Authorized share capital

An unlimited number of common shares without par value.

12. SHARE CAPITAL AND RESERVES (cont'd...)

b) Issued share capital

During the six months ended March 31, 2014, the Company:

i) issued 15,000,000 units pursuant to a private placement for total proceeds of $750,000. Each unit consisted of one common share and one share purchase warrant; each warrant entitles the holder to purchase one common share at a price of $0.10 per share for a one year period. Agents were paid fees of $49,525.

ii) issued 1,500,000 common shares with a value of $135,000 as an option payment pursuant to the Firebag River option agreement (Note 9).

iii) issued 626,250 common shares with a value of $56,363 as a finder's fee pursuant to the Firebag River option agreement (Note 9).

iv) issued 2,360,000 common shares for total proceeds of $236,000 pursuant to the exercise of warrants.

v) issued 2,000,000 common shares with a value of $240,000 as an option payment pursuant to the Gibbon's Creek option agreement (Note 9).

v) issued 317,647 common shares with a value of $38,117 as a finder's fee pursuant to the Gibbon's Creek option agreement (Note 9).

ii) issued 1,500,000 common shares with a value of $165,000 as an option payment pursuant to the North Star option agreement (Note 9).

iii) issued 162,500 common shares with a value of $17,875 as a finder's fee pursuant to the North Star option agreement (Note 9).

During the six months ended March 31, 2013, there was no share capital activity.

c) Share subscriptions received

As at March 31, 2014, the Company had received $128,000 (September 30, 2013 - $Nil) in advance towards a private placement.

d) Stock options

Pursuant to the policies of the TSX-V, the Company may grant incentive stock options to its officers, directors, employees and consultants. The Company has implemented a fixed Stock Option Plan (the "Plan") whereby the Company has reserved 10% of the issued shares for issuance under the Plan. Options have a maximum term of ten years and terminate after a certain number of days following the termination of the optionee's term/employment, except in the case of death, in which case they terminate one year after the event. Vesting is determined by the Board of Directors.

(Expressed in Canadian dollars)

12. SHARE CAPITAL AND RESERVES (cont'd...)

d) Stock options (cont'd...)

At March 31, 2014, the Company had outstanding stock options enabling the holders to acquire further common shares as follows:

Number of Options	Number of Vested and Exercisable	Exercise Price	Weighted Average Remaining Life (years)	Expiry Date
1,500,000	1,500,000	$ 0.15	1.28	July 12, 2015
2,700,000	2,700,000	$ 0.16	3.45	September 11, 2017
100,000	66,667	$ 0.10	3.68	December 3, 2017
6,200,000	2,066,667	$ 0.09	4.52	October 7, 2018
1,000,000	333,333	$ 0.09	4.65	November 22, 2018
2,000,000	666,667	$ 0.11	4.92	February 28, 2018
13,500,000	7,333,334			

A summary of the Company's stock options is presented below:

	Number of Outstanding Options	Weighted Average Exercised Price
Balance, September 30, 2012	6,350,000	$ 0.16
Granted	600,000	0.14
Forfeited	(700,000)	0.16
Balance, September 30, 2013	6,250,000	$ 0.16
Granted	9,200,000	0.09
Forfeited	(1,950,000)	0.16
Balance, March 31, 2014 – outstanding	13,500,000	$ 0.11
Balance, March 31, 2014 – exercisable	7,333,334	$ 0.13

(Expressed in Canadian dollars)

12. SHARE CAPITAL AND RESERVES (cont`d…)

e) Share purchase warrants

As of March 31, 2014, the following warrants were outstanding:

Expiry Date	Weighted Average Remaining Contractual Life (years)	Outstanding	Exercise Price
October 3, 2014	0.51	12,640,000	$ 0.10
January 15, 2015	0.79	442,208	0.15
January 15, 2015	0.79	6,850,100	0.25
		19,932,308	

A summary of the Company's warrants is presented below:

	Number of Outstanding Warrants	Weighted Average Exercise Price
Balance, September 30, 2012	64,735,640	$ 0.29
Expired	(57,443,332)	0.29
Balance, September 30, 2013	7,292,308	$ 0.24
Granted	15,000,000	0.10
Exercised	(2,360,000)	0.10
Balance, March 31, 2014	19,932,308	$ 0.15

f) Share-based payments

During the six months ended March 31, 2014, the Company granted 9,200,000 (2013 - 600,000) stock options with a fair value of $816,592 (2013 - $56,127) or $0.09 (2013 - $0.09) per option. During the six months ended March 31, 2014, the Company expensed $454,448 (2013 - $114,542) as share-based compensation.

(Expressed in Canadian dollars)

12. SHARE CAPITAL AND RESERVES (cont`d…)

f) Share-based payments (cont'd…)

The options were valued using the Black-Scholes option pricing model under the following weighted average assumptions:

	2014	2013
Risk free interest rate	1.8%	1.3%
Expected dividend yield	-	-
Stock price volatility	128%	102%
Expected life of options	5.0 years	4.9 years
Forfeiture rate	-	-

13. RELATED PARTY TRANSACTIONS

The Company's key management personnel consist of directors, officers and companies owned in whole or in part by officers and directors. Expenses have been measured at the exchange amount which is determined on a cost recovery basis.

Compensation of Key Management Personnel

Six months ended	March 31, 2014	March 31, 2013
Management services	$ 47,125	$ 60,176
Interest	17,950	-
Geological consulting	44,021	84,000
Share-based compensation	224,196	-
Accounting services	27,500	42,000
Total	$ 360,792	$ 186,176

Included in exploration advances as at March 31, 2014 is $221,162 (September 30, 2013 - $205,982) of funds advanced to a director of Revonah and Greenstone for the acquisition of a property.

13. RELATED PARTY TRANSACTIONS (cont'd…)

Included in accounts payable were amounts due to related parties at March 31, 2014 of $667,498 (September 30, 2013 - $449,549).

In July 2013, the Company received $150,000 from a company controlled by a director and $150,000 from a director (Note 11).

14. BASIC AND DILUTED LOSS PER SHARE

The calculation of basic and diluted loss per share for the six months ended March 31, 2014, is based on the loss attributable to common shareholders of $1,482,351 (2013 - $2,573,010) and a weighted average number of common shares outstanding of 134,315,652 (2013 - 108,353,676).

15. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Financial risk management

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy 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 the asset or liability either directly or indirectly; and
Level 3 – Inputs that are not based on observable market data.

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, accounts payable and accrued liabilities and notes payable.

The Company classified its cash as fair value through profit or loss; receivables as loans and receivables; and accounts payable and accrued liabilities and notes payable 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, accounts payable and accrued liabilities and notes payable 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 goods and services tax due from the government; the balance is in good standing as at March 31, 2014. The Company does not believe it has a material exposure to credit risk.

15. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (cont'd…)

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 has significant financial liabilities outstanding including accounts payable and accrued liabilities and loans payable. The Company is exposed to the risk that it may not have sufficient liquid assets to meet its commitments associated with these financial liabilities. To the extent that the Company does not believe it has sufficient liquidity to meet these obligations, management will consider securing additional funds through equity transactions.

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. Interest rate risk is minimal as the Company does not have significant interest bearing assets or any interest bearing liabilities that are tied into market rates.

Foreign exchange risk

The Company expects to continue to raise equity predominantly in Canadian dollars. The Company's property exploration that occurs in Sierra Leone is conducted in Canadian dollars, U.S. dollars and, to a lesser degree, Sierra Leonean leone. As such, it is subject to risk due to fluctuations in the exchange rates of these currencies. 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 minimal.

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.

(Expressed in Canadian dollars)

16. MANAGEMENT OF CAPITAL

The Company manages its common shares, stock options and share purchase warrants as capital. The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the development of its exploration and evaluation assets and to maintain a flexible capital structure which optimizes the cost of capital at an acceptable risk. The Company is not subject to any externally imposed capital requirements.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, issue debt or acquire or dispose of assets.

In order to facilitate the management of its capital requirements, the Company prepares expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions.

In order to maximize ongoing exploration efforts, the Company does not pay out dividends. The Company's investment policy is to keep its cash treasury invested in certificates of deposit with major financial institutions.

The properties in which the Company currently has an interest are in the exploration stage; as such the Company has historically relied on the equity markets to fund its activities. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

There have been no changes to the Company's approach to capital management during the six months ended March 31, 2014.

17. SEGMENTED INFORMATION

The Company operates in one industry segment being the acquisition and exploration of exploration and evaluation assets interests. The total assets attributable to the geographical locations relate primarily to exploration and evaluation assets.

As at March 31, 2014		Canada		Sierra Leone		Total
Exploration and evaluation assets	$	1,438,108	$	2,483,944	$	3,922,052
Total	$	1,438,108	$	2,483,944	$	3,922,052

As at September 30, 2013		Canada		Sierra Leone		Total
Exploration and evaluation assets	$	485,587	$	2,483,944	$	2,969,531
Total	$	485,587	$	2,483,944	$	2,969,531

18. SUBSEQUENT EVENTS

Subsequent to March 31, 2014, the Company:

a) entered into a property option agreement to acquire a 100% interest in the Copper Mountain Property located in Wyoming, U.S.A. and in the Athabasca Property located in Saskatchewan, Canada. One of the parties to this agreement is a director. To acquire the properties, the Company must issue 11,000,000 common shares. The Copper Mountain property is subject to a 2% NSR. This transaction is subject to TSX-V approval;

b) had 1,400,000 options exercisable at $0.16 per option, 100,000 options exercisable at $0.10 per option, and 900,000 options exercisable at $0.09 per option forfeit unexercised; and

c) paid $25,000 pursuant to the Six Pack Property option agreement and issued 340,909 common shares as a finder's fee.