FORM 51-102F1

DECLAN RESOURCES INC.
MANAGEMENT'S DISCUSSION & ANALYSIS

February 27, 2015

The following Management's Discussion & Analysis ("MD&A") provides a review of activities, results of operations and financial condition of Declan Resources Inc. ("the Company') for the three months ended December 31, 2014 in comparison with those for the three months ended December 31, 2013. The condensed unaudited interim consolidated 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 discussion and analysis should be read in conjunction with the Company's annual audited consolidated financial statements for the years ended September 30, 2014 and 2013 which were prepared in accordance with IFRS. All monetary 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 is 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 is 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.

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 exploration and evaluation assets 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 exploration and evaluation assets. 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 exploration and evaluation assets in which it has an interest, these procedures do not guarantee the Company's title. Such assets 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.

Management's Responsibility for Financial Statements

The Company's management is responsible for the presentation and preparation of interim consolidated financial statements and the MD&A. The interim consolidated 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, Canada. 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 a focus on the development of its exploration and evaluation asset interests in Canada, while it continues to evaluate new business opportunities. The Company is focused on uranium exploration in the Athabasca Basin which hosts some of the largest, high grade uranium deposits in the world.

Firebag River Property, Alberta, Canada

On October 24, 2013, the Company signed a property option agreement, with 877384 Alberta Ltd., to acquire a 100% interest in the Firebag River property located southwest of the Athabasca Basin in Alberta, Canada. The Company considers the property to be significantly prospective and underexplored. It is situated southwest of the Athabasca Basin and consists of six metallic and industrial minerals permits encompassing approximately 50,000 ha. It is west of Fission Uranium Patterson Lake South ("PLS") uranium occurrence, and about 30 km south of the southernmost mapped margin of the basin. It also lies adjacent to the east of the Athabasca Minerals silica sand project.

To acquire the property, the Company made cash payments of $85,000, must issue 5,000,000 common shares (3,000,000 issued) on or before November 5, 2015 and incur $3,000,000 in exploration expenditures on the property on or before November 5, 2016. 738,750 common shares were issued as a finder's fee. The Optionor retained a 2% net smelter royalty ("NSR") on metals and a 4% gross overriding royalty ("GOR") with respect to other, non-metallic commodities which are produced from the Firebag River property.

As at December 31, 2014, the Company had capitalized costs of $323,121 (September 30, 2014 - $290,871) on the Firebag River property. For the three months ended December 31, 2014, the Company incurred $Nil (three months ended December 31, 2013 - $27,382) of exploration and evaluation expenditures.

Surface rocks at the Firebag River property consist of a thin-sequence of mature, cretaceous-aged sandstones. At relatively shallow depths, Proterozoic aged rocks of the West Lloyd Domain are generally comprised of granitic gneisses with local pelitic gneiss units. Within this basement domain, the pelitic sequences are associated with uranium mineralization at such notable locations as Cluff Lake and Shea Creek. North of the Firebag River property a significant uranium deposit occurs at Dragon Lake along the Maybelle River Shear Zone. This deposit includes an intersection with 21% U3O8 across 5 meters and reported grades of up to 54.5% U3O8, according to the Alberta Geologic Survey ("AGS") website.

Overview (cont'd…)

Firebag River Property, Alberta, Canada (cont'd…)

Historic exploration of the Firebag River property is limited; however, regional government and public geophysical survey data shows a complex pattern of magnetic lows and highs, truncated or offset in the northern part of the property by the Marguerite River Fault, a southwest orientated structure interpreted as a splay of the regionally significant Beatty River Fault Zone. The only documented exploration of the Firebag River property specific for uranium was conducted by E&B Explorations Ltd. in 1977. Exploration confirmed the presence of a southwest orientated fault zone, and a geochemical anomaly with 11 ppm cobalt in lake sediments atop this structure. A short distance northeast of the Firebag River property border, historic drill hole 16-1-100-3W4M intersected an approximately 1 meter interval of anomalous radioactivity within sands atop the basement unconformity from 38.7 to 39.6 meters depth.

The Company completed an initial review of the Firebag River property in November 2013. Silica sand samples were collected within 2 meters of surface from the exposed sandstones feature and were submitted for analysis to Loring Laboratories Ltd. of Calgary, Alta. The results of the program revealed samples that met or exceeded industry wide API standards over roundness, silica content and sphericity specifications. The Firebag River property benefits from year round access and nearby train facilities at Fort McMurray, Alberta, a critical advantage due to its close proximity to the growing Western Canada Sedimentary Basin; host to large shale gas reserves in Northeastern BC.

On September 23, 2014, the Company entered into a property option amending agreement to modify the terms of the original agreement. The amendment allows for Opal Energy Corp. ("Opal") to earn up to a 75% interest in the property. The exploration work commitments will be changed from $3,000,000 to $850,000 over a two year period and will be made by Opal. The share issuances will remain the same and will be issued by the Company. In addition, Opal will reimburse the option payments and exploration expenditures incurred to date, make cash payments of $250,000, and issue 4,000,000 common shares over a two year period to the Company. The amended agreement is subject to TSX-V approval. As at December 31, 2014, $70,000 has been advanced from Opal towards the aforementioned agreement. These funds will be returned by the Company should the transaction not be completed.

This is the first agreement entered into in line with the Company's overall corporate strategy of monetizing, keeping partial ownership in and being able to participate in the upside of the partner's equity.

Patterson Lake Property, Saskatchewan, Canada

On September 9, 2013, the Company signed a property option agreement, with 101227264 Saskatchewan Ltd. and Donnybrook Capital Corp., to acquire a 100% interest in two uranium exploration properties in the Patterson Lake area of the Athabasca Basin located in Saskatchewan, Canada. The Patterson Lake property is believed to be on a southwest-northeast structural trend as interpreted from airborne magnetics that covers the PLS Discovery. This structural trend also covers the Rook 1 property owned by NexGen Energy Ltd. ("NexGen"). NexGen has commenced a two-drill, 3,000-metre program immediately adjacent to and on trend northeast from Fission/Alpha's recent high-grade uranium discoveries on their PLS project. The Company is compiling available geological data and will commence an exploration program as soon as practical.

To acquire the property, the Company must make cash payments totaling $250,000 ($185,000 paid) by September 17, 2015, issue 4,000,000 common shares (issued), and incur $650,000 in exploration expenditures on the property on or before August 31, 2017. 734,211 common shares were issued as a finder's fee.

As at December 31, 2014 and September 30, 2014, the Company had capitalized costs of $548,780 on the Patterson Lake property. For the three months ended December 31, 2014, the Company incurred $1,777 (three months ended December 31, 2013 - $679) of exploration and evaluation expenditures.

<u>Overview</u> (cont'd…)

Patterson Lake Property, Saskatchewan, Canada (cont'd…)

The acquisition of the Patterson Lake property marks the commencement of a move by the Company into uranium exploration in the Athabasca Basin. The Company will continue to review potential additional property acquisitions and is committed to the exploration for uranium in Saskatchewan.

North Star Property, Saskatchewan, Canada (formerly Gibbon's Creek Property)

On January 17, 2014, the Company entered into a property option agreement, named the North Star property, to acquire additional interests in the Gibbon's Creek region. The Company acquired a 100% interest in two mineral claims comprising approximately 11,100 hectares located along the northern margin of the Athabasca Basin in Saskatchewan and north of the Company's Gibbons Creek joint venture with Lakeland, in Saskatchewan, Canada. The North Star property is underlain by a complex magnetic background and is believed to contain the northerly extensions of a number of important regional structures associated with uranium projects in the area.

To acquire this additional property, the Company made cash payments of $15,000 and issued 1,500,000 common shares. 162,500 common shares were issued as a finder's fee. The property is subject to a 2% gross sales royalty.

As at December 31, 2014 and September 30, 2014, the Company had capitalized costs of $202,923 on the North Star property. The Company has not yet incurred exploration and evaluation expenditures.

On December 2, 2013, the Company signed a property option agreement, with Lakeland Resources Inc., to acquire a 70% interest in the Gibbon's Creek property located on the northern rim of the Athabasca Basin in Saskatchewan, Canada. Gibbon's Creek is comprised of five contiguous claims totaling 12,771 hectares located less than 3 kilometers from the settlement of Stony Rapids and adjacent to the Black Lake Project held jointly by Uracan Resources Ltd. and UEX Corporation.

To acquire the property, the Company must make cash payments of $1,500,000 ($100,000 paid) by January 8, 2017, issue 11,000,000 common shares (2,000,000 issued) by January 8, 2017, and incur an aggregate of $6,500,000 in work commitments by January 8, 2018. The property is subject to a 2% NSR of which the Company may repurchase 1% for $1,000,000. 317,647 common shares were issued as a finder's fee.

During the year ended September 30, 2014, management decided to discontinue exploration on the Gibbon's Creek property and, accordingly, recorded a write-off of $395,534.

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. The six properties encompass a total of approximately 250,000 acres and are all located within or proximal to the Athabasca Basin, which is host to some of the world's largest and richest, high-grade uranium deposits. The Company considers the properties to be significantly prospective and underexplored.

To acquire the Jackfish Creek, Maurice Creek, Maybelle River, Richardson River, and Thorburn Lake properties, the Company must make cash payments of $100,000 ($75,000 paid) on or before April 18, 2015, issue 1,500,000 common shares (issued) and complete an exploration work commitment of $200,000. Additionally, to acquire the Archer Lake property, the Company made cash payments of $25,000, issued 1,000,000 common shares and must complete an exploration work commitment of $25,000 on or before June 1, 2015. 340,909 common shares were issued as a finder's fee. The Richardson River property acquisition costs and exploration and evaluation expenditures are recorded with Maybelle River property as the properties are contiguous.

<u>Overview</u> (cont'd…)

Six Pack Properties (cont'd…)

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

As at December 31, 2014 and September 30, 2014, the Company had capitalized costs of $44,827 on each of the Jackfish Creek and Thorburn Lake properties, $86,385 on the Maurice Creek property, $131,210 on the Maybelle River property and $148,885 on the Archer Lake property. For the three months ended December 31, 2014, the Company incurred exploration and evaluation expenditures of $1,777 (December 31, 2013 - $Nil) on the Thorburn Lake property, $77,387 (December 31, 2013 - $Nil) on the Maurice Creek property, $1,777 (December 31, 2013 - $Nil) on the Maybelle River property and has not yet incurred exploration and evaluation expenditures on any of the other properties in the group.

Davidson Group Properties

On July 28, 2014, the Company entered into a property option agreement to acquire a 100% interest in the Davidson Group Properties located in Alberta and Saskatchewan, Canada. The six properties encompass a total of approximately 145,000 acres and are all located within or proximal to the Athabasca Basin. The Company considers the properties to be significantly prospective and underexplored.

To acquire the Maybelle North, Rene Lake, Davidson River, Beatty River, Maurice Creek, Big Sandy Lake properties, the Company must make cash payments of $300,000 ($50,000 paid) on or before August 14, 2017, issue 7,500,000 common shares (2,500,000 issued) on or before August 14, 2016 and complete an exploration work commitment of $1,500,000 on or before December 31, 2016. 616,071 common shares were issued as a finder's fee. The Maybelle North property acquisition costs and exploration and evaluation expenditures are recorded above with the Maybelle River property as the properties are contiguous. The Maurice Creek property acquisition costs and exploration and evaluation expenditures are recorded above with Maurice Creek property as the properties are contiguous. The Rene Lake property acquisition costs and exploration and evaluation expenditures are recorded above with Archer Lake property as the properties are contiguous

The property is subject to a 2.5% GOR of which the Company may repurchase 1% for $1,500,000.

As at December 31, 2014 and September 30, 2014, the Company had capitalized costs of $41,558 on each of the Davidson River, Big Sandy Lake and Beatty River properties. For the three months ended December 31, 2014, the Company incurred exploration and evaluation expenditures of $18,244 (December 31, 2013 - $Nil) on the Davidson River property, $1,777 (December 31, 2013 - $Nil) on the Big Sandy Lake property, and has not yet incurred exploration and evaluation expenditures on any of the other properties in the group.

<u>Maybelle River Property</u>

The property is located within relatively shallow parts of the western Athabasca basin, cover potential northerly extensions to the structure which is host to a significant uranium deposit at Dragon Lake along the Maybelle River shear zone. This deposit includes an intersection with 21 per cent U3O8 across five metres and reported grades of up to 54.5 per cent U3O8, according to the AGS website.

Overview (cont'd…)

Maybelle River Property (cont'd…)

The Company has completed its final VTEM interpretation report of the airborne survey. A total of 1,004 line-km were flown by Aeroquest Airborne of Aurora, Ontario. The interpreted airborne data identified a series of four parallel NW-SE conductors, including extensions to the Maybelle River Trend immediately to the east and south, which is known to host the Dragon Lake Uranium Deposit. Anticipated depths to the basement unconformity vary from 50-100 m deep on the west side of the project to 350-400 m deep on the east side. The nearby Dragon Lake uranium deposit was discovered in 1988 when Uranerz Exploration and Mining Ltd. (original Uranerz) completed two closely spaced holes which intersected 4.7% U across 1.7 m and 17.7% U across 5.0 m (200 m deep); since then grades of up to 54.5% U3O8 have been reported. This airborne data will be used in conjunction with regional historical data to begin a ground geophysical program due to commence soon. Exploration drilling and core recovery is planned to follow the ground surveys.

Davidson River Property

The property is located immediately south of the Athabasca Basin, along the Saskatchewan-Alberta border. The property is situated about 25 km southwest of the Shea Creek Uranium deposits, southeast of the Dragon Zone Uranium Deposit at Maybelle River, Alberta, and between 18 to 38 km due west of the Patterson Lake South Uranium occurrence. Exploration highlights from the region include Fission Uranium Corp. at Patterson Lake South has more than 200 drill holes containing significant, basement hosted, uranium mineralization within a 2.24 km strike length of an ENE trending cooridor; Also, NexGen Energy Ltd.'s Rook Discovery, which consists of basement hosted uranium mineralization along a 515 meter strike length. To date wide intervals of strongly radioactive basement rocks, have returned values including 10.72 per cent U3O8 over 6.85 metres.

The northern part of the Davidson River property lies in close proximity to the southernmost edge of the exposed Athabasca Basin unconformity; and as such, is considered highly prospective for shallow, near-surface, uranium occurences. At the property, surface exposures of pelitic and grantic gneisses of the West Lloyd Domain are in contact with the Clearwater Domain to the east, while much of the southern and central part of the property include both Devonian, Cretaceous and recent cover.

A 1978 regional lake sediment sampling program covering in excess of 1 million acres across the southwest margins of the Athabasca Basin, included the collection of several samples from the property. Of the more than 300 samples collected from the region, the Davidson River property contained the greatest uranium in lake sediment anomaly (21 pmm Uranium), with additional uranium and nickel geochemical anomalies. The property remained unexplored until 2006 whenTitan Uranium conducted a regional MEGATEM survey on a portion of the property. This survey revealed several parallel magnetic trends with associated conductive features. These conductive trends are the target for the currently planned ground gravity exploration program.

The Company has begun field work at its wholly owned Davidson River property. The field work will included ground gravity survey(s) atop known structural trends and conductive zones identified from historic geophysical surveys. It is anticipated that the ground gravity data will enhance existing information on these structural trends and identify zones of low(er) density which are indicative of alteration zones within the basement rocks. The gravity program will provide a low cost approach to identifying zones which require additional exploration including drilling.

Overview (cont'd…)

Maurice Creek Property

The Maurice Creek property encompasses 68,000 acres immediately northwest of Cameco Corp.'s Northwest Athabasca project (joint ventured with Forum Uranium Corp. and Nexgen Energy Ltd.) which is host to the Maurice Bay uranium deposit (historical non-National Instrument 43-101-compliant resource of 1.5 million pounds uranium grading 0.6 per cent U3O8). Recent work done there has resulted in high-grade intervals such as hole NWA-35, grading 2.48 per cent U3O8 over 1.5 metres at a vertical depth of 26 metres, including a 0.5-metre interval grading 5.77 per cent U3O8. Uranium mineralization at Maurice Bay is structurally controlled and hosted by a number of structures which parallel the Maurice Bay fault. This regional feature continues to the northwest through the Company's Maurice Creek property.

During October, 2014 a total of 1,326.5 line-km were flown by Terraquest Ltd. of Markham, Ontario. The Maurice Creek property is contiguous to the west of the Northwest Athabasca Joint Venture of Forum Uranium Corp., NexGen Energy Ltd., Cameco and AREVA. Preliminary field magnetics show several prospective structures in WNW-ESE trends, similar to those seen at the Maurice Bay property immediately to the east. This airborne data will be used in conjunction with regional historical data to begin a ground geophysical program. Exploration drilling and core recovery is planned to follow the ground surveys. Historic results from the Maurice Creek property include several surface grab samples with grades between 0.22 to 0.66% U3O8.

Other

On April 23, 2014, the Company entered into a property option agreement to acquire a 100% interest in the Copper Mountain property located in Wyoming, U.S.A. and in four properties in the Athabasca Basin 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% GOR. During the year ended September 30, 2014, management decided to discontinue exploration on the property and, accordingly, recorded a write-off of $11,912.

As at December 31, 2014 and September 30, 2014, the Company had capitalized costs of $8,774, from the acquisition of properties in Saskatchewan by staking claims.

For the three months ended December 31, 2014, the Company incurred exploration and evaluation expenditures of $11,659 (December 31, 2013 - $Nil) on these other properties.

Sierra Leone Properties

On July 12, 2012, the Company purchased 100% of the shares of Talos Minerals Ltd. ("Talos"), a closely held private B.C. corporation. The Company issued 24,470,002 common shares in a share for share exchange with Talos. The Company also issued 1,500,000 stock options as part of the acquisition; each option entitles the holder to purchase one common share for $0.15 per share. Talos' principal assets are mineral exploration licenses in the Kono and Bo districts of Sierra Leone. The 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.

During the year ended September 30, 2014, management decided to discontinue exploration on the property and the Company recorded a write-off of $2,483,944. For the three months ended December 31, 2014, the Company incurred $Nil (three months ended December 31, 2013 - $186,709) of exploration and evaluation expenditures.

Overall Performance and Discussion of Operations – Three Months Ended December 31, 2014

Operating Expenses

During the three months ended December 31, 2014, the Company incurred a net loss of $333,653 from operations compared to a net loss of $787,052 for the three months ended December 31, 2013. Operating expenses for the three months ended December 31, 2014 were $333,715, compared to $787,116 for the three months ended December 31, 2013; an overall decrease of $453,401. The major contributors to this change are:

1. Resource property exploration was $114,398 for the three months ended December 31, 2014 compared to $214,770 for the three months ended December 31, 2013. The decrease is due to no exploration activity being performed in Sierra Leone.

2. Finance fees were $1,937 for the three months ended December 31, 2014 compared to $38,198 for the three months ended December 31, 2013. The decrease is a result of the repayment of the notes payable advanced in the prior fiscal year.

3. Management fees were $48,807 for the three months ended December 31, 2014 compared to $18,000 for the three months ended December 31, 2013. The increase is a result of fees paid to the current C.E.O.

4. Travel was $11,682 for the three months ended December 31, 2014 compared to $30,449 for the three months ended December 31, 2013. The prior period had a significant amount of management travel to Sierra Leone.

5. Share-based compensation was $56,188 for the three months ended December 31, 2014 compared to $272,073 for the three months ended December 31, 2013. The decrease is due to no stock options being issued in the current period.

6. Investor relations were $39,509 for the three months ended December 31, 2014 compared to $122,409 for the three months ended December 31, 2013. The expenses in the prior period were a result of the Company working to promote its expansion to exploring potential projects in Canada.

Selected Annual Information

The following table sets out selected annual financial information for the three most recent financial years. The financial data has been prepared in accordance with IFRS:

Years Ended	September 30, 2014	September 30, 2013	September 30, 2012
Total Revenue	$ Nil	$ Nil	$ Nil
Operating Loss - per share[(1)]	($2,654,873) ($0.02)	($4,283,377) ($0.04)	($2,147,779) ($0.02)
Loss and Comprehensive Loss - per share[(1)]	($5,545,958) ($0.04)	($4,265,929) ($0.04)	($3,511,691) ($0.04)
Total Assets	$1,812,018	$3,316,836	$6,460,968
Total Non-Current Financial Liabilities	$Nil	$Nil	$Nil
Cash Dividends Declared - per common share	$ Nil	$ Nil	$ Nil

Note:

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

Summary of Quarterly Results

The following table sets out selected unaudited financial information for the eight most recent quarters. The financial data has been prepared in accordance with IFRS.

Three Months Ended	December 31, 2014	September 30, 2014	June 30, 2014	March 31, 2014
Total Revenue	$Nil	$Nil	$Nil	$Nil
Operating Loss - per share(1)	($333,715) ($0.00)	($329,215) ($0.00)	($843,126) ($0.01)	($695,416) ($0.01)
Loss and Comprehensive Loss - per share(1)	($333,653) ($0.00)	($736,600) ($0.00)	($3,327,007) ($0.02)	($695,299) ($0.01)

Three Months Ended	December 31, 2013	September 30, 2013	June 30, 2013	March 31, 2013
Total Revenue	$Nil	$Nil	$Nil	$Nil
Operating Loss - per share(1)	($787,116) ($0.01)	($595,604) ($0.01)	($1,094,401) ($0.01)	($1,514,612) ($0.01)
Loss and Comprehensive Loss - per share(1)	($787,052) ($0.01)	($595,270) ($0.01)	($1,097,492) ($0.01)	($1,503,309) ($0.01)

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 $9,493 as at December 31, 2014, compared to $4,087, as at September 30, 2014 and $93,297 as at December 31, 2013. The Company had a working capital deficit of $754,190 as at December 31, 2014 compared to a working capital deficit of $476,725 as at September 30, 2014 and working capital deficit of $700,404 as at December 31, 2013. The decrease in the Company's cash position and working capital was a direct result of operating activities.

Financing activities

In the three months ended December 31, 2014, the Company received $199,000 from the issuance of notes payable.

In the three months ended December 31, 2013, the Company issued 15,000,000 units for total proceeds of $750,000. Each unit consisted of one common share of the Company and one share purchase warrant having a one year term for purchasing of one further common share at exercise price of $0.10 per share. Agents' fees paid totaled $49,525.

Off Balance Sheet Arrangements

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

Transactions with Related Parties

The following were transactions with related parties during the three months ended December 31, 2014:

1. Paid or accrued management fees of $33,807 (December 31, 2013 - $Nil) to Miller and Associates, LLC, a company controlled by David Miller, a director of the Company.

2. Paid or accrued management fees of $Nil (December 31, 2013 - $6,000) to Galloway Financial Services Inc., a Company controlled by Wayne Tisdale, a director of the Company.

3. Paid or accrued accounting fees of $13,500 (December 31, 2013 - $14,000) to Lesia Burianyk, CFO of the Company.

4. Paid or accrued interest of $Nil (December 31, 2013 - $4,537) to Galloway Financial Services Inc.

5. Paid or accrued interest of $Nil (December 31, 2013 - $4,537) to Gordon King, a director of the Company.

6. Paid or accrued management consulting fees of $11,000 (December 31, 2013 - $15,000) to Tyson King, a director of Talos Minerals Ltd.

7. Recorded share-based compensation of $37,314 (December 31, 2013 - $90,268) to related parties.

8. Paid or accrued consulting fees of $Nil (December 31, 2013 - $16,389) to McLean CA&CP, a company controlled by Craig McLean, a former director of the Company.

9. Paid or accrued consulting fees of $Nil (December 31, 2013 - $16,268) to Starbay Resources Ltd., a company controlled by James Newall, a former director of the Company.

As at December 31, 2014 accounts payable and accrued liabilities included $543,339 (September 30, 2014 - $552,514) owing to related parties.

In June 2012, the Company received an aggregate amount of $300,000 in short-term loans from Galloway Financial Services Inc. These amounts are included above in accounts payable and accrued liabilities as at December 31, 2014 and September 30, 2014.

During the year ended September 30, 2014, the Company received an aggregate amount of $210,000 in short-term loans from Galloway Financial Services Inc. These amounts are included above in accounts payable and accrued liabilities as at December 31, 2014 and September 30, 2014

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.

Significant Accounting Policies

No new accounting policies were adopted by the Company during the three months ended December 31, 2014.

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:

<u>Significant Accounting Policies</u> (cont'd…)

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

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 tentatively applicable for periods beginning on or after January 1, 2018.

The Company has not yet assessed the potential impact of the application of this standard, nor determined whether it will adopt this standard early.

<u>Financial Instruments and Risk Management</u>

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, restricted deposits, 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, restricted deposits, 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 and other receivables; the balances are in good standing as at December 31, 2014. The Company does not believe it has a material exposure to credit risk.

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 occurred in Sierra Leone was 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 was subject to considerations and risks not typically associated with companies operating in North America. These included risks such as the political, economic and legal environments. Among other things, the Company's results may have been 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.

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.

Management of Capital (cont'd…)

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 three months ended December 31, 2014.

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 175,095,209 common shares issued and outstanding.

Warrants:

As at the effective date of this MD&A, the Company had 29,076,578 share purchase warrants outstanding.

Stock options:

As at the effective date of this MD&A, the Company had 10,550,000 stock options outstanding of which 7,583,334 were fully vested and exercisable.

Additional Information

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

Directors and Officers

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

Directors:

David Miller
Michelle Gahagan
Wayne Tisdale
Dr. Hikmet Akin
Gordon King

Officers:

David Miller, President and CEO
Lesia Burianyk, CFO
Leah Martin, Corporate Secretary