DECLAN RESOURCES INC.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Canadian dollars)

NINE MONTH PERIODS ENDED

JUNE 30, 2015 AND 2014

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)

		June 30, 2015		September 30, 2014
ASSETS				
Current assets				
Cash	$	5,979	$	4,087
Receivables (Note 4)		5,655		15,781
Short-term investments (Note 5)		200,000		-
Prepaid expensess		42,210		111,374
Deposits (Note 6)		32,413		25,620
		286,257		156,862
Restricted deposits (Note 7)		23,000		23,000
Exploration and evaluation assets (Note 8)		686,293		1,632,156
	$	995,550	$	1,812,018
LIABILITIES AND SHAREHOLDERS' EQUITY				
Current liabilities				
Accounts payable and accrued liabilities (Note 9)	$	1,080,057	$	633,587
Notes Payable (Note 10)		360,583		-
		1,440,640		633,587
Shareholders' equity				
Share capital (Note 11)		18,097,921		18,065,671
Share-based reserves (Note 11)		1,546,373		1,430,822
Deficit		(20,089,384)		(18,318,062)
		(445,090)		1,178,431
	$	995,550	$	1,812,018

Nature of operations and going concern (*Note 1*)

These condensed interim consolidated financial statements were authorized for issue by the Board of Directors on August 7, 2015. They are signed on behalf of the Board of Directors by:

"Michelle Gahagan"
Director

"Wayne Tisdale"
Director

Declan Resources Inc.

Condensed Interim Consolidated Statements of Loss and Comprehensive Loss
(Expressed in Canadian Dollars)
(Unaudited)

	Three Month Period Ended June 30, 2015	Three Month Period Ended June 30, 2014	Nine Month Period Ended June 30, 2015	Nine Month Period Ended June 30, 2014
EXPENSES				
Consulting fees	$ 9,661	$ 9,660	$ 28,982	$ 37,821
Exploration and evaluation expenditures	49,431	464,973	648,814	854,888
Finance fees	8,771	37,783	17,733	113,348
Foreign exchange loss (gain)	(3,209)	5,287	2,649	(14,635)
Insurance	1,048	1,622	4,152	7,280
Investor relations	1,683	36,401	64,788	330,059
Management fees	52,847	48,373	153,470	90,498
Office and miscellaneous	26,388	33,839	87,835	103,242
Professional fees	27,000	15,399	62,330	64,268
Property investigation costs	-	-	-	1,111
Share-based compensation (Note 11)	18,300	91,229	115,551	545,677
Transfer agent and filing fees	1,260	5,221	14,059	8,592
Travel	9,363	93,339	49,767	183,509
	(202,543)	(843,126)	(1,250,130)	(2,325,658)
OTHER INCOME (EXPENSES)				
Interest income	278	63	394	244
Change in fair value of short-term investments	(50,000)	-	(80,000)	-
Recovery of exploration and evaluation costs	-	-	163,406	-
Loss on Disposal of exploration and evaluation assets	(473,780)	-	(473,780)	-
Write-off of exploration and evaluation assets	(44,827)	(2,483,944)	(131,212)	(2,483,944)
	(568,329)	(2,483,881)	(521,192)	(2,483,700)
Net loss and comprehensive loss for the period	$ (770,872)	$ (3,327,007)	$ (1,771,322)	$ (4,809,358)
Basic and diluted loss per common share	$ (0.00)	$ (0.02)	$ (0.01)	$ (0.04)

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

Declan Resources Inc.

Condensed Interim Consolidated Statement of Changes in Shareholders` Equity
(Expressed in Canadian Dollars)
(Unaudited)

	Number of Shares	Amount	Share Subscriptions Received	Share-based Payments Reserve	Deficit	Total Shareholders' Deficiency
Balance at September 30, 2013	**115,487,887**	**$ 14,164,249**	**$ -**	**$ 792,537**	**$ (12,772,104)**	**$ 2,184,682**
Shares issued in private placement	15,000,000	750,000	-	-	-	750,000
Share issuance costs - cash	-	(61,403)	-	-	-	(61,403)
Share subscriptions received in	-	-	428,000	-	-	428,000
Shares issued for exploration and evaluation assets	7,500,000	727,500	-	-	-	727,500
Shares issued for warrant exercise	2,360,000	236,000	-	-	-	236,000
Shares issued for finder's fee	1,447,306	151,560	-	-	-	151,560
Share-based compensation	-	-	-	545,677	-	545,677
Loss for the period	-	-	-	-	(4,809,358)	(4,809,358)
Balance at June 30, 2014	**141,795,193**	**15,967,906**	**428,000**	**1,338,214**	**(17,581,462)**	**152,658**
Shares issued in private placement	28,571,445	2,000,000	(428,000)	-	-	1,572,000
Share issuance costs - cash	-	(89,199)	-	16,733	-	(72,466)
Shares issued for exploration and evaluation assets	2,500,000	150,000	-	-	-	150,000
Shares issued for finder's fee	616,071	36,964	-	-	-	36,964
Share-based compensation	-	-	-	75,875	-	75,875
Loss for the period	-	-		-	(736,600)	(736,600)
Balance at September 30, 2014	**173,482,709**	**18,065,671**	**-**	**1,430,822**	**(18,318,062)**	**1,178,431**
Shares issued for exploration and evaluation assets	1,500,000	30,000	-	-	-	30,000
Shares issued for finder's fee	112,500	2,250	-	-	-	2,250
Share-based compensation	-	-	-	115,551	-	115,551
Loss for the period	-	-	-	-	(1,771,322)	(1,771,322)
Balance at June 30, 2015	**175,095,209**	**$ 18,097,921**	**$ -**	**$ 1,546,373**	**$ (20,089,384)**	**(445,090)**

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)

	Nine Month Period Ended June 30, 2015	Nine Month Period Ended June 30, 2014
CASH PROVIDED BY (USED IN)		
OPERATING ACTIVITIES		
Loss for the period	$ (1,771,322)	$ (4,809,358)
Items not affecting cash:		
Share-based compensation	115,551	545,677
Accretion interest	-	59,496
Accrued interest	17,733	-
Recovery of exploration and evaluation assets	(163,406)	-
Change in fair value of short-term investments	80,000	-
Unrealized foreign exchange gain	-	(10,078)
Loss on disposal of exploration and evaluation assets	473,780	-
Write-off of exploration and evaluation assets	131,212	2,483,944
Changes in non-cash working capital items:		
Decrease in receivables	10,126	70,498
Decrease (increase) in deposits	(6,793)	216,060
Decrease in prepaid expenses	69,164	3,008
Increase in accounts payable and accrued liabilities	421,470	397,283
CASH USED IN OPERATING ACTIVITIES	(622,485)	(1,043,470)
FINANCING ACTIVITIES		
Issuance of common shares	-	986,000
Share issuance costs	-	(61,403)
Share subscriptions received in advance	-	428,000
Proceeds from notes payable	342,850	-
CASH PROVIDED BY FINANCING ACTIVITIES	342,850	1,352,597
INVESTING ACTIVITIES		
Option proceeds from exploration and evaluation asset	206,527	-
Proceeds from disposal of exploration and evaluation asset	75,000	-
Exploration and evaluation expenditures	-	(327,195)
CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	281,527	(327,195)
CHANGE IN CASH DURING THE PERIOD	1,892	(18,068)
CASH - BEGINNING OF PERIOD	4,087	48,824
CASH - END OF PERIOD	$ 5,979	$ 30,756

Supplemental Cash Flow Information *(Note 15)*

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 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 Canada.

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 the price of uranium, developments in the uranium market, 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 interim consolidated 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. 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, 2014, prepared in accordance with IFRS as issued by the IASB.

Basis of presentation

These condensed interim consolidated 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 measured at fair value.

2. BASIS OF PRESENTATION (continued)

Functional and presentation currency

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

Basis of consolidation

These condensed interim consolidated financial statements include the accounts of the Company and its subsidiaries. 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
Declan Resources (Wyoming) LLC	U.S.A.	100%	Exploration in U.S.A.
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 statements. Estimates and assumptions are continually evaluated and are based on management's experience and other facts and circumstances. 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 year, 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) 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.

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 (continued)

Use of estimates and judgments (continued)

Significant judgments that management has made at the end of the reporting period are as follows:

i) Determination of functional currency

The functional currency of the Company and its subsidiary is the currency of the primary economic environment in which each entity operates. The Company has determined the functional currency of each entity to be the Canadian dollar. Determination of the functional currency may involve certain judgments to determine the primary economic environment. The functional currency may change if there is a change in events and conditions which determines the primary economic environment.

ii) The carrying value and the recoverability of exploration and evaluation assets

Management has determined that 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 probable mineral reserves, scoping and feasibility studies, accessible facilities and existing permits.

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, 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:

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.

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

(Expressed in Canadian dollars)

4. RECEIVABLES

	June 30, 2015	September 30, 2014
	($)	($)
GST receivable	3,581	10,006
Other receivables	1,839	5,705
Interest receivable	235	70
	5,655	15,781

5. SHORT-TERM INVESTMENTS

Short-term investments are recorded at fair value and consist of shares held in a Canadian publicly traded company with an acquisition cost of $280,000. The Company has classified it short-term investments as fair value through profit or loss. During the nine month period ended June 30, 2015, the Company recorded an unrealized loss of $80,000 (2014 - $Nil).

6. DEPOSITS

As at June 30, 2015, deposits consisted of $32,413 (September 30, 2014 - $25,620) held by the Government of Saskatchewan with respect to outstanding exploration work commitments on the Davidson River property. During the nine month period ended June 30, 2015, the Company forfeited $25,620 that was held with respect to the abandoned Thorburn Lake property, and accordingly has expensed this amount as exploration and evaluation expenditures in the period.

7. RESTRICTED DEPOSITS

Restricted deposits consist of $23,000 (September 30, 2014 - $23,000) held in a guaranteed investment certificate as collateral for a corporate credit card.

(Expressed in Canadian dollars)

8. EXPLORATION AND EVALUATION ASSETS

Acquisition costs

Schedule of exploration and evaluation asset acquisition costs for the nine month period ended June 30, 2015 is as follows:

Property	As at September 30, 2014	Cash	Other	Shares	Option Payments	Write-offs and Disposals	As at June 30, 2015
	($)	($)	($)	($)	($)	($)	($)
Firebag River	290,871	-	2,250	30,000	(323,121)	-	-
Patterson Lake NE	548,780	-	-	-	-	(548,780)	-
North Star	202,923	-	-	-	-	-	202,923
Thorburn Lake	44,827	-	-	-	-	(44,827)	-
Jackfish Creek	44,827	-	-	-	-	(44,827)	-
Maurice Creek	86,385	8,333	-	-	-	-	94,718
Maybelle North	131,210	16,667	-	-	-	-	147,877
Archer Lake	148,885	-	-	-	-	(41,558)	107,327
Davidson River	41,558	-	-	-	-	-	41,558
Big Sandy Lake	41,558	-	-	-	-	-	41,558
Beatty River	41,558	-	-	-	-	-	41,558
Other	8,774	-	-	-	-	-	8,774
Total	1,632,156	25,000	2,250	30,000	(323,121)	(679,992)	686,293

(Expressed in Canadian dollars)

8. EXPLORATION AND EVALUATION ASSETS (continued)

A schedule of exploration and evaluation asset acquisition costs for the year ended September 30, 2014 is as follows:

Property	As at September 30, 2013	Cash	Other	Shares	Option Payments	Write-offs and Disposals	As at September 30, 2014
	($)	($)	($)	($)	($)	($)	($)
Firebag River	1,807	85,000	69,064	135,000	-	-	290,871
Patterson Lake NE	483,780	65,000	-	-	-	-	548,780
North Star	-	115,000	78,457	405,000	-	(395,534)	202,923
Thorburn Lake	-	15,000	7,327	22,500	-	(44,827)	-
Jackfish Creek	-	15,000	7,327	22,500	-	-	44,827
Maurice Creek	-	23,334	15,551	47,500	-	-	86,385
Maybelle North	-	38,333	22,877	70,000	-	-	131,210
Archer Lake	-	33,334	15,551	100,000	-	-	148,885
Davidson River	-	8,333	8,225	25,000	-	-	41,558
Big Sandy Lake	-	8,333	8,225	25,000	-	-	41,558
Beatty River	-	8,333	8,225	25,000	-	-	41,558
Other	-	-	20,686	-	-	(11,912)	8,774
Sierra Leone	2,483,944	-	-	-	-	(2,483,944)	-
Total	2,969,531	415,000	261,515	877,500	-	2891,390	1,632,156

(Expressed in Canadian dollars)

8. EXPLORATION AND EVALUATION ASSETS (continued)

Exploration and evaluation expenditures

A schedule of exploration and evaluation expenditures for the nine month periods ended June 30, 2015 and 2014 is as follows:

Expenditure	**Patterson Lake**	**Maybelle North**	**Thorburn Creek**	**Maurice Creek**	**Davidson River**	**Big Sandy**	**Other**	**Total**
	($)	($)	($)	($)	($)	($)	($)	($)
Field work	-	-	-	-	461,232	-	-	461,232
Geological	5,909	2,544	29,279	14,846	34,377	3,659	19,185	109,799
Geophysics	-	-	-	69,901	-	-	-	69,901
Licenses and permits	-	625	-	1,250	1,250	-	-	3,125
Travel	-	-	-	-	4,757	-	-	4,757
June 30, 2015	5,909	3,169	29,279	85,997	501,616	3,659	19,185	648,814

	Firebag River	**Patterson Lake**	**Gibbon's Creek**	**Maybelle North**	**Sierra Leone**	**Other**	**Total**
Assays	3,217	-	1,251	-	-	-	4,468
Consulting fees	-	-	-	-	317,899	-	317,899
Drilling	1,577	-	6,750	-	-	-	8,327
Field crew	-	-	-	-	53,817	-	53,817
Field work	21,923	-	-	-	-	-	21,923
Geological	19,561	5,232	36,590	1,621	-	2,743	65,747
Geophysics	-	-	-	177,891	-	-	177,891
Legal	-	-	11,966	-	-	-	11,966
Licenses and permits	9,794	-	1,362	-	-	-	11,156
Supplies and misc.	-	-	-	-	34,683	-	34,683
Travel	4,594	-	878	-	141,539	-	147,011
June 30, 2014	60,666	5,232	58,797	179,512	547,938	2,743	854,888

(Expressed in Canadian dollars)

8. EXPLORATION AND EVALUATION ASSETS (continued)

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 (completed)	45,000	-	-
On approval of agreement by the TSX-V (completed)	40,000	1,500,000	-
November 5, 2014 (completed)	-	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

On November 5, 2013, 1,500,000 common shares, valued at $135,000, were issued pursuant to the property option agreement. On November 5, 2014, 1,500,000 common shares, valued at $30,000, were issued pursuant to the property option agreement.

The Optionor retained a 2% net smelter royalty ("NSR") and a 4% gross overriding royalty ("GORR") with respect to the production from the property.

A total of 738,750 common shares, valued at $58,613, were issued as a finder's fee in connection with the acquisition.

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 as follows:

	Reimbursement of Costs Incurred	Acquisition in Cash	Acquisition in Shares
	($)	($)	
On approval of agreement by the TSX-V (received)	156,527	-	2,000,000
Within 90 days of TSX-V approval (received)	-	50,000	-
March 2, 2016	-	100,000	1,000,000
March 2, 2017	-	100,000	1,000,000
Total	156,527	250,000	4,000,000

(Expressed in Canadian dollars)

8. EXPLORATION AND EVALUATION ASSETS (continued)

a) Firebag River Property (continued)

As at June 30, 2015, the Company had received cash payments of $206,527 and 2,000,000 common shares valued at $280,000. $323,121 was recorded as a recovery of exploration and evaluation assets against the capitalized acquisition cost of Firebag River and the remaining amount of $163,406 was recorded in the consolidated statement of loss and comprehensive loss as a recovery of exploration and evaluation assets.

b) Patterson Lake Property

On September 9, 2013, the Company entered into a property option agreement, subsequently amended on September 9, 2014, 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 (completed)	40,000	-	-
September 17, 2013 (completed)	80,000	-	-
September 20, 2013 (completed)	-	4,000,000	-
March 17, 2014 (completed)	65,000	-	-
August 31, 2015	-	-	200,000
September 17, 2015	65,000	-	-
August 31, 2016	-	-	200,000
August 31, 2017	-	-	250,000
Total	250,000	4,000,000	650,000

On September 17, 2013, 4,000,000 common shares, valued at $300,000, were issued pursuant to the property option agreement.

A total of 734,211 common shares, valued at $55,066, were issued as a finder's fee in connection with the acquisition.

In June 2015, the Company sold 100% of its rights to the Patterson Lake NE property to an unrelated third party for cash proceeds of $75,000. A loss on disposal of $473,780 was recorded during the nine month period ended June 30, 2015.

c) North Star Property

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, valued at $165,000. A total of 162,500 common shares, valued at $17,875, were issued as a finder's fee in connection with the acquisition. The property is subject to a 2% gross sales royalty.

(Expressed in Canadian dollars)

8. EXPLORATION AND EVALUATION ASSETS (continued)

c) North Star Property (continued)

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.

On January 8, 2014, 2,000,000 common shares, valued at $240,000, were issued pursuant to the property option agreement.

A total of 317,647 common shares, valued at $38,117, were issued as a finder's fee in connection with this acquisition.

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

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.

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 Jackfish Creek, Maurice Creek, Maybelle North, Richardson River (grouped with Maybelle North), and Thorburn Lake properties, the Company must make cash payments of $100,000, issue 1,500,000 common shares and complete an exploration work commitment of $200,000 as follows:

	Acquisition in Cash	**Acquisition in Shares**	**Exploration Work Commitments**
	($)		($)
April 8, 2014 (completed)	25,000	-	-
April 17, 2014 (completed)	-	-	200,000
June 1, 2014 (completed)	50,000	1,500,000	-
April 8, 2015	25,000	-	-
Total	100,000	1,500,000	200,000

On June 1, 2014, 1,500,000 common shares, valued at $112,500, were issued pursuant to the property option agreement.

(Expressed in Canadian dollars)

8. EXPLORATION AND EVALUATION ASSETS (continued)

d) Six Pack Properties (continued)

To acquire the Archer Lake property, the Company must make cash payments of $25,000, issue 1,000,000 common shares and complete an exploration work commitment of $25,000 as follows:

	Acquisition in Cash	Acquisition in Shares	Exploration Work Commitments
	($)		($)
June 1, 2014 (completed)	25,000	1,000,000	-
June 1, 2015	-	-	25,000
Total	25,000	1,000,000	25,000

On June 1, 2014, 1,000,000 common shares, valued at $75,000, were issued pursuant to the property option agreement.

A total of 340,909 common shares, valued at $39,205, were issued as a finder's fee in connection with this acquisition.

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

During the nine month period ended June 30, 2015, management decided to discontinue exploration on the Jackfish Creek and Thorburn Lake properties and, accordingly, recorded a write-off of $89,654.

e) 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. To acquire the Maybelle North, Rene Lake (grouped with Archer Lake), Davidson River, Beatty River, Maurice Creek, and Big Sandy Lake properties, the Company must make cash payments of $300,000, issue 7,500,000 common shares and complete an exploration work commitment of $1,500,000 as follows:

	Acquisition in Cash	Acquisition in Shares	Exploration Work Commitments
	($)		($)
July 28, 2014 (completed)	50,000	-	-
August 14, 2014 (completed)	-	2,500,000	-
January 31, 2015 (completed)	-	-	500,000
August 14, 2015	75,000	2,500,000	-
December 31, 2015	-	-	500,000
August 14, 2016	75,000	2,500,000	-
December 31, 2016	-	-	500,000
August 14, 2017	100,000	-	-
Total	300,000	7,500,000	1,500,000

(Expressed in Canadian dollars)

8. EXPLORATION AND EVALUATION ASSETS (continued)

e) Davidson Group Properties (continued)

On August 14, 2014, 2,500,000 common shares, valued at $150,000, were issued pursuant to the property option agreement.

A total of 616,071 common shares, valued at $36,964, were issued as a finder's fee in connection with the acquisition.

The Property is subject to a 2.5% GORR of which the Company may repurchase 1% for $1,500,000 on or before July 28, 2019.

During the nine month period ended June 30, 2015, management decided to discontinue exploration on the Rene Lake property and, accordingly, recorded a write-off of $41,558.

f) 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 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% GORR. During the year ended September 30, 2014, management decided to discontinue exploration on the property and, accordingly, recorded a write-off of $11,912.

During the year ended September 30, 2014, the Company acquired properties in Saskatchewan by staking claims, at a cost of $8,774.

g) 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 Minerals Ltd. Revonah and Greenstone hold interests in certain exploration licenses located in Sierra Leone.

During the year ended September 30, 2014, management decided to discontinue exploration on the property and, accordingly, recorded a write-off of $2,483,944.

9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

The Company's accounts payable and accrued liabilities is comprised of the following:

	June 30, 2015	September 30, 2014
	($)	($)
Accounts payable	1,069,557	99,587
Loans payable	-	510,000
Accrued liabilities	10,500	24,000
	1,080,057	633,587

10. NOTES PAYABLE

During the nine month period ended June 30, 2015, the Company issued notes payable for total proceeds of $342,850. The notes bear interest at 10% per annum, payable in cash. Any interest unpaid at each quarter end will also bear interest at 10% per annum, payable in cash. The notes mature one year from the date of issuance and are secured by promissory notes. During the nine month period ended June 30, 2015, the Company recorded $17,733 (2014 - $Nil) in interest costs, recorded in finance fees.

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 matured 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. The loans and interest were repaid in full during the year ended September 30, 2014. During the nine month period ended June 30, 2015, the Company booked $Nil (2014 - $53,852) and $Nil (2014 - $59,496) in interest and accretion costs, respectively, recorded in finance fees.

11. SHARE CAPITAL AND RESERVES

a) Authorized share capital

An unlimited number of common shares without par value.

b) Issued share capital

During the nine month period ended June 30, 2015, the Company:

i) issued 1,500,000 common shares with a value of $30,000 as an option payment pursuant to the Firebag River option agreement (Note 8).

ii) issued 112,250 common shares with a value of $2,250 as a finder's fee pursuant to the Firebag River option agreement (Note 8).

During the year ended September 30, 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 8).

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 8).

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 8).

(Expressed in Canadian dollars)

11. SHARE CAPITAL AND RESERVES (continued)

b) Issued share capital (continued)

vi) 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 8).

vii) issued 1,500,000 common shares with a value of $165,000 as an option payment pursuant to the North Star option agreement (Note 8).

viii) issued 162,500 common shares with a value of $17,875 as a finder's fee pursuant to the North Star option agreement (Note 8).

c) Share subscriptions received

As at June 30, 2015, the Company had received $Nil (June 30, 2014 - $428,000) 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.

At June 30, 2015, the Company had incentive stock options enabling the holders to acquire further common shares as follows:

Expiry Date	Options Outstanding	Options Exercisable	Exercise Price	Weighted Average Remaining Life
			($)	(years)
July 12, 2015	1,000,000	1,000,000	0.15	0.28
September 29, 2016	300,000	200,000	0.07	1.50
September 11, 2017	950,000	950,000	0.16	2.45
October 7, 2018	5,300,000	5,300,000	0.09	3.52
November 22, 2018	1,000,000	1,000,000	0.09	3.65
February 28, 2019	2,000,000	1,333,334	0.11	3.92
	10,550,000	9,783,334	0.11	2.90

(Expressed in Canadian dollars)

11. SHARE CAPITAL AND RESERVES (continued)

d) Stock options (continued)

A continuity schedule of outstanding stock options is as follows:

	Number Outstanding	Weighted Average Exercise Price
		($)
Balance – September 30, 2013	6,250,000	0.16
Granted	9,500,000	0.09
Forfeited	(4,450,000)	0.14
Balance – September 30, 2014	11,300,000	0.11
Forfeited	(750,000)	0.15
Balance – June 30, 2015	10,550,000	0.11

e) Share purchase warrants

At June 30, 2015, the Company had 29,076,578 outstanding share purchase warrants that are exercisable at $0.11 per share until July 23, 2016

A continuity schedule of outstanding share purchase warrants is as follows:

	Number Outstanding	Weighted Average Exercise Price
		($)
Balance – September 30, 2013	7,292,308	0.24
Issued	44,076,578	0.11
Exercised	(2,360,000)	0.10
Balance – September 30, 2014	49,008,886	0.13
Expired	(19,932,308)	0.10
Balance – June 30, 2015	29,076,578	0.11

(Expressed in Canadian dollars)

11. SHARE CAPITAL AND RESERVES (continued)

f) Share-based payments

During the nine month period ended June 30, 2015, the Company granted Nil (2014 - 9,200,000) stock options with a fair value of $Nil (2014 - $816,592) or $Nil (2014 - $0.09) per option. These options will vest over a period of 18 months. During the nine month period ended June 30, 2015, the Company expensed $115,551 (2014 - $545,677) as share-based compensation.

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

	2015	2014
Risk free interest rate	-	1.8%
Expected dividend yield	-	-
Stock price volatility	-	128%
Expected life of options	-	5.0 years
Forfeiture rate	-	-

12. RELATED PARTY TRANSACTIONS

The Company's key management personnel consist of directors, officers and companies owned or controlled 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

	June 30, 2015	June 30, 2014
	($)	($)
Management services	108,470	50,498
Interest	2,741	26,926
Geological consulting	33,198	322,009
Share-based compensation	73,397	279,011
Accounting services	40,500	41,000
Total	258,306	719,444

Included in accounts payable were amounts due to related parties at June 30, 2015 of $646,726 (September 30, 2014 - $522,514).

Included in notes payable were amounts due to related parties at June 30, 2015 of $77,000 (September 30, 2014 - $Nil).

13. 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, short-term investments, receivables, restricted deposits, accounts payable and accrued liabilities and notes payable.

The Company classified its cash and short-term investments 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 values of cash and short-term investments are 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 June 30, 2015. 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 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.

13. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

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 is not exposed to any significant foreign currency risk.

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.

14. 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.

(Expressed in Canadian dollars)

14. MANAGEMENT OF CAPITAL (continued)

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 nine month period ended June 30, 2015.

15. SUPPLEMENTAL CASH FLOW INFORMATION

	June 30, 2015	June 30, 2014
	($)	($)
Supplemental Disclosure of Cash Flow Information:		
Shares issued for exploration and evaluation assets	30,000	727,500
Shares received for exploration and evaluation asset	280,000	-
Amounts accrued for exploration and evaluation assets included in accounts payable and accrued liabilities	25,000	148,656
Shares issued for finders' fees for acquisition of exploration and evaluation assets	2,250	151,560