

**DECLAN RESOURCES INC.**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**(Expressed in Canadian Dollars)**

**NINE MONTH PERIODS ENDED  
JUNE 30, 2015 AND 2014**

**REPORT DATE – AUGUST 7, 2015**

**DECLAN RESOURCES INC.**  
**Management's Discussion and Analysis**  
**For the Nine Month Period Ended June 30, 2015**

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**Introduction**

Declan Resources Inc. ("Declan" or 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 Alberta, 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 8<sup>th</sup> Avenue, Vancouver, BC, V6J 1V4.

The Company is a natural resource company engaged in the acquisition, exploration and development of resource properties in North America. The Company's current focus is on the development of its Davidson River uranium property located in the Athabasca Basin, which hosts some of the largest high grade uranium deposits in the world. In addition, the Company and its joint venture partner, Opal Energy Corp., are evaluating the potential of the Firebag River property to host economic quantities of silica sand to be used in the fracking process for shale gas exploration.

In accordance with Form 51-102F1, the following Management's Discussion & Analysis ("MD&A") provides a review of activities, results of operations and financial condition of Declan for the nine month period ended June 30, 2015. The following discussion and analysis should be read in conjunction with the Company's condensed interim consolidated financial statements for the nine month period ended June 30, 2015 and the audited annual 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.

**Exploration Property Overview**

**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 is required to make a cash payment of \$85,000 (paid), 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. A total 738,750 common shares were issued as a finder's fee in connection with this acquisition. The Optionor retained a 2% net smelter royalty ("NSR") on metals and a 4% gross overriding royalty ("GORR") with respect to other, non-metallic commodities which are produced from the Firebag River property.

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.

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

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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. 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.

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 NE 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 NE 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. A total of 734,211 common shares were issued as a finder's fee in connection with this acquisition.

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

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**Exploration Property Overview** (continued)

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

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 Urcan 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.

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. A total of 162,500 common shares were issued as a finder's fee in connection with this acquisition. The property is subject to a 2% gross sales royalty.

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

As at June 30, 2015 and September 30, 2014, the Company had capitalized costs of \$202,923 on the North Star property. During the nine month period ended June 30, 2015, the Company incurred exploration and evaluation expenditures of \$Nil (2014 - \$45,894) on the North Star property.

**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 North, 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 North property as the properties are contiguous.

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

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**Exploration Property Overview** (continued)

**Six Pack Properties** (continued)

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

**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.

In order to acquire the Maybelle North, Rene Lake, Davidson River, Beatty River, Maurice Creek, Big Sandy Lake properties (the "Davidson Group 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. A total of 616,071 common shares were issued as a finder's fee in connection with this acquisition. The Maybelle North property acquisition costs and exploration and evaluation expenditures are recorded with the Maybelle North property as the properties are contiguous. The Maurice Creek property acquisition costs and exploration and evaluation expenditures are recorded with Maurice Creek property as the properties are contiguous. The Rene Lake property acquisition costs and exploration and evaluation expenditures are recorded with Archer Lake property as the properties are contiguous.

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

During the nine month period ended June 30, 2015, management decided to discontinue exploration on the Rene Lake property (grouped with the Archer Lake property on the condensed interim consolidated financial statements) and, accordingly, recorded a write-off of \$41,558.

**Maybelle River Property**

The property, which is located within relatively shallow parts of the western Athabasca basin, covers 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% U3O8 across five meters and reported grades of up to 54.5% U3O8, according to the AGS website.

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.

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**Exploration Property Overview** (continued)

**Davidson Group Properties** (continued)

**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 corridor; 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% U<sub>3</sub>O<sub>8</sub> over 6.85 meters.

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 occurrences. At the property, surface exposures of pelitic and granitic 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.

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 ppm Uranium), with additional uranium and nickel geochemical anomalies. The property remained unexplored until 2006 when Titan 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.

In the first quarter of, 2015, Declan conducted a ground gravity survey on the Property. The program covered targets whereby a total of 13.90 line – kilometers (including 292 gravity stations) were surveyed over the duration of the program. The purpose of the survey was to further investigate areas with previously discovered linear magnetic trends or exploration corridors, and try to identify low gravity anomalies, which can be associated with uranium mineralization.

The gravity survey was conducted in two separate grids, roughly 5km apart, one located on the northern end of the Property, and the second one covering a portion of the centre/southern end of the Property. The gravity survey identified linear trends on each of the grids that cross – cut previously identified exploration corridors. The characteristic Bouguer response on both grids is a roughly NNE – SSW striking gradient that bisects both grids, with higher gravity on the WNW side and lower gravity on the ESE side of the grids.

On the northern grid, the cross – cutting structure is at right angle to the conductor axis and is located up-ice of the highly anomalous lake sediment sample (21ppm uranium) recovered from previous exploration. Likewise, on the southern grid, a linear structure identified by the gravity survey, cross – cuts the conductor axis and is also located near an anomalous lake sediment sample of 5 ppm uranium. Follow up exploration work will further investigate these targets, in order to define ultimate drill targets.

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**Exploration Property Overview** (continued)

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% U3O8). Recent work done there has resulted in high-grade intervals such as hole NWA-35, grading 2.48% U3O8 over 1.5 meters at a vertical depth of 26 meters, including a 0.5-metre interval grading 5.77% 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 Properties**

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 of the Company. 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.

**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 at a price of \$0.15 per share until July 12, 2015. 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.

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**Discussion of Operations – Three Month Period Ended June 30, 2015**

During the three month period ended June 30, 2015 (the "Current Period"), the Company incurred a net loss of \$770,872 from operations compared to a net loss of \$3,327,007 for the three month period ended June 30, 2014 (the "Comparative Period"). Operating expenses for the current period were \$202,543, compared to \$843,126 for the Comparative Period which represented an overall decrease of \$640,583. The major contributors to this change are:

1. Exploration and evaluation expenditures were \$49,431 for Current Period compared to \$464,973 for the Comparative Period. The decrease is due to a lack of available funding in the Current Period and the completion of a Davidson River exploration program just prior to the Current Period.
2. Share-based compensation was \$18,300 for the Current Period versus \$91,229 for the Comparative Period. The decrease is due to no new stock options being issued in the Current Period.
3. Travel was \$9,363 for the Current Period compared to \$93,339 for the Comparative Period. The Comparative Period had a significant amount of management travel to Sierra Leone prior to the abandonment of the Sierra Leone properties.
4. Loss on disposal of exploration assets was \$473,780 in the Current Period versus \$Nil in the Comparative Period as the Company disposed of the Patterson Lake property in June 2015.
5. The Company recorded a write-off of exploration properties of \$44,827 in the Current Period compared to \$2,483,944 in the Comparative Period, due to the write-off the Sierra Leone property in the Comparative Period.

**Discussion of Operations – Nine Month Period Ended June 30, 2015**

During the nine month period ended June 30, 2015 ("Current YTD Period"), the Company incurred a net loss of \$1,771,322 from operations compared to a net loss of \$4,809,358 for the nine month period ended June 30, 2014 ("Comparative YTD Period"). Operating expenses for the Current YTD Period were \$1,250,130 as compared to \$2,325,658 for the Comparative YTD Period; an overall decrease of \$1,075,528. The major contributors to this change are:

1. Exploration and evaluation expenditures were \$648,814 for the nine months ended June 30, 2015 compared to \$854,888 for the nine months ended June 30, 2014. The decrease is due to reduced exploration activity in the Current YTD Period.
2. Finance fees were \$17,733 for the Current YTD Period compared to \$113,348 for the Comparative YTD Period. The decrease is a result of the repayment of the notes payable advanced in the prior fiscal year.
3. Investor relations were \$64,788 for the Current YTD Period compared to \$330,059 for the Comparative YTD Period. The increased expenses in the prior period were a result of the Company working to promote its expansion to exploring potential projects in Canada.
4. Management fees were \$153,470 for the Current YTD Period compared to \$90,498 for the Comparative YTD Period. The increase is a result of fees paid to the former CEO.



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**Discussion of Operations – Nine Month Period Ended June 30, 2015** (continued)

5. Share-based compensation was \$115,551 for the Current YTD Period compared to \$545,677 for the Comparative YTD Period. The decrease is due to no stock options being issued in the current period.
6. Travel was \$49,767 for the Current YTD Period compared to \$183,509 for the Comparative YTD Period. The prior period had a significant amount of management travel to Sierra Leone.

**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:

<b>Years Ended</b>	<b>September 30, 2014 (\$)</b>	<b>September 30, 2014 (\$)</b>	<b>September 30, 2012 (\$)</b>
Total Revenue	Nil	Nil	Nil
Operating Loss - per share <sup>(1)</sup>	(2,654,873) (0.02)	(4,283,377) (0.04)	(2,147,779) (0.02)
Loss and Comprehensive Loss - per share <sup>(1)</sup>	(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.

<b>Three Months Ended</b>	<b>June 30, 2015</b>	<b>March 31, 2015</b>	<b>December 31, 2014</b>	<b>September 30, 2014</b>
Total Revenue	\$Nil	\$Nil	\$Nil	\$Nil
Operating Loss - per share <sup>(1)</sup>	(\$202,543) (\$0.00)	(\$713,872) (\$0.00)	(\$333,715) (\$0.00)	(\$329,215) (\$0.00)
Loss and Comprehensive Loss - per share <sup>(1)</sup>	(\$770,872) (\$0.00)	(\$666,797) (\$0.00)	(\$333,653) (\$0.00)	(\$736,600) (\$0.00)

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**Summary of Quarterly Results** (continued)

<b>Three Months Ended</b>	<b>June 30, 2014</b>	<b>March 31, 2014</b>	<b>December 31, 2013</b>	<b>September 30, 2013</b>
Total Revenue	\$Nil	\$Nil	\$Nil	\$Nil
Operating Loss - per share <sup>(1)</sup>	(\$843,126) (\$0.01)	(\$695,416) (\$0.01)	(\$787,116) (\$0.01)	(\$595,604) (\$0.01)
Loss and Comprehensive Loss - per share <sup>(1)</sup>	(\$3,327,007) (\$0.02)	(\$695,299) (\$0.01)	(\$787,052) (\$0.01)	(\$595,270) (\$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 \$5,979 as at June 30, 2015, compared to \$4,087, as at September 30, 2014. The Company had a working capital deficit of \$20,089,384 as at June 30, 2015 compared to a working capital deficit of \$476,725 as at September 30, 2014. The decrease in the Company's working capital position was a direct result of operating activities, including exploration and evaluation expenditures.

**Financing activities**

In the nine month period ended June 30, 2015, the Company received \$342,850 from the issuance of notes payable. The Company also successfully joint ventured its interest in the Firebag River property and received cash reimbursement of prior expenditures totaling \$156,527.

During the year ended September 30, 2014, 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 which entitles the holder to acquire an additional common share at \$0.10 for a period of one year. Agents' fees paid in connection with this financing totaled \$49,525. In addition, the Company issued 2,360,000 common shares from the exercise of share purchase warrants for total proceeds of \$236,000.

**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 nine month period ended June 30, 2015:

1. Paid or accrued management fees of \$108,470 (2014 - \$44,498) to Miller and Associates, LLC, a company controlled by David Miller, a former director and officer of the Company.
2. Paid or accrued management fees of \$Nil (2014 - \$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 \$40,500 (2014 - \$41,000) to Lesia Burianyk, former CFO of the Company.

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**Transactions with Related Parties** (continued)

4. Paid or accrued interest of \$2,179 (2014 - \$13,463) to Galloway Financial Services Inc.
5. Paid or accrued interest of \$562 (2014 - \$Nil) to Caledonia Capital Corp., a company controlled by Wayne Tisdale.
6. Paid or accrued interest of \$Nil (2014 - \$13,463) to Gordon King, a director of the Company.
7. Paid or accrued management consulting fees of \$33,198 (2014 - \$45,000) to Tyson King, a director of Talos Minerals Ltd.
8. Recorded share-based compensation of \$73,397 (2014 - \$279,011) to related parties.
9. Paid or accrued consulting fees of \$Nil (2014 - \$16,389) to McLean CA&CP, a company controlled by Craig McLean, a former director of the Company.
10. Paid or accrued consulting fees of \$Nil (2014 - \$44,560) to Starbay Resources Ltd., a company controlled by James Newall, a former director of the Company.
11. Paid or accrued consulting fees of \$Nil (2014 - \$216,060) to Jamal Shallop, a director of Revonah and Greenstone.

As at June 30, 2015, a total of \$646,725 (September 30, 2014 - \$552,514) was owing to related parties and was included in accounts payable and accrued liabilities.

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 in accounts payable and accrued liabilities as at June 30, 2015 and September 30, 2014.

During the nine months ended June 30, 2015, the Company received an aggregate amount of \$57,000 in notes payable from Galloway Financial Services Inc. and \$20,000 from Caledonia Capital Corp. 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.

**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 Report Date, there were 175,095,209 common shares issued and outstanding.

**Warrants**

As at the Report Date, there were 29,076,578 share purchase warrants outstanding.

**Stock Options**

As at the Report Date, there were 10,550,000 stock options outstanding of which 9,783,334 were fully vested and exercisable.

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**Outlook and 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.

**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.

**Significant Accounting Policies**

No new accounting policies were adopted by the Company during the nine month period ended June 30, 2015.

**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, entities 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.

**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.

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**Financial Instruments and Risk Management** (continued)

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.

*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 since the abandonment of its Sierra Leone property.

*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.

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**Financial Instruments and Risk Management** (continued)

*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.

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 and debt securities 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

**Additional Information**

On July 10, 2015, David Miller resigned from the Board of Directors and from the position of President and Chief Executive Officer ("CEO") of the Company. Mr. Wayne Tisdale has assumed the role of President and CEO. In addition, Ms. Lesia Burianyk resigned as Chief Financial Officer ("CFO") on July 31, 2015 and Mr. David Hughes has assumed the role of CFO.

Additional information relating to the Company is available on the Company's website at [www.declanresources.com](http://www.declanresources.com) under the Company's profile on SEDAR at [www.sedar.com](http://www.sedar.com).

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**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](http://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.

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- 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.



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**Corporate Information**

Directors:	Gordon King Michelle Gahagan Wayne Tisdale Dr. Hikmet Akin
Officers:	Wayne Tisdale, President and CEO David Hughes, CFO Leah Martin, Corporate Secretary
Auditor:	Davidson and Company LLP Chartered Professional Accountants Suite 1200 – 609 Granville Street Vancouver, BC, V7Y 1G6
Legal Counsel:	Macdonald Tuskey Suite 400 570 Granville Street Vancouver, BC, V6C 3P1
Transfer Agent:	Computershare Trust Company of Canada 2 <sup>nd</sup> Floor – 510 Burrard Street Vancouver, BC, V6C 3B9