

# **DECLAN RESOURCES INC.**

## **Consolidated Financial Statements**

(Expressed in Canadian dollars)

**Years Ended  
September 30, 2017 and 2016**

## INDEPENDENT AUDITORS' REPORT

To the Shareholders of  
Declan Resources Inc.

We have audited the accompanying consolidated financial statements of Declan Resources Inc., which comprise the consolidated statements of financial position as at September 30, 2017 and 2016 and the consolidated statements of income (loss) and comprehensive income (loss), changes in shareholders' equity (deficiency), and cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

### *Management's Responsibility for the Consolidated Financial Statements*

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditors' Responsibility*

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

### *Opinion*

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of Declan Resources Inc. as at September 30, 2017 and 2016 and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

**“DAVIDSON & COMPANY LLP”**

Vancouver, Canada

Chartered Professional Accountants

January 29, 2018



# Declan Resources Inc.

Consolidated Statements of Financial Position  
(Expressed in Canadian Dollars)

	September 30, 2017 (\$)	September 30, 2016 (\$)
<b>ASSETS</b>		
<b>Current assets</b>		
Cash	134,013	19,558
Receivables (Note 5)	20,447	10,317
Short-term investments (Note 6)	906,583	368,545
Prepaid expenses	5,583	5,833
Deposits (Note 7)	-	25,620
	1,066,626	429,873
Exploration and evaluation assets (Note 9)	27,030	-
Restricted deposits (Note 8)	11,500	11,500
	1,105,156	441,373
<b>LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIENCY)</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities (Note 10)	770,586	762,505
<b>Notes payable</b> (Note 11)	248,271	970,171
	1,018,857	1,732,676
<b>Shareholders' equity (deficiency)</b>		
Share capital (Note 12)	19,106,438	18,107,921
Share-based payments reserve (Note 12)	1,554,336	1,554,336
Deficit	(20,574,475)	(20,953,560)
	86,299	(1,291,303)
	1,105,156	441,373

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

**Commitments (Note 17)**

**Subsequent Events (Note 20)**

These consolidated financial statements were authorized for issue by the Board of Directors on January 25, 2018. They are signed on behalf of the Board of Directors by:

"Michelle Gahagan"  
Director

"Wayne Tisdale"  
Director

## Declan Resources Inc.

Consolidated Statements of Income (Loss) and Comprehensive Income (Loss)  
(Expressed in Canadian Dollars)

	Year Ended September 30, 2017	Year Ended September 30, 2016
	(\$)	(\$)
<b>EXPENSES</b>		
Consulting fees	37,500	19,075
Exploration and evaluation recovery (Note 9)	-	(25,620)
Foreign exchange loss	(7,167)	(3,758)
Insurance	5,250	6,598
Interest expense (Note 11 and 13)	98,461	81,411
Investor relations	-	711
Management fees (Note 13)	6,000	60,000
Office and miscellaneous	59,204	32,146
Professional fees (Note 13)	35,157	46,101
Property investigation	15,750	-
Transfer agent and filing fees	19,189	29,641
Travel	17,612	23,829
<b>Loss from operations</b>	<b>(286,956)</b>	<b>(270,134)</b>
Interest income	159	197
Gain on short-term investments (Note 6)	665,882	230,182
Write-off of exploration and evaluation assets (Note 9)	-	(18,774)
Write-off of prepaid expense	-	(41,143)
<b>Net income (loss) and comprehensive income (loss)</b>	<b>379,085</b>	<b>(99,672)</b>
<b>Basic and diluted earnings (loss) per common share</b>	<b>0.05</b>	<b>(0.02)</b>
<b>Weighted average common shares outstanding:</b>		
Basic	7,395,679	5,903,142
Diluted	7,395,679	5,903,142

## Declan Resources Inc.

Consolidated Statement of Changes in Shareholders' Equity (Deficiency)

(Expressed in Canadian Dollars)

	Number of Shares	Amount (\$)	Share-based Payments Reserve (\$)	Deficit (\$)	Total Shareholders' Equity (Deficiency) (\$)
<b>Balance at September 30, 2015</b>	<b>5,836,507</b>	<b>18,097,921</b>	<b>1,554,336</b>	<b>(20,853,888)</b>	<b>(1,201,631)</b>
Shares issued for exploration and evaluation assets	66,666	10,000	-	-	10,000
Loss and comprehensive loss for the year	-	-	-	(99,672)	(99,672)
<b>Balance at September 30, 2016</b>	<b>5,903,173</b>	<b>18,107,921</b>	<b>1,554,336</b>	<b>(20,953,560)</b>	<b>(1,291,303)</b>
Shares issued pursuant to private placement	16,666,667	1,000,000	-	-	1,000,000
Share issue costs	-	(1,483)	-	-	(1,483)
Net income and comprehensive income for the year	-	-	-	379,085	379,085
<b>Balance at September 30, 2017</b>	<b>22,569,840</b>	<b>19,106,438</b>	<b>1,554,336</b>	<b>(20,574,475)</b>	<b>86,299</b>

## Declan Resources Inc.

Consolidated Statements of Cash Flows  
(Expressed in Canadian Dollars)

	Year Ended September 30, 2017	Year Ended September 30, 2016
	(\$)	(\$)
<b>CASH PROVIDED BY (USED IN)</b>		
<b>OPERATING ACTIVITIES</b>		
Net income (loss) for the year	379,085	(99,672)
Items not affecting cash:		
Accrued interest	98,461	81,411
Gain on short-term investments	(665,882)	(230,182)
Write off of exploration and evaluation assets	-	18,774
Write off of prepaid expense	-	41,143
Foreign exchange gain	(7,167)	-
Changes in non-cash working capital items:		
Receivables	(10,130)	(6,657)
Deposits	25,620	6,793
Prepaid expenses	250	(402)
Accounts payable and accrued liabilities	(86,596)	60,076
<b>CASH USED IN OPERATING ACTIVITIES</b>	<b>(266,359)</b>	<b>(128,716)</b>
<b>FINANCING ACTIVITIES</b>		
Issuance of common shares	1,000,000	-
Share issuance costs	(1,483)	-
Repayment of notes payable	(771,800)	(25,000)
Proceeds from notes payable	49,900	111,125
<b>CASH PROVIDED BY FINANCING ACTIVITIES</b>	<b>276,617</b>	<b>86,125</b>
<b>INVESTING ACTIVITIES</b>		
Acquisition of short-term investments	(344,312)	(61,702)
Acquisition of exploration and evaluation assets	(23,647)	-
Proceeds from the disposal of short-term investments	472,156	123,339
<b>CASH PROVIDED BY IN INVESTING ACTIVITIES</b>	<b>104,197</b>	<b>61,637</b>
<b>CHANGE IN CASH DURING THE YEAR</b>	<b>114,455</b>	<b>19,046</b>
<b>CASH - BEGINNING OF YEAR</b>	<b>19,558</b>	<b>512</b>
<b>CASH - END OF YEAR</b>	<b>134,013</b>	<b>19,558</b>

Supplemental Cash Flow Information (Note 18)

**DECLAN RESOURCES INC.**

Notes to the Consolidated Financial Statements

Year Ended September 30, 2017

(Expressed in Canadian dollars)

**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 8<sup>th</sup> Ave, Vancouver, BC, V6J 1V4, Canada. The Company is traded on the Canadian Securities Exchange ("CSE").

The Company is a mineral exploration company focused on acquiring and exploring exploration and evaluation assets in Canada. On July 19, 2017, the Company consolidated its share capital on a 30:1 basis. All share and per share amounts have been restated to reflect the share consolidation.

At the date of these 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.

These 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 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 commodity prices and other developments in the natural resources 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 have enough capital to operate over the next twelve months.

**2. BASIS OF PRESENTATION**

These consolidated financial statements, including comparatives, are prepared using International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

The consolidated financial statements were authorized for issue by the Board of Directors on January 25, 2018.

**DECLAN RESOURCES INC.**

Notes to the Consolidated Financial Statements

Year Ended September 30, 2017

(Expressed in Canadian dollars)

**2. BASIS OF PRESENTATION** (continued)**Basis of Measurement**

These consolidated financial statements have been prepared on the historical cost basis, except for financial instruments classified as held for trading that have been measured at fair value. Cost is the fair value of consideration given in exchange for net assets.

**Functional and presentation currency**

These 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 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 consolidated financial statements.

Name of Subsidiary	Place of Incorporation	Proportion of Ownership Interest	Principal Activity
Declan Resources (Wyoming) LLC	U.S.A.	100%	Dormant
Talos Minerals Ltd.	Canada	100%	Dormant
Revonah Resources (SL) Ltd.	Sierra Leone	85%	Dormant
5498 Nunavut Inc.	Nunavut	100%	Exploration
Greenstone Minerals (SL) Ltd.	Sierra Leone	85%	Dormant

**Significant Accounting Judgments, Estimates and Assumptions**

In the application of the Company's accounting policies which are described in Note 3, management is required to make judgments, estimates, and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, revenue and expenses and are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and management's assessment of current events and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods, if the revision affects both current and future periods.



**DECLAN RESOURCES INC.**

Notes to the Consolidated Financial Statements

Year Ended September 30, 2017

(Expressed in Canadian dollars)

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**2. BASIS OF PRESENTATION** (continued)

**Use of estimates and judgments** (continued)

Significant judgments, estimates and assumptions that have the most significant effect on the amounts recognized in these consolidated financial statements include:

***Estimates:***

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.

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.

***Judgements:***

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.

**DECLAN RESOURCES INC.**

Notes to the Consolidated Financial Statements

Year Ended September 30, 2017

(Expressed in Canadian dollars)

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**3. SIGNIFICANT ACCOUNTING POLICIES****Exploration and Evaluation Assets**

Costs related to the acquisition of exploration and evaluation assets are capitalized by property until the commencement of commercial production. Costs incurred before the Company has obtained the legal rights to explore an area are recognized through profit or loss.

Costs related to exploration costs of exploration and evaluation assets, incurred prior to the determination of the feasibility of mining operations and a decision to proceed with development, are charged to operations as incurred. Development expenditures incurred subsequent to a development decision, and to increase or to extend the life of existing production, are capitalized and will be amortized on the unit-of-production method based upon estimated proven and probable reserves.

If commercially profitable ore reserves are developed, capitalized costs of the related exploration and evaluation assets are reclassified as mining assets and amortized using the unit-of-production method. If, after management review, it is determined that capitalized acquisition costs are not recoverable over the estimated economic life of the exploration and evaluation assets, or the exploration and evaluation assets are abandoned, or management deems there to be an impairment in value, the exploration and evaluation assets are written down to their net realizable value.

Any option payments received by the Company from third parties are credited to the capitalized cost of the exploration and evaluation assets. If payments received exceed the capitalized cost of the exploration and evaluation assets, the excess is recognized as income in the year received. The amounts shown for exploration and evaluation assets do not necessarily represent present or future values. Their recoverability is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the development, and future profitable production or proceeds from the disposition thereof.

**Foreign Currency Translation**

The Company's functional and reporting currency is the Canadian dollar.

Foreign currency transactions are translated into Canadian dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the re-measurement of monetary items at year-end exchange rates are recognized in profit or loss.

Non-monetary items measured at historical cost are translated using the exchange rates at the date of the transaction and are not retranslated.

**Financial Instruments**

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the financial instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities classified at fair value through profit or loss) are added to, or deducted from, the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities classified at fair value through profit or loss are recognized immediately in profit or loss. Financial assets and financial liabilities are measured subsequently as described below. The Company does not have any derivative financial instruments.

## DECLAN RESOURCES INC.

Notes to the Consolidated Financial Statements

Year Ended September 30, 2017

(Expressed in Canadian dollars)

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### 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Financial Instruments (continued)

##### Financial Assets

For the purpose of subsequent measurement, financial assets other than those designated and effective as hedging instruments are classified into the following categories upon initial recognition:

- Financial assets at fair value through profit or loss;
- Loans and receivables;
- Held-to-maturity investments; and
- Available-for-sale financial assets.

The category determines subsequent measurement and whether any resulting income and expense is recognized in profit or loss or in other comprehensive income.

All financial assets except for those at fair value through profit or loss are subject to review for impairment at least at each reporting date. Financial assets are impaired when there is any objective evidence that a financial asset or a group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets, which are described below.

- **Financial assets at fair value through profit or loss** – Financial assets at fair value through profit or loss include financial assets that are either classified as held for trading or that meet certain conditions and are designated at fair value through profit or loss upon initial recognition. All derivative financial instruments fall into this category. Assets in this category are measured at fair value with gains or losses recognized in profit or loss. The Company's cash and short-term investments fall into this category of financial instruments.
- **Loans and receivables** – Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition, these are measured at amortized cost using the effective interest method less any provision for impairment. Discounting is omitted where the effect of discounting is immaterial. The Company currently includes receivables and deposits in this category.
- **Held-to-maturity investments** – Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity, other than loans and receivables. Investments are classified as held-to-maturity if the Company has the intention and ability to hold them until maturity. The Company currently does not hold financial assets in this category.
- **Available-for-sale financial assets** – Available-for-sale financial assets are non-derivative financial assets that are either designated to this category or do not qualify for inclusion in any of the other categories of financial assets. The Company currently does not hold financial assets in this category.

For financial assets measured at amortized cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, then the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

## DECLAN RESOURCES INC.

Notes to the Consolidated Financial Statements

Year Ended September 30, 2017

(Expressed in Canadian dollars)

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### 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Financial Instruments (continued)

##### Financial Assets (continued)

Financial assets are derecognized when the contractual rights to the cash flows from the financial asset expire or when the financial asset and all substantial risks and rewards are transferred.

##### Financial Liabilities

For the purpose of subsequent measurement, financial liabilities are classified as either financial liabilities at fair value through profit or loss, or other financial liabilities upon initial recognition.

- **Financial liabilities at fair value through profit or loss** – Financial liabilities at fair value through profit or loss include financial liabilities that are either classified as held for trading or that meet certain conditions and are designated at fair value through profit or loss upon initial recognition. Liabilities in this category are measured at fair value with gains or losses recognized in profit or loss. The Company currently does not hold financial liabilities in this category.
- **Other financial liabilities** – Other financial liabilities are measured at amortized cost using the effective interest method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the effective interest rate method amortization process. The Company's accounts payable, accrued liabilities and notes payable fall into this category of financial instruments.

A financial liability is derecognized when it is extinguished, discharged, cancelled, or expired.

#### Impairment

At the end of each reporting period, the carrying value of the Company's assets are reviewed to determine whether there is any indication that those assets may be impaired. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in profit or loss for the period. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit to which the asset belongs.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount, but to an amount that does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

**DECLAN RESOURCES INC.**

Notes to the Consolidated Financial Statements

Year Ended September 30, 2017

(Expressed in Canadian dollars)

**3. SIGNIFICANT ACCOUNTING POLICIES (continued)****Provision for Environmental Rehabilitation**

The Company recognizes liabilities for statutory, contractual, constructive or legal obligations associated with the retirement of exploration and evaluation assets and equipment, when those obligations result from the acquisition, construction, development or normal operation of the assets. The net present value of future rehabilitation cost estimates arising from the decommissioning of plant and other site preparation work is capitalized to the related asset along with a corresponding increase in the rehabilitation provision in the period incurred. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value. The rehabilitation asset is depreciated on the same basis as related assets.

The Company's estimates of reclamation costs could change as a result of changes in regulatory requirements, discount rates and assumptions regarding the amount and timing of the future expenditures. These changes are recorded directly to the related asset with a corresponding entry to the rehabilitation provision. The Company's estimates are reviewed annually for changes in regulatory requirements, discount rates, effects of inflation and changes in estimates. Changes in the net present value, excluding changes in the Company's estimates of reclamation costs, are charged to profit or loss.

**Share-based Payment Transactions**

The Company grants stock options to acquire common shares of the Company to directors, officers, employees and consultants pursuant to a stock option plan. An individual is classified as an employee when the individual is an employee for legal or tax purposes, or provides services similar to those performed by an employee.

The fair value of stock options is measured on the date of grant, using the Black-Scholes option pricing model. It is recognized over the vesting period, using the graded vesting method, as an expense, with a corresponding increase to reserves in shareholders' equity. Expected volatility is based on historical volatility (based on the expected life of the options), adjusted for any expected changes due to publicly available information. No expense is recognized for awards that ultimately do not vest. If and when stock options are ultimately exercised, the amount of cash received as well as the applicable amount of the associated reserve is transferred to share capital.

Share-based payments to non-employees are measured at the fair value of the consideration received, or the fair value of equity instruments issued, whichever is more reliably measurable. The fair value of stock-based payments to nonemployees is periodically re-measured until counterparty performance is complete and any change therein is recognized over the period and in the same manner as if the Company had paid cash instead of paying with or using equity instruments. The cost of share-based payments to non-employees that are fully vested and non-forfeitable at the grant date is measured and recognized at that date.

**Share Capital**

The Company records proceeds from share issuances, net of commissions and issuance costs, as share capital.

The Company engages in equity financing transactions to obtain the funds necessary to continue operations. The equity financings may involve the issuance of common shares or units. Warrants that are a part of units are assigned a value based on the residual value, if any, and included in reserves.

**Provisions**

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

**DECLAN RESOURCES INC.**

Notes to the Consolidated Financial Statements

Year Ended September 30, 2017

(Expressed in Canadian dollars)

**3. SIGNIFICANT ACCOUNTING POLICIES (continued)****Earnings (Loss) Per Share**

Basic earnings (loss) per share is computed by dividing net earnings (loss) available to common shareholders by the weighted average number of shares outstanding during the reporting periods. Diluted earnings (loss) per share is computed similar to basic earnings (loss) per share except that the weighted average shares outstanding are increased to include additional shares for the assumed exercise of stock options and warrants, if dilutive. The number of additional shares is calculated by assuming that outstanding stock options and warrants were exercised and that the proceeds from such exercises were used to acquire common stock at the average market price during the reporting periods.

**Income Taxes**

Tax expense recognized in profit or loss comprises the sum of current tax and deferred tax not recognized in other comprehensive income or directly in equity.

**Current Income Tax**

Current income tax assets and/or liabilities comprise those claims from, or obligations to, fiscal authorities relating to the current or prior reporting periods that are unpaid at the reporting date. Current tax is payable on taxable profit, which differs from profit or loss in the financial statements. Calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

**Deferred Income Tax**

Deferred income taxes are calculated based on temporary differences between the carrying amounts of assets and liabilities and their tax bases. Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realization, provided they are enacted or substantively enacted by the end of the reporting period. Deferred tax liabilities are always provided for in full.

Deferred tax assets are recognized to the extent that it is probable that they will be able to be utilized against future taxable income. Deferred tax assets and liabilities are offset only when the Company has a right and intention to offset current tax assets and liabilities from the same taxation authority.

Changes in deferred tax assets or liabilities are recognized as a component of tax income or expense in profit or loss, except where they relate to items that are recognized in other comprehensive income or directly in equity, in which case the related deferred tax is also recognized in other comprehensive income or equity, respectively.

**Related Party Transactions**

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

**DECLAN RESOURCES INC.**

Notes to the Consolidated Financial Statements

Year Ended September 30, 2017

(Expressed in Canadian dollars)

**4. ACCOUNTING STANDARDS ISSUED BUT NOT YET EFFECTIVE**

Standards issued but not yet effective up to the date of issuance of the Company's consolidated financial statements are listed below. This listing is of standards and interpretations issued, which the Company reasonably expects to be applicable at a future date. The Company intends to adopt these standards when they become effective. The pronouncements are being assessed to determine their impact on the Company's results and financial position.

The following amendments to an existing standard has been issued for annual periods beginning on or after January 1, 2017 but is not yet effective:

*IAS 12, Income Taxes*

Amendments to IAS 12 to clarify the recognition of a deferred tax asset for unrealized losses.

*IAS 16 & IAS 38, Clarification of Acceptable Methods of Depreciation and Amortization*

Amended to (i) clarify that the use of a revenue-based depreciation and amortization method is not appropriate, and (ii) provide a rebuttable presumption for intangible assets.

The following standards, amendments to standards and interpretations have been issued for annual periods beginning on or after January 1, 2018 but are not yet effective:

*IFRS 9, Financial Instruments – Classification and Measurement*

IFRS 9 is a new standard on financial instruments that will replace IAS 39, *Financial Instruments: Recognition and Measurement*.

IFRS 9 addresses classification and measurement of financial assets and financial liabilities as well as derecognition of financial instruments. IFRS 9 has two measurement categories for financial assets: amortized cost and fair value. All equity instruments are measured at fair value. A debt instrument is at amortized cost only if the entity is holding it to collect contractual cash flows and the cash flows represent principal and interest. Otherwise it is at fair value through profit or loss.

*IFRS 2, Share-based Payment*

Amendments to IFRS 2 in relation to the classification and measurement of share-based payment transactions.

*IFRS 15, Revenue from Contracts with Customers*

IFRS 15 is a new standard to establish principles for reporting the nature, amount, timing, and uncertainty of revenue and cash flows arising from an entity's contracts with customers. It provides a single model in order to depict the transfer of promised goods or services to customers. IFRS 15 supersedes IAS 11, *Construction Contracts*, IAS 18, *Revenue*, IFRIC 13, *Customer Loyalty Programs*, IFRIC 15, *Agreements for the Construction of Real Estate*, IFRIC 18, *Transfers of Assets from Customers*, and SIC-31, *Revenue – Barter Transactions involving Advertising Service*.

**DECLAN RESOURCES INC.**

Notes to the Consolidated Financial Statements

Year Ended September 30, 2017

(Expressed in Canadian dollars)

**4. ACCOUNTING STANDARDS ISSUED BUT NOT YET EFFECTIVE** (continued)*IFRIC 22, Foreign Currency Transactions and Advance Consideration*

IFRIC 22 is a new interpretation, which clarifies the accounting for transactions that include the receipt or payment of advance consideration in a foreign currency.

The following standards, amendments to standards and interpretations have been issued for annual periods beginning on or after January 1, 2019 but are not yet effective:

*IFRS 16, Leases*

This new standard replaces the existing leasing guidance in IAS 17, Leases.

IFRS 16 distinguishes between leases and service contracts on the basis of whether the customer controls the asset being leased. For those contracts determined to meet the definition of a lease, IFRS 16 requires a lessee to recognize on the balance sheet a lease asset along with the associated lease liability which reflects future lease payments, similar to current finance lease accounting. There are limited exceptions for leases with a term of less than 12 months or leases of assets which have a very low value. As a result of the adoption of IFRS 16, operating leases which were previously only recognized on the statement of earnings will be recognized on the balance sheet.

The purpose of the standard is to provide users of the financial statements with a more accurate picture of a company's leased assets and associated liabilities, while also improving the comparability of companies that lease assets to those that purchase them.

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

**5. RECEIVABLES**

As at September 30, 2017, receivables consist of the following:

	<b>September 30, 2017</b>	<b>September 30, 2016</b>
	<b>(\$)</b>	<b>(\$)</b>
GST receivable	7,968	1,745
Other receivables	12,014	697
Interest receivable	465	375
Related party receivable (Note 13)	-	7,500
	<u>20,447</u>	<u>10,317</u>



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(Expressed in Canadian dollars)

**6. SHORT-TERM INVESTMENTS**

Name	September 30, 2017		September 30, 2016	
	Number of Shares	Amount (\$)	Number of Shares	Amount (\$)
Versus Systems Inc.	1,283,000	898,159	1,595,000	342,925
MagOne Products Inc.	25,500	8,424	-	-
Moovly Media Inc.	-	-	122,000	25,620
		906,583		368,545

The Company has classified its short-term investments as fair value through profit or loss.

During the year ended September 30, 2017, the Company realized net proceeds of \$472,156 (2016 - \$123,339) and recorded a gain of \$665,882 (2016 - \$230,182) from the disposition of short-term investments.

**7. DEPOSITS**

As at September 30, 2017, deposits consisted of \$Nil (September 30, 2016 - \$25,620) held by the Government of Saskatchewan with respect to outstanding exploration work commitments on the Davidson River property.

**8. RESTRICTED DEPOSITS**

As at September 30, 2017, restricted deposits consisted of \$11,500 (September 30, 2016 - \$11,500) held in a guaranteed investment certificate as collateral for a corporate credit card.

**9. EXPLORATION AND EVALUATION ASSETS**Turner Lake Property

On July 5, 2017, the Company acquired all of the shares of 5498 Nunavut Inc. in exchange for consideration of \$25,000. 5498 Nunavut Inc.'s only asset is the Turner Lake property located in Nunavut, of which 5498 Nunavut Inc. is the registered and beneficial owner of a 100% interest in and to the mineral claims in the Turner Lake property. A schedule of exploration and evaluation asset acquisition costs during the year ended September 30, 2017 is as follows:

Property	As at September 30, 2016 (\$)	Other (\$)	Shares (\$)	Option Payments (\$)	As at September 30, 2017 (\$)
Turner Lake Property	-	27,030	-	-	27,030

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(Expressed in Canadian dollars)

**9. EXPLORATION AND EVALUATION ASSETS (continued)**

Property	As at September 30, 2015	Other	Shares	Option Payments	Write-offs and Disposals	As at September 30, 2016
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Firebag River	-	-	10,000	-	(10,000)	-
Other	8,774	-	-	-	(8,774)	-
Total	8,774	-	10,000	-	(18,774)	-

## a) Firebag River Property, Alberta

During the year ended September 30, 2016, the Company decided to discontinue exploration of the Firebag River Property and, accordingly, recorded a write-off of \$10,000.

## b) 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.

During the year ended September 30, 2015, management decided to discontinue exploration on the Six Pack properties.

During the year ended September 30, 2016, the Company received reimbursement of a deposit from the Saskatchewan government in connection with expenditure requirements on the Thorburn Lake property. The refund has been recorded as a recovery of exploration and evaluation expenditures.

## c) Other

The Company acquired properties in Saskatchewan by staking six claims at a cost of \$8,774. During the year ended September 30, 2016, management decided to discontinue exploration on the Saskatchewan claims, relinquished its rights to the properties and, accordingly, recorded a write-off of \$8,774.

**10. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

As at September 30, 2017, the Company's accounts payable and accrued liabilities is comprised of the following:

	September 30, 2017	September 30, 2016
	(\$)	(\$)
Accounts payable	431,146	305,532
Related party payable (Note 13)	132,633	331,693
Accrued liabilities	37,030	16,230
Interest payable (Note 13)	169,777	109,050
	770,586	762,505

**DECLAN RESOURCES INC.**

Notes to the Consolidated Financial Statements

Year Ended September 30, 2017

(Expressed in Canadian dollars)

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**11. NOTES PAYABLE**

During the year ended September 30, 2016, the Company repaid \$25,000 of \$374,204 in existing notes payable that bear interest at 10% per annum, payable quarterly, and mature three years from the date of issuance. Furthermore, the Company issued additional notes payable, under the same terms, for proceeds of \$111,125 and the settlement of an existing non-interest bearing, unsecured demand loan previously classified as accounts payable.

During the year ended September 30, 2017, the Company issued additional notes payable, under the same terms, for proceeds of \$49,900 and repaid \$771,800. The Company accrued \$98,461 (2016 - \$81,411) in interest expense.

As at September 30, 2017, a total of \$169,777 (September 30, 2016 - \$109,050) in accrued interest remains outstanding to be paid and is included in accounts payable and accrued liabilities.

**12. SHARE CAPITAL AND RESERVES****a) Authorized share capital**

An unlimited number of common shares without par value.

**b) Issued share capital**

During the year ended September 30, 2017, the following transactions took place:

On July 19, 2017, the Company completed a consolidation of its issued and outstanding share capital on the basis of one post-consolidation share for each 30 pre-consolidation share. No fractional shares were issued and any fraction was rounded down to the nearest whole number. All share and per share amounts have been restated to reflect the share consolidation.

On September 1, 2017, the Company completed a non-brokered private placement and issued 16,666,667 common shares at \$0.06, generating gross proceeds of \$1,000,000.

During the year ended September 30, 2016, the Company issued 66,666 common shares with a value of \$10,000 (\$0.15 per share) as an option payment pursuant to the Firebag River option agreement.

**c) Stock options**

The Company may grant incentive stock options to its officers, directors, employees and consultants. The Company has 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.

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(Expressed in Canadian dollars)

**12. SHARE CAPITAL AND RESERVES (continued)****c) Stock options (continued)**

A continuity schedule of outstanding stock options is as follows:

	<b>Number Outstanding</b>	<b>Weighted Average Exercise Price</b>
		<b>(\$)</b>
Balance – September 30, 2015	318,333	3.00
Expired	(86,667)	3.00
Balance – September 30, 2016	231,666	3.00
Expired	(31,666)	4.80
Balance – September 30, 2017	200,000	2.70

As at September 30, 2017, the Company had incentive stock options enabling the holders to acquire further common shares as follows:

<b>Expiry Date</b>	<b>Options Outstanding</b>	<b>Options Exercisable</b>	<b>Weighted Average Exercise Price</b>	<b>Weighted Average Remaining Life</b>
			<b>(\$)</b>	<b>(years)</b>
October 7, 2018	166,666	166,666	2.70	1.02
November 22, 2018	33,333	33,333	2.70	1.15
	200,000	200,000	2.70	1.04

**d) Share purchase warrants**

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

	<b>Number Outstanding</b>	<b>Weighted Average Exercise Price</b>
		<b>(\$)</b>
Balance – September 30, 2015	969,219	3.30
Expired	(969,219)	3.30
Balance – September 30, 2016	-	-
Expired	-	-
Balance – September 30, 2017	-	-

As at September 30, 2017, the Company had no share purchase warrants outstanding.

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Notes to the Consolidated Financial Statements

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**13. 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. The following summarizes the Company's related party transactions during the years ended September 30, 2017 and 2016:

Key Management Compensation

	<b>2017</b>	<b>2016</b>
	<b>(\$)</b>	<b>(\$)</b>
Consulting fees paid or accrued to a director of the Company.	-	18,250
Management fees paid or accrued to a corporation controlled by the Chief Executive Officer ("CEO") of the Company	6,000	-
Professional fees paid or accrued to a corporation controlled by the Chief Financial Officer ("CFO") of the Company.	4,000	5,000
<b>Total</b>	<b>10,000</b>	<b>23,250</b>

Other Related Party Transactions

	<b>2017</b>	<b>2016</b>
	<b>(\$)</b>	<b>(\$)</b>
Office sharing and occupancy costs paid or accrued to a corporation that shares management in common with the Company. (Note 16)	55,000	30,000
Interest expense accrued to two corporations controlled by the CEO of the Company.	73,428	55,425
Interest expense accrued to a corporation that shares management in common with the Company.	4,205	5,382
<b>Total</b>	<b>132,633</b>	<b>90,807</b>

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Notes to the Consolidated Financial Statements

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(Expressed in Canadian dollars)

**13. RELATED PARTY TRANSACTIONS (continued)**

- a) As at September 30, 2017, a total of \$10,300 (September 30, 2016 - \$6,250) was included in accounts payable and accrued liabilities owing to a corporation controlled by the CFO of the Company for professional fees.
- b) As at September 30, 2017, a total of \$40,688 (September 30, 2016 - \$40,688) was included in accounts payable and accrued liabilities owing to a former director of the Company for consulting fees.
- c) As at September 30, 2017, a total of \$Nil (September 30, 2016 - \$30,765) was included in accounts payable and accrued liabilities owing to two corporations controlled by the CEO of the Company for management fees and reimbursable expenses.
- d) As at September 30, 2017, a total of \$Nil (September 30, 2016 - \$3,650) was included in accounts payable and accrued liabilities owing to a corporation that shares management in common with the Company for office sharing and occupancy costs.
- e) As at September 30, 2017, a total of \$116,948 (September 30, 2016 - \$116,948) was included in accounts payable and accrued liabilities owing to a corporation that shares management in common with the Company for exploration expenditures.
- f) As at September 30, 2017, a total of \$105,725 (September 30, 2016 - \$722,625) of notes payable and \$97,058 (September 30, 2016 - \$60,941) of accrued interest, which is included in accounts payable and accrued liabilities, was owing to two corporations controlled by the CEO of the Company (Note 11).
- g) As at September 30, 2017, a total of \$42,046 (September 30, 2016 - \$42,046) of notes payable and \$14,310 (September 30, 2016 - \$10,105) accrued interest, which is included in accounts payable and accrued liabilities, was owing to a corporation that shares management in common with the Company (Note 11).
- h) As at September 30, 2017, a total of \$Nil (September 30, 2016 - \$7,500) was included in accounts receivable owing to the Company from a corporation controlled by the CEO of the Company.
- i) As at September 30, 2017, a total of \$119,578 (2016: \$125,592) was included in accounts payable owing to a company owned by a former director.
- j) As at September 30, 2017, a total of \$2,157 (2016: \$2,157) was included in accounts payable owing to a former director of the Company.

**DECLAN RESOURCES INC.**

Notes to the Consolidated Financial Statements

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(Expressed in Canadian dollars)

**14. 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 notes payable.

The Company classified its cash and short-term investments as fair value through profit or loss; receivables and restricted deposits as loans and receivables; and accounts payable 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 and accounts 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 September 30, 2017. 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 a planning and budgeting process in place by which it anticipates and determines the funds required to support its normal operating requirements.

The Company's ongoing liquidity is impacted by various external events and conditions. The Company expects to repay its financial liabilities, consisting of accounts payable and accrued liabilities and notes payable, in the normal course of operations and to fund future operational and capital requirements future equity and debt financing.

To the extent that the Company does not believe it has sufficient liquidity to meet these obligations, management will seek to secure additional funds through long term debt and equity transactions.

**DECLAN RESOURCES INC.**

Notes to the Consolidated Financial Statements

Year Ended September 30, 2017

(Expressed in Canadian dollars)

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**14. 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 variable 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.

**15. MANAGEMENT OF CAPITAL**

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

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

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

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

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

There have been no changes to the Company's approach to capital management during the year ended September 30, 2017.



**DECLAN RESOURCES INC.**

Notes to the Consolidated Financial Statements

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(Expressed in Canadian dollars)

**16. SEGMENTED INFORMATION**

The Company operates in one industry segment being the acquisition and exploration of mineral exploration and evaluation assets. The total assets attributable to the geographical locations relate primarily to exploration and evaluation assets and are all located in Canada.

**17. COMMITMENTS**

The Company entered into a cost sharing arrangement agreement for the provision of office space and various administrative services. Under the terms of the agreement, the Company will pay \$2,500 plus GST per month commencing on September 1, 2015, increasing to \$5,000 plus GST per month commencing on December 1, 2016, and continuing until the expiration of the underlying head lease on July 31, 2018.

<b>Fiscal Year</b>	<b>Amount</b>
	(\$)
2018	50,000

**18. SUPPLEMENTAL CASH FLOW INFORMATION**

	<b>2017</b>	<b>2016</b>
	(\$)	(\$)
<b>Interest paid during the year</b>	-	-
<b>Income taxes paid during the year</b>	-	-
<b>Supplemental Disclosure of Cash Flow Information:</b>		
Short-term investments received for third party interest in exploration and evaluation assets	-	280,000
Shares issued for exploration and evaluation assets	-	10,000
Exploration and evaluation assets included in accounts payable	3,383	-
Note payable issued to settle accounts payable	-	510,000

**DECLAN RESOURCES INC.**

Notes to the Consolidated Financial Statements

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(Expressed in Canadian dollars)

**19. INCOME TAXES****a) Provision for Income Taxes**

A reconciliation of the combined Canadian federal and provincial income taxes at statutory rates and the Company's effective income tax expense is as follows:

	<b>2017</b>	<b>2016</b>
	<b>(\$)</b>	<b>(\$)</b>
Loss for the year	379,085	(99,672)
Expected income tax recovery	99,000	(26,000)
Permanent differences	(83,000)	(30,000)
Change in statutory, foreign tax, foreign exchange rates and other	10,000	(11,000)
Adjustment to prior year provision versus statutory tax return	221,000	2,000
Expiry of non-capital losses	-	14,000
Change in unrecognized tax benefits of non-capital losses	(247,000)	51,000
Income tax expense	-	-

**b) Deferred Income Taxes**

The Company's unrecognized deductible temporary differences and unused tax losses for which no deferred tax asset is recognized consists of the following amounts:

	<b>2017</b>	<b>2016</b>
	<b>(\$)</b>	<b>(\$)</b>
Non-capital losses carry-forward	1,712,000	1,642,000
Exploration and evaluation assets	1,645,000	1,868,000
Share issuance costs	7,000	14,000
Marketable securities	(88,000)	(15,000)
Allowable capital loss	(14,000)	-
Canadian eligible capital	3,000	3,000
	3,265,000	3,512,000
Unrecognized deferred tax assets	(3,265,000)	(3,512,000)
	-	-

**DECLAN RESOURCES INC.**

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**19. INCOME TAXES** (continued)

The significant components of the Company's temporary differences, unused tax credits and unused tax losses that have not been included on the consolidated statement of financial position are as follows:

<b>Temporary Differences</b>	<b>2017</b>	<b>Expiry Date</b>
	<b>(\$)</b>	<b>Range</b>
Canadian eligible capital	13,000	No expiry date
Share issuance costs	28,000	2017 to 2020
Exploration and evaluation assets	6,326,000	No expiry date
Marketable securities	(675,000)	No expiry date
Allowable capital losses	(53,000)	No expiry date
Non-capital losses available for future periods	6,584,000	2027 to 2038

Tax attributes are subject to review, and potential adjustment, by tax authorities.

**20. SUBSEQUENT EVENTS**

Subsequent to September 30, 2017, the following significant transactions occurred:

- a) On November 10, 2017, the Company completed a non-brokered private placement through the issuance of 7,142,857 units for gross proceeds of \$1,000,000. Each unit consisting of one common share and one common share purchase warrant exercisable at \$0.25 for 12 months from the date of issue.
- b) The Company repaid a total of \$352,748 of notes payable and accrued interest, of which \$224,750 was repaid to related parties.