MERYLLION Resources

MERYLLION RESOURCES CORP.
Condensed Consolidated Financial Statements
March 31, 2015

(Unaudited)

(Expressed in Canadian Dollars)

MERYLLION RESOURCES CORP.
Condensed Consolidated Statements of Financial Position
(Unaudited)
(In Canadian Dollars)

	NOTES	As at March 31, 2015	As at September 30, 2014
ASSETS			
Current assets			
Cash and cash equivalents		**$ 399,210**	$ 1,539,958
Accounts receivable		**8,878**	2,980
Prepaid expenses and deposits		**23,614**	29,437
		431,702	1,572,375
Non-current assets			
Mineral interests	6	**415,765**	339,392
Property, plant and equipment	8	**-**	25,166
		415,765	364,558
TOTAL ASSETS		**$ 847,467**	$ 1,936,933
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	10	**$ 113,788**	$ 207,263
		113,788	207,263
EQUITY			
Share capital	9	**14,755,184**	14,755,184
Share-option reserve		**330,948**	315,499
Accumulated other comprehensive (loss)/income		**(109,002)**	(160,337)
Accumulated deficit		**(14,243,451)**	(13,180,676)
		733,679	1,729,670
TOTAL LIABILITIES AND EQUITY		**$ 847,467**	$ 1,936,933

Commitments (Note 12)
Subsequent events (Note 14)

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

APPROVED ON BEHALF OF THE BOARD OF DIRECTORS:

"David Birkenshaw"
Director

"John Fognani"
Director

MERYLLION RESOURCES CORP.
Condensed Consolidated Statements of Comprehensive Loss
(Unaudited)
(In Canadian Dollars)

	Notes	Three months ended March 31, 2015	Three months ended March 31, 2014	Six months ended March 31, 2015	Six months ended March 31, 2014
ADMINISTRATIVE EXPENSES					
Depreciation	8	$ 1,017	$ 1,525	$ 2,542	$ 2,288
Insurance		7,691	12,144	19,417	14,582
Investor relations		2,308	7,222	11,450	8,185
Office and administration	10	15,610	21,485	25,599	40,007
Professional fees	10	139,036	97,698	216,263	376,542
Regulatory and filing fees		11,518	2,736	14,293	45,927
Rent	10	9,155	7,908	33,809	15,738
Salaries and benefits	10	256,785	163,435	380,442	231,143
Share-based compensation	9, 10	(10,941)	52,579	15,449	204,917
Travel		18,312	92,096	58,924	116,808
		450,491	458,828	778,188	1,056,137
Evaluation and exploration expenses	7	114,615	510,353	326,198	1,094,270
OTHER (INCOME) /EXPENSES					
Interest income		(10,748)	(11,768)	(16,666)	(18,083)
Asset impairment	8	22,624	-	22,624	-
Foreign exchange gain		(13,029)	(83,205)	(47,569)	(199,796)
NET LOSS FOR THE PERIOD		563,953	874,208	1,062,775	1,932,528
OTHER COMPREHENSIVE (INCOME)/LOSS					
Unrealized (gain)/loss on translation to reporting currency		(38,758)	(38,087)	(51,335)	199,843
COMPREHENSIVE LOSS FOR THE PERIOD		$ 525,195	$ 836,121	$ 1,011,440	$ 2,132,371
LOSS PER SHARE					
Basic and diluted		$ 0.03	$ 0.05	$ 0.06	$ 0.18
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING					
Basic and diluted		17,125,510	17,125,510	17,125,510	11,009,256

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

MERYLLION RESOURCES CORP.
Condensed Consolidated Statements of Changes in Equity
(Unaudited)
(In Canadian Dollars)

	NOTES	Number of shares	Share Capital	Share-option Reserve	Contributed Surplus	Accumulated Other Comprehensive Income (Loss) – Currency Translation Adjustment	Accumulated deficit	Total
Balances as at October 1, 2014		17,125,510	$14,755,184	$ 315,499	$ -	$ (160,337)	$(13,180,676)	$ 1,729,670
Share-based compensation		-	-	15,449	-	-	-	15,449
Net loss and comprehensive income for the period		-	-	-	-	51,335	(1,062,775)	(1,011,440)
Balances as at March 31, 2015		17,125,510	$14,755,184	$ 330,948	$ -	$ (109,002)	$ (14,243,451)	$ 733,679
Balances as at October 1, 2013		-	$ -	$ -	$ 9,863,711	$ 46,909	$ (9,172,918)	$ 737,702
Contribution from Concordia Resources Corp.	2	-	-	-	364,467	-	-	364,467
Shares issued for:		-	-	-		-	-	
Plan of arrangment	2	17,125,510	14,811,380	-	(10,228,178)	-	-	4,583,202
Share-based compensation		-	-	204,917	-	-	-	204,917
Net loss and comprehensive loss for the period		-	-	-	-	(199,843)	(1,932,528)	(2,132,371)
Balances as at March 31, 2014		17,125,510	$14,811,380	$ 204,917	$ -	$ (152,934)	$(11,105,446)	$3,757,917

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

MERYLLION RESOURCES CORP.
Condensed Consolidated Statements of Cash Flows
(Unaudited)
(In Canadian Dollars)

	NOTES	Six months ended March 31, 2015	Six months ended March 31, 2014
OPERATING ACTIVITIES			
Net loss for the period		$ (1,062,775)	$ (1,932,528)
Items not involving cash:			
Depreciation		2,542	2,288
Foreign exchange gain		(47,569)	(199,796)
Share-based compensation		15,449	204,917
Asset impairment		22,624	-
Changes in non-cash working capital:			
Accounts receivable		(5,898)	(10,550)
Prepaid expenses and deposits		5,823	(117,166)
Accounts payable and accrued liabilities		(93,475)	94,361
Cash used in operating activities		(1,163,279)	(1,958,474)
INVESTING ACTIVITIES			
Additions to mineral interests	6	(31,030)	(171,323)
Additions to property, plant and equipment	8	-	(30,504)
Cash used in investing activities		(31,030)	(201,827)
FINANCING ACTIVITIES			
Cash provided via Plan of Arrangement		-	4,583,202
Advances and funding provided by Concordia Resources Corp[1]		-	104,436
Cash provided by financing activities		-	4,687,638
Effect of foreign exchange on cash and cash equivalents		53,561	204,383
Net increase in Cash and cash equivalents		(1,140,748)	2,731,720
Cash and cash equivalents, beginning of period		1,539,958	27,767
Cash and cash equivalents, end of period		$ 399,210	$ 2,759,487
Comprised of:			
Cash		$ 399,210	$ 259,487
Cash equivalents		-	2,500,000
Total cash and Cash equivalents		$ 399,210	$ 2,759,487

[1] The advances and funding provided by Concordia Resource Corp. ("Concordia") represents the historic funding provided by Concordia and the allocation of general and administrative expenses of Concordia under the continuity of interest basis of accounting prior to the Plan of Arrangement transaction described in Note 2.

Supplemental cash flow information (Note 11)

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

1. NATURE OF OPERATIONS

Meryllion Resources Corp. ("MRC") was incorporated on July 25, 2013 under the laws of British Columbia as a wholly-owned subsidiary of Kaizen Discovery Inc., formerly Concordia Resource Corp. ("Concordia"). On December 4, 2013, a Plan of Arrangement (the "Arrangement") was approved by the shareholders of Concordia whereby Concordia distributed 100% of its interest in MRC to its shareholders. Concurrently with the completion of the Arrangement, Meryllion Resources Corp. together with its subsidiaries (collectively known as the "Company" or "Meryllion") obtained approval to list its common shares on the TSX Venture Exchange ("TSX-V") and began trading under the ticker symbol **MYR** on December 6, 2013. For additional details on the transaction please see Note 2.

The Company's head office is located at 750 Pender St., Suite 302, Vancouver, British Columbia, V6C 2T7 and its registered and records office is located at 355 Burrard Street, Suite 1800, Vancouver British Columbia, V6C 2G8.

Meryllion is a natural resource company engaged in the acquisition and exploration of resource properties in South America.

These condensed consolidated financial statements have been prepared on a going-concern basis, which contemplates the Company will continue into operations for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business. To date, the Company has not generated revenues from operations and is considered to be in the exploration stage. The amounts shown as mineral interests represent acquisition costs incurred to date and do not necessarily represent current or future values. The underlying value of mineral interests are entirely dependent on the existence of economically recoverable reserves, securing and maintaining title and beneficial interest in the properties, the ability of the Company to obtain necessary financing to complete permitting, exploration, development and future profitable production or proceeds from the disposition thereof.

The Company does not believe its current working capital is sufficient to maintain its core operations for the next twelve months, and additional funding will be required by the Company to complete its strategic objectives and continue as a going concern. There is no certainty that additional financing at terms that are acceptable to the Company will be available. The Company may raise additional funds through debt, the issuance of shares or through a strategic partnership. The inability to obtain additional financing may cast substantial doubt on the Company's ability to continue as a going concern.

2. PLAN OF ARRANGEMENT

In October 2013, Concordia and MRC entered into a vend-in agreement (the "Vend-In Agreement"), whereby MRC issued 17,125,510 common shares to Concordia in exchange for approximately $4,700,000 in cash, subject to closing adjustments, and Concordia's 100% interest in Meryllion Minerals Corporation ("MMC"). The net cash received by the Company after closing adjustments was $4,527,006. The Vend-In Agreement resulted in MRC controlling a 100% interest in MMC and Concordia's indirect interest in the Providencia and Cerro Amarillo Projects and the related assets in Meryllion Argentina SA, a wholly-owned subsidiary of MMC (together called the "Argentine Assets"). On December 4, 2013, pursuant to the Arrangement, all Concordia common shares were consolidated on a 5:1 basis and each shareholder of Concordia then received one Meryllion common share for every post-consolidated Concordia common share held as at the effective date of the Arrangement, and exchanged each old common share of Concordia for a new common share of Concordia. Concurrently with the completion of the Arrangement, Meryllion obtained approval to list its common shares on the TSX-V and began trading under the ticker symbol **MYR** on December 6, 2013.

The Vend-In Agreement and Arrangement were approved by the board of directors of each of Concordia and Meryllion and the Arrangement was approved by the shareholders of Concordia, and was accepted for filing by the TSX Venture Exchange on behalf of both Concordia and Meryllion.

The Company's consolidated results of operations, financial position and cash flows for the comparative periods prior to the closing date of the transaction on December 4, 2013, reflected the assets, liabilities, and expenses directly attributable to the Argentine Assets and management's estimates of general and administration expenses directly related to the operations. The allocation of general and administrative expenses was calculated on the basis of the ratio of expenditures incurred on the Providencia and Cerro Amarillo Projects as compared to the expenditures incurred on all of Concordia's properties during each quarter. The contributed surplus of the Company as at December 4, 2013, of $10,228,178 represented the cash advances and historic allocation of general and administrative expenses from Concordia to that date. Upon closing of the Arrangement $10,228,178 was transferred to share capital of the Company.

Management cautions readers of these consolidated financial statements that the allocation of historic expenses may not be indicative of the actual expenses that would have been incurred, and do not reflect the Company's consolidated results of operations, financial position and cash flows, had the Company been operating as a separate, stand-alone public company for the periods presented.

3. BASIS OF PRESENTATION

(a) Statement of compliance

These condensed consolidated financial statements have been prepared in accordance with International Accounting Standard ("IAS") 34 "*Interim Reporting"*, using accounting policies consistent with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

(b) Basis of presentation

The accounting policies used in the preparation of these condensed consolidated financial statements are the same as those applied in the Company's financial statements for the twelve months ended September 30, 2014.

These condensed consolidated financial statements are expressed in Canadian Dollars, the Company's presentation currency and have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair value. In addition, these condensed consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

These condensed consolidated financial statements were reviewed by the Audit Committee and approved and authorized for issue by the Board of Directors on May 28, 2015.

(c) Basis of consolidation

The condensed consolidated financial statements for the six months ended and as at March 31, 2015, include the accounts of the Company, the Company's wholly-owned Canadian subsidiary Meryllion Minerals Corp. and Meryllion Minerals Corp.'s wholly-owned Argentine subsidiary Meryllion Argentina SA. All inter-company transactions and balances have been eliminated. The historic condensed consolidated financial statements for the six months ended March 31, 2014, also include an allocation of Concordia's general and administrative expenses from October 1, 2013 to December 4, 2013.

3. BASIS OF PRESENTATION (Continued)

(d) Critical accounting estimates and judgements

The preparation of these condensed consolidated financial statements requires management to make certain estimates, judgements and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. These condensed consolidated financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates
Significant assumptions about the future and other sources of estimation uncertainty that management has made at the end of the reporting period, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the determination of environmental obligations, the recoverability of mineral interests, the assumptions used in the determination of the fair value of share-based compensation and the assumptions used to estimate the useful life of property, plant and equipment.

Critical accounting judgements
Critical accounting judgements are accounting policies that have been identified as being complex or involving subjective judgements or assessments which are discussed below.

Functional currency
In accordance with IAS 21 "*The Effects of Changes in Foreign Exchange Rates*", management determined that the functional currency of Meryllion is the Canadian dollar and the functional currency of the Company's wholly-owned subsidiaries Meryllion Minerals Corp. and Meryllion Argentina SA is the US dollar, as they are the currencies of the primary economic environments in which the companies operate.

Impairment of property, plant and equipment and mineral interests
Assets or cash generating units are evaluated at each reporting date to determine whether there are any indications of impairment. The Company considers both internal and external sources of information when making the assessment of whether there are indications of impairment for the Company's property plant and equipment and mineral interests. External sources of information considered are changes in the Company's economic, legal and regulatory environment which it does not control but affect the recoverability of its mining assets. Internal sources of information the Company considers include the manner in which mining properties and plant and equipment are being used or are expected to be used and indications of economic performance of the assets.

(In Canadian Dollars)

4. FINANCIAL INSTRUMENTS

(a) Designation and valuation of financial instruments

The Company has designated its cash and cash equivalents and accounts receivable as loans-and-receivables and accounts payable and accrued liabilities as other-financial-liabilities.

The carrying values of cash and cash equivalents, accounts receivable and accounts payable and accrued liabilities approximate their fair values because of the short-term maturity of these financial instruments.

The following table summarizes the designation of the Company's financial instruments that are measured subsequent to initial recognition at fair value, grouped into Level 1 to 3 based on the degree to which the inputs used to determine the fair value are observable:

- Level 1 of the fair value hierarchy includes unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 of the hierarchy includes inputs that are observable for the asset or liability, either directly or indirectly; and
- Level 3 includes inputs for the asset or liability that are not based on observable market data.

The Company does not have any financial instruments included in Level 1, 2 and 3.

The Company's financial instruments as at March 31, 2015 are as follows:

	As at	
	March 31, 2015	**September 30, 2014**
Financial assets		
Loans-and-receivables		
Cash and cash equivalents	**$ 399,210**	$ 1,539,958
Accounts receivable	**8,878**	2,980
Total financial assets	**$ 408,088**	$ 1,542,938
Financial liabilities		
Other-financial-liabilities		
Accounts payable and accrued liabilities	**$ 113,788**	$ 207,263
Total financial liabilities	**$ 113,788**	$ 207,263

4. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risks

The Company may be exposed to risks of varying degrees of significance which could affect its ability to achieve its strategic objectives. The Company manages risks to minimize potential losses. The main objective of the Company's risk management process is to ensure that the risks are properly identified and that the capital base is adequate in relation to those risks. The Company's risk exposure and the impact on the Company's financial instruments are summarized below:

Credit risk
Credit risk is the risk of potential loss to the Company if the counterparty to a financial instrument fails to meet its contractual obligations.

The Company is exposed to credit risk with respect to its cash and cash equivalents and accounts receivable. The Company's maximum exposure to credit risk is the amounts disclosed in the condensed consolidated statement of financial position. Credit risk associated with cash and cash equivalents is minimized by placing these instruments with major Canadian financial institutions with strong investment-grade ratings as determined by a primary ratings agency. Credit risk associated with accounts receivable is minimal due to the immaterial nature of these miscellaneous receivables.

Liquidity risk
Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to evaluate current and expected liquidity requirements under both normal and stressed conditions to ensure that it maintains sufficient reserves of cash and cash equivalents to meet its liquidity requirements in the short and long term. This is achieved by ensuring that no liabilities are incurred that the Company does not have the ability to discharge in 30 days or less. The Company also prepares annual budgets, which are regularly monitored and updated as considered necessary.

At March 31, 2015, the Company had a cash and cash equivalent balance of $399,210 (September 30, 2014 - $1,539,958) to settle current liabilities of $113,788 (September 30, 2014 - $207,263). All of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms.

Market risk
Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in market factors. Market risk comprises three types of risk: price risk, interest rate risk and currency risk.

Price risk
Price risk is the risk that the fair value of future cash flows of the Company's financial instruments will fluctuate because of changes in market prices. The Company is not exposed to price risks.

(In Canadian Dollars)

4. FINANCIAL INSTRUMENTS (Continued)

Interest rate risk
Interest rate risk is the risk that the fair values and future cash flows of the Company will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk to the extent that the cash and cash equivalents maintained at financial institutions is subject to a floating rate of interest. The interest rate risk on cash is not considered significant.

Currency risk
Currency risk is the risk that the fair values or future cash flows of the Company's financial instruments will fluctuate because of changes in foreign currency exchange rates. The Company is exposed to currency risk through financial assets and liabilities denominated in currencies other than the Canadian dollar, the Company's presentation currency. The Company's financial instruments denominated in currencies that are not the Canadian dollar as at March 31, 2015 are as follows:

	US$	Argentine Peso	C$ equivalent
Cash and cash equivalents	9,034	207,565	$ 41,284
Accounts receivable	-	264	38
Accounts payable and accrued liabilities	(31,828)	(52,770)	(47,951)

The Company's sensitivity analysis suggests that a 10% depreciation or appreciation of the foreign currencies against the Canadian dollar would have resulted in an approximate $663 decrease or increase in the Company's after-tax net earnings, respectively.

As at March 31, 2015, US dollar amounts have been translated at a rate of C$1.2683 per US dollar and Argentine peso amounts have been translated at C$0.1437 per Argentine peso.

5. CAPITAL MANAGEMENT

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 and exploration of its mineral properties and to maintain a flexible capital structure, which optimizes the costs of capital to an acceptable risk.

The Company depends on external financing to fund its activities and there can be no guarantee that external financing will be available at terms acceptable to the Company. The Company does not believes its current working capital is sufficient to maintain its core operations for the next twelve months, and additional funding will be required by the Company to complete its strategic objectives and continue as a going concern. There is no certainty that additional financing at terms that are acceptable to the Company will be available. The capital structure of the Company currently consists of common shares and stock options. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may issue new debt or new shares. Management reviews its capital management approach on a regular basis. There were no changes in the Company's approach to capital management and the Company is not subject to any externally imposed capital requirements.

6. MINERAL INTERESTS

Through the Company's wholly-owned subsidiaries, the Company controls exploration concessions in Argentina classified by the Company into the Cerro Amarillo Project and the Providencia Project. All acquisition costs and option payments related to these exploration concessions are capitalized as mineral interests and are incurred in US dollar and translated to Canadian dollar, the presentation currency for the Company.

For the Cerro Amarillo Project, the Company is awaiting the ratification of the appropriate permits to undertake, subject to financing, a stage one drilling campaign. On December 1, 2014, the Company announced that during the congressional deliberations that took place in November 2014, it was determined that any decision regarding the ratification of the drill permit should be delayed pending the completion of an inventory of glaciers in or near the project to be conducted by *Instituto Argentino de Nivología Glaciología y Ciencias Ambientales* ("IANIGLA"), the federal body charged with conducting the inventory under the Protection of Glaciers Law 26.639. IANIGLA has already begun the inventory, which is expected to be completed in 2015.

For the Providencia Project, on August 22, 2014, the Company announced that it had terminated the La Providencia & M. Tola option agreement which is one of the four option agreements that previously made up the Company's Providencia Project. At the fiscal year end the Company assessed the Providencia Project for indications of impairment. The Company determined that although it has not terminated all the option agreements for the Providencia Project, the option agreement that was terminated contained all of the previously disclosed inferred resource. Based on the lack of defined resources on the remaining Providencia Project and the Company's focus on the Cerro Amarillo Project going forward, all costs capitalized as mineral interests for the Providencia Project were written off as at September 30, 2014 and an impairment charge of $749,054 was recorded in the twelve months ended September 30, 2014. During the six months ended March 31, 2015 the Company terminated two out of three remaining agreements that made up the Providencia Project, no impairment charge was recorded as no costs were capitalized since the last impairment. The Company continues to explore strategic options for the remaining option agreement.

The changes to the Company's mineral interests were as follows:

	Cerro Amarillo, Argentina	Providencia, Argentina	Total
Balances as at September 30, 2013	$ 208,957	$ 554,850	$ 763,807
Additions	110,530	164,186	274,716
Change in value due to foreign exchange	19,905	30,018	49,923
Impairment	-	(749,054)	(749,054)
Balances as at September 30, 2014	339,392	-	339,392
Additions	31,030	-	31,030
Change in value due to foreign exchange	45,343	-	45,343
Balance as at March 31, 2015	$ 415,765	$ -	$ 415,765

(In Canadian Dollars)

7. EVALUATION AND EXPLORATION EXPENSES

The Company's exploration expenses for the three and six months ended March 31, 2015 and 2014 were as follows:

	Three months ended March 31,		Six months ended March 31,	
	2015	2014	**2015**	2014
Cerro Amarillo, Argentina				
Administration	**$ 78,000**	$ 110,997	$ 197,509	$ 226,003
Camp Costs	**1,049**	54,719	2,244	96,471
Consulting	**1,507**	102,714	33,942	163,834
Environmental Costs	**2,281**	2,032	13,565	2,032
Field Exploration	**-**	19,105	-	20,714
Geology	**-**	61	-	2,494
Geochemistry	**-**	51,974	-	51,974
Geophysics	**-**	(1,527)	-	175,425
Health and Safety	**-**	8,988	-	11,991
Personnel Costs	**460**	33,268	10,356	57,998
Travel and Transport	**739**	108,457	8,672	248,575
Other	**2,372**	6,983	9,594	13,617
Total Cerro Amarillo	**86,408**	497,771	275,882	1,071,128
Providencia, Argentina				
Administration	**22,077**	2,765	36,022	4,883
Camp Costs	**48**	1,160	1,068	2,521
Personnel Costs	**26**	3,268	585	5,554
Travel and Transport	**1,513**	1,071	4,471	1,152
Other	**4,543**	4,318	8,170	9,032
Total Providencia	**28,207**	12,582	50,316	23,142
Total evaluation and exploration expenses	**$ 114,615**	$ 510,353	$ 326,198	$ 1,094,270

(In Canadian Dollars)

8. PROPERTY, PLANT AND EQUIPMENT

The Company's property, plant and equipment as at March 31, 2015 was as follows:

	Office equipment
Cost	
As at September 30, 2014	$ 30,504
Additions	-
As at March 31, 2015	**30,504**
Accumulated depreciation	
As at September 30, 2014	5,338
Charge for the period	**2,542**
As at March 31, 2015	**7,880**
Net book value as at September 30, 2014	25,166
Asset impairment	(22,624)
Net book value as at March 31, 2015	**$ -**

Asset impairment charges relate to the Company reorganizing its offices, office equipment and administration.

9. SHARE CAPITAL

(a) Authorized

Unlimited Class A common shares without par value

(b) Issued and outstanding

At March 31, 2015, the Company had 17,125,510 common shares issued and outstanding (September 30, 2014 – 17,125,510).

Pursuant to the Plan of Arrangement described in Note 2, at March 31, 2015, the Company had 2,425,232 shares held in escrow (September 30, 2014 – 3,031,540), which will be released from escrow as follows:

- 303,154 shares will be released on June 5, 2015
- 454,731 shares will be released on each of December 5, 2015 and June 5, 2016
- 1,212,616 shares will be released on December 5, 2016

Six months ended March 31, 2015
During the six months ended March 31, 2015, the Company did not issue any common shares.

Twelve months ended September 30, 2014
During the twelve months ended September 30, 2014, the Company issued 17,125,510 common shares pursuant to a Plan of Arrangement as described in Note 2.

(In Canadian Dollars)

9. SHARE CAPITAL (Continued)

(c) Stock options

The Company has implemented a stock option plan whereby the Board of Directors of the Company may grant directors, officers, employees and consultants stock options to acquire common shares of the Company. Under the stock option plan, options granted are non-assignable and may be granted for a term not exceeding ten years. The plan is administered by the Board of Directors, which determines individual eligibility under the plan, the number of shares reserved underlying the options granted to each individual (not exceeding 10% of issued and outstanding shares to any insider; not exceeding 2% of the issued and outstanding shares to any consultant or persons employed to provide investor relations services) and any vesting period which, pursuant to the stock option plan can be determined and imposed by the Board of Directors. The maximum number of common shares that may be reserved for issuance under the plan is 2,568,826, being the number of common shares that is equal to 15% of the Company's issued and outstanding common shares.

The movement in the Company's stock options for the six months ended March 31, 2015 was as follows:

	Number of options	Weighted average exercise price
Outstanding, September 30, 2013	-	$ -
Granted	2,000,000	0.29
Outstanding, September 30, 2014	2,000,000	0.29
Cancelled	(141,667)	0.30
Forfeited	(549,998)	0.27
Outstanding, March 31, 2015	**1,308,335**	**$ 0.30**

The Company's outstanding and exercisable stock options as at March 31, 2015 were as follows:

	Outstanding		Exercisable	
Exercise price	**Number outstanding**	**Weighted average remaining life (years)**	**Number exercisable**	**Weighted average remaining life (years)**
$0.30	66,667	0.15	66,667	0.15
$0.30	266,668	0.17	266,668	0.17
$0.30	975,000	3.70	650,003	3.70
$0.30	1,308,335	3.70	983,338	3.70

(In Canadian Dollars)

9. SHARE CAPITAL (Continued)

(d) Share-based compensation

During the six months ended March 31, 2015, the Company did not grant any stock options (March 31, 2014: 1,900,000) at a weighted average exercise price of $nil (March 31, 2014: $0.30). The stock options granted in the comparative period had a vesting period of 3 years with one-third of the grant vesting on the day of the grant, one-third vesting on the first anniversary of the grant and one-third vesting on the second anniversary of the grant.

The weighted average fair value for the options granted in the six months ended March 31, 2015 was $nil per option (March 31, 2014: $0.22) which was estimated at the date of the grant using the Black-Scholes option pricing model using the following weighted average assumptions:

	Six months ended March 31,	
	2015	**2014**
Risk-free interest rate	-	1.77%
Expected dividend yield	-	-
Expected stock price volatility [1]	-	100%
Expected option life	-	5.0 years
Share price on grant date	-	$ 0.30

[1] The expected stock price volatility was estimated by reference to historic volatility of similar entities following a comparable period in their lives

During the six months ended March 31, 2015, the Company recorded share-based compensation of $15,449 (March 31, 2014: $204,917). The Company estimated a forfeiture rate of 0% to record the share-based compensation expense for options granted in the prior period. Option pricing models require the input of highly subjective assumptions including the expected price volatility. Changes in the subjective input assumptions can materially affect the fair value estimate.

(In Canadian Dollars)

10. RELATED PARTY TRANSACTIONS

(a) Key management compensation

The remuneration of the Company's Directors and other members of key management, being the Chief Executive Officer and Chief Financial Officer, who have the authority and responsibility for planning, directing and controlling the activities of the Company, consist of the following amounts:

	Six months ended March 31, 2015	Six months ended March 31, 2014
Short-term benefits (1)	**$ 203,913**	$ 426,175
Share-based compensation (2)	**9,457**	147,028
Termination benefit	**100,000**	-
Total key management compensation	**$ 313,370**	$ 573,203

(1) Short term benefits include salaries, bonuses, consulting fees and directors fees for all directors and key management personnel.
(2) Share-based compensation is the fair value of stock options granted to directors and key management personnel where an expense was recorded in the period due to vesting conditions.

As at March 31, 2015, the Company owed $12,500 (September 30, 2014: $77,500) in directors fees to the directors of the Company which were paid subsequent to the period end.

(b) Other related party transactions

The Company shares office space, equipment and office administrative services with Western Lithium USA Corporation ("WLC"). These services have been mainly provided through a private management company, WMM Services Corporation ("WMM"), equally owned by the Company and WLC and were related by virtue of a common director. In November 2014, the Company transferred its ownership in WMM to WLC. Costs incurred by the management company are allocated between the Company and WLC based on time incurred and use of services and are charged at cost.

The Company had related party transactions with WMM of $28,793 for the six months ended March 31, 2015 (March 31, 2014 - $52,688) which were included in the following expense categories:

	Six months ended March 31, 2015	Six months ended March 31, 2014
Office and administration	**$ 8,605**	$ 10,666
Rent	**17,190**	11,861
Salaries and benefits	**2,998**	30,161
Total related party transactions	**$ 28,793**	$ 52,688

As at March 31, 2015, the balance due to WMM was $nil (September 30, 2014 - $2,207).

(In Canadian Dollars)

11. SUPPLEMENTAL CASH FLOW INFORMATION

During the six months ended March 31, 2015 and 2014, the Company did not incur any interest expenses or pay any income taxes.

The Company did not have any non-cash financing or investing activities during the six months ended March 31, 2015 and 2014.

12. COMMITMENTS

As at March 31, 2015, the Company has mineral interest commitments at its Cerro Amarillo and Providencia Projects in the form of option payments and minimum work commitments for various mineral exploration concessions. The Company is in the process of conducting a strategic review of its properties under option and although as at March 31, 2015 the Company had the commitments shown in the table below some of these commitments could be reduced or eliminated completely pending the outcome of the strategic review.

The Company also has minimum rental and operating expense payments for the Company's office space in Buenos Aires where the lease expires on January 31, 2017and operating expense payments in Vancouver.

The Company's commitments for these items as at March 31, 2015 and when they are expected to be incurred were as follows:

	As at March 31, 2015			
	Within 2015	**2016 to 2017**	**2018 to 2019**	**Total**
Mineral interest commitments				
Cerro Amarillo Project				
Cerro Amarillo property	**$ -**	**$ 63,416**	**$ 31,708**	**$ 95,124**
Providencia Project				
Cerro Galán, Coyaguaima, Coranzulí, Panizos & Nazarena properties	**63,415**	**221,953**	**-**	**285,368**
Total mineral interest commitments	**63,415**	**285,369**	**31,708**	**380,492**
Minimum rental commitments	**18,384**	**22,076**	**-**	**40,460**
Total commitments	**$ 81,799**	**$ 307,445**	**$ 31,708**	**$ 420,952**

(In Canadian Dollars)

13. SEGMENTED INFORMATION

As at March 31, 2015, the Company operates in two geographical areas being Canada and Argentina. The Company operates in one business segment, being the acquisition and exploration of resource properties. The Company is in the exploration stage and, accordingly, has no reportable segment revenues or operating results for the six months ended March 31, 2015.

The Company's assets, liabilities, property, plant and equipment and mineral interests segmented geographically are as follows:

	Canada	Argentina	Total
Total assets			
As at March 31, 2015	**$400,302**	**$447,165**	**$ 847,467**
As at September 30, 2014	1,561,795	375,138	1,936,933
Total liabilities			
As at March 31, 2015	**95,389**	**18,399**	**113,788**
As at September 30, 2014	165,554	41,709	207,263
Mineral interests			
As at March 31, 2015	**-**	**415,765**	**415,765**
As at September 30, 2014	-	339,392	339,392
Property, plant and equipment			
As at March 31, 2015	**-**	**-**	**-**
As at September 30, 2014	25,166	-	25,166

14. SUBSEQUENT EVENTS

Subsequent to the period ended March 31, 2015 the Company received final approval to list its common shares on the Canadian Securities Exchange ("CSE"), and voluntarily delisted its common shares from the TSX Venture Exchange (the "TSXV").