MERYLLION RESOURCES CORP.
Management Discussion and Analysis
Three months ended December 31, 2013
(Unaudited)
(Expressed in Canadian Dollars)

This Management Discussion and Analysis ("MD&A") of Meryllion Resources Corp. should be read in conjunction with the Company's condensed consolidated financial statements and related notes for the three months ended December 31, 2013. The Company's condensed consolidated financial statements have been prepared in accordance with International Accounting Standard ("IAS") 34, 'Interim Financial Reporting'. This MD&A should also be read in conjunction with the Company's audited consolidated financial statements and related notes for the twelve months ended September 30, 2013, prepared under International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). All dollar amounts included therein and in this MD&A are expressed in Canadian Dollars unless otherwise noted. The information contained within this MD&A is current to February 27, 2014. Additional information of the Company is available on SEDAR at www.sedar.com.

1. OVERVIEW

Meryllion Resources Corp. was incorporated on July 25, 2013 under the laws of British Columbia, Canada. Meryllion Resources Corp. together with its subsidiaries (collectively known as "Meryllion" or the "Company") is a natural resource company, at the exploration stage, engaged in the acquisition and exploration of resource properties in South America with its focus on the advancement of its Providencia and Cerro Amarillo Projects. The Company's shares trade on the TSX Venture Exchange ("TSX-V") under the symbol MYR.

Additional disclosures pertaining to the Company's filings, technical reports, press releases and other information is available on SEDAR at www.sedar.com.

2. BACKGROUND

On July 25, 2103, Kaizen Discovery Inc. formerly Concordia Resource Corp. ("Concordia") incorporated a wholly-owned subsidiary Meryllion Resources Corp. (the subsidiary of Concordia is referred to as "MRC") under the Business Corporations Act of British Columbia. 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 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 ("MAS"), a wholly-owned subsidiary of MMC (together called the "Argentine Assets").

On December 4, 2013, Concordia completed a Plan of Arrangement (the "Arrangement") under the Business Corporations Act of British Columbia whereby it distributed 100% of its interest in MRC to its shareholders. 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 Company has completed a portion of the closing adjustments and the net amount of cash received by the Company after this portion of the closing adjustments was $4,583,202. The Company is currently in the process of gathering all necessary information for the final closing adjustment and any further adjustments will change the amount of share capital in the Company by a corresponding amount.

2. BACKGROUND (Continued)

The Company's consolidated results of operations, financial position and cash flows for the comparative periods prior to the three months ended and as at December 31, 2013, reflect 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 October 1, 2013 of $9,863,711 represents the cash advances and historic allocation of general and administrative expenses from Concordia to that date. The Company allocated an additional $16,365 of Concordia's general and administrative expenses for the period covering October 1, 2013 to December 4, 2013. Upon closing of the Arrangement $10,228,178 representing the aggregate contribution by Concordia up to the closing of the Arrangement, was transferred to share capital of the Company.

Management cautions readers of these condensed 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. CORPORATE ACTIVITY

Key corporate developments for the Company for the three months ended December 31, 2013 and to the date of the report are discussed below.

On October 1, 2013 the Company entered into a Definitive Corporate Structure and Administration Agreement with Fitzcarraldo Ventures Inc. and Willem Fuchter (combined the "FVI"), whereby FVI agreed to relinquish its right under the previous agreement for a 10% equity interest in the Company upon listing on the TSX Venture Exchange. In exchange, the Company granted FVI a 1% net smelter returns royalty ("NSR") on the Providencia and Cerro Amarillo Projects (the "FVI NSR"). The Company has a right until September 30, 2018 to buy half of the FVI NSR for US$500,000.

On October 1, 2013, MRC entered into a Vend-In Agreement with Concordia whereby the Company received $4,583,202 from Concordia and Concordia's interest in MMC. The final amount of cash transferred from Concordia is subject to further post-closing adjustments.

3. CORPORATE ACTIVITY (Continued)

On December 4, 2013, the Concordia shareholders approved the Arrangement for the spin-out of Concordia's interest in MRC to the Concordia shareholders and the common shares of MRC began trading on the TSX-V under the name Meryllion Resources Corp. and the symbol MYR.

On December 12, 2013, the Company granted 1,875,000 stock options to directors, officers and consultants of the Company at an exercise price of $0.30 per share for a five year period.

On January 6, 2014, the Company announced that it had appointed Saurabh Handa as Chief Financial Officer and Alex Bayer as Chief Legal Officer and Corporate Secretary both effective January 6, 2014.

On January 20, 2014, the Company announced it had commenced its austral summer campaign of exploration at its Cerro Amarillo Project in west central Argentina.

On February 5, 2014, the Company announced it had scheduled its first Annual General Meeting for April 14, 2014 and having a record date of March 5, 2014.

4. TRENDS AND OUTLOOK

Meryllion is an exploration company with its focus on South America. It has a highly qualified team of professionals engaged in exploration activities and the search for quality resource opportunities. The Company's goal is to discover and develop mineral projects that can significantly add value to its shareholders while building for the future. The Company has set realistic targets for each of the projects currently under development and will make decisions to progress the properties based entirely on the results generated from those properties and the perceived risks and expenses associated with taking those properties to the next phase of development.

The Company believes its current working capital is sufficient to maintain its core operations for the next twelve months, however, additional funding will be required by the Company to complete its strategic objectives and continue as a going concern. Market conditions are uncertain generally for mining and resource companies and given the current state of the financing market for junior mining companies there is no certainty that additional financing at terms that are acceptable to the Company will be available and an inability to obtain additional financing would have a direct impact on the Company's ability to continue as a going concern beyond twelve months.

5. SUMMARY OF SELECTED QUARTERLY RESULTS

(Amounts are expressed in thousands of Canadian dollars, except per-share amounts)

	2014	2013				2012		
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
Total assets	**$ 4,742**	$ 798	$ 851	$ 844	$ 752	$ 740	$ 678	$ 649
Mineral interests	**788**	764	770	733	569	562	440	431
Total revenue	**-**	-	-	-	-	-	-	-
Evaluation and exploration expenses	**(584)**	(187)	(168)	(155)	(202)	(155)	(468)	(970)
Net loss for the period	**(1,058)**	(355)	(260)	(663)	(301)	(582)	(752)	(1,242)
Comprehensive loss for the period	**(1,296)**	(371)	(233)	(648)	(293)	(607)	(740)	(1,244)
Basic and diluted loss per share	**(0.21)**	(0.02)	(0.01)	(0.04)	(0.02)	(0.03)	(0.04)	(0.07)

Note: Quarterly amounts added together may not equal the total reported for the period due to rounding.

Total assets and mineral interests increased over the eight quarters mainly due to the option payments made on the Providencia and Cerro Amarillo properties and due to the cash received as part of the Vend-In Agreement in the first quarter of 2014. The Company's changes in financial results on a quarter by quarter basis are due primarily to fluctuations in the level of exploration activity and administration costs. The net loss and comprehensive loss for the first quarter of 2014 is higher due to the costs associated with the Arrangement and due to additional exploration expenses on the Company's Cerro Amarillo Project.

6. RESULTS OF OPERATIONS

The operating results of junior mining companies can fluctuate significantly from period to period. Being in the exploration stage, the Company has no revenue from operations.

Review of quarterly financial results – three months ended December 31, 2013 ("Q1 2014") compared to the three months ended December 31, 2012 ("Q1 2013")

The Company recorded a net loss of $1,058,320 for Q1 2014, as compared to a net loss of $300,793 for Q1 2013. The increase in the loss was attributable to the following key items:

Professional fees were $278,844 for Q1 2014 as compared to $12,264 in Q1 2013. This increase of $266,580 was related primarily to additional one-time costs the Company incurred as part of the closing of the Arrangement and the Company's public listing in December 2013.

Regulatory and filing fees were $43,191 for Q1 2014 as compared to $389 in Q1 2013. This increase of $42,802 was related to costs the Company incurred as part of the Company's public listing in December 2013.

Share-based compensation was $152,338 for Q1 2014 as compared to $6,401 for Q1 2013. This increase of $145,937 was related to the stock options granted by the Company in December 2013. In the past the Company's share-based compensation was an allocation of the total amount from Concordia as discussed in Note 2 of the condensed consolidated financial statements.

6. RESULTS OF OPERATIONS (Continued)

Evaluation and exploration expenses were $583,917 for Q1 2014 as compared to $202,394 for Q1 2013. This increase of $381,523 was related to the increased level of exploration activities in the period for the Company's Cerro Amarillo Project.

The Company recorded a foreign exchange gain of $116,591 in Q1 2014 compared to $1,022 in Q1 2013, this amount will fluctuate relative to changes in market exchange rates.

7. 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 Providencia Project.

On October 1, 2013, the Company granted Fitzcarraldo Ventures Inc. and Willem Fuchter (combined the "FVI") a 1% NSR on the Providencia and Cerro Amarillo Projects (the "FVI NSR"). The Company has the right to buy half of the FVI NSR for US$500,000 until September 30, 2018. The FVI NSR is in addition to any NSR royalties granted on each option agreement as detailed below.

(a) Providencia Project, Argentina

The Providencia Project is a Silver-Copper prospect located in North-West Argentina and is made up of a number of properties each subject to their own option agreement. The Providencia Project comprises mineral concessions situated at 4,200 m above sea level and some 260 km by good road from San Salvador de Jujuy, the capital of the Jujuy Province. The focus on the property has been the mineralization of the La Providencia silver deposit which was discovered in 1969 and produced some five million ounces of silver between 1986 and 1997. In 2012, the Company completed a 4,500 m diamond drilling program and contracted independent consultants Roscoe Postle Associates Inc. ("RPA") of Vancouver Canada to prepare a resource estimate.

Providencia Project - option agreements
The Providencia Project comprises option agreements on the following properties:

- La Providencia & M. Tola properties
- M. Olaroz Chico property
- Libertad property
- Cerro Galán, Coyaguaima, Coranzulí, Panizos, and Nazarena properties

The material terms of each of these option agreements are set out below.

7. MINERAL INTERESTS (Continued)

Under the terms of the option agreement on La Providencia and M. Tola entered into in March 2011 and amended in March 2013, MAS has the right to acquire a 100% interest in these titles by making an initial payment of US$50,000 which was paid in 2011 and making option payments totalling US$1,225,000 as follows:

- US$100,000 – paid in 2011
- US$150,000 – paid in 2012
- US$75,000 – paid 2013
- US$100,000 – payable in 2014 (US$25,000 paid)
- US$250,000 – payable in 2015
- US$250,000 – payable in 2016
- US$300,000 – payable in 2017

The exercise fee on La Providencia and M. Tola is US$950,000 if less than 50 million ounces of resources have been delineated (as defined by a third-party, independent consultant), or US$1,950,000 if more than 50 million ounces of silver are defined. The properties are subject to a 1.5% NSR which the Company can buy out for US$2,000,000 if less than 50 million ounces of silver resources are defined, or for US$3,000,000 if more than 50 million ounces of silver resources are defined. The Company, in addition, was committed to exploration expenditures of US$50,000 and US$100,000 in the first and second years respectively which were fulfilled.

Under the terms of the option agreement on M. Olaroz Chico signed effective June 13, 2012, and amended on May 28, 2013, MAS has the right to acquire a 100% interest in these titles by making option payments totalling US$954,000 as follows:

- US$9,000 – paid in 2012
- US$9,000 – paid in 2013
- US$45,000 – payable in 2014
- US$45,000 – payable in 2015
- US$90,000 – payable in 2016
- US$135,000 – payable in 2017
- US$180,000 – payable in 2018
- US$441,000 – payable in 2019

The exercise fee on M. Olaroz Chico is US$954,000, less any option amount paid at the time of exercise. If all option payments have been paid at the time of exercise, there will be no amount due. The property is subject to a 1% NSR with the Company having the option to buy out the NSR for US$450,000.

7. MINERAL INTERESTS (Continued)

Under the terms of the option agreement on Libertad signed effective June 13, 2012, and amended on May 28, 2013, MAS has the right to acquire a 100% interest in these titles by making option payments totalling US$106,000 as follows:

- US$1,000 – paid in 2012
- US$1,000 – paid in 2013
- US$5,000 – payable in 2014
- US$5,000 – payable in 2015
- US$10,000 – payable in 2016
- US$15,000 – payable in 2017
- US$20,000 – payable in 2018
- US$49,000 – payable in 2019

The exercise fee on Libertad is US$106,000, less any option amount paid at the time of exercise. If all option payments have been paid at the time of exercise, there will be no amount due. The property is subject to a 1% NSR with the Company having the option to buy out the NSR for US$50,000.

In addition to the core properties of 5,000 hectares, a further exploration-with-option-to-purchase agreement was signed effective July 11, 2012, and amended in July 2013, for some 9,500 hectares spread over the Cerro Galán, Coyaguaima, Coranzulí, Panizos, and Nazarena properties, which are situated in the district (that also hosts Silver Standard's Pirquitas Ag-Sn mine) but are not contiguous to the Providencia property. This agreement stipulates a series of annual option payments totalling US$270,000 as follows:

- US$10,000 – paid in 2012
- US$10,000 – paid in 2013
- US$25,000 – payable in 2014
- US$50,000 – payable in 2015
- US$75,000 – payable in 2016
- US$100,000 – payable in 2017

The exercise fee on the Cerro Galán, Coyaguaima, Coranzulí, Panizos, and Nazarena properties is US$1,010,000, less any option amounts paid at the time of exercise. If all option payments have been made at the time of exercise the amount due will be US$740,000. The properties are subject to a 1% NSR with the Company having the option to buy out the NSR for US$500,000. There is also an additional work commitment of US$100,000 during the term of the agreement.

7. MINERAL INTERESTS (Continued)

Providencia Project – resource estimate

The focus of the Providencia Project is the La Providencia silver deposit which was discovered in 1969 and between 1986 and 1997 produced some five million ounces of silver from four shallow pits with ore averaging 548 g/t Ag. Mineralization is hosted by a gently-dipping, poorly consolidated, green conglomerate unit which is sandwiched between overlying white sandstones and underlying pink mudstones and sandstone. Compilation of previous exploration data, as well as confirmation mapping and sampling have indicated the presence of a number of mineralized lenses within the conglomerate unit, but mineralization also is found in the white sandstone when it is positioned immediately above a set of steeply-dipping mineralized structures.

The most extensive of these lenses, the Main Lens, is located in the central part of the Upper Conglomerate, and was the primary target of previous mining. Four shallow open-pits were developed – the North, Central, South, and West Pits – and mineralization is open along strike to both the north and south, as well as down-dip toward the east. Drilling by previous operator Cardero Resources Corp. found additional mineralization in conglomerate units located below the pink mudstone. The objective of the Company's drill program, which was started in late August 2011, was to extend known resources in the near-surface environment as well as to test for additional mineralization at-depth and to prepare a compliant resource statement.

The drilling was undertaken by Major Perforaciones SA, the Argentine subsidiary of Major Drilling Group International Inc. ("Major"). Major mobilized a UDR200D drill, capable of drilling both "H" and "P" core diameters (2.5 and 3.345 inch ID respectively). Because of the poorly consolidated nature of the conglomerates, and the related difficult drilling conditions, triple-tube core barrels were utilized, and core recovery was further enhanced by the addition of bentonite and bio-degradable organic polymers to the drilling fluids.

The program was completed in early February 2012, and some 4,519 m were drilled in 41 holes. Core samples were sent to the accredited facilities of ALS Minerals in Mendoza, Argentina for sample preparation and analysis. Sample shipment was facilitated by an arrangement between ALS Minerals and Andesmar, an Argentine-wide transport company, which includes formally established chain-of-custody protocols. At the lab, the entire sample was crushed and a 1 kg portion split-off and pulverized. From this, Ag was analyzed by fire assay fusion with gravimetric finish ("FA") on a 50 g nominal sample weight; an additional 33 elements were analyzed for using inductively-coupled atomic emission spectroscopy ("ICP-AES") from a four acid digestion of sample pumps. Samples which exceeded 10,000 ppm for Cu, PB, or ZN by ICP-AES were re-analyzed by FA procedures on a 30 g charge. On a routine basis, quality assurance and quality control ("QA/QC") samples and blanks were included with the project core samples, and this data has been reviewed by Analytical Solutions Ltd. of Toronto, Canada.

The results from the recent exploration program confirmed that mineralization continues under the mined areas and in the periphery of the open-pits, extending for up to 150 m down-dip to the east, 600 m along strike, and significant grade has been intersected with down-hole thicknesses averaging some 17 m (> 25 g/t Ag). Mineralization remains open to the north and at-depth.

(In Canadian Dollars unless otherwise stated)

7. MINERAL INTERESTS (Continued)

Significant highlights of the first stage drilling program are shown below.

Hole	From (m)	To (m)	Interval (m)	Silver (g/t)
DPR-001	0	19	19	76.5
Including	*5*	*16*	*11*	*101.7*
DPR-002	0	18	18	85.3
Including	*0*	*14*	*14*	*102.2*
DPR-003	0	18	18	73.3
Including	*0*	*12*	*12*	*100.0*
DPR-004	18	27	9	818.9
Including	*22*	*27*	*5*	*1,435.6*
DPR-005	19	26	7	1,788.2
Including	*22*	*26*	*4*	*3,111.5*
DPR-014	31	51	20	54.6
Including	*32*	*35*	*3*	*152.7*
DPR-015	27	44	17	60.2
Including	*27*	*31*	*4*	*159.0*
DPR-016	24	31	7	284.1
Including	*27*	*30*	*3*	*519.0*
DPR-017	19	23	4	131.8
DPR-018	0	3	3	182.0
DPR-019	3	26	23	85.2
Including	*15*	*21*	*6*	*200.9*
DPR-024	15	22	7	99.9
Including	*18*	*21*	*3*	*203.5*
DPR-026	0	4	4	92.3
DPR-027	9	31	22	85.1
Including	*15*	*30*	*15*	*100.6*
DPR-028	13	52	39	51.1
Including	*13*	*19*	*6*	*105.7*
Including	*21*	*24*	*3*	*111.7*
DPR-033	0	44	44	60.2
Including	*9*	*21*	*12*	*104.2*
Including	*32*	*38*	*6*	*104.1*
DPR-034	40	59	19	91.8
Including	*48*	*53*	*5*	*200.4*
DPR-035	48	55	7	81.6
Including	*49*	*52*	*3*	*127.1*
DPR-039	149	183	34	59.7
Including	*168*	*174*	*6*	*107.5*

7. MINERAL INTERESTS (Continued)

The Company retained RPA to review and report on the results of the drilling program and prepare a preliminary National Instrument 43-101 compliant resource estimate. RPA's estimate for in-pit and underground resources totals 5.4 million ounces of silver in the Inferred category.

Inferred Mineral Resource - Providencia Project as at August 31, 2012

	Cut-Off (g/t Ag)	Tonnes	Ag (g/t)	Cu (%)	Ag (oz)	Cu (lb)
In-pit	40	981,000	155	0.074	4,900,000	72,400
Underground	150	32,900	504	0.249	533,000	8,180
Total		1,014,000	166	0.080	5,430,000	80,600

Notes:

1. Canadian Institute of Mining ("CIM") definitions were followed for Mineral Resources.

2. Mineral Resources are estimated at the cut-off grades of 40 g/t Ag for open pit and 150 g/t Ag for underground.

3. Mineral Resources are estimated using a long-term silver price of US$27 per ounce.

4. A nominal minimum mining width of 3 m was used.

5. Bulk density is 2.40 t/m^3.

6. Numbers may not add due to rounding.

The estimate was prepared in accordance with NI 43-101 as well as CIM Definition Standards for Mineral Resources and Mineral Reserves (2010), and is supported by the Company's 41 drill holes completed from its first stage drilling program, as well as the 26 holes undertaken by previous owner Cardero Resource Corp. during 2003 and 2004. On average, holes were drilled every 50 m along fences positioned 50 m apart. The resource estimate, used inverse-distance cubed methods, and was prepared from interpreted cross- and longitudinal-sections from which wireframe models of the geology and mineralization were developed. These formed the basis for a block model on which pit shells were subsequently superimposed.

A more detailed account of the Company's exploration activities on the Providencia Project can be found in the technical report entitled "Technical Report on the Providencia Silver Project, Jujuy Province, Argentina" dated October 16, 2013 (the "Technical Report") and prepared by David W. Rennie, PEng of RPA. This Technical Report is available on the Company's SEDAR profile at www.sedar.com .

The drilling not only provided the basis for the preliminary estimate but has indicated the potential to expand these resources significantly between the pits by further drilling and extend it along a well mineralized structure trending north-west from the two northerly pits. In addition, there are further targets worthy of drill testing on the property.

7. MINERAL INTERESTS (Continued)

(b) Cerro Amarillo Project, Argentina

The Cerro Amarillo Project is a Copper-Gold-Molybdenum porphyry project located in West-Central Argentina, and lies at the southern end of the highly productive late Miocene – Pliocene magmatic arc that hosts the El Teniente and Los Bronces porphyry deposits in Chile. The property comprises some 16,500 hectares and contains three porphyry prospects referred to by the Company as Cerro Apero (formerly Cerro Amarillo), Cajon Grande, and La Blanca (formerly C4). The three porphyry prospects lie in a northeast-trending corridor with Cerro Apero in the northeast, Cajon Grande in the center, and La Blanca in the southwest of the 14 km x 11 km property.

Cerro Amarillo Project - option agreement
Under the terms of the option agreement on Cerro Amarillo, entered into in October 2010, and amended in early 2012, the Company has the exclusive right to engage in exploration activities on the properties for up to 76 months before exercising its option to acquire a 100% interest in the properties. The option is exercisable by the Company at any time; however, so long as the exploration program is ongoing the Company will make payments to the owners of the property, which payments will total US$700,000 as follows:

- US$25,000 – paid in 2010
- US$50,000 – paid in 2011
- US$50,000 – paid in 2012
- US$75,000 – paid in 2013
- US$100,000 – paid in 2014
- US$150,000 – payable in 2015
- US$250,000 – payable in 2016

When the option is exercised, the Company will pay a final purchase price of US$2,500,000. The owners of the property will also be entitled to a 1% NSR in the event the properties are placed into commercial production, which the Company may purchase for US$3,000,000. Later in 2012, the owners applied for an additional and contiguous 2,500 hectares directly to the south of the original property and included this area in the original agreement by signing an addendum to the option agreement.

Cerro Amarillo Project – exploration
The Company has conducted exploration campaigns on the property during the austral summers of 2011/2012 and 2013/2014. During the 2011/2012 campaign, the Company carried out detailed mapping and grab-sampling over Cerro Apero and Cajon Grande, and undertook reconnaissance-scale mapping and sampling over La Blanca. This was followed up during 2013/2014 with a campaign of ground geophysics (IP and ground magnetics) along orthogonal lines positioned over Cerro Apero and Cajon Grande, and detailed mapping and sampling over La Blanca. In addition, geochemical surveys are currently being conducted over La Blanca, Cajon Grande as well as over two recently identified areas of mineralization and alteration located at Vaca de Cobre and Cerro Choro. Further airborne magnetics and radiometric surveying over the entire property is planned for the remainder of the 2013/2014 field season, and the Company continues with its routine prospecting, mapping, and grab sampling in follow-up of color anomalies over the rest of the property.

7. MINERAL INTERESTS (Continued)

Results to date have confirmed the presence of mineralization at the Cero Apero, Cajon Grande, and La Blanca prospects, and have indicated the presence of occurrences of alteration and mineralization at Vaca de Cobre and Cerro Choro.

The Cerro Apero occurrence prospect in the northeast contains a classical porphyry-style mineralized system that which includes stockwork, disseminated, breccias, skarn, and vein-types of mineralization. These types of mineralization appear zoned, with a central quartz diorite porphyry plug containing abundant well developed quartz-magnetite vein stockworks and together with disseminated chalcopyrite. This plug is surrounded by mineralized hydrothermal breccias with abundant pyrite which may present an excellent supergene trap for leached copper and gold. Skarn mineralization occurs in an almost perfect ring surrounding the porphyry, at the intersection of the vertical cylinder of breccias and the shallow-dipping calcareous sedimentary sequence. At the current level of erosion, almost the entire ring is exposed. Sparse, peripheral veins containing barite, hematite, galena, and sphalerite occur out to a radius of approximately one kilometer.

At Cajon Grande, the porphyry intrusions also exhibit copper-gold-molybdenum mineralization and associated hydrothermal alteration. The alteration includes an early stage potassic event (quartz+ biotite) with associated copper mineralization. This was immediately followed by an intense stockwork veining and associated sodic-calcic alteration (actinolite+albite±sericite). Most of the copper seems to be associated with this later event which is also strongly associated with the occurrence of magnetite. In addition, low-temperature, sub epithermal, barite+siderite+sulphide veins occur distal to the porphyry system, in a classic zoned pattern.

The La Blanca system in the southwest of the property is has the potential to host large zones of mineralized porphyry and breccia. There is extensive hydrothermal alteration developed over a six kilometer strike. This alteration includes zones of quartz+pyrite with argillic overprinting developed over a strike of at least two kilometers, and extending into shears and peripheral breccia zones. During the current campaign, three breccia bodies were discovered in the course of detailed mapping and sampling. The shape and character of the breccias suggest that they are hydrothermal, intrusive breccia pipes typical of some mineralized porphyry systems. The main pipe forms an elliptical outcrop, approximately 600 m long and 400 m wide and occurs within a complex plug of diorite and microdiorite porphyry approximately 1500 m in diameter. A zone of crackle breccia and stockwork veins extends up to 100 m into the wall rock surrounding this pipe. Breccia clasts include diorite wallrock and quartz-dacite porphyry, and these range in size from a few millimetres to several metres. Most clasts are angular to sub-angular in shape, and the matrix between the fragments is dominated by gossan after sulphide with minor quartz, hematite, calcite and gypsum. Secondary copper minerals (malachite+azurite) have been observed in some outcrops and float near the southern end of this pipe. The host diorite complex is affected by moderate to strong potassic (biotite+magnetite) alteration, while the breccia and surrounding crackle zone is affected by strong phyllic (quartz+sericite+pyrite) alteration. A broad halo of albite +/- pyrite alteration surrounds the pipe and overprints the potassic alteration in the host diorite and andesitic volcanics. Some clasts within the main pipe contain a stockwork "A" type quartz veins and similar stockworks were also observed in the diorite surrounding the north end of the pipe. Veins of this type are commonly associated with porphyry copper style mineralisation systems.

7. MINERAL INTERESTS (Continued)

The second breccia pipe is an irregular shape, approximately 150 m long and 100 m wide. It occurs within a sequence of andesitic tuffs and volcanics. Clasts are mostly andesitic wallrocks and quartz-dacite porphyry. The clasts are angular and range up to 10 cm in size. Infill between the clasts includes gossan, pyrite and comb textured quartz. The breccia has strong phyllic (quartz+sericite+pyrite) alteration that extends a short distance into the surrounding volcanics.

The third pipe is almost circular in outcrop and approximately 70 m in diameter. It occurs within a complex of diorite porphyries similar to those at the main pipe. The breccia around the eastern side of the pipe has angular clasts with albite+chlorite alteration and a matrix of chlorite+specular hematite. The breccia in the core of the pipe has sub-rounded clasts with sericite+quartz+pyrite alteration and abundant matrix of gossan after sulphide+quartz. The diorite surrounding the pipe has irregular zones of chlorite+magnetite and albite+chlorite alteration.

At the Cerro Choro and Vaca de Cobre occurrences, newly recognized zones of mineralization and /or alteration have been identified indicative of porphyry systems. Work is ongoing, and the Company is conducting geochemical surveys over these areas with a view to better define the distribution of mineralization at these occurrences.

Previous sampling undertaken at the Cerro Apero occurrence by BHP in 1998 returned results ranging up to 1.47% Cu, 0.98 g/t Au, and 550 ppm Mo, while an isolated outcrop of dacite dyke from the base of nearby Cerro Choro returned a value of 57 g/t Au. The Company's confirmation sampling on Cerro Apero returned values ranging up to 0.78% Cu and 0.89 g/t Au. At Cajon Grande, historic values from a sampling campaign in 2008 ranged up to 4.35% Cu, 4.23 g/t Au and 1500 g/t Ag while Concordia's samples returned values of 1.51% Cu, 2.41 g/t Au, 765 g/t Ag, and 334 ppm Mo. In addition, samples from epithermal veins of barite+siderite+sulphide distal to the intrusion contained up to 8.21% Cu, 2.48 g/t Au and 100 g/t Ag. The La Blanca sampling gave values up to 0.20% Cu, 170 ppm Mo and 0.15 g/t Au.

In addition to the three well defined prospects at Cerro Apero, Cajon Grande and La Blanca and the newly recognized areas of mineralization and alteration at Vaca de Cobre and Cerro Choro, there are an additional three colour/alteration anomalies (C2, C3 and La Tienda), which are worthy of follow-up work.

The mapping and sampling has indicated the fertility of the systems and has also indicated that each system has a large scale footprint indicating large-tonnage Cu-Au-Mo potential. Moreover, Cerro Amarillo's geological similarity to the world class El Teniente and Los Bronces deposits as well as its location within the extension of the same Neogene magmatic arc are positive indications for future exploration success. As a consequence, airborne magnetic and radiometric surveying and further mapping and sampling of the additionally identified anomalies is being completed prior to the execution of a first stage target testing drill program for which Meryllion is currently in the process of obtaining the necessary permits and permissions. Towards this end, environmental reports and glaciological studies have been submitted to the Departments of Mining and Environmental Protection for evaluation. Additional sectorial reports from the Department of Water Affairs as well as the Municipality of Malargüe have been completed, and meetings have been held with the federal and provincial mining authorities as well as officials of Malargüe who have all expressed their support for the project. All reports are currently being assessed by the Department of Mining.

(In Canadian Dollars unless otherwise stated)

7. MINERAL INTERESTS (Continued)

(c) Qualified Person

Dr. Willem Fuchter P.Geo, CEO of Meryllion Argentina SA, a qualified person for the purposes of NI 43-101 and has approved the scientific and technical information in this MD&A.

8. FINANCIAL INSTRUMENTS

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets are derecognized when the rights to receive cash flows from the assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

All of the Company's financial instruments are classified into one of two categories: loans-and-receivables or other-financial-liabilities. All financial instruments are measured in the statement of financial position at fair value initially. Subsequent measurement and changes in fair value will depend on their initial classification. Loans-and-receivables and other-financial-liabilities are measured at amortized cost.

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. Cash and cash equivalents and accounts receivable are included in current assets due to their short term nature. Accounts payable and accrued liabilities are included in current liabilities due to their short-term nature.

The Company's financial instruments as at December 31, 2013 are as follows:

	As at	
	December 31, 2013	**September 30, 2013**
Financial assets		
Loans-and-receivables		
Cash and cash equivalents	**$ 3,858,634**	$ 27,767
Accounts receivable	**15,477**	1,419
Total financial assets	**$ 3,874,111**	$ 29,186
Financial liabilities		
Other-financial-liabilities		
Accounts payable and accrued liabilities	**$ 200,063**	$ 60,376
Total financial liabilities	**$ 200,063**	$ 60,376

Additional financial instruments disclosure is contained in Note 5 of the Company's condensed consolidated financial statements for the three months ended December 31, 2013.

9. LIQUIDITY AND CAPITAL RESOURCES

The Company's working capital as at December 31, 2013 was $3,723,223 as compared to a working capital deficiency of $26,105 at September 30, 2013. Included in working capital were cash and cash equivalents of $3,858,634 (September 30, 2013 - $27,767). In October 2013, the Company received approximately $4,700,000 in cash, subject to post-closing adjustments, from Concordia in accordance with the Vend-In Agreement. After post-closing adjustments, the Company received $4,583,202 in cash, with this amount being subject to one further post-closing adjustment in the future.

Except as disclosed, the Company does not know of any trends, demands, commitments, events or uncertainties that will result in, or that are reasonably likely to result in, its liquidity either materially increasing or decreasing at present or in the foreseeable future. Material increases or decreases in liquidity are substantially determined by the success or failure of the Company's exploration programs.

The Company is not now and does not expect in the future, to be engaged in currency hedging to offset any risk of currency fluctuations.

(b) Capital Resources

The Company's focus for the current fiscal year and going forward is the advancement and development of its exploration projects. The major expenses that will be incurred by the Company in the next twelve months will be costs associated with its exploration activities and general and administrative activities. The Company believes its current working capital is sufficient to maintain its core operations for the next twelve months, however, additional funding will be required by the Company to complete its strategic objectives and continue as a going concern beyond twelve months.

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 will be relying on further equity or debt financing as the most likely source of funds for the advancement of the Company's exploration assets to a resource delineation or feasibility stage. In the future the Company may also receive additional funds through the exercise of stock options. If adequate funds are not available when required, the Company may, based on the Company's cash position, delay, scale back or eliminate various programs.

Although the Company has successfully raised capital in the past, there can be no assurance that the Company will have sufficient financing to meet its future capital requirements or that future additional financing will be available to the Company at terms it finds acceptable or at all.

(c) Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements other than those disclosed under mineral interests.

(In Canadian Dollars unless otherwise stated)

9. LIQUIDITY AND CAPITAL RESOURCES (Continued)

(d) Proposed Transactions

The Company has no proposed transactions.

(e) Commitments

As at December 31, 2013, the Company has commitments at its Providencia and Cerro Amarillo Projects in the form of option payments and minimum work commitments for various mineral exploration concessions.

The Company also has minimum rental and operating expense payments for the Company's office spaces in Vancouver and in Buenos Aires, with the leases concluding on December 31, 2014 and January 31, 2017, respectively.

The Company's commitments for these items as at December 31, 2013 were as follows:

	As at December 31, 2013				
	Within 1 year	2-3 years	4-5 years	Over 5 years	Total
Mineral interest commitments					
Providencia Project					
La Providencia & M. Tola properties	$ 106,360	$ 531,800	$ 319,080	$ -	$ 957,240
M. Olaroz Chico properties	47,862	143,586	335,034	469,048	995,530
Libertad property	5,318	15,954	37,226	52,116	110,614
Cerro Galán, Coyaguaima, Coranzulí, Panizos & Nazarena properties	26,590	132,950	212,720	-	372,260
Cerro Amarillo Project					
Cerro Amarillo property	106,360	425,440	-	-	531,800
Total mineral interest commitments	292,490	1,249,730	904,060	521,164	2,967,444
Minimum rental commitments	66,132	43,160	2,072	-	111,364
Total commitments	$ 358,622	$1,292,890	$ 906,132	$ 521,164	$3,078,808

(In Canadian Dollars unless otherwise stated)

10. RELATED PARTY TRANSACTIONS

(a) Key management compensation

The remuneration of the Company's Directors (David Birkenshaw, Terry Krepiakevich, Greg Shenton, Borden Putnam and John Fognani), and other members of key management, being the Chief Executive Officer (Terry Krepiakevich) and the Chief Financial Officer (Saurabh Handa), who have the authority and responsibility for planning, directing and controlling the activities of the Company, consist of the following amounts:

	Three months ended December 31, 2013	2012
Short-term benefits [(1)]	**$ 290,825**	$ 29,403
Share-based compensation [(2)]	**109,683**	5,509
Total key management compensation	**$ 400,508**	$ 34,912

(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.

(b) Other related party transactions

In addition to the key management compensation above the Company also had related party transactions with WMM Services Corporation ("WMM"), a private company owned equally by Meryllion Resources Corporation and Western Lithium USA Corporation. WMM provides administration, accounting and other office services to the Company on a cost-recovery basis.

The related party transactions incurred during the period were in the normal course of operations and were measured at the exchange value, which represented the amount of consideration established and agreed to by the related parties.

The Company's had related party transactions with WMM of $27,193 for the three months ended December 31, 2013 (December 31, 2012 - $nil) which were included in the following expense categories:

	Three months ended December 31, 2013	2012
Office and administration costs	**$ 3,178**	$ -
Rent	**3,954**	-
Salaries and benefits	**20,061**	-
Total related party transactions	**$ 27,193**	$ -

As at December 31, 2013, the balances due to or from related parties were $nil (December 31, 2012 - $nil).

(In Canadian Dollars unless otherwise stated)

11. OUTSTANDING SHARE DATA

The Company is authorized to issue an unlimited number of common shares without par value. As at February 27, 2014, the Company had 17,125,510 common shares issued and outstanding.

The Company has the following stock options that are outstanding and exercisable as at February 27, 2014:

	Outstanding		Exercisable	
Exercise price	**Number outstanding**	**Weighted average remaining life (years)**	**Number exercisable**	**Weighted average remaining life (years)**
$0.30	1,900,000	4.79	633,339	4.79

As at February 27, 2014, the Company does not have any share purchase warrants outstanding.

12. RISKS AND UNCERTAINTIES

Meryllion is engaged in mineral exploration and development activities which, by their nature, are speculative due to the high risk nature of the business and the present stage of the development of the Company's mineral interests. The Company's exploration activities and related results are subject to a number of different risks at any given time. These factors, include but are not limited to disclosure regarding exploration, additional financing, project delay, titles to properties, price fluctuations and share price volatility, operating hazards, insurable risks and limitations of insurance, management, foreign country and regulatory requirements, currency fluctuations and environmental regulations risks. Exploration for mineral resources involves a high degree of risk. The cost of conducting programs may be substantial and the likelihood of success is difficult to assess. The Company seeks to counter this risk as far as possible by selecting exploration areas on the basis of their recognized geological potential to host economic deposits.

Any investment in the common shares of Meryllion should be considered a highly speculative investment due to the nature of the Company's business. Such risk factors could materially affect the Company's future financial results and could cause actual results and events to differ materially from those described in forward looking statements and forward looking information relating to Meryllion or the business, property or financial results, any of which could cause investors to lose part or all of their investment in the Company.

For a detailed discussion of the risk factors associated with the Company please consult the 'Risks and Uncertainties' section of the Company's MD&A for the year ended September 30, 2013 filed on SEDAR at www.sedar.com. It should be noted that this list is not exhaustive and that other risk factors may apply.

13. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. These estimates and judgements 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 judgments are accounting policies that have been identified as being complex or involving subjective judgments or assessments.

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.

14. CHANGES IN ACCOUNTING POLICIES

The Company adopted the following accounting standards effective October 1, 2013. The adoption of these accounting standards had no significant impact on the condensed consolidated financial statements.

The accounting standards adopted were:

- IFRS 7 *Financial Instruments Disclosures*
- IFRS 10 *Consolidated Financial Statements*
- IFRS11 *Joint Arrangements*
- IFRS 12 *Disclosure of Involvement with Other Entities*
- IFRS 13 *Fair Value Measurement*

15. FORWARD LOOKING STATEMENTS

Certain of the statements made and information contained herein are considered "forward-looking information" within the meaning of the British Columbia Securities Act. These statements relate to future events or the Company's future performance. All statements, other than statements of historical fact, may be forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "plan", "continue", "estimate", "expect", "may", "will", "project", "predict", "propose", "potential", "targeting", "intend", "could", "might", "should", "believe" and similar expressions. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. The Company believes that the expectations reflected in those forward-looking statements are reasonable but no assurance can be given that these expectations will prove to be correct and such forward-looking statements included in this MD&A should not be unduly relied upon by investors as actual results may vary. These statements speak only as of the date of this MD&A and are expressly qualified, in their entirety, by this cautionary statement.

In particular, this MD&A contains forward-looking statements, pertaining to the following: capital expenditure programs, development of resources, treatment under governmental and taxation regimes, expectations regarding the Company's ability to raise capital, expenditures to be made by the Company on its properties and work plans to be conducted by the Company. With respect to forward-looking statements listed above and contained in the MD&A, the Company has made assumptions regarding, among other things:

- uncertainties relating to receiving mining and exploration permits in Argentina;
- the impact of currency fluctuations in Argentina;
- the impact of increasing competition in gold, silver and copper business;
- unpredictable changes to the market prices for gold, silver and copper;
- exploration and development costs for its properties;
- availability of additional financing or joint-venture partners;
- anticipated results of exploration activities;
- the Company's ability to obtain additional financing on satisfactory terms.

The Company's actual results could differ materially from those anticipated in these forward-looking statements as a result of the risk factors set forth below and elsewhere in this MD&A including, volatility in the market price for minerals; uncertainties associated with estimating resources; geological, technical, drilling and processing problems; liabilities and risks, including environmental liabilities and risks, inherent in mineral exploration; fluctuations in currencies and interest rates; incorrect assessments of the value of acquisitions; unanticipated results of exploration activities; competition for, amongst other things, capital, undeveloped lands and skilled personnel; lack of availability of additional financing and/or joint venture partners and unpredictable weather conditions.

Investors should not place undue reliance on forward-looking statements as the plans, intentions or expectations upon which they are based might not occur. Readers are cautioned that the foregoing lists of factors are not exhaustive. The forward-looking statements contained in this MD&A are expressly qualified by this cautionary statement. The Company does not undertake any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, unless required by law.