MERYLLION
Resources

MERYLLION RESOURCES CORP.
Consolidated Financial Statements
September 30, 2014
(Expressed in Canadian Dollars)

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Independent Auditors' Report

To the Shareholders of
Meryllion Resources Corp.

We have audited the accompanying consolidated financial statements of Meryllion Resources Corp. and its subsidiaries, which comprise the consolidated statements of financial position as at September 30, 2014 and September 30, 2013, and the consolidated statements of comprehensive loss, changes in equity 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 audits 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 auditors consider 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, the consolidated financial statements present fairly, in all material respects, the financial position of Meryllion Resources Corp. and its subsidiaries as at September 30, 2014 and September 30, 2013 and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Emphasis of matter
Without modifying our opinion, we draw attention to Note 1 to the consolidated financial statements which describes the material uncertainty that may cast significant doubt about the ability of Meryllion Resources Corp. to continue as a going concern.

"Crowe MacKay LLP"

Chartered Accountants
Vancouver, British Columbia
December 17, 2014

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

	NOTES	As at September 30, 2014	As at September 30, 2013
ASSETS			
Current assets			
Cash and cash equivalents		**$ 1,539,958**	$ 27,767
Accounts receivable		**2,980**	1,419
Prepaid expenses and deposits		**29,437**	5,085
		1,572,375	34,271
Non-current assets			
Mineral interests	11	**339,392**	763,807
Property, plant and equipment	12	**25,166**	-
		364,558	763,807
TOTAL ASSETS		**$ 1,936,933**	$ 798,078
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	10	**$ 207,263**	$ 60,376
		207,263	60,376
EQUITY			
Share capital	13	**14,755,184**	-
Share-option reserve		**315,499**	-
Contributed surplus		**-**	9,863,711
Accumulated other comprehensive (loss)/income		**(160,337)**	46,909
Accumulated deficit		**(13,180,676)**	(9,172,918)
		1,729,670	737,702
TOTAL LIABILITIES AND EQUITY		**$ 1,936,933**	$ 798,078

Commitments (Note 16)

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

APPROVED ON BEHALF OF THE BOARD OF DIRECTORS:

"David Birkenshaw"
DIRECTOR

"Gregory Shenton"
DIRECTOR

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

	NOTES	Twelve months ended September 30, 2014	2013
ADMINISTRATIVE EXPENSES			
Depreciation	12	**$ 5,338**	$ -
Insurance		**40,104**	-
Investor relations		**32,611**	3,556
Office and administration		**63,177**	47,302
Professional fees		**446,900**	178,319
Regulatory and filing fees		**52,370**	12,528
Rent		**39,559**	39,261
Salaries and benefits		**528,107**	531,779
Share-based compensation	13	**315,499**	24,079
Travel		**157,049**	87,998
		1,680,714	924,822
Evaluation and exploration expenses	8	**1,861,883**	712,620
OTHER (INCOME)/EXPENSES			
Interest income		**(25,525)**	-
Foreign exchange gain		**(258,368)**	(61,072)
Impairment of mineral interests	11	**749,054**	-
Other expenses		**-**	2,220
NET LOSS FOR THE YEAR		**4,007,758**	1,578,590
OTHER COMPREHENSIVE (INCOME)/LOSS			
Unrealized (gain)/loss on translation to reporting currency		**207,246**	(33,922)
COMPREHENSIVE LOSS FOR THE YEAR		**$ 4,215,004**	$ 1,544,668
LOSS PER SHARE			
Basic and diluted		**$ 0.28**	$ 0.09
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING			
Basic and diluted		**14,075,762**	17,125,600

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

MERYLLION RESOURCES CORP.

Consolidated Statements of Changes in Equity

(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, 2013		-	$ -	$ -	$ 9,863,711	$ 46,909	$ (9,172,918)	$ 737,702
Contribution from Concordia Resource Corp.	2	**-**	**-**	**-**	**364,467**	**-**	**-**	**364,467**
Shares issued for:								
Plan of arrangement	2	**17,125,510**	**14,755,184**	**-**	**(10,228,178)**	**-**	**-**	**4,527,006**
Share-based compensation		**-**	**-**	**315,499**	**-**	**-**	**-**	**315,499**
Net loss and comprehensive loss for the year		**-**	**-**	**-**	**-**	**(207,246)**	**(4,007,758)**	**(4,215,004)**
Balances as at September 30, 2014		**17,125,510**	**$ 14,755,184**	**$ 315,499**	**$ -**	**$ (160,337)**	**$ (13,180,676)**	**$ 1,729,670**
Balances as at October 1, 2012		-	$ -	$ -	$ 8,286,247	$ 12,987	$ (7,594,328)	$ 704,906
Contribution from Concordia Resource Corp.	2	-	-	-	1,577,464	-	-	1,577,464
Net loss and comprehensive income for the year		-	-	-	-	33,922	(1,578,590)	(1,544,668)
Balances as at September 30, 2013		-	$ -	$ -	$ 9,863,711	$ 46,909	$ (9,172,918)	$ 737,702

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

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

	NOTES	Twelve months ended September 30, 2014	2013
OPERATING ACTIVITIES			
Net loss for the year		**$ (4,007,758)**	$ (1,578,590)
Items not involving cash:			
Depreciation		**5,338**	-
Foreign exchange gain		**(258,368)**	(61,072)
Share-based compensation		**315,499**	24,079
Impairment of mineral interests	11	**749,054**	-
Other expenses		**-**	2,220
Changes in non-cash working capital:			
Accounts receivable		**(1,561)**	165
Prepaid expenses and deposits		**(24,352)**	150,280
Accounts payable and accrued liabilities		**146,887**	25,979
Cash used in operating activities		**(3,075,261)**	(1,436,939)
INVESTING ACTIVITIES			
Additions to mineral interests	11	**(274,716)**	(172,685)
Additions to property, plant and equipment	12	**(30,504)**	-
Cash used in investing activities		**(305,220)**	(172,685)
FINANCING ACTIVITIES			
Cash provided via Plan of Arrangement	2	**4,527,006**	-
Advances and funding provided by Concordia Resource Corp [1]		**104,436**	1,553,385
Cash provided by financing activities		**4,631,442**	1,553,385
Effect of foreign exchange on cash and cash equivalents		**261,230**	63,201
Net increase in Cash and cash equivalents		**1,512,191**	6,962
Cash and cash equivalents, beginning of year		**27,767**	20,805
Cash and cash equivalents, end of year		**$ 1,539,958**	$ 27,767
Comprised of:			
Cash		**$ 239,958**	$ 27,767
Cash equivalents		**1,300,000**	-
Total Cash and cash equivalents		**$ 1,539,958**	$ 27,767

[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 15)

The accompanying notes are an integral part of these 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 355 Burrard Street, Suite 1100, Vancouver, British Columbia, V6C 2G8 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 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 would 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 twelve months ended and as at September 30, 2014, 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 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 consolidated financial statements, including comparatives, have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"), effective September 30, 2014.

(b) Basis of presentation

These 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 consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information. The accounting policies set out in this Note 4 have been applied consistently to all periods presented in these consolidated financial statements as if the policies have always been in effect.

These consolidated financial statements were reviewed by the Audit Committee and approved and authorized for issue by the Board of Directors on December 17, 2014.

4. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of consolidation

The consolidated financial statements for the twelve months ended and as at September 30, 2014, include the accounts of the Company, the Company's wholly-owned Canadian subsidiary Meryllion Minerals Corp., Meryllion Minerals Corp.'s wholly-owned Argentine subsidiary Meryllion Argentina SA and an allocation of Concordia's general and administrative expenses from October 1, 2013 to December 4, 2013. All inter-company transactions and balances have been eliminated.

The historic consolidated financial statements for the twelve months ended and as at September 30, 2013, include an allocation of Concordia's general and administrative expenses and the accounts of Concordia's wholly-owned Canadian subsidiary Meryllion Minerals Corp. and its wholly-owned Argentine subsidiary Meryllion Argentina SA. All inter-company transactions and balances have been eliminated.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(b) Critical accounting estimates and judgements

The preparation of these 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 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, the assumptions used to estimate the useful life of property, plant and equipment and the assumptions used to allocate Concordia's general and administrative expenses.

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

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.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(c) Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, 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, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

(d) Foreign currency translation

Functional and presentation currency
Items included in the financial statements of each of the Company's subsidiaries are measured using the currency of the primary economic environment in which the entity operates (the functional currency). These consolidated financial statements are presented in Canadian Dollars. The Company's functional currency is the Canadian dollar and its wholly-owned subsidiaries' functional currency is the US dollar.

Transactions and balances
Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign currency monetary items are translated at the period-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items or on settlement of monetary items are recognized in profit or loss in the consolidated statement of comprehensive loss in the period in which they arise. Exchange differences arising on the translation of non-monetary items are recognized in other comprehensive income (loss) in the consolidated statement of comprehensive loss to the extent that gains and losses arising on those non-monetary items are also recognized in other comprehensive income (loss). Where the non-monetary gain or loss is recognized in profit or loss, the exchange component is also recognized in profit or loss.

Parent and Subsidiary Companies
The financial results and position of operations whose functional currency is different from the presentation currency are translated as follows:

- assets and liabilities are translated at period-end exchange rates prevailing at that reporting date; and
- income and expenses are translated at the average exchange rates for the period.

Exchange differences are transferred directly to the consolidated statement of comprehensive loss and are included in a separate component of shareholders' equity titled "Accumulated other comprehensive income or loss – currency translation adjustment". These differences are recognized in profit or loss in the period in which the operation is disposed of.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(e) Evaluation and exploration expenses

Evaluation and exploration expenses are comprised of costs that are directly attributable to:

- researching and analyzing existing exploration data;
- conducting geological studies, exploratory drilling and sampling;
- examining and testing extraction and treatment methods; and
- activities in relation to evaluating the technical feasibility and commercial viability of extracting a mineral resource.

All exploration and evaluation expenditures are expensed until properties are determined to contain economically viable reserves. When economically viable reserves have been determined, technical feasibility has been determined and the decision to proceed with development has been approved, the subsequent costs incurred for the development of that project are capitalized as mining properties, a component of property, plant and equipment.

Development expenditures are net of the proceeds of the sale of ore extracted during the development phase. Interest on borrowings related to the construction and development of assets are capitalized until substantially all the activities required to make the asset ready for its intended use are complete.

The costs of removing overburden to access ore are capitalized as pre-production stripping costs and classified as mineral interests.

(f) Mineral interests

Mineral interests include any costs relating to the acquisition and claim maintenance of mineral properties, including option payments and annual fees to maintain the property in good standing. When economically viable reserves have been determined, technical feasibility has been determined and the decision to proceed with development has been approved by the Board of Directors, the capitalized mineral interests for that project are capitalized as mining properties, a component of property, plant and equipment.

The Company assesses its capitalized mineral interests for indications of impairment on a regular basis and when events and circumstances indicate a risk of impairment. A mineral interest is written down or written off when the Company determines that an impairment of value has occurred or when exploration results indicate that no further work is warranted.

Although the Company has taken steps to verify title to mineral properties in which it has an interest, these procedures do not guarantee the Company’s title. Such properties may be subject to prior agreements or transfers, or title may be affected by undetected defects.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Impairment of long-lived assets

Long-lived assets are assessed for impairment at each reporting date. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds it recoverable amount. The recoverable amount is the higher of an asset's fair value less cost 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 pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units). These are typically individual mines or development projects.

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.

(h) Loss per share

The basic loss per share is computed by dividing the net loss by the weighted average number of common shares outstanding during the period. The diluted loss per share reflects the potential dilution of common share equivalents such as outstanding stock options and share purchase warrants, in the weighted average number of common shares outstanding during the period if dilutive. The Company uses the treasury stock method of calculating fully diluted per share amounts whereby any proceeds from the exercise of stock options or other dilutive instruments are assumed to be used to purchase common shares at the average market price during the year. Diluted loss per share has not been presented separately as the outstanding options are anti-dilutive for each period presented.

For comparative periods before the successful listing of the Company on the TSX-V (Note 2) the basic loss per share is calculated using the weighted average number of Concordia shares that were outstanding during the period. The shareholders of Concordia received one common share of MRC for one common share of Concordia. Prior to the completion of the spin-out transaction, Concordia consolidated its shares on a 5:1 basis. Accordingly, the weighted average number of shares used is one-fifth of the weighted average number of shares of Concordia for the respective periods.

(i) Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, bank balances, deposits held at call and certificates of deposits, money market instruments, including cashable guaranteed investment certificates with an original term to maturity of three months or less at date of purchase, and are carried at amortized cost.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(j) Income Taxes

Income tax expense comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity.

Current tax
Current tax expense is the expected tax payable on taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax
Deferred tax is accounted for using the liability method, providing for the tax effect of temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and their respective tax bases.

A deferred tax liability is recognized for all taxable temporary differences except where the deferred income tax liability arises from the initial recognition of goodwill, or the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss in respect of taxable temporary differences associated with investments in subsidiaries, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

A deferred income tax asset is recognized for all deductible temporary differences, carry-forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax credits and losses can be utilized, except where the deferred income tax asset related to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss. In respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

Deferred tax is measured on an undiscounted basis using the tax rates that are expected to apply in the period when the liability is settled or the asset is realized, based on tax rates and tax laws enacted or substantively enacted at the statement of financial position date. Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(k) Share-based compensation

The Company grants share-based awards to certain officers, employees, directors and other eligible persons. For equity-settled awards, the fair value is charged to the consolidated statement of comprehensive loss and credited to the related reserve account, on a straight-line basis over the vesting period, after adjusting for the estimated number of awards that are expected to vest.

The fair value of the equity-settled awards is determined at the date of the grant. In calculating fair value, no account is taken of any vesting conditions, other than conditions linked to the price of the shares of the Company. The fair value is determined by using the Black-Scholes option pricing model. At each statement of financial position date, the cumulative expense representing the extent to which the vesting period has expired and management's best estimate of the awards that are ultimately expected to vest is computed. The movement in cumulative expense is recognised in the consolidated statement of comprehensive loss with a corresponding entry against the related reserve. No expense is recognised for awards that do not ultimately vest.

Where equity instruments are granted to non-employees, they are recorded at the fair value of the goods or services received in the consolidated statement of comprehensive loss/income, unless they are related to the issuance of shares. Amounts related to the issuance of shares are recorded as a reduction of share capital. When the value of goods or services received in exchange for the share-based payment cannot be reliably estimated, the fair value is measured by use of a valuation model. The fair value of stock options granted to non-employees is re-measured at the earlier of each financial reporting or vesting date, and any adjustment is charged or credited to operations upon re-measurement.

(l) Share capital

Common shares
Common shares are classified as equity. Transaction costs directly attributable to the issue of common shares and share options are recognized as a deduction from equity, net of any tax effects.

Equity units
The Company has adopted a residual value method with respect to the measurement of shares and warrants issued as private placement equity units. The residual value method first allocates value to the more easily measurable component based on fair value and then the residual value, if any, to the less easily measurable component. The fair value of the common shares issued in the private placements are determined to be the more easily measurable component and are valued at their fair value, as determined by the closing quoted bid price on the announcement date. The balance, if any, is allocated to the attached warrants. The value attributed to the warrants is recorded as an equity reserve. If the warrants are exercised, the value attributable to the warrants is transferred to share capital.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(m) Property, plant and equipment ("PPE")

Property, plant and equipment is recorded at cost less accumulated depreciation and accumulated impairment losses. The cost of an item of PPE includes its purchase price, any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management and the estimated close down and restoration costs associated with dismantling and removing the asset.

Depreciation is provided at rates calculated to write off the cost of PPE, less their estimated residual value, using the straight-line method or unit-of-production method over their expected useful lives as follows:

- Office equipment – 5 years straight-line basis
- Furniture and fixtures – 5 years straight-line basis

When major components of an item of PPE have different useful lives, they are accounted for as separate items of PPE and depreciated as per each component's useful life.

An item of PPE is derecognized upon disposal, when held for sale or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal, determined as the difference between the net disposal proceeds and the carrying value of the asset, is recognized in profit or loss in the consolidated statement of comprehensive loss.

Estimates of residual values and useful lives are reassessed annually and any change in estimate is taken into account in the determination of remaining depreciation charges. Depreciation commences on the date when the asset is available for use.

(n) 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 and other-financial-liabilities. All financial instruments are initially measured in the consolidated statement of financial position at fair value. 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 does not use derivative instruments or hedges to manage risks. Transaction costs related to all financial instruments will be expensed in the period incurred.

Financial assets and liabilities are offset and the net amount reported in the consolidated statement of financial position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(o) Changes in accounting standards

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

The accounting standards adopted were:

- IFRS 7 *Financial Instruments: Disclosures*
- IFRS 10 *Consolidated Financial Statements*
- IFRS 11 *Joint Arrangements*
- IFRS 12 *Disclosure of Interests in Other Entities*
- IFRS 13 *Fair Value Measurement*

5. FUTURE ACCOUNTING POLICIES

The following are revised accounting standards, amendments and interpretations that are effective for annual periods beginning on or after January 1, 2014. Although the Company does not expect any of the following changes to have a material impact on the financial results of the Company, the Company has not yet fully assessed the impact of these standards and amendments. Where permitted, the Company has determined to not adopt any of these future accounting policies early.

IAS 32 Financial Instruments: Presentation
Amends IAS 32 to clarify certain aspects because of diversity in application of the requirements on offsetting, focused on four main areas:

- the meaning of “currently has a legally enforceable right of set-off”
- the application of simultaneous realization and settlement
- the offsetting of collateral amounts
- the unit of account for applying the offsetting requirements.

These amendments are applicable for annual reporting periods beginning on or after January 1, 2014.

IAS 36 Impairment of Assets
Amends the disclosure requirements of IAS 36, requiring disclosure, in certain instances, of the recoverable amount of an asset or cash generating unit, and the basis for the determination of fair value less costs of disposal, when an impairment loss is recognized or when an impairment loss is subsequently reversed. These amendments are applicable for annual reporting periods beginning on or after January 1, 2014.

IFRIC 21 Levies
Provides guidance on when to recognize a liability for a levy imposed by a government, both for levies that are accounted for in accordance with IAS 37 and those where the timing and amount of the levy is certain. This interpretation is applicable to annual reporting periods beginning on or after January 1, 2014.

5. FUTURE ACCOUNTING POLICIES (Continued)

Investment Entities (Amendments to IFRS 10, IFRS 12 and IAS 27)
Amends IFRS 10, IFRS 12 and IAS 27 to:

- provide "investment entities" (as defined) an exemption from the consolidation of particular subsidiaries and instead require that an investment entity measure the investment in each eligible subsidiary at fair value through profit or loss in accordance with IFRS 9 *Financial Instruments* or IAS 39 *Financial Instruments: Recognition and Measurement*
- require additional disclosure about why the entity is considered an investment entity, details of the entity's unconsolidated subsidiaries, and the nature of relationship and certain transactions between the investment entity and its subsidiaries
- require an investment entity to account for its investment in a relevant subsidiary in the same way in its consolidated and separate financial statements (or to only provide separate financial statements if all subsidiaries are unconsolidated).

Applicable to annual reporting periods beginning on or after January 1, 2014.

Annual Improvements 2010-2012 Cycle
Makes amendments to the following standards:

- IFRS 2 - Amends the definitions of 'vesting condition' and 'market condition' and adds definitions for 'performance condition' and 'service condition'
- IFRS 3 - Require contingent consideration that is classified as an asset or a liability to be measured at fair value at each reporting date
- IFRS 8 - Requires disclosure of the judgements made by management in applying the aggregation criteria to operating segments, clarify reconciliations of segment assets only required if segment assets are reported regularly
- IFRS 13 - Clarify that issuing IFRS 13 and amending IFRS 9 and IAS 39 did not remove the ability to measure certain short-term receivables and payables on an undiscounted basis (amends basis for conclusions only)
- IAS 16 and IAS 38 - Clarify that the gross amount of property, plant and equipment is adjusted in a manner consistent with a revaluation of the carrying amount
- IAS 24 - Clarify how payments to entities providing management services are to be disclosed

Applicable to annual reporting periods beginning on or after July 1, 2014.

Annual Improvements 2011-2013 Cycle
Makes amendments to the following standards:

- IFRS 1 - Clarify which versions of IFRS standards can be used on initial adoption (amends basis for conclusions only)
- IFRS 3 - Clarify that IFRS 3 excludes from its scope the accounting for the formation of a joint arrangement in the financial statements of the joint arrangement itself
- IFRS 13 - Clarify the scope of the portfolio exception in paragraph 52
- IAS 40 - Clarify the interrelationship of IFRS 3 and IAS 40 when classifying property as investment property or owner-occupied property

Applicable to annual reporting periods beginning on or after July 1, 2014.

5. FUTURE ACCOUNTING POLICIES (Continued)

IFRS 11 Joint Arrangements
Amends IFRS 11 to require an acquirer of an interest in a joint operation in which the activity constitutes a business (as defined in IFRS 3) to:

- apply all of the business combinations accounting principles in IFRS 3 and other IFRS standards, except for those principles that conflict with the guidance in IFRS 11
- disclose the information required by IFRS 3 and other IFRS standards for business combinations

The amendments apply both to the initial acquisition of an interest in joint operation, and the acquisition of an additional interest in a joint operation (in the latter case, previously held interests are not re-measured). Applicable to annual reporting periods beginning on or after January 1, 2016.

Clarification of Acceptable Methods of Depreciation (Amendments to IAS 16 and IAS 38)
Amends IAS 16 and IAS 38 to:

- clarify that a depreciation method that is based on revenue that is generated by an activity that includes the use of an asset is not appropriate for property, plant and equipment
- introduce a rebuttable presumption that an amortisation method that is based on the revenue generated by an activity that includes the use of an intangible asset is inappropriate, which can only be overcome in limited circumstances where the intangible asset is expressed as a measure of revenue, or when it can be demonstrated that revenue and the consumption of the economic benefits of the intangible asset are highly correlated
- add guidance that expected future reductions in the selling price of an item that was produced using an asset could indicate the expectation of technological or commercial obsolescence of the asset, which, in turn, might reflect a reduction of the future economic benefits embodied in the asset

Applicable to annual reporting periods beginning on or after January 1, 2016.

IAS 27 Separate Financial Statements
Amends IAS 27 to permit investments in subsidiaries, joint ventures and associates to be optionally accounted for using the equity method in separate financial statements. Applicable to annual reporting periods beginning on or after January 1, 2016.

Annual Improvements 2012-2014 Cycle
Makes amendments to the following standards:

- IFRS 5 - Adds specific guidance in IFRS 5 for cases in which an entity reclassifies an asset from held-for-sale to held-for-distribution or vice versa and cases in which held-for-distribution accounting is discontinued
- IFRS 7 - Additional guidance to clarify whether a servicing contract is continuing involvement in a transferred asset, and clarification on offsetting disclosures in condensed interim financial statements
- IAS 19 - Clarify that the high quality corporate bonds used in estimating the discount rate for post-employment benefits should be denominated in the same currency as the benefits to be paid
- IAS 34 - Clarify the meaning of 'elsewhere in the interim report' and require a cross-reference

Applicable to annual reporting periods beginning on or after July 1, 2016.

5. FUTURE ACCOUNTING POLICIES (Continued)

IFRS 15 Revenue from Contracts with Customers
IFRS 15 provides a single, principles based five-step model to be applied to all contracts with customers.

The five steps in the model are as follows:

- Identify the contract with the customer
- Identify the performance obligations in the contract
- Determine the transaction price
- Allocate the transaction price to the performance obligations in the contracts
- Recognise revenue when (or as) the entity satisfies a performance obligation

Guidance is provided on topics such as the point in which revenue is recognised, accounting for variable consideration, costs of fulfilling and obtaining a contract and various related matters. New disclosures about revenue are also introduced. Applicable to an entity's first annual financial statements for a period beginning on or after January 1, 2017.

IFRS 9 Financial Instruments (2014)
A finalised version of IFRS 9 which contains accounting requirements for financial instruments, replacing IAS 39 and supersedes IFRS 9 (2009), IFRS 9 (2010) and IFRS 9 (2013), but these standards remain available for application if the relevant date of initial application is before 1 February 2015.

The standard contains requirements in the following areas:

- Classification and measurement - Financial assets are classified by reference to the business model within which they are held and their contractual cash flow characteristics. The 2014 version of IFRS 9 introduces a 'fair value through other comprehensive income' category for certain debt instruments. Financial liabilities are classified in a similar manner to under IAS 39, however there are differences in the requirements applying to the measurement of an entity's own credit risk
- Impairment - The 2014 version of IFRS 9 introduces an 'expected credit loss' model for the measurement of the impairment of financial assets, so it is no longer necessary for a credit event to have occurred before a credit loss is recognised
- Hedge accounting - Introduces a new hedge accounting model that is designed to be more closely aligned with how entities undertake risk management activities when hedging financial and non-financial risk exposures
- Derecognition - The requirements for the derecognition of financial assets and liabilities are carried forward from IAS 39

Depending on the chosen approach to applying IFRS 9, the transition can involve one or more than one date of initial application for different requirements. This standard and its consequential amendments are applicable to annual reporting periods beginning on or after January 1, 2018.

6. 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 September 30, 2014 are as follows:

	As at	
	September 30, 2014	**September 30, 2013**
Financial assets		
Loans-and-receivables		
Cash and cash equivalents	**$ 1,539,958**	$ 27,767
Accounts receivable	**2,980**	1,419
Total financial assets	**$ 1,542,938**	$ 29,186
Financial liabilities		
Other-financial-liabilities		
Accounts payable and accrued liabilities	**$ 207,263**	$ 60,376
Total financial liabilities	**$ 207,263**	$ 60,376

6. FINANCIAL INSTRUMENTS (Continued)

(b) Financial Risk

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 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 September 30, 2014, the Company had a cash and cash equivalent balance of $1,539,958 (September 30, 2013 - $27,767) to settle current liabilities of $207,263 (September 30, 2013 - $60,376). 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.

<u>Price risk</u>
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.

6. 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 maintained at the 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 September 30, 2014 are as follows:

	US$	Argentine Peso	C$ equivalent
Cash and cash equivalents	17,336	258,736	**53,591**
Accounts receivable	-	1,734	**229**
Accounts payable and accrued liabilities	(33,692)	(284,818)	**(75,366)**

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 $2,154 decrease or increase in the Company's after-tax net earnings, respectively.

As at September 30, 2014, US dollar amounts have been translated at a rate of C$1.1208 per US dollar and Argentine peso amounts have been translated at C$0.1320 per Argentine peso.

7. 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.

8. EVALUATION AND EXPLORATION EXPENSES

The Company's exploration expenses for the twelve months ended September 30, 2014 were as follows:

	Twelve months ended September 30,	
	2014	**2013**
Cerro Amarillo, Argentina		
Administration	**$ 478,721**	$ 177,697
Camp Costs	**100,649**	6,379
Consulting	**300,987**	68,872
Environmental Costs	**4,205**	-
Field Exploration	**21,113**	-
Geology	**2,511**	347
Geochemistry	**64,342**	-
Geophysics	**389,470**	-
Health and Safety	**12,071**	-
Personnel Costs	**74,635**	-
Travel and Transport	**281,582**	8,717
Other	**69,281**	27,096
Total Cerro Amarillo	**1,799,567**	289,108
Providencia, Argentina		
Administration	**16,577**	256,964
Camp Costs	**4,618**	8,892
Consulting	**-**	121,216
Personnel Costs	**10,867**	-
Travel and Transport	**7,746**	12,500
Other	**22,508**	23,940
Total Providencia	**62,316**	423,512
Total evaluation and exploration expenses	**$ 1,861,883**	$ 712,620

9. INCOME TAXES

The provision for income taxes differs from the amount calculated using the Canadian federal and provincial statutory income tax rates of 26.0% (2013 – 25.5%) as follows:

	Twelve months ended September 30,	
	2014	**2013**
Net loss for the year	**$ (4,007,758)**	$ (1,578,590)
Statutory income tax rate	**26.0%**	25.5%
Expected income tax recovery	**(1,042,017)**	(402,540)
Items not deductible for income tax purposes	**12,389**	523,611
Higher rate in foreign jurisdiction	**(215,983)**	(53,225)
Other	**11,276**	(90,810)
Deferred income tax benefits not recognized	**1,234,335**	22,964
Deferred income tax (expense)/ recovery	**$ -**	$ -

The Company recognizes deferred tax assets on losses or other deductible amounts where it is probable that sufficient future taxable profits will be available to realize such assets. The Company's unrecognized deductible temporary differences and unused tax losses for which no deferred tax asset is recognized consist of the following amounts:

	As at	
	September 30, 2014	**September 30, 2013**
Tax losses carry forwards	**$ 2,754,759**	$ 1,773,474
Mineral interests	**251,662**	-
Property, plant and equipment	**1,388**	-
Unrecognized deferred tax assets	**$ 3,007,809**	$ 1,773,474

As at September 30, 2014, the Company has Canadian non-capital loss carry-forwards of $1,791,455 (2013 - $523,660) that are available to reduce taxable income in Canada. These losses expire between 2031 and 2034.

As at September 30, 2014, the Company has Argentine loss carry-forwards of $6,539,947 (2013 - $4,504,745) that are available to reduce taxable income in Argentina. These losses expire between 2016 and 2019.

10. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

As at September 30, 2014, the Company had accounts payable and accrued liabilities of $207,263 (September 30, 2013 - $60,376). All accounts payable and accrued liabilities were current as at September 30, 2014.

11. 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.

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. The decision to terminate the agreement is based on the Company's desire to devote its resources to the development of its Cerro Amarillo Project. The Company has not terminated the remaining three option agreements for the Providencia Project and continues to explore strategic options for these agreements.

At the fiscal year end the Company assessed both of its projects for indications of impairment. The Company has 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 have been written off as at September 30, 2014 and an impairment charge of $749,054 was recorded in the twelve months ended September 30, 2014. The Company concluded that there was no indication of impairment on the Cerro Amarillo Project as at September 30, 2014.

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

	Cerro Amarillo, Argentina	Providencia, Argentina	Total
Balances as at September 30, 2012	$ 125,613	$ 435,936	$ 561,549
Additions	76,253	96,432	172,685
Change in value due to foreign exchange	7,091	22,482	29,573
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**

12. PROPERTY, PLANT AND EQUIPMENT

The Company's property, plant and equipment as at September 30, 2014 was as follows:

	Office equipment
Cost	
As at September 30, 2013	$ -
Additions	**30,504**
As at September 30, 2014	**30,504**
Accumulated depreciation	
As at September 30, 2013	-
Charge for the year	**5,338**
As at September 30, 2014	**5,338**
Net book value as at September 30, 2013	-
Net book value as at September 30, 2014	**$ 25,166**

13. SHARE CAPITAL

(a) Authorized

Unlimited Class A common shares without par value

(b) Issued and outstanding

At September 30, 2014, the Company had 17,125,510 common shares issued and outstanding (September 30, 2013 – nil).

Pursuant to the Plan of Arrangement described in Note 2, at September 30, 2014, the Company had 3,031,540 shares held in escrow (September 30, 2013 – nil), which will be released from escrow as follows:

- 20% were released subsequent to the year end on December 5, 2014
- 10% will be released on June 5, 2015
- 15% will be released on each of December 5, 2015 and June 5, 2016
- 40% will be released on December 5, 2016

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.

13. 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 twelve months ended September 30, 2014 was as follows:

	Number of options	Weighted average exercise price
Outstanding, September 30, 2012 and 2013	-	$ -
Granted	**2,000,000**	**0.29**
Exercised	**-**	**-**
Outstanding, September 30, 2014	**2,000,000**	**$ 0.29**

The Company's outstanding and exercisable stock options as at September 30, 2014 were as follows:

	Outstanding		Exercisable	
Exercise price	**Number outstanding**	**Weighted average remaining life (years)**	**Number exercisable**	**Weighted average remaining life (years)**
$0.12 [1]	100,000	4.52	33,334	4.52
$0.30 [2]	1,900,000	4.20	633,339	4.20
	2,000,000	4.22	666,673	4.22

(1) 66,666 stock options were cancelled subsequent to year-end
(2) 141,666 stock options were cancelled subsequent to year-end

13. SHARE CAPITAL (Continued)

(d) Share-based compensation

During the twelve months ended September 30, 2014, the Company granted 2,000,000 stock options (September 30, 2013: nil) at a weighted average exercise price of $0.29 (September 30, 2013: $nil). These stock options have 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 twelve months ended September 30, 2014 was $0.22 per option (September 30, 2013: $nil) which was estimated at the date of the grant using the Black-Scholes option pricing model using the following weighted average assumptions:

	Twelve months ended September 30,	
	2014	**2013**
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	**$ 0.29**	-

[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 twelve months ended September 30, 2014, the Company recorded share-based compensation of $315,499. The Company estimated a forfeiture rate of 0% to record the share-based compensation expense for options granted in the 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. During the twelve months ended September 30, 2013, the Company recorded share-based compensation of $24,079 which was an allocation of a portion of Concordia's share-based compensation expense (Note 2).

14. 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, consists of the following amounts:

	Twelve months ended September 30,	
	2014	**2013**
Short-term benefits [(1)]	**$ 631,875**	$ 172,087
Share-based compensation [(2)]	**222,961**	20,029
Termination benefits	**-**	258,882
Total key management compensation	**$ 854,836**	$ 450,998

(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 September 30, 2014, the Company owed $77,500 (2013 - $nil) in directors fees to the directors of the Company which will be paid at a later date.

(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 and Western Lithium USA Corporation ("WLC"). WMM provides administration, accounting and other office services to the Company. Costs incurred by WMM are allocated between the Company and WLC based on time incurred and use of services and are charged at cost. 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 had related party transactions with WMM of $97,975 for the twelve months ended September 30, 2014 (2013 - $nil) which were included in the following expense categories:

	Twelve months ended September 30,	
	2014	**2013**
Office and administration	**$ 21,555**	$ -
Rent	**35,716**	-
Salaries and benefits	**40,704**	-
Total related party transactions	**$ 97,975**	$ -

As at September 30, 2014, the balance due to related parties was $2,207 (2013 - $nil) and due from related parties was $nil (2013 - $nil).

15. SUPPLEMENTAL CASH FLOW INFORMATION

During the twelve months ended September 30, 2014 and 2013, 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 twelve months ended September 30, 2014 and 2013.

16. COMMITMENTS

As at September 30, 2014, 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 also has minimum rental and operating expense payments for the Company's office spaces in Vancouver and in Buenos Aires, with both the leases concluding on January 31, 2017.

The Company's commitments for these items as at September 30, 2014 and when they are expected to be incurred were as follows:

	As at September 30, 2014				
	Within 2014	**2015 to 2016**	**2017 to 2018**	**After 2018**	**Total**
Mineral interest commitments					
Cerro Amarillo Project					
Cerro Amarillo property	**$ -**	**$ 448,320**	**$ -**	**$ -**	**$ 448,320**
Providencia Project					
Olaroz Chico property	**-**	**151,308**	**353,052**	**494,273**	**998,633**
Libertad property	**-**	**16,812**	**39,228**	**54,919**	**110,959**
Cerro Galán, Coyaguaima, Coranzulí, Panizos & Nazarena properties	**-**	**140,100**	**112,080**	**-**	**252,180**
Total mineral interest commitments	**-**	**756,540**	**504,360**	**549,192**	**1,810,092**
Minimum rental commitments	**16,785**	**140,385**	**6,138**	**-**	**163,308**
Total commitments	**$ 16,785**	**$ 896,925**	**$ 510,498**	**$ 549,192**	**$1,973,400**

17. SEGMENTED INFORMATION

As at September 30, 2014, 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 twelve months ended September 30, 2014.

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

	Canada	Argentina	Total
Total assets			
As at September 30, 2014	**$ 1,561,795**	**$ 375,138**	**$ 1,936,933**
As at September 30, 2013	10,962	787,116	798,078
Total liabilities			
As at September 30, 2014	**165,554**	**41,709**	**207,263**
As at September 30, 2013	36,621	23,755	60,376
Mineral interests			
As at September 30, 2014	**-**	**339,392**	**339,392**
As at September 30, 2013	-	763,807	763,807
Property, plant and equipment			
As at September 30, 2014	**25,166**	**-**	**25,166**
As at September 30, 2013	-	-	-