MERYLLION
Resources

MERYLLION RESOURCES CORP.
Management's Discussion and Analysis
Twelve months ended September 30, 2014
(Expressed in Canadian Dollars)

This Management's Discussion and Analysis ("MD&A") of Meryllion Resources Corp. should be read in conjunction with the Company's audited consolidated financial statements and related notes for the twelve months ended September 30, 2014. The Company's audited consolidated financial statements for the twelve months ended September 30, 2014, have been audited in accordance with Canadian auditing standards and prepared in accordance with 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 December 17, 2014.

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 Cerro Amarillo Project. 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 are available on SEDAR at www.sedar.com.

2. BACKGROUND

On July 25, 2013, 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 net cash received by the Company after closing adjustments was $4,527,006.

2. BACKGROUND (Continued)

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 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 twelve months ended September 30, 2014 and to the date of the MD&A are discussed below.

On December 1, 2014, the Company announced that during the congressional deliberations that took place in November 2014, it was determined that any decision regarding the issuance and ratification of the Cerro Amarillo *Declaración de Impacto Ambiental* ("DIA") would be delayed pending the completion of an inventory of glaciers in or near the project to be conducted by *Instituto Argentino de Nivología Glaciología y Ciencias Ambientales* ("IANIGLA"), the federal body charged with conducting the inventory under the Protection of Glaciers Law 26.639. IANIGLA has already begun the inventory, which is expected to take until March or April 2015 to complete. Given the timing required to complete the inventory, it is unlikely that the Company will receive ratification of its DIA in time to undertake a 2015 drill program at Cerro Amarillo.

On November 14, 2014, the Company announced that Terry Krepiakevich had resigned as a member of the Board of Directors of the Company. Mr. Krepiakevich also resigned as the Company's Chief Executive Officer effective December 14, 2014. David Birkenshaw, Chairman of the Company's Board, will take on the duties of Chief Executive Officer.

On September 16, 2014, the Company announced that the relevant authorities in Mendoza Province, Argentina, had approved the Environmental Impact Report for planned drilling operations at the Company's Cerro Amarillo Project. The Company has been issued an Environmental Impact Statement or DIA which was submitted to the Mendoza Provincial Congress for ratification.

3. CORPORATE ACTIVITY (Continued)

On August 22, 2014, the Company announced that it had terminated the La Providencia & M. Tola option agreement, which was one of the four option agreements that previously made up its Providencia Project. The Company's decision to terminate the agreement was to allow the Company to focus its resources on the Cerro Amarillo Project.

On July 28, 2014, the Company released a maiden National Instrument ("NI") 43-101 technical report on its Cerro Amarillo Cu-(Mo-Au) Project in west central Argentina which recommends that the Company proceed with a 14-hole, 5,300 m first stage drilling program on the property. The report is available on the Company's website at www.meryllionresources.com and on SEDAR at www.sedar.com.

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 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 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 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.

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 a 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 one-half of the FVI NSR for US$500,000.

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.

In the past fiscal year the Company completed a NI 43-101 technical report for its Cerro Amarillo Project setting a drill proposal for the first-stage target testing. The Company also submitted the necessary documentation required for a drilling permit to the relevant authorities of the Province of Mendoza. Due to a requirement for IANIGLA to complete a glacier inventory and the anticipated timing of the completion of the inventory on the property, the Company is unlikely to receive a drill permit in time to conduct a 2015 drill program. Accordingly, the Company will focus on reducing costs as it awaits final ratification of its DIA for Cerro Amarillo. The Company will also turn its focus on other strategic initiatives. For the Providencia Project the Company is currently exploring strategic options for the remaining three option agreements that now make up the Providencia Project.

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.

5. SELECTED ANNUAL INFORMATION

The Company is still at the exploration stage and therefore does not earn any revenues. The majority of the costs incurred by the Company in the past fiscal year were associated with moving the Company's Cerro Amarillo Project towards the development of drill targets for a first stage drilling program and maintaining its interest in the Company's Providencia Project.

The financial results for the fiscal years ended September 30, 2013 and 2012 reflect the consolidated financial position and consolidated statements of comprehensive loss, changes in equity and cash flows of the related Argentine exploration activities of Concordia (For further details see Note 2 of the consolidated financial statements). Management cautions readers of this report, that the allocation of expenses from Concordia may not be indicative of the actual expenses that would have been incurred had the Company been operating as a separate, stand-alone public company for the periods presented and do not reflect the Company's consolidated results of operations, financial position and cash flows had the Company been a stand-alone public company during the periods presented. The results of operations are not necessarily indicative of the operating results of future years.

(In Canadian Dollars unless otherwise stated)

5. SELECTED ANNUAL INFORMATION (Continued)

The financial results for the fiscal year ended September 30, 2014, reflect the consolidated financial position as at September 30, 2014 and the consolidated statements of comprehensive loss, changes in equity and cash flows of the Company from December 4, 2013 (the date of the completion of the Arrangement) to September 30, 2014. The statement of comprehensive loss for the twelve months ended September 30, 2014 also include a $16,365 allocation of Concordia's general and administrative expenses for the period covering October 1, 2013 to December 4, 2013 (Note 2 of the consolidated financial statements).

The following table provides a brief summary of the Company's financial operations for the past three years. For more detailed information, refer to the audited consolidated financial statements.

	Twelve months ended September 30,		
	2014	**2013**	**2012**
Total assets	**$ 1,936,933**	$ 798,078	$ 739,304
Mineral interests	**339,392**	763,807	561,549
Comprehensive loss for the year	**4,215,004**	1,544,668	5,274,781
Basic and diluted loss per share	**0.28**	0.09	0.34

Total assets increased in 2014 mainly due to the completion of a Vend-In Agreement in the first quarter of the 2014 fiscal year which resulted in an inflow of $4,527,006 in net cash to the Company. This increase was offset during the year as the Company expended $3,075,261 on operating activities and $305,220 on investing activities.

Mineral interests decreased in 2014 as compared to 2013 for three main reasons. First, in 2014 the Company invested $274,716 in mineral interests through option payments made on the Cerro Amarillo and Providencia Projects. Second, the mineral interests increased $49,923 in 2014 due to foreign currency translation to Canadian dollar, the presentation currency for the Company. Finally, in 2014 the Company recorded an impairment expense of $749,054 on its Providencia Project which is discussed further in the Mineral Interests section of this report.

The comprehensive loss for 2014 increased compared to 2013 mainly due to an increase in administrative expenses of $755,892, an increase in evaluation and exploration expenses of $1,149,263 and due to an increase in impairment expenses of $749,054. The increase in administrative expenses was due to the completion of a Plan of Arrangement during the 2014 fiscal year leading to it becoming a stand-alone reporting issuer as compared to prior years when it was a subsidiary of Concordia. The increase in exploration expenses was related to a ramp up of exploration expenses at Cerro Amarillo as the Company completed a maiden NI 43-101 technical report and worked towards development of a first stage drill program.

6. SUMMARY OF SELECTED QUARTERLY RESULTS

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

	2014				2013			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Total assets	**$ 1,937**	**$ 2,735**	$ 3,913	$ 4,742	$ 798	$ 851	$ 844	$ 752
Mineral interests	**339**	**521**	991	788	764	770	733	569
Evaluation and exploration expenses	**(251)**	**(517)**	(510)	(584)	(187)	(168)	(155)	(202)
Net loss for the period	**(824)**	**(1,251)**	(874)	(1,058)	(355)	(260)	(663)	(301)
Comprehensive loss for the period	**(811)**	**(1,272)**	(836)	(1,296)	(371)	(233)	(648)	(293)
Basic and diluted loss per share	**(0.05)**	**(0.07)**	(0.05)	(0.21)	(0.02)	(0.02)	(0.04)	(0.02)

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

The Company's variations in financial results on a quarter by quarter basis in the 2014 fiscal year are primarily due to fluctuations in the level of exploration activity and administration costs. The net loss and comprehensive loss for the quarters in the 2014 fiscal year have increased over prior periods due to increased exploration expenses and due to the completion of a Plan of Arrangement in the first quarter of the 2014 fiscal year. Prior to the completion of the Plan of Arrangement the Company was a subsidiary of Concordia. The exploration costs increased in the 2014 fiscal year as the Company worked towards the completion of a NI 43-101 technical report for its Cerro Amarillo Project. The report was completed and released on July 28, 2014.

Total assets and mineral interests increased over the six quarters ending the second quarter of 2014 mainly due to the option payments made on the Cerro Amarillo and Providencia Projects and due to the cash received as part of the Vend-In Agreement in the first quarter of the 2014 fiscal year. In the third and fourth quarters of 2014, total assets and mineral interest decreased due to the termination of the La Providencia & M. Tola option agreement and the associated write-off of all costs capitalized as mineral interests related to the option agreement in the third quarter and the remainder of the costs capitalized as mineral interests related to the remaining option agreements for the Providencia Project in the fourth quarter.

7. RESULTS OF OPERATIONS

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

Review of Quarterly Financial Results – Three months ended September 30, 2014 ("Q4 2014") compared to the Three months ended September 30, 2013 ("Q4 2013")

The Company recorded a net loss of $823,835 for Q4 2014, as compared to a net loss of $354,674 for Q4 2013. The increase in the loss of $469,161 was attributable to the following material differences:

Salaries and benefits were $144,183 for Q4 2014, as compared to $50,719 for Q4 2013. This increase of $93,464 is because the Company expanded its management team due to the public listing in December 2013.

7. RESULTS OF OPERATIONS (Continued)

Evaluation and exploration expenses were $250,687 for Q4 2014 as compared to $187,169 for Q4 2013. This increase of $63,518 was related to the increased level of exploration activities in the 2014 period for the Company's Cerro Amarillo Project.

Share-based compensation was $54,275 for Q4 2014 as compared to $2,403 for Q4 2013. This increase of $51,872 was related to the stock options granted by the Company in the 2014 fiscal year. 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 consolidated financial statements.

Impairment of mineral interests were $280,756 in Q4 2014 as compared to $nil for Q4 2013. In Q4 2014, the Company wrote-off all remaining costs associated with the Providencia Project. This is a one-time expense.

Review of Annual Financial Results – Twelve months ended September 30, 2014 ("YTD 2014") compared to the Twelve months ended September 30, 2013 ("YTD 2013")

The Company recorded a net loss of $4,007,758 for YTD 2014, as compared to a net loss of $1,578,590 for YTD 2013. The increase in the loss of $2,429,168 was attributable to the following material differences:

Professional fees were $446,900 for YTD 2014, as compared to $178,319 for YTD 2013. This increase of $268,581 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.

Share-based compensation was $315,499 for YTD 2014 as compared to $24,079 for YTD 2013. This increase of $291,420 was related to the stock options granted by the Company in the 2014 fiscal year. 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 consolidated financial statements.

Evaluation and exploration expenses were $1,861,883 for YTD 2014 as compared to $712,620 for YTD 2013. This increase of $1,149,263 was related to the increased level of exploration activities in the period for the Company's Cerro Amarillo Project as the Company completed a maiden NI 43-101 technical report on the project in YTD 2014.

Impairment of mineral interests were $749,054 in YTD 2014 as compared to $nil for YTD 2013. In YTD 2014, the Company wrote-off all costs associated with the Providencia Project after a decision was made to terminate the Providencia & M. Tola option agreement which contained all of the previously disclosed resources on the Project. This is a one-time expense as all costs associated with the Providencia Project have been written off.

The Company recorded a foreign exchange gain of $258,368 in YTD 2014 compared to $61,072 in YTD 2013. This amount will fluctuate on a period to period basis as a result of changes in market exchange rates.

8. MINERAL INTERESTS

Through the Company's wholly-owned subsidiaries, the Company controls exploration concessions in Argentina classified by the Company as 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) 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 16,740 hectares and contains a cluster of mineralized porphyry complexes, including five which are believed to be prospective. These are Cerro Apero, Vaca de Cobre, Cerro Choro, Cajon Grande, and La Blanca. The porphyry prospects lie in a northeast-trending corridor with Cerro Apero and Vaca de Cobre in the northeast, Cerro Choro and 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 must make payments to the owners of the property, which payments will total US$700,000 as follows:

- US$300,000 – paid between 2010 and 2014
- US$400,000 – payable between 2015 and 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. 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.

8. MINERAL INTERESTS (Continued)

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, detailed mapping and rock grab-sampling better defined the Cerro Apero and Cajon Grande prospects, and reconnaissance-scale mapping and sampling identified the La Blanca alteration zone.

The 2013/2014 exploration program consisted of mapping and sampling at the newly recognized Vaca de Cobre prospect and detailed follow-up work at La Blanca leading to the identification of the La Blanca mineralized breccia pipes. In addition, close-spaced and locally gridded geochemical surveys were completed over the La Blanca, Cajon Grande, Cerro Choro, and Vaca de Cobre prospects. Ground geophysical surveys (IP and ground magnetics) were completed at Cerro Apero and Cajon Grande, and an airborne magnetic and radiometric survey was conducted over the entire property. As well, the Company continued its routine reconnaissance-scale prospecting and mapping program, following-up on color anomalies over other portions of the property. The Company spent $1,799,567 in evaluation and exploration expenses on Cerro Amarillo in the twelve months ended September 30, 2014, a break-down of those expenditures can be found in Note 8 of the Company's consolidated financial statements.

Results to date have confirmed the presence of mineralization at the four prospects Cero Apero, Vaca de Cobre, Cajon Grande, and La Blanca originally identified by satellite color-anomalies, and preliminary work on the Cerro Choro prospect has indicated the presence of alteration and geochemical anomalies requiring further follow-up.

Cerro Amarillo Project – NI 43-101 Technical Report

On July 28, 2014, the Company announced that it has released a maiden NI 43-101 technical report entitled "*Technical Report on the Cerro Amarillo Project, Mendoza Province, Argentina*" which is available on the Company's website at www.meryllionresources.com and on SEDAR at www.sedar.com. The report recommends that the Company proceed with a 14-hole, 5,300 m first stage drilling program on the property. Details about the prospects and the results of the exploration program can be found in the technical report.

Cerro Amarillo Project – Permitting Update

In Argentina, individual provinces implement and enforce the federally enacted Mining Code through their own provincial statutes, which provide broad authority to grant and govern all activities associated with mineral rights. Under the Mining Code, an Environmental Impact Report ("EIR") must be filed with, and approved by, the provincial mining authorities who then issue an Environmental Impact Statement or *Declaración de Impacto Ambiental* ("DIA"). Furthermore, under Provincial Law 7722, Mendoza Province mandates that any DIA approved by provincial mining authorities must also be ratified by the Provincial Congress.

On September 16, 2014, the Company announced that the relevant authorities in Mendoza Province had approved the EIR for planned drilling operations at the Company's Cerro Amarillo Project. The Company was issued a DIA which was submitted to the Mendoza Provincial Congress for ratification.

8. MINERAL INTERESTS (Continued)

On December 1, 2014, the Company announced that during the congressional deliberations that took place in November 2014, it was determined that any decision regarding the issuance and ratification of the Cerro Amarillo DIA should be delayed pending the completion of an inventory of glaciers in or near the project to be conducted by *Instituto Argentino de Nivología Glaciología y Ciencias Ambientales* ("IANIGLA"), the federal body charged with conducting the inventory under the Protection of Glaciers Law 26.639. IANIGLA has already begun the inventory, which is expected to take until March or April 2015 to complete. Given the timing required to complete the inventory, it is unlikely that the Company will receive ratification of its DIA in time to undertake a 2015 drill program at Cerro Amarillo. The Company remains hopeful that after the conclusion of the glacier inventory by IANIGLA, the Company's Cerro Amarillo Project will receive ratification from the Provincial Congress of its drill permit. The timing, and ultimate receipt, of such ratification is not clear at this time. Failure to receive a drill permit in a timely fashion or at all will have a direct impact on the Company's ability to advance the Cerro Amarillo Project.

Cerro Amarillo Project – Future Plans

Exploration carried to-date confirms the over-all potential of the systems as well as specific anomalies which require further testing. Moreover, each system has a large-scale footprint indicating large-tonnage Cu-Au-Mo potential. This, together with 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.

Due to the delay in receiving the DIA for Cerro Amarillo, the Company will focus on reducing costs in Argentina as it awaits final ratification. Once the Company has received a drill permit it will need to raise additional capital as its current resources will not be sufficient to conduct a drill campaign. There is no certainty that additional financing at terms that are acceptable to the Company will be available.

8. MINERAL INTERESTS (Continued)

(b) 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.

On August 22, 2014, the Company announced that it had terminated the La Providencia & M. Tola option agreement, which was one of the four option agreements that previously made up its Providencia Project. Following the encouraging results from its 2014 exploration campaign at Cerro Amarillo, the Company is terminating the option agreement at the Providencia Project that contained the most expensive option payment terms. Although the option agreement being terminated contains the previously disclosed inferred resource estimate, the cost and development profile did not fit with the Company's strategic direction.

For strategic reasons and due to their low holdings costs, the Company is maintaining its interests in the Olaroz Chico, Libertad, Cerro Galán, Coyaguaima, Coranzulí, Panizos, and Nazarena properties of the Providencia Project as well as grounds covered in a separate license application in the general vicinity. The decision to terminate the La Providencia & M. Tola option agreement will save the Company US$825,000 in option payments over the next two and a half years.

At the fiscal year end the Company assessed the Providencia Project for indications of impairment. The Company has determined that although it has not terminated all the option agreements for the project, the option agreement that was terminated contained all of the previously disclosed inferred resource. Based on the lack of defined resources on the remaining Providencia Project and the Company's focus on the Cerro Amarillo Project going forward all costs capitalized as mineral interests for the Providencia Project were written off as at September 30, 2014 and an impairment charge of $749,054 was recorded in the twelve months ended September 30, 2014.

Providencia Project - Option Agreements

The Providencia Project comprises option agreements on the following properties:
- Olaroz Chico property
- Libertad property
- Cerro Galán, Coyaguaima, Coranzulí, Panizos, and Nazarena properties

Under the terms of the option agreement on Olaroz Chico signed effective June 13, 2012, and amended on May 28, 2013 and March 10, 2014, MAS has the right to acquire a 100% interest in these titles by making option payments totalling US$954,000 as follows:
- US$63,000 – paid between 2012 and 2014
- US$891,000 – payable between 2015 and 2019

The exercise fee on 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.

8. MINERAL INTERESTS (Continued)

Under the terms of the option agreement on Libertad signed effective July 13, 2012, and amended on May 28, 2013 and March 10, 2014, MAS has the right to acquire a 100% interest in these titles by making option payments totalling US$106,000 as follows:

- US$7,000 – paid between 2012 and 2014
- US$99,000 – payable between 2015 and 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.

Under the terms of the exploration-with-option-to-purchase agreement on Cerro Galán, Coyaguaima, Coranzulí, Panizos, and Nazarena properties signed effective July 11, 2012, and amended in July 2013 and July 11, 2014, MAS has to make a series of annual option payments totalling US$270,000 as follows:

- US$45,000 – paid between 2012 and 2014
- US$225,000 – payable between 2015 and 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.

(c) Qualified Person

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

(In Canadian Dollars unless otherwise stated)

9. 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 consolidated 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 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

Additional financial instruments disclosure, including an analysis of risks associated with financial instruments, is contained in Note 6 of the Company's consolidated financial statements for the twelve months ended September 30, 2014.

10. LIQUIDITY AND CAPITAL RESOURCES

(a) Liquidity

The Company's working capital as at September 30, 2014 was $1,365,112 as compared to a working capital deficiency of $26,105 at September 30, 2013. Included in working capital were cash and cash equivalents of $1,539,958 (September 30, 2013 - $27,767). In October 2013, the Company received $4,527,006 in cash, in accordance with the Vend-In Agreement.

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 recently completed 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 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.

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 financing, debt financing, strategic partnerships or joint-venture partnerships 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.

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 acceptable terms. The inability to obtain additional financing would cast substantial doubt on the Company's ability to continue as a going concern.

(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)

10. LIQUIDITY AND CAPITAL RESOURCES (Continued)

(d) Proposed Transactions

The Company has no proposed transactions.

(e) 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, respectively.

The Company's commitments for these items as at September 30, 2014 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

(In Canadian Dollars unless otherwise stated)

11. 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, consists of the following amounts:

	Twelve months ended September 30, 2014		Twelve months ended September 30, 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 Resources Corporation 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 (September 30, 2013 - $nil) which were included in the following expense categories:

	Twelve months ended September 30, 2014		Twelve months ended September 30, 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).

(In Canadian Dollars unless otherwise stated)

12. OUTSTANDING SHARE DATA

The Company is authorized to issue an unlimited number of common shares without par value. As at December 17, 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 December 17, 2014:

	Outstanding		Exercisable	
Exercise price	**Number outstanding**	**Weighted average remaining life (years)**	**Number exercisable**	**Weighted average remaining life (years)**
$0.12	33,334	0.20	33,334	0.20
$0.30	1,758,334	3.38	1,266,672	3.15
	1,791,668	3.32	1,300,006	3.07

As at December 17, 2014, the Company does not have any share purchase warrants outstanding.

13. ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUE

As the Company has not had significant revenue from operations in either of its last two financial years, the following is a breakdown of the material costs incurred:

	Twelve months ended September 30,	
	2014	**2013**
Adminsitrative expenses	**$ 1,680,714**	$ 924,822
Evaluation and exploration expenses	**1,861,883**	712,620

A break-down of material components of administrative expenses is provided within the consolidated statements of comprehensive loss of the Company's consolidated financial statements for the twelve months ended September 30, 2014. A break-down of evaluation and exploration expenses by material components and by property is provided in Note 8 of the Company's consolidated financial statements for the twelve months ended September 30, 2014.

14. RISKS AND UNCERTAINTIES

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: receiving required permits in Argentina, exploration results, 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.

A summary of the Company's financial instruments risk exposure is provided in Note 6 of the Company's consolidated financial statements for the twelve months ended September 30, 2014. The following are additional risk factors which the Company's management believes are most important in the context of the Company's business. It should be noted that this list is not exhaustive and that other risk factors may apply.

The Company's exploration and mining activities are in Argentina and are subject to the risks of political and economic instability associated with this country

Argentina has, from time to time, experienced economic or political instability. The Company may be materially adversely affected by risks associated with conducting exploration and mining activities in Argentina, including: political instability and violence; war and civil disturbance; acts of terrorism; expropriation or nationalization; inequitable treatment of non-domiciled companies; changing fiscal regimes; fluctuations in currency exchange rates; high rates of inflation; underdeveloped industrial and economic infrastructure; and unenforceability of contractual rights.

Argentine regulators have broad authority to shut down and/or levy fines against operations that do not comply with regulations or standards. In addition, factors such as those listed above, the Company's mineral exploration and potential future mining activities in Argentina may also be affected in varying degrees by government regulations with respect to exploration and mining permit application requirements, restrictions on production, price controls, foreign exchange controls, export controls, taxes, royalties, environmental legislation and mine safety. Regardless of the economic viability of the Company's interest in its properties, and despite being beyond the Company's control, such factors may prevent or restrict mining of some or all of any deposits which the Company may find on its properties.

In May 2012, the government of Argentina re-nationalized Yacimientos Petrolíferos Fiscales ("YPF"), the country's largest oil and gas company. There can be no assurance that the government of Argentina will not nationalize other businesses operating in the country, including the business of the Company.

14. RISKS AND UNCERTAINTIES (Continued)

In addition, provincial governments of Argentina have considerable authority over exploration and mining in their province and there are Argentinean provinces where the provincial government has taken an anti-mining stance by passing laws to curtail or ban mining in those provinces. The current provincial government of Mendoza Province, where the Cerro Amarillo Project is situated, has not been supportive of the exploration and mining industry and although the situation may change in the future, there is no guarantee that such a change will occur. The current provincial government of Jujuy Province, where the Providencia Project is situated, is supportive of the exploration and mining industry, however such situation may change in the future.

Argentina has, in the past, and is currently enduring a period of high inflation which could increase the Company's operating costs relating to work carried out on its properties. The Company will also purchase certain supplies and retain the services of various companies in Argentina to meet its future business plans. It may be difficult to find or hire qualified people in the mining industry who are situated in Argentina or to obtain all of the necessary services or expertise in Argentina or to conduct operations on its Providencia and Cerro Amarillo Projects (the "Projects") at reasonable rates. If qualified people and services or expertise cannot be obtained in Argentina, the Company may need to seek and obtain those services from people located outside of Argentina which will require work permits and compliance with applicable laws and could result in delays and higher costs to the Company to conduct its operations in Argentina. In addition, Argentina's status as a developing country may make it more difficult for the Company to obtain any required financing for its projects. If a dispute arises regarding the Company's interest to its properties, the Company cannot rely on Canadian legal standards in defending or advancing its interests.

As a result, the Company will be subject to various increased economic, political, operational and other risks, any one or more of which could have a material adverse effect on its business, financial condition, and results of operations or prospects.

The development and success of the Projects will be largely dependent on the future price of silver, copper and other metals

Metal price volatility may affect the future production, profitability, and financial condition of the Company. Metal prices are subject to significant fluctuation and are affected by a number of factors which are beyond the control of the Company. Such factors include, but are not limited to, interest rates, exchange rates, inflation or deflation, global supply and demand, and political economic conditions of major metal consuming countries throughout the world. The price of silver, copper, and other metals has fluctuated widely in recent years, and future material price declines could cause development of, and commercial production from, the Projects to be impracticable or uneconomic.

The metals market also tends to move in cycles. Periods of high demand, increasing profits and high capacity utilization lead to additional capacity through expansion of existing mines and investment in new mines which results in increased production. This growth increases supply until the market is saturated, leading to declining prices and declining capacity utilization until the cycle repeats. This cyclicality in prices can result in supply/demand imbalances and pressures on mineral prices and profit margins which could have a material adverse effect on the Company's business, financial condition, results of operations or prospects.

14. RISKS AND UNCERTAINTIES (Continued)

Depending on the price of silver, copper, and other metals, projected cash flow from planned mining operations may not be sufficient and the Company could be forced to discontinue development and may lose its interest in, or may be forced to sell, one or more of the mining properties. Future production from the Company's mining properties will be dependent on metal prices that are adequate to make these properties economically viable. Furthermore, future mine plans using significantly lower metal prices could result in material write-downs of the Company's investment in mining properties.

In addition to adversely affecting any future Mineral Reserve estimates and its financial condition, declining commodity prices can impact operations by requiring a reassessment of the feasibility of a particular project. Such a reassessment may be the result of a management decision or may be required under financing arrangements related to a particular project. If such a reassessment determines that any of the Company's projects are not economically viable, then operations may cease and such projects may never be developed. Even if the projects are ultimately determined to be economically viable, the need to conduct such a reassessment may cause substantial delays or may interrupt operations until the reassessment can be completed. The occurrence of any of the foregoing could have a material adverse effect on the Company's business, financial condition, results of operations or prospects.

Meryllion will need substantial additional financing in the future and cannot assure that such financing will be available

To meet its operating costs and to finance its respective future acquisition, exploration, development and operating activities, the Company will require financing from external sources, including from the sale of equity and debt securities, the sale of an interest in one or more of its mineral projects, entering into joint ventures or seeking other means to meet its financing requirements. There can be no assurance that additional funding will be available to the Company or, if available, that such funding will be offered on terms acceptable to the Company. If additional financing is raised through the issuance of equity or convertible debt securities, control of the Company may change and the interests of shareholders in the net assets of the respective company may be diluted. If unable to secure financing on acceptable terms, the Company may have to cancel or postpone certain of its planned exploration and development activities and may not be able to take advantage of acquisition opportunities. If the Company is unable to complete minimum work obligations on its exploration concessions, the concessions could be relinquished under applicable exploration concession agreements. The failure of the Company to obtain additional financing would have a material adverse effect on its business, financial condition, results of operations or prospects.

14. RISKS AND UNCERTAINTIES (Continued)

The volatility of the capital markets may affect the Company's access to and cost of capital

Securities markets throughout the world are cyclical and, over time, tend to undergo high levels of price and volume volatility, and the market price of securities of many companies, particularly those in the resource sector, can experience wide fluctuations which are not necessarily related to the operating performance, underlying asset values or prospects of such companies. Increased levels of volatility and resulting market turmoil may adversely impact the Company and its share price. If the Company is required to access credit markets to carry out their respective development objectives, the state of domestic and international credit markets and other financial systems could affect their respective access to, and cost of, capital. If these credit markets were significantly disrupted, as they were in 2007 and 2008, such disruptions could make it more difficult for the Company to obtain, or increase its cost of obtaining capital and financing for its operations. Such capital may not be available on terms acceptable to the Company or at all, which may have a material adverse impact on its business, financial condition, results of operations or prospects.

Currency fluctuations may affect the costs that the Company incurs in its operations

The Company's reporting currency is the Canadian dollar. Any future equity financing activities are expected to be completed in Canadian dollars while a significant portion of operating expenses for the Company will be incurred in Argentine pesos, among other foreign currencies. From time to time, the Company may be required to borrow funds and incur expenditures that are denominated in a foreign currency. In addition, in the event that the Company successfully develops an operating mine, it expects to sell some or all of its products to foreign markets. Metals are sold throughout the world, based principally on a U.S. dollar price, but, a significant portion of the Company's operating expenses are incurred in non-U.S. dollar currencies. The appreciation of the Argentinean peso, the U.S. dollar or any other foreign currency with which the Company operates against the Canadian dollar would increase its cost of operations, which could have a material adverse effect on its business, financial conditions, results of operations and prospects.

Exploration Risk

In addition to the Projects, the Company may engage in the potential acquisition and exploration of other resource properties, an inherently risky business, and there is no assurance that economic mineral deposits will ever be discovered, or if discovered, subsequently put into production. Most exploration activities do not result in the discovery of commercially mineable deposits.

Early Stage of Development

The predecessor entity of the Company, Concordia, conducted mineral exploration activities for a relatively short period. There is limited financial, operational and other information available with which to evaluate the prospects of the Company. There can be no assurance that the Company's operations will be profitable in the future or will generate sufficient cash flow to satisfy its working capital requirements.

14. RISKS AND UNCERTAINTIES (Continued)

The Company's prospects depend on its ability to attract and retain qualified personnel

Recruiting and retaining qualified personnel will be critical to the Company's success. The number of persons skilled in the acquisition, exploration and development of mining properties is limited and competition for such persons is intense. The Company believes that it will have the necessary personnel to meet its corporate objectives but, as its business activities grow, it will require additional key financial, administrative, mining and public relations personnel as well as additional staff on the operations side. Although the Company believes that it will be successful in attracting and retaining qualified personnel, there can be no assurance of such success.

Future mining operations and exploration activities are subject to laws and regulations relating to the protection and remediation of the environment

The Company's future mining operations and exploration activities are and will be subject to laws and regulations relating to the protection and remediation of the environment. Environmental legislation provides for restrictions and prohibitions on spills, releases or emissions of various substances produced in association with certain mining industry operations, such as seepage from tailings disposal areas, which would result in environmental pollution. These laws, regulations and the governmental policies for implementation of such laws and regulations are constantly changing and are generally becoming more restrictive. The costs associated with compliance with these laws and regulations are substantial and possible future laws and regulations and changes to existing laws and regulations (including the imposition of higher taxes and mining royalties) could cause additional expense or capital expenditure, or result in restrictions or delays in the Company's development plans.

The Company cannot give any assurance that, notwithstanding its precautions and careful operating practices, breaches of environmental laws, whether inadvertent or not, or some type of environmental problem will not occur. In the event of any such breach, it is possible that the respective regulatory authority can suspend the rights of the Company, as applicable, to develop its mineral interests.

A breach of environmental laws and regulations may allow governmental authorities and third parties, who have an interest in any future mining operations or the consequences of mining operations, to bring lawsuits based upon damages to property and injury to persons resulting from the environmental impact of the Company's potential future operations which could lead to the imposition of substantial fines, penalties or other civil or criminal sanctions and could have a material adverse effect on the Company's business, financial condition, results of operations or prospects.

If the Company's environmental compliance obligations were to vary as a result of changes to legislation, or if certain assumptions the Company makes to estimate liabilities are incorrect, or if unanticipated conditions were to arise in their respective future mining operations, the respective company's expenses and other obligations could increase, which could have a material adverse effect on the respective company's business, financial condition, results of operations or prospects.

14. RISKS AND UNCERTAINTIES (Continued)

As a participant in the resource extraction industry, the Company may face opposition from local and international groups

There is an increasing level of public concern relating to the effects of mining production on its surroundings, communities, and environment. Certain non-governmental organizations, public interest groups and reporting organizations ("NGOs"), who oppose globalization and resource development and who may not be bound to codes of ethical reporting, can be vocal critics of the mining industry. In addition, there have been many instances in which local community groups have opposed resource extraction activities, which have resulted in disruption and delays to the relevant operation. While the Company will seek to operate in a socially responsible manner, NGOs or local community organizations could direct adverse publicity and/or disrupt its operations in respect of one or more properties, regardless of the Company's successful compliance with social and environmental best practices, due to political factors and/or activities of unrelated third parties on lands in which the Company has an interest or operates. Any such actions and the resulting media coverage could have an adverse effect on the reputation and financial condition of the Company, as applicable, or its relationships with the communities in which it operates, which could have a material adverse effect on the Company's business, financial condition, results of operations or prospects.

The costs of complying with applicable laws and governmental regulations may have an adverse impact on the Company's business

The Company's operations and exploration activities will be subject to laws and regulations governing various matters. These include without limitation laws and regulations relating to repatriation of capital and exchange controls, taxation, labour standards and occupational health and safety and historic and cultural preservation.

Amendments to current laws, regulations and permits governing operations and activities of mining companies, or the more stringent enforcement thereof, could have a material adverse effect on the Company's business, financial condition, results of operations or prospects by increasing exploration expenses, future capital expenditures or future production costs or by reducing the future level of production, or cause the abandonment of or delays in the development of the Projects.

Competition in the mining industry may adversely affect the Company

The mining industry is intensely competitive. The Company will compete with other mining companies, many of which have greater resources and experience. Competition in the mining industry is primarily for: (i) properties which can be developed and can produce economically; (ii) the technical expertise to find, develop, and operate such properties; (iii) labour to operate the properties; and (iv) capital to fund such properties. Such competition may result in the Company being unable to acquire desired properties, to recruit or retain qualified employees or to acquire the capital necessary to fund their respective operations and develop their respective properties. The Company's inability to compete with other mining companies for these resources could have a material adverse effect on the Company's business, financial condition, results of operations or prospects.

14. RISKS AND UNCERTAINTIES (Continued)

The Company's insurance coverage may not cover all of its potential losses, liabilities and damages related to its business and certain risks are uninsured or uninsurable

The Company's business will be subject to a number of risks and hazards (as further described herein). Although the Company will maintain insurance to protect against certain risks in such amounts as it considers to be reasonable, such insurance will likely not cover all the potential risks associated with its activities, including any future mining operations. The Company may also be unable to maintain insurance to cover its risks at economically feasible premiums, or at all. Insurance coverage may not continue to be available or may not be adequate to cover any resulting liability. Moreover, insurance against risks such as environmental pollution or other hazards as a result of exploration or production may not be available to the Company on acceptable or any terms. The Company might also become subject to liability for pollution or other hazards which it is not currently insured against and/or in the future may not insure against because of premium costs or other reasons. Losses from these events may cause the Company to incur significant costs which could have a material adverse effect on the Company's business, financial condition, results of operations or prospects.

Mining and mineral exploration is inherently dangerous and subject to factors or events beyond the Company's control

The Company's business, and any future development or mining operations, will involve various types of risks and hazards typical of companies engaged in the mining industry. These risks will affect the exploration, development and refurbishment activities of the Company, and will affect its business to an even larger extent once commercial mining operations, if any, commence. Such risks include, but are not limited to: (i) industrial accidents; (ii) unusual or unexpected rock formations; (iii) structural cave-ins or slides and pitfall, ground or slope failures and accidental release of water from surface storage facilities; (iv) fire, flooding and earthquakes; (v) rock bursts; (vi) metals losses; (vii) periodic interruptions due to inclement or hazardous weather conditions; (viii) environmental hazards; (ix) discharge of pollutants or hazardous materials; (x) failure of processing and mechanical equipment and other performance problems; (xi) geotechnical risks, including the stability of the underground hanging walls and unusual and unexpected geological conditions; (xii) unanticipated variations in grade and other geological problems, water, surface or underground conditions; (xiii) labour disputes or slowdowns; (xiv) work force health issues as a result of working conditions; and (xv) force majeure events, or other unfavorable operating conditions.

These risks, conditions and events could result in: (i) damage to, or destruction of, the value of, the Projects or their facilities; (ii) personal injury or death; (iii) environmental damage to the Projects or the properties of others; (iv) delays or prohibitions on mining or the transportation of minerals; (v) monetary losses; and (vi) potential legal liability. Any of the foregoing could have a material adverse effect the Company's business, financial condition, results of operation or prospects.

14. RISKS AND UNCERTAINTIES (Continued)

Directors and officers may be subject to conflicts of interest

Certain directors and officers of the Company are or may become associated with other mining and/or mineral exploration and development companies which may give rise to conflicts of interest. Directors who have a material interest in any person who is a party to a material contract or a proposed material contract with the company with which they serve are required, subject to certain exceptions, to disclose that interest and generally abstain from voting on any resolution to approve such a contract. In addition, directors and officers are required to act honestly and in good faith with a view to the best interests of their respective company. Some of the directors and officers have either other full-time employment or other business or time restrictions placed on them and accordingly, the Company will not be the only business enterprise of these directors and officers. Further, any failure of the directors or officers of the Company to address these conflicts in an appropriate manner, or to allocate opportunities that they become aware of to the Company, could have a material adverse effect on the Company's business, financial condition, results of operations or prospects.

15. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The Company's management is required to make judgements in the process of applying the Company's accounting policies in the preparation of its consolidated financial statements. In addition, the preparation of consolidated financial statements in accordance with IFRS requires that the Company's management make assumptions and estimates of effects of uncertain future events on the carrying amounts of the Company's assets and liabilities at the end of the reporting period and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from those estimates as the estimation process is inherently uncertain. Estimates are reviewed on an ongoing basis based on historical experience and other factors that are considered to be relevant under the circumstances. While management believes the estimates are reasonable, actual results could differ from these estimates and could impact future results of operations and cash flows. Revisions to estimates and the resulting effects on the carrying amounts of the Company's assets and liabilities are accounted for prospectively.

(a) Critical Estimates in Applying Accounting Policies

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.

(b) Critical Judgements in Applying Accounting Policies

Critical accounting judgments are accounting policies that have been identified as being complex or involving subjective judgments or assessments. The critical accounting judgements used in the preparation of the consolidated financial statements are discussed below. Please note this list is not exhaustive.

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.

15. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

If any indication of impairment exists, a formal estimate of recoverable amount is performed and an impairment loss recognized to the extent that carrying amount exceeds recoverable amount. The recoverable amount of an asset or cash generating group of assets is measured at the higher of fair value less costs to sell and value in use.

As at September 30, 2014, the Company believes there are no indications of impairment for the carrying value of its property plant and equipment and Cerro Amarillo Project and has recorded an impairment charge on its Providencia Project.

16. 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 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 Interest in Other Entities*
- IFRS 13 *Fair Value Measurement*

The Company will adopt the following accounting standards effective October 1, 2014, for the Company's 2015 fiscal year. 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.

The accounting standards to be adopted are:

- IAS 32 *Financial Instruments: Presentation*
- IAS 36 *Impairment of Assets*
- IFRIC 21 *Levies*

17. 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; and
- 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 above 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.