MERYLLION RESOURCES CORP.
Condensed Consolidated Financial Statements
March 31, 2016
(Unaudited)

(Expressed in Canadian Dollars)

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

		As at	
	NOTES	March 31, 2016	September 30, 2015
ASSETS			
Current assets			
Cash		**$ 5,068**	$ 55,914
Accounts receivable		**5,520**	4,636
Prepaid expenses and deposits		**20,706**	7,762
		31,294	68,312
Non-current assets			
Mineral interests	5	**38,914**	40,183
TOTAL ASSETS		**$ 70,208**	$ 108,495
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	9	**$ 459,347**	$ 314,558
		459,347	314,558
EQUITY (DEFICIENCY)			
Share capital	8	**14,755,184**	14,755,184
Share-option reserve		**348,908**	348,908
Accumulated other comprehensive (loss)/income		**(110,863)**	(111,983)
Accumulated deficit		**(15,382,368)**	(15,198,172)
		(389,139)	(206,063)
TOTAL LIABILITIES AND EQUITY (DEFICIENCY)		**$ 70,208**	$ 108,495

Commitments (Note 10)
Subsequent events (Note 3(b), 9 and 12)

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

APPROVED ON BEHALF OF THE BOARD OF DIRECTORS:

"John Fognani"
Director

"Zula Kropivnitski"
Director

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

	Notes	Three months ended March 31, 2016	Three months ended March 31, 2015	Six months ended March 31, 2016	Six months ended March 31, 2015
ADMINISTRATIVE EXPENSES					
Depreciation		$ -	$ 1,017	$ -	$ 2,542
Insurance		4,022	7,691	10,934	19,417
Investor relations		-	2,308	-	11,450
Office and administration	9	30,835	15,610	61,673	25,599
Professional fees		11,334	139,036	22,123	216,263
Regulatory and filing fees		6,354	11,518	8,458	14,293
Rent	9	-	9,155	-	33,809
Salaries and benefits	9	6,327	256,785	77	380,442
Share-based compensation	8, 9	-	(10,941)	-	15,449
Travel		-	18,312	-	58,924
		58,872	450,491	103,265	778,188
Evaluation and exploration expenses	6	35,856	114,615	113,934	326,198
OTHER (INCOME) /EXPENSES					
Interest income		-	(10,748)	-	(16,666)
Asset impairment		-	22,624	-	22,624
Foreign exchange gain		(15,716)	(13,029)	(33,003)	(47,569)
		(15,716)	(1,153)	(33,003)	(41,611)
NET LOSS FOR THE PERIOD		79,012	563,953	184,196	1,062,775
OTHER COMPREHENSIVE (INCOME)/LOSS					
Unrealized (gain)/loss on translation to reporting currency		7,608	(38,758)	(1,120)	(51,335)
COMPREHENSIVE LOSS FOR THE PERIOD		$ 86,620	$ 525,195	$ 183,076	$ 1,011,440
LOSS PER SHARE					
Basic and diluted		$ 0.00	$ 0.03	$ 0.01	$ 0.06
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING					
Basic and diluted		17,125,510	17,125,510	17,125,510	17,125,510

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

MERYLLION RESOURCES CORP.

Condensed Consolidated Statements of Changes in Equity (Deficiency)

(Unaudited)

(In Canadian Dollars)

	Number of shares	Share Capital	Share-option Reserve	Accumulated Other Comprehensive Income (Loss) – Currency Translation Adjustment	Accumulated deficit	Total
Balances as at October 1, 2015	17,125,510	$14,755,184	$ 348,908	$ (111,983)	$(15,198,172)	$ (206,063)
Net loss and other comprehensive income for the period	-	-	-	1,120	(184,196)	(183,076)
Balances as at March 31, 2016	17,125,510	$14,755,184	$ 348,908	$ (110,863)	$ (15,382,368)	$ (389,139)
Balances as at October 1, 2014	17,125,510	$14,755,184	$ 315,499	$ (160,337)	$(13,180,676)	$ 1,729,670
Share-based compensation	-	-	15,449	-	-	15,449
Net loss and other comprehensive loss for the period	-	-	-	51,335	(1,062,775)	(1,011,440)
Balances as at March 31, 2015	17,125,510	$14,755,184	$ 330,948	$ (109,002)	$(14,243,451)	$ 733,679

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

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

	NOTES	Six months ended March 31, 2016	Six months ended March 31, 2015
OPERATING ACTIVITIES			
Net loss for the period		$ (184,196)	$ (1,062,775)
Items not involving cash:			
Depreciation		-	2,542
Foreign exchange gain		(33,003)	(47,569)
Share-based compensation		-	15,449
Asset impairment		-	22,624
Changes in non-cash working capital:			
Accounts receivable		(884)	(5,898)
Prepaid expenses and deposits		(12,944)	5,823
Accounts payable and accrued liabilities		171,577	(93,475)
Cash used in operating activities		(59,450)	(1,163,279)
INVESTING ACTIVITIES			
Additions to mineral interests	8	(26,788)	(31,030)
Additions to property, plant and equipment	10	-	-
Cash used in investing activities		(26,788)	(31,030)
Effect of foreign exchange on cash		35,392	53,561
Net change in Cash		(50,846)	(1,140,748)
Cash, beginning of period		55,914	1,539,958
Cash, end of period		$ 5,068	$ 399,210
Comprised of:			
Cash		$ 5,068	$ 399,210
Cash equivalents		-	-
Total cash		$ 5,068	$ 399,210

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

1. NATURE OF OPERATIONS

Meryllion Resources Corp. ("MRC") was incorporated on July 25, 2013 under the laws of British Columbia as a wholly-owned subsidiary of Kaizen Discovery Inc., formerly Concordia Resource Corp. ("Concordia"). On December 4, 2013, a Plan of Arrangement (the "Arrangement") was approved by the shareholders of Concordia whereby Concordia distributed 100% of its interest in MRC to its shareholders. Concurrently with the completion of the Arrangement, Meryllion Resources Corp. together with its subsidiaries (collectively known as the "Company" or "Meryllion") obtained approval to list its common shares on the TSX Venture Exchange ("TSX-V") and began trading under the ticker symbol **MYR** on December 6, 2013. On May 13, 2015 the Company received approval to list its common shares on the Canadian Securities Exchange ("CSE"), and voluntarily delisted its common shares from the TSX Venture Exchange (the "TSXV").

The Company's head office is located at 750 Pender St., Suite 302, Vancouver, British Columbia, V6C 2T7.

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

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

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

2. BASIS OF PRESENTATION

(a) Statement of compliance

These condensed consolidated financial statements have been prepared in accordance with International Accounting Standard ("IAS") 34 "*Interim Reporting"*, using accounting policies consistent with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC") effective March 31, 2016.

(b) Basis of presentation

These condensed consolidated financial statements are expressed in Canadian Dollars, the Company's presentation currency and have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair value. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information. The accounting policies are set out in Note 4 of the audited Consolidated Financial Statements for the year ended September 30, 2015.

These consolidated financial statements were reviewed by the Audit Committee and approved and authorized for issue by the Board of Directors on May 27, 2016.

(c) Basis of consolidation

The condensed consolidated financial statements for the six months ended and March 31, 2016, include the accounts of the Company, the Company's wholly-owned Canadian subsidiary Huayra Minerals Corp. (formerly "Meryllion Minerals Corp.") and Huayra Minerals Corp.'s wholly-owned Argentine subsidiary Meryllion Argentina SA. All inter-company transactions and balances have been eliminated.

(d) Critical accounting estimates and judgements

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

2. BASIS OF PRESENTATION (Continued)

(d) Critical accounting estimates and judgements (continued)

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

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

Functional currency
In accordance with IAS 21 "*The Effects of Changes in Foreign Exchange Rates*", management determined that the functional currency of MRC is the Canadian dollar and the functional currency of the Company's wholly-owned subsidiaries Huayra 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.

Going concern risk assessment
The assessment of the Company's ability to continue as a going concern involves significant judgement. Refer to our discussion in Note 1.

3. FINANCIAL INSTRUMENTS

(a) Designation and valuation of financial instruments

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

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

(In Canadian Dollars)

3. FINANCIAL INSTRUMENTS (Continued)

(a) Designation and valuation of financial instruments (continued)

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

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

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

The Company's financial instruments as at March 31, 2016 are as follows:

	As at	
	March 31, 2016	**September 30, 2015**
Financial assets		
Loans-and-receivables		
Cash	**$ 5,068**	$ 55,914
Accounts receivable	**5,520**	4,636
Total financial assets	**$ 10,588**	$ 60,550
Financial liabilities		
Other-financial-liabilities		
Accounts payable and accrued liabilities	**$ 459,347**	$ 314,558
Total financial liabilities	**$ 459,347**	$ 314,558

(b) Financial risks

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

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

3. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risks (continued)

The Company is exposed to credit risk with respect to its cash 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 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.

At March 31, 2016, the Company had a cash balance of $5,068 (September 30, 2015 - $55,914) to settle current liabilities of $459,347 (September 30, 2015 - $314,558). All of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms.

Subsequent to the period end the Company reached an agreement to settle debt in the aggregate principal amount of $220,887 by the issuance of 7,362,910 common shares in the capital of the Company, having a deemed value of $0.03 per common share.

The Company intends to finance future requirements from share issuances, the exercise of options and/or warrants, debt or other sources. There can be no certainty of the Company's ability to raise additional financing through these means.

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

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

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 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.

3. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risks (continued)

The Company's financial instruments denominated in currencies that are not the Canadian dollar as at March 31, 2016 are as follows:

	US$	Argentine Peso	C$ equivalent
Cash	679	17,498	2,432
Accounts payable and accrued liabilities	(97,432)	(774,418)	(195,086)

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 $19,265 decrease or increase in the Company's before-tax net earnings, respectively.

As at March 31, 2016, US dollar amounts have been translated at a rate of C$1.2971 per US dollar and Argentine peso amounts have been translated at C$0.0887 per Argentine peso.

4. 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.

5. 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 Samenta Project. All acquisition costs and option payments related to these exploration concessions are capitalized as mineral interests and are incurred in US dollars and translated to Canadian dollar, the presentation currency for the Company.

(In Canadian Dollars)

5. MINERAL INTERESTS (Continued)

During the year ended September 30, 2015 the Company's wholly owned Argentine subsidiary acquired the option to purchase the Samenta Cu-Mo porphyry prospect located in the province of Salta in northwestern Argentina. The Company signed exploration-with-option-to-purchase agreements on two separate but contiguous claim groups, Cerro Samenta Norte and Cerro Samenta Sur, comprising the Samenta Project. The Company made a USD30,000 payment upon completion of the due diligence. The Company will pay USD50,000 in August 2016, USD70,000 in August 2017, USD90,000 in August 2018 and USD130,000 in August 2019. An exercise fee of USD4,230,000 will be due at the end of August 2020. The underlying owners are also entitled to a 1.5% NSR royalty of which 0.5% can be purchased back for USD1,000,000.

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

Due to uncertainty of the timing for the completion of the glaciers inventory and the ratification of the permits, the Company has written down the Cerro Amarillo property to $1.

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

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

	Cerro Amarillo, Argentina	Samenta, Argentina	Total
Balances as at October 1, 2014	339,392	-	339,392
Additions	31,031	39,267	70,298
Change in value due to foreign exchange	38,491	915	39,406
Impairment	(408,913)	-	(408,913)
Balance as at September 30, 2015	$ 1	$ 40,182	$ 40,183
Change in value due to foreign exchange	-	(1,269)	(1,269)
Balance as at March 31, 2016	**$ 1**	**$ 38,913**	**$ 38,914**

(In Canadian Dollars)

6. EVALUATION AND EXPLORATION EXPENSES

The Company's exploration expenses for the six months ended March 31, 2016 and 2015 were as follows:

	Three months ended March 31,		Six months ended March 31,	
	2016	2015	**2016**	2015
Cerro Amarillo, Argentina				
Administration	**$ 21,855**	$ 78,000	**$ 61,703**	$ 197,509
Camp Costs	**1,755**	1,049	**2,725**	2,244
Consulting	**-**	1,507	**-**	33,942
Environmental Costs	**-**	2,281	**-**	13,565
Personnel Costs	**-**	460	**-**	10,356
Travel and Transport	**1**	739	**79**	8,672
Other	**3,276**	2,372	**5,428**	9,594
Total Cerro Amarillo	**26,887**	86,408	**69,935**	275,882
Providencia, Argentina				
Administration	**-**	22,077	**-**	36,022
Camp Costs	**-**	48	**-**	1,068
Personnel Costs	**-**	26	**-**	585
Travel and Transport	**-**	1,513	**-**	4,471
Other	**-**	4,543	**-**	8,170
Total Providencia	**-**	28,207	**-**	50,316
Samenta, Argentina				
Administration	**6,394**	-	**38,820**	-
Other	**2,575**	-	**5,179**	-
Total Samenta	**8,969**	-	**43,999**	-
Total evaluation and exploration expenses	**$ 35,856**	$ 114,615	**$ 113,934**	$ 326,198

(In Canadian Dollars)

7. PROPERTY, PLANT AND EQUIPMENT

The Company's property, plant and equipment as at March 31, 2016 was as follows:

	Office equipment	
Cost		
As at September 30, 2014	$	30,504
Disposal		**(30,504)**
As at September 30, 2015 and March 31, 2016	**$**	**-**
Accumulated depreciation		
As at September 30, 2014	$	5,338
Charge for the year		**2,542**
Disposal		**(7,880)**
As at September 30, 2015 and March 31, 2016	**$**	**-**
Net book value as at September 30, 2014	$	25,166
Net book value as at September 30, 2015 and March 31, 2016	**$**	**-**

8. SHARE CAPITAL

(a) Authorized

Unlimited Class A common shares without par value.

(b) Issued and outstanding

At March 31, 2016 and September 30, 2015, the Company had 17,125,510 common shares issued and outstanding.

Pursuant to the Plan of Arrangement described in Note 2 of the audited Consolidated Financial Statements for the year ended September 30, 2015, at March 31, 2016, the Company had 1,667,347 shares held in escrow (September 30, 2015 – 2,122,078), 454,731 of which were released on December 5, 2015, 303,154 were released on June 5, 2015, 606,308 were released on December 5, 2014 and the rest will be released from escrow as follows:

- 454,731 shares will be released on June 5, 2016
- 1,212,616 shares will be released on December 5, 2016

Six months ended March 31, 2016
During the six months ended March 31, 2016, the Company did not issue any common shares.

Year ended September 30, 2015
During the year ended September 30, 2015, the Company did not issue any common shares.

(In Canadian Dollars)

8. SHARE CAPITAL (Continued)

(c) Stock options

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

The movement in the Company's stock options for the six months ended March 31, 2016 was as follows:

	Number of options	Weighted average exercise price
Outstanding, September 30, 2014	2,000,000	0.29
Cancelled	(475,002)	0.30
Forfeited	(549,998)	0.27
Outstanding, September 30, 2015	975,000	0.30
Cancelled	(425,000)	0.30
Outstanding, March 31, 2016	**550,000**	**$ 0.30**

The Company's outstanding and exercisable stock options as at March 31, 2016 were as follows:

	Outstanding		Exercisable	
Exercise price	Number outstanding	Weighted average remaining life (years)	Number exercisable	Weighted average remaining life (years)
$0.30[(1)]	550,000	2.70	550,000	2.70

(1) 100,000 stock options were cancelled subsequent to period-end

(d) Share-based compensation

There were no stock options granted during the six months ended March 31, 2016 and six months ended March 31, 2015. During the six months ended March 31, 2015, the Company recorded share-based compensation of $26,390 related to stock options vested during the period.

(In Canadian Dollars)

9. RELATED PARTY TRANSACTIONS

(a) Key management compensation

The remuneration of the Company's Directors consists of the following amounts:

	Six months ended March 31, 2016	2015
Short-term benefits (1)	**$ 18,750**	$ 203,913
Short-term benefits forgone (1)	**(18,750)**	-
Share-based compensation (2)	**-**	9,457
Termination benefit	**-**	100,000
Total directors compensation	**$ -**	$ 313,370

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

As at March 31, 2016, the Company owed $68,353 (September 30, 2015: $93,353) in directors fees and expenses to the directors and a former director of the Company. During the period a director resigned and forgone $18,750 in director's fees. Subsequent to the period end the Company reached an agreement with the directors and a former director of the Company to settle debt in the amount of $68,353 by the issuance of 2,278,433 common shares in the capital of the Company, having a deemed value of $0.03 per common share.

(b) Other related party transactions

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

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

	Six months ended March 31, 2016	2015
Office and administration	**$ -**	$ 8,605
Rent	**-**	17,190
Salaries and benefits	**-**	2,998
Total related party transactions	**$ -**	$ 28,793

(In Canadian Dollars)

9. RELATED PARTY TRANSACTIONS (Continued)

(b) Other related party transactions (continued)

As at March 31, 2016 and September 30, 2015 the balance due to WMM was $nil. Starting from March 1, 2015 the Company terminated the agreement with WMM and entered into an Administration and Corporate Development Services Agreement with a management company to provide administrative services including services of a Chief Financial Officer and a Corporate Secretary. During the six months ended March 31, 2016 the Company incurred $60,000 (2015 - $10,000) in fees paid to this management company. As at March 31, 2016 $21,000 (September 30, 2015 - $nil) was payable to this company. Subsequent to the period end $21,000 was settled by the issuance of 700,000 common shares in the capital of the Company, having a deemed value of $0.03 per common share.

10. COMMITMENTS

As at March 31, 2016, the Company has mineral interest commitments at its Cerro Amarillo and Samenta projects in the form of option payments and minimum work commitments for various mineral exploration concessions. The Company is in the process of conducting a strategic review of its properties under option and although as at March 31, 2016 the Company had the commitments shown in the table below some of these commitments could be reduced or eliminated completely pending the outcome of the strategic review.

The Company also had minimum rental and operating expense payments for the Company's office space in Buenos Aires where the lease expired on November 20, 2015 and operating expense payments in Vancouver.

The Company's commitments for these items as at March 31, 2016 and when they are expected to be incurred were as follows:

	2016	2017	2018	2019	Total
Mineral interest commitments					
Cerro Amarillo Project	**$ 32,428**	**$ 32,428**	**$ 32,428**	**$ 32,428**	**$ 129,712**
Samenta	**64,855**	**90,797**	**116,739**	**168,623**	**441,014**
Total mineral interest commitments	**97,283**	**123,225**	**149,167**	**201,051**	**570,726**

11. SEGMENTED INFORMATION

As at March 31, 2016, the Company operates in two geographical areas being Canada and Argentina. The Company operates in one business segment, being the acquisition and exploration of resource properties. The Company is in the exploration stage and, accordingly, has no reportable segment revenues or operating results for the six months ended March 31, 2016.

(In Canadian Dollars)

11. SEGMENTED INFORMATION (Continued)

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

	Canada	Argentina	Total
Total assets			
As at March 31, 2016	**$ 25,510**	**$ 44,698**	**$ 70,208**
As at September 30, 2015	66,760	41,735	108,495
Total liabilities			
As at March 31, 2016	**379,658**	**79,689**	**459,347**
As at September 30, 2015	240,668	73,890	314,558
Mineral interests			
As at March 31, 2016	**-**	**38,914**	**38,914**
As at September 30, 2015	-	40,183	40,183

12. SUBSEQUENT EVENTS

Subsequent to the period ended March 31, 2016 the Company entered into an agreement to sell all of the issued and outstanding shares of its wholly-owned subsidiary, Huayra Minerals Corp., in consideration for the assumption of the debt accumulated by its Argentinean subsidiary, Meryllion Argentina S.A. (the "Transaction"). The Transaction remains subject to the approval of the CSE and the shareholders of the Company.

Subsequent to the period ended March 31, 2016 the Company reached an agreement to settle debt in the aggregate principal amount of $220,887 by the issuance of 7,362,910 common shares in the capital of the Company, having a deemed value of $0.03 per common share.