MERYLLION Resources

MERYLLION RESOURCES CORP.
Condensed Consolidated Financial Statements
June 30, 2016
(Unaudited)
(Expressed in Canadian Dollars)

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

	NOTES	As at June 30, 2016	As at September 30, 2015
ASSETS			
Current assets			
Cash		**$ 1,401**	$ 55,914
Accounts receivable		**3,004**	4,636
Prepaid expenses and deposits		**7,160**	7,762
		11,565	68,312
Non-current assets			
Mineral interests	5	**-**	40,183
TOTAL ASSETS		**$ 11,565**	$ 108,495
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	9	**$ 225,139**	$ 314,558
		225,139	314,558
EQUITY (DEFICIENCY)			
Share capital	8	**14,865,628**	14,755,184
Share-option reserve		**348,908**	348,908
Accumulated other comprehensive (loss)/income		**-**	(111,983)
Accumulated deficit		**(15,428,110)**	(15,198,172)
		(213,574)	(206,063)
TOTAL LIABILITIES AND EQUITY (DEFICIENCY)		**$ 11,565**	$ 108,495

Commitments (Note 10)

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 June 30, 2016	Three months ended June 30, 2015	Nine months ended June 30, 2016	Nine months ended June 30, 2015
ADMINISTRATIVE EXPENSES					
Depreciation		$ -	$ -	$ -	$ 2,542
Insurance		3,977	7,776	14,911	27,193
Investor relations		-	250	-	11,700
Office and administration	9	31,034	31,811	92,707	57,410
Professional fees		32,358	96,128	54,481	312,391
Regulatory and filing fees		7,030	16,828	15,488	31,121
Rent	9	-	-	-	33,809
Salaries and benefits	9	-	12,500	77	392,942
Share-based compensation	8, 9	-	8,931	-	24,380
Travel		-	-	-	58,924
		74,399	174,224	177,664	952,412
Evaluation and exploration expenses	6	27,365	73,332	141,299	399,530
OTHER (INCOME) /EXPENSES					
Interest income		-	(1)	-	(16,667)
Asset impairment		-	-	-	22,624
Loss on sale of subsidiary		19,934	-	19,934	-
Gain on debt settlement		(111,598)	-	(111,598)	-
Foreign exchange gain		35,642	(12,810)	2,639	(60,379)
		(56,022)	(12,811)	(89,025)	(54,422)
NET LOSS FOR THE PERIOD		45,742	234,745	229,938	1,297,520
OTHER COMPREHENSIVE (INCOME)/LOSS					
Unrealized (gain)/loss on translation to reporting currency		(31,302)	34,908	(32,422)	(16,427)
Gain on sale of subsidiary		(79,561)		(79,561)	
COMPREHENSIVE LOSS FOR THE PERIOD		$ (65,121)	$ 269,653	$ 117,955	$ 1,281,093
LOSS PER SHARE					
Basic and diluted		$ 0.00	$ 0.01	$ 0.01	$ 0.08
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING					
Basic and diluted		19,067,376	17,125,510	17,770,436	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	-	-	-	111,983	(229,938)	(117,955)
Shares issued for debt	7,362,910	110,444		-	-	110,444
Balances as at June 30, 2016	24,488,420	$14,865,628	$ 348,908	$ -	$ (15,428,110)	$ (213,574)
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	-	-	24,380	-	-	24,380
Net loss and other comprehensive loss for the period	-	-	-	16,427	(1,297,520)	(1,281,093)
Balances as at June 30, 2015	17,125,510	$14,755,184	$ 339,879	$ (143,910)	$(14,478,196)	$ 472,957

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	Nine months ended June 30, 2016	2015
OPERATING ACTIVITIES			
Net loss for the period		$ (229,938)	$ (1,297,520)
Items not involving cash:			
Depreciation		-	2,542
Foreign exchange gain		(2,639)	(60,379)
Share-based compensation		-	24,380
Asset impairment		-	22,624
Gain on debt settlement		(111,598)	-
Loss on sale of subsidiary		19,934	-
Changes in non-cash working capital:			
Accounts receivable		1,632	(4,746)
Prepaid expenses and deposits		602	(4,600)
Accounts payable and accrued liabilities		160,745	(130,360)
Cash used in operating activities		(161,262)	(1,448,059)
INVESTING ACTIVITIES			
Additions to mineral interests	8	-	(31,030)
Additions to property, plant and equipment	10	-	-
Cash used in investing activities		-	(31,030)
Effect of foreign exchange on cash		106,749	38,314
Net change in Cash		(54,513)	(1,140,775)
Cash, beginning of period		55,914	1,539,958
Cash, end of period		$ 1,401	$ 99,183
Comprised of:			
Cash		$ 1,401	$ 99,183
Cash equivalents		-	-
Total cash		$ 1,401	$ 99,183

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 303, Vancouver, British Columbia, V6C 2T7.

During the period ended June 30, 2016 the Company sold 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 was approved by the shareholders of the Company.

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 June 30, 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 August 29, 2016.

(c) Basis of consolidation

The condensed consolidated financial statements for the nine months ended and June 30, 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 June 30, 2016 are as follows:

	As at	
	June 30, 2016	**September 30, 2015**
Financial assets		
Loans-and-receivables		
Cash	**$ 1,401**	$ 55,914
Accounts receivable	**3,004**	4,636
Total financial assets	**$ 4,405**	$ 60,550
Financial liabilities		
Other-financial-liabilities		
Accounts payable and accrued liabilities	**$ 225,139**	$ 314,558
Total financial liabilities	**$ 225,139**	$ 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 June 30, 2016, the Company had a cash balance of $1,401 (September 30, 2015 - $55,914) to settle current liabilities of $225,138 (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.

During the nine months ended June 30, 2016 the Company settled 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, 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 June 30, 2016 are as follows:

	US$	Argentine Peso	C$ equivalent
Cash	34	-	44
Accounts payable and accrued liabilities	-	-	-

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 $4 decrease or increase in the Company's before-tax net earnings, respectively.

As at June 30, 2016, US dollar amounts have been translated at a rate of C$1.3009 per US dollar.

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 controlled 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 were capitalized as mineral interests and were incurred in US dollars and translated to Canadian dollar, the presentation currency for the Company.

5. MINERAL INTERESTS (Continued)

During the nine months ended June 30, 2016 the Company sold 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 was approved by the shareholders of the Company.

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 was to 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 was due at the end of August 2020. The underlying owners were 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 was 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 wrote 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.

(In Canadian Dollars)

6. EVALUATION AND EXPLORATION EXPENSES

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	-	(1,155)	(1,155)
Sold during the period	(1)	(39,027)	(39,028)
Balance as at June 30, 2016	$ -	$ -	$ -

The Company's exploration expenses for the nine months ended June 30, 2016 and 2015 were as follows:

	Three months ended June 30,		Nine months ended June 30,	
	2016	2015	**2016**	2015
Cerro Amarillo, Argentina				
Administration	**$ 11,377**	$ 59,126	**$ 73,080**	$ 256,635
Camp Costs	**688**	1,000	**3,413**	3,244
Consulting	**-**	397	**-**	34,339
Environmental Costs	**-**	159	**-**	13,724
Personnel Costs	**-**	122	**-**	10,478
Travel and Transport	**-**	2,478	**79**	11,150
Other	**2,292**	1,995	**7,720**	11,589
Total Cerro Amarillo	**14,357**	65,277	**84,292**	341,159
Providencia, Argentina				
Administration	**-**	7,887	**-**	43,909
Camp Costs	**-**	12	**-**	1,080
Personnel Costs	**-**	7	**-**	592
Travel and Transport	**-**	53	**-**	4,524
Other	**-**	96	**-**	8,266
Total Providencia	**-**	8,085	**-**	58,371
Samenta, Argentina				
Administration	**10,605**	-	**49,425**	-
Other	**2,403**	-	**7,582**	-
Total Samenta	**13,008**	-	**57,007**	-
Total evaluation and exploration expenses	**$ 27,365**	$ 73,332	**$ 141,299**	$ 399,530

(In Canadian Dollars)

7. PROPERTY, PLANT AND EQUIPMENT

The Company's property, plant and equipment as at June 30, 2016 was as follows:

		Office equipment
Cost		
As at September 30, 2014	$	30,504
Disposal		**(30,504)**
As at September 30, 2015 and June 30, 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 June 30, 2016	**$**	**-**
Net book value as at September 30, 2014	$	25,166
Net book value as at September 30, 2015 and June 30, 2016	**$**	**-**

8. SHARE CAPITAL

(a) Authorized

Unlimited Class A common shares without par value.

(b) Issued and outstanding

At June 30, 2016 the Company had 24,488,420 (September 30, 2015 - 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 June 30, 2016, the Company had 1,212,616 shares held in escrow (September 30, 2015 – 2,122,078), which will be released on December 5, 2016

Nine months ended June 30, 2016
During the nine months ended June 30, 2016 the Company settled 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.

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 3,673,263, 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 nine months ended June 30, 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	(525,000)		0.30
Outstanding, June 30, 2016	**450,000**	**$**	**0.30**

The Company's outstanding and exercisable stock options as at June 30, 2016 were as follows:

	Outstanding		Exercisable	
Exercise price	**Number outstanding**	**Weighted average remaining life (years)**	**Number exercisable**	**Weighted average remaining life (years)**
$0.30	450,000	2.45	450,000	2.45

(d) Share-based compensation

There were no stock options granted during the nine months ended June 30, 2016 and nine months ended June 30, 2015. During the nine months ended June 30, 2015, the Company recorded share-based compensation of $24,380 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:

	Nine months ended June 30, 2016	Nine months ended June 30, 2015
Short-term benefits (1)	**$ 18,750**	$ 268,913
Short-term benefits forgone (1)	**(18,750)**	-
Share-based compensation (2)	**-**	15,283
Termination benefit	**-**	100,000
Total directors compensation	**$ -**	$ 384,196

(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 June 30, 2016, the Company owed $nil (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. During the period 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 $29,053 for the nine months ended June 30, 2015 which were included in the following expense categories:

	Nine months ended June 30, 2016	Nine months ended June 30, 2015
Office and administration	**$ -**	$ 8,865
Rent	**-**	17,190
Salaries and benefits	**-**	2,998
Total related party transactions	**$ -**	$ 29,053

(In Canadian Dollars)

9. RELATED PARTY TRANSACTIONS (Continued)

(b) Other related party transactions (continued)

As at June 30, 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 nine months ended June 30, 2016 the Company incurred $90,000 (2015 - $40,000) in fees paid to this management company. As at June 30, 2016 $10,500 (September 30, 2015 - $nil) was payable to this company. During the period $21,000 of the fees incurred 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

During the nine months ended June 30, 2016 the Company sold 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 was approved by the shareholders of the Company. As at June 30, 2016, the Company has no commitments related to mineral interest at Cerro Amarillo and Samenta projects.

The Company 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.

11. SEGMENTED INFORMATION

As at June 30, 2016, the Company operates in Canada. 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 nine months ended June 30, 2016.

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

	Canada	Argentina	Total
Total assets			
As at June 30, 2016	**$ 11,565**	**$ -**	**$ 11,565**
As at September 30, 2015	66,760	41,735	108,495
Total liabilities			
As at June 30, 2016	**225,139**	**-**	**225,139**
As at September 30, 2015	240,668	73,890	314,558
Mineral interests			
As at June 30, 2016	**-**	**-**	**-**
As at September 30, 2015	-	40,183	40,183