MERYLLION RESOURCES CORP.
Management's Discussion and Analysis
Nine months ended June 30, 2016
(Unaudited)
(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 condensed interim consolidated financial statements and related notes for the nine months ended June 30, 2016. The Company's condensed interim consolidated financial statements for the nine months ended June 30, 2016 have been prepared in accordance with International Accounting Standard ("IAS") 34, 'Interim Financial Reporting'. This MD&A should also be read in conjunction with the Company's audited consolidated financial statements and related notes for the twelve months ended September 30, 2015, prepared under International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). All dollar amounts included therein and in this MD&A are expressed in Canadian Dollars unless otherwise noted. The information contained within this MD&A is current to August 29, 2016.

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 Samenta Project in Argentina. The Company's shares trade on the Canadian Securities Exchange ("CSE") 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.

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

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.

In February 2016 the Company accepted a resignation from Borden Putnam from a position of a director of the Company and appointed Alan Grant and Ben Gelfand as directors of Meryllion Resources Corp.

On March 3, 2015 the Company announced that its Board of Directors has appointed Zula Kropivnitski as Chief Financial Officer and Cassandra Gee as Corporate Secretary both effective March 1, 2015. Ms. Kropivnitski replaces Saurabh Handa while Ms. Gee replaces Alex Bayer.

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 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 was expected to be completed in 2015. Given the timing required to complete the inventory, the Company did not receive ratification of its DIA in time to undertake a 2015 drill program at Cerro Amarillo. 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.

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, took on the duties of Chief Executive Officer. Greg Shenton resigned as a member of the Board of Directors of the Company effective February 26, 2015. On October 23, 2015 David Birkenshaw resigned as a director of the Company and Zula Kropivnitski was appointed as a director.

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 funding 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.

4. SELECTED ANNUAL INFORMATION

For the years ended September 30, 2015, 2014 and 2013:

	September 30, 2015	September 30, 2014	September 30, 2013
Revenue	$ -	$ -	$ -
Net loss for the year	$(2,017,496)	$(4,007,758)	$(1,578,590)
Basic and diluted loss per share	$ (0.12)	$ (0.28)	$ (0.09)
Total assets	$ 108,495	$ 1,936,933	$ 798,078
Total liabilities	$ 314,558	$ 207,263	$ 60,376
Cash dividends declared	$ -	$ -	$ -

The Company has no revenue to report for the 2015, 2014 and 2013 fiscal years.

5. SUMMARY OF SELECTED QUARTERLY RESULTS

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

	2016			2015				2014
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
Total assets	$ 12	$ 70	$ 71	$ 108	$ 550	$ 847	$ 1,486	$ 1,937
Mineral interests	-	39	42	40	409	416	351	339
Evaluation and exploration expenses	(27)	(36)	(78)	(137)	(73)	(115)	(212)	(251)
Net loss for the period	(46)	(79)	(105)	(720)	(235)	(564)	(499)	(824)
Comprehensive loss for the period	(65)	(87)	(96)	(688)	(270)	(525)	(486)	(811)
Basic and diluted loss per share	(0.01)	(0.01)	(0.01)	(0.04)	(0.01)	(0.03)	(0.03)	(0.05)

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

As the Company is currently in the exploration stage, the variations in financial results of the Company on a quarter by quarter basis are primarily due to fluctuations in the level of exploration activity and administration costs.

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.

Nine months ended June 30, 2016 ("YTD 2016") compared to the nine months ended June 30, 2015 ("YTD 2015")

The Company recorded a net loss of $229,938 for YTD 2016, as compared to a net loss of $1,297,520 for YTD 2015. The decrease in the loss of $1,067,582 was attributable to the following material differences:

7. RESULTS OF OPERATIONS (Continued)

Evaluation and exploration expenses were $141,299 for YTD 2016 as compared to $399,530 for YTD 2015. This decrease of $258,231 was related to the decreased level of exploration activities in YTD 2016 as compared to YTD 2015.

Salaries and benefits were $77 for YTD 2016, as compared to $392,942 for YTD 2015. This decrease of $392,865 is because the Company changed its management team in the second quarter of 2015. A director resigned during the second quarter of 2016 and relinquished director's fees payable to him in the amount of $18,750.

Professional fees were $54,481 for YTD 2016, as compared to $312,391 for YTD 2015. This decrease of $257,910 was related the Company using different services provider.

Share-based compensation was $24,380 for YTD 2015. There was no share-based compensation recorded during the YTD 2016. All stock options granted by the Company vested in 2015 fiscal year.

Travel expense was $58,924 for YTD 2015. Rent expense was $33,809 during the YTD 2015. The Company did not record any travelling or rent expenses in YTD 2016. These decreases were due to the Company preserving available resources during a period of unprecedented downturn in the industry.

Three months ended June 30, 2016 ("Q3 2016") compared to the Three months ended June 30, 2015 ("Q3 2015")

The Company recorded a net loss of $45,742 for Q3 2016, as compared to a net loss of $234,745 for Q3 2015. The decrease in the loss of $189,003 was attributable to the following material differences:

Evaluation and exploration expenses were $27,365 for Q3 2016 as compared to $73,332 for Q3 2015. This decrease of $45,967 related to the decreased level of exploration activities in Q3 2016 as compared to Q3 2015 and expiration of employment agreements with personnel in Argentina on December 31, 2015.

Salaries and benefits were $12,500 for Q3 2015 and $nil for Q3 2016. This decrease of $12,500 is because the Company changed its management team in the second quarter of 2015. A director resigned in Q2 2016.

Professional fees were $32,358 for Q3 2016, as compared to $96,128 for Q3 2015. This decrease of $63,770 was related primarily the Company using different services provider.

Share-based compensation was $8,931 for Q3 2015. There was no share-based compensation recorded during the Q3 2016. All stock options granted by the Company vested in 2015 fiscal year.

(In Canadian Dollars unless otherwise stated)

8. MINERAL INTERESTS

The Company controlled exploration concessions in Argentina classified by the Company as the Cerro Amarillo Project, Providencia Project and Samenta Project through the Company's wholly-owned subsidiaries.

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.

As at June 30, 2016 the Company does not have any mineral properties.

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 June 30, 2016 are as follows:

	June 30, 2016	September 30, 2015
Financial assets		
Loans-and-receivables		
Cash and cash equivalents	$ 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

Additional financial instruments disclosure, including an analysis of risks associated with financial instruments, is contained in Note 3 of the Company's condensed interim consolidated financial statements for the nine months ended June 30, 2016.

10. LIQUIDITY AND CAPITAL RESOURCES

(a) Liquidity

The Company's working capital deficiency as at June 30, 2016 was $213,574 as compared to working capital deficiency of $246,246 at September 30, 2015. Included in working capital were cash and cash equivalents of $1,401 (September 30, 2015 - $55,914).

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 and the Company's ability to raise additional capital as required.

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 period 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 may 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.

(d) Proposed Transactions

The Company has no proposed transactions.

(In Canadian Dollars unless otherwise stated)

10. LIQUIDITY AND CAPITAL RESOURCES (Continued)

(e) Commitments

Effective March 1, 2015, the Company has agreed to pay a monthly fee of $10,000 to the management company for provision of management and administrative services. The agreement may be terminated by the Company with 60 days' written notice.

11. 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	**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 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 June 30, 2016, the Company owed $nil (September 30, 2015: $93,353) in directors fees, advances and expenses to the directors and former directors 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 had 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 the 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.

(In Canadian Dollars unless otherwise stated)

11. RELATED PARTY TRANSACTIONS (Continued)

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	**2015**
Office and administration	**$ -**	$ 8,865
Rent	-	17,190
Salaries and benefits	-	2,998
Total related party transactions	**$ -**	$ 29,053

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. 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 this fee 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.

12. OUTSTANDING SHARE DATA

The Company is authorized to issue an unlimited number of common shares without par value. As at August 29, 2016, the Company had 24,488,420 common shares issued and outstanding.

During the period 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 has the following stock options that are outstanding and exercisable as at August 29, 2016:

	Outstanding and Exercisable	
Exercise price	**Number**	**Weighted average remaining life (years)**
$0.30	450,000	2.29

As at August 29, 2016, the Company did not have any share purchase warrants outstanding.

13. 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.

13. RISKS AND UNCERTAINTIES (Continued)

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, 2015. 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.

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.

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.

13. RISKS AND UNCERTAINTIES (Continued)

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.

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.

Exploration Risk

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.

13. RISKS AND UNCERTAINTIES (Continued)

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.

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.

13. RISKS AND UNCERTAINTIES (Continued)

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 the Company's future mining operations, the Company's expenses and other obligations could increase, which could have a material adverse effect on the Company's business, financial condition, results of operations or prospects.

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.

13. RISKS AND UNCERTAINTIES (Continued)

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.

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 being 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.

13. RISKS AND UNCERTAINTIES (Continued)

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.

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.

14. 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 financial statements. In addition, the preparation of the 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 and the assumptions used to estimate the useful life of property, plant and equipment.

14. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

(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 audited 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 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.

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.

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 of the audited consolidated financial statements.

15. CHANGES IN ACCOUNTING POLICIES

The Company adopted the following accounting standards effective October 1, 2015. The adoption of these accounting standards had no significant impact on the audited consolidated financial statements.

15. CHANGES IN ACCOUNTING POLICIES (Continued)

The following accounting standards were amended:

- IAS 36 Impairment of Assets - narrow-scope amendment - Recoverable Amount Disclosures
- IFRS 2 Share-based payments
- IFRS 3 Business combinations
- IFRS 8 Operating segments
- IFRS 13 Fair Value Measurement
- IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets
- IAS 24 Related Party Disclosures
- IAS 40 Investment Property
- IAS 32 Financial Instruments: Presentation

The following are revised accounting standards, amendments and interpretations that are effective for annual periods beginning on or after January 1, 2016. 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.

IFRS 9 Financial Instruments
The IASB has previously published versions of IFRS 9 that introduced new classification and measurement requirements (in 2009 and 2010) and a new hedge accounting model (in 2013). The July 2014 publication represents the final version of the Standard, replaces earlier versions of IFRS 9 and completes the IASB's project to replace IAS 39 *Financial Instruments: Recognition and Measurement*. This standard is effective for the periods beginning on or after January 1, 2018.

IFRS 16 Leases
IFRS 16 was issued in January 2016 and specifies how an IFRS reporter will recognize, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor, IAS 17. This standard is effective for reporting periods beginning on or after January 1, 2019.

Annual Improvements to IFRSs 2012 - 2014 Cycle
These amendments are applicable for annual reporting periods beginning on or after January 1, 2016.

- IFRS 5 Non-current Assets Held for Sale and Discontinued Operations was amended to clarify the application guidance in which an entity reclassifies an asset/disposal group from held for sale to held for distribution (or vice versa), and the circumstances in which an asset/disposal group no longer meets the criteria for held for distribution.
- IFRS 7 Financial Instruments: Disclosures was amended to clarify guidance on servicing contracts and the applicability of certain amendments to IFRS 7 to interim financial statements.
- IAS 19 Employee Benefits was amended to clarify application of the discount rate for certain currencies.
- IAS 34 Interim Financial Reporting was amended to clarify the meaning of disclosure of information "elsewhere in the interim financial report".

16. 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:

- 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, uncertainties relating to receiving mining and exploration permits in Argentina; 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.