

MERYLLION

R e s o u r c e s

MERYLLION RESOURCES CORP.
Management's Discussion and Analysis
Six months ended March 31, 2017
(Unaudited)
(Expressed in Canadian Dollars)

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(In Canadian Dollars unless otherwise stated)

This Management's Discussion and Analysis ("MD&A") of Meryllion Resources Corp. should be read in conjunction with the Company's condensed interim financial statements and related notes for the six months ended March 31, 2017. The Company's condensed interim financial statements for the six months ended March 31, 2017 have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB"). All dollar amounts included therein and in this MD&A are expressed in Canadian Dollars unless otherwise noted. The information contained within this MD&A is current to May 30, 2017.

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

From the incorporation to June 30, 2016 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 previous wholly-owned subsidiaries.

In June 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 March 31, 2017 the Company did not have any mineral properties.

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

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.

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4. SELECTED ANNUAL INFORMATION

For the years ended September 30, 2016, 2015 and 2014:

	September 30, 2016	September 30, 2015	September 30, 2014
Revenue	\$ -	\$ -	\$ -
Net loss for the year	\$ (282,215)	\$ (2,017,496)	\$ (4,007,758)
Basic and diluted loss per share	\$ (0.01)	\$ (0.12)	\$ (0.28)
Total assets	\$ 81,213	\$ 108,495	\$ 1,936,933
Total liabilities	\$ 185,121	\$ 314,558	\$ 207,263
Cash dividends declared	\$ -	\$ -	\$ -

The Company has no revenue to report for the 2016, 2015 and 2014 fiscal years.

5. SUMMARY OF SELECTED QUARTERLY RESULTS

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

	2017	2016				2015		
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
Total assets	\$10,165	\$7,588	\$81,213	\$11,565	\$70,208	\$71,004	\$108,495	\$549,860
Mineral interests	-	-	-	-	38,914	41,521	40,183	408,914
Evaluation and exploration expenses	-	-	-	(27,365)	(35,856)	(78,078)	(137,332)	(73,332)
Net (income) loss for the period	(139,148)	(41,134)	(52,277)	(45,742)	(79,012)	(105,184)	(719,976)	(234,745)
Comprehensive income (loss) for the period	(139,148)	(41,134)	(52,277)	65,121	(86,620)	(96,456)	(688,049)	(269,653)
Basic and diluted loss per share	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.01)	(0.04)	(0.01)

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

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6. RESULTS OF OPERATIONS

Six months ended March 31, 2017 compared to the Six months ended March 31, 2016

The Company recorded a net loss of \$180,282 for Q2 2017, as compared to a net loss of \$184,196 for Q2 2016. The decrease in the loss of \$3,914 was attributable to the following material differences:

Evaluation and exploration expenses were \$113,934 for the six months ended March 31, 2016 compared to \$nil during the comparative period of the current year. Foreign exchange loss was \$5 for the six months ended March 31, 2017 compared to a gain of \$33,033 incurred during the six months ended March 31, 2016. The Company sold its Argentinian subsidiary with exploration properties in Argentina in June 2016 and did not have foreign exploration operations during the six months ended March 31, 2017. Directors fees were \$112,500 for the six months ended March 31, 2017 compared to \$nil during the comparative period of the previous year.

Three months ended March 31, 2017 ("Q2 2017") compared to the Three months ended March 31, 2016 ("Q2 2016")

The Company recorded a net loss of \$139,148 for Q2 2017, as compared to a net loss of \$79,012 for Q2 2016. The increase in the loss of \$60,136 was attributable to the following material differences:

Evaluation and exploration expenses were \$35,856 for Q2 2016 compared to \$nil during the comparative period of the current year. Foreign exchange loss was \$5 in Q2 2017 compared to a gain of \$15,716 incurred during Q2 2016. Directors fees were \$112,500 for Q2 2017 compare to \$nil during the comparative period of the previous year.

7. 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 accounts receivable as loans-and-receivables and accounts payable, accrued liabilities and loan payable as other-financial-liabilities. Cash and accounts receivable are included in current assets due to their short term nature. Accounts payable, accrued liabilities and loan payable are included in current liabilities due to their short-term nature.

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7. FINANCIAL INSTRUMENTS (Continued)

The Company's financial instruments as at March 31, 2017 are as follows:

	March 31, 2017	September 30, 2016
Financial assets		
Loans-and-receivables		
Cash	\$ 6,323	\$ 75,915
Accounts receivable	1,766	2,160
Total financial assets	\$ 8,089	\$ 78,075
Financial liabilities		
Other financial-liabilities		
Accounts payable and accrued liabilities	\$ 163,355	\$ 40,621
Loan payable	131,000	144,500
Total financial liabilities	\$ 294,355	\$ 185,121

Additional financial instruments disclosure, including an analysis of risks associated with financial instruments, is contained in the Note 3 of the Company's condensed financial statements for the six months ended March 31, 2017.

8. LIQUIDITY AND CAPITAL RESOURCES

(a) Liquidity

The Company's working capital deficiency as at March 31, 2017 was \$284,190 as compared to working capital deficiency of \$103,908 at September 30, 2016. Included in working capital were cash and cash equivalents of \$6,323 (September 30, 2016 - \$75,915).

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.

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8. LIQUIDITY AND CAPITAL RESOURCES (Continued)

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.

(e) Commitments

Effective January 1, 2017, the Company has agreed to pay a monthly fee of \$5,000 to the management company for provision of management and administrative services. The agreement may be terminated by the Company with 60 days' written notice.

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	
	2017	2016
Short-term benefits ⁽¹⁾	\$ 112,500	\$ -
Total directors' compensation	\$ 112,500	\$ -

(1) Short term benefits include salaries, bonuses, consulting fees (included in professional fees) and directors' fees for all directors.

As at March 31, 2017, the Company owed \$26,500 (September 30, 2016: \$nil) in a loan to the director of the Company. The loan is not secured and non-interest bearing payable on demand.

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9. RELATED PARTY TRANSACTIONS (Continued)

As at March 31, 2017 the Company has a loan payable to a shareholder of \$104,500 (September 30, 2016: \$144,500) which is non-interest bearing and payable on demand.

(b) Other related party transactions

On March 1, 2015 the Company 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, 2017 the Company incurred \$45,000 (2016 - \$30,000) in fees to this management company. As at March 31, 2017 \$5,250 (September 30, 2016 - \$nil) was payable to this company.

10. OUTSTANDING SHARE DATA

The Company is authorized to issue an unlimited number of common shares without par value. As at March 31, 2017, the Company had 35,488,420 common shares issued and outstanding.

The Company did not issue shares during the six months ended March 31, 2017.

During the year ended September 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. The shares were valued at \$0.015 per share, accordingly the Company recognized a gain of \$110,443 on the debt settlement.

During the year ended September 30, 2016 the Company issued 11,000,000 shares for cash at \$0.015 per share and incurred \$3,057 in share issue costs.

The Company has the following stock options that are outstanding and exercisable as at March 31, 2017 and May 30, 2017:

	Outstanding and Exercisable	
Exercise price	Number	Weighted average remaining life (years)
\$0.30	100,000	1.70

As at March 31, 2017 and May 30, 2017, the Company did not have any share purchase warrants outstanding.

11. RISKS AND UNCERTAINTIES

The Company has no active business or material assets other than cash. It does not have a history of earnings, nor has it paid any dividends and will not generate earnings or pay dividends until at least after the completion of a Qualifying Transaction or an equivalent transaction pursuant to NEX policies. Until such time, the Company will not carry on any business other than the identification and evaluation of assets or businesses with a view to completing such a transaction. The Company has only limited funds with which to identify and evaluate possible transactions and there can be no assurance that the Company will be able to identify or complete a suitable transaction.

12. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

The effect of a change in an accounting estimate is recognized prospectively by including it in comprehensive income in the year of the change, if the change affects that year only, or in the year of the change and future years, if the change affects both.

For the six months ended March 31, 2017 the Company did not need to apply any critical judgments in applying accounting policies that would have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities recognized in the financial statements within the next financial year.

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.

13. 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:

- availability of additional financing or joint-venture partners
- 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.

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13. FORWARD LOOKING STATEMENTS (Continued)

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.