MERYLLION RESOURCES CORP.
Annual Financial Statements
September 30, 2017 and 2016
(Expressed in Canadian Dollars)

UHY McGovern Hurley LLP
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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Meryllion Resources Corp.

We have audited the accompanying financial statements of Meryllion Resources Corp., which comprise the annual statement of financial position as at September 30, 2017, and the annual statement of loss and comprehensive loss, annual statement of changes in equity (deficiency) and annual statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Meryllion Resources Corp. as at September 30, 2017, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Other Matter

The financial statements of Meryllion Resources Corp. for the year ended September 30, 2016, were audited by other auditors who expressed an unmodified opinion on those statements on January 30, 2017.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 1 in the financial statements which indicates that Meryllion Resources Corp. had continuing losses during the year ended September 30, 2017 and a working capital deficiency and cumulative deficit as at September 30, 2017. These conditions along with other matters set forth in Note 1 indicate the existence of material uncertainties which cast significant doubt about the ability of Meryllion Resources Corp. to continue as a going concern.

UHY McGovern Hurley LLP

UHY McGovern Hurley LLP

Chartered Professional Accountants
Licensed Public Accountants

Toronto, Canada
January 26, 2018

MERYLLION RESOURCES CORP.
Annual Statements of Financial Position
(In Canadian Dollars)
As at September 30,

	NOTES	2017	2016
ASSETS			
Current assets			
Cash		**$ 29,770**	$ 75,915
Accounts receivable		**3,155**	2,160
Prepaid expenses and deposits		**864**	3,138
TOTAL ASSETS		**$ 33,789**	$ 81,213
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities		**$ 67,265**	$ 40,621
Loan payable		**6,500**	144,500
TOTAL LIABILITIES		**73,765**	185,121
DEFICIENCY			
Share capital	9(b)	**15,314,834**	15,027,571
Warrants reserve	9(b)	**36,081**	-
Share-option reserve	9(d)	**348,908**	348,908
Accumulated deficit		**(15,739,799)**	(15,480,387)
TOTAL DEFICIENCY		**(39,976)**	(103,908)
TOTAL LIABILITIES AND DEFICIENCY		**$ 33,789**	$ 81,213

Subsequent event (Note 13)

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

APPROVED ON BEHALF OF THE BOARD OF DIRECTORS:

"John Fognani"
Director

"Ben Gelfand"
Director

MERYLLION RESOURCES CORP.
Annual Statements of Loss and Comprehensive Loss
(In Canadian Dollars)
For the years ended September 30,

	NOTES	2017	2016
ADMINISTRATIVE EXPENSES			
Directors fees	10	**$ 157,500**	$ -
Office and administration		**84,028**	128,474
Professional fees		**14,782**	140,708
Regulatory and filing fees		**13,756**	24,387
Insurance		**10,543**	18,933
Travel		**3,083**	-
Investor relations		**818**	51,191
Salaries and benefits		**-**	26,848
TOTAL ADMINISTRATIVE EXPENSES		**284,510**	390,541
Evaluation and exploration expenses	8	**-**	156,656
OTHER (INCOME)/EXPENSES			
Foreign exchange (gain)/loss		**(133)**	(30,692)
Gain on sale of subsidiary	12	**-**	(123,847)
Gain on debt settlement	9(b)	**(24,965)**	(110,443)
TOTAL OTHER (INCOME) EXPENSES		**(25,098)**	(264,982)
NET LOSS FOR THE YEAR		**259,412**	282,215
OTHER COMPREHENSIVE (INCOME)/LOSS			
Unrealized (gain)/loss on translation to reporting currency		**-**	(4,318)
Reclassification of cumulative translation exchange differences on sale of subsidiary		**-**	(107,665)
COMPREHENSIVE LOSS FOR THE YEAR		**$ 259,412**	$ 170,232
LOSS PER SHARE			
Basic and diluted		**$ 0.01**	$ 0.01
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING			
Basic and diluted		**37,814,173**	19,829,460

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

MERYLLION RESOURCES CORP.
Annual Statements of Changes in Equity (Deficiency)
(In Canadian Dollars)

	NOTES	Number of shares	Share Capital	Share-option Reserve	Warrants	AOCI - Currency Translation Adjustment	Accumulated deficit	Total
Balances as at September 30, 2016		**35,488,420**	**$ 15,027,571**	**$ 348,908**	**$ -**	**$ -**	**$ (15,480,387)**	**$ (103,908)**
Shares issued for debt	9(b)	**6,100,000**	**127,535**	-	-	-	-	127,535
Units issued for cash	9(b)	**8,800,000**	**183,919**	-	**36,081**	-	-	220,000
Share issue costs		-	**(24,191)**	-	-	-	-	(24,191)
Net loss and comprehensive loss for the year		-	-	-	-	-	(259,412)	(259,412)
Balances as at September 30, 2017		**50,388,420**	**$ 15,314,834**	**$ 348,908**	**$ 36,081**	**$ -**	**$ (15,739,799)**	**$ (39,976)**
Balances as at September 30, 2015		17,125,510	$ 14,755,184	$ 348,908	$ -	$ (111,983)	$ (15,198,172)	$ (206,063)
Shares issued for cash	9(b)	11,000,000	165,000	-	-	-	-	165,000
Share issue costs		-	(3,057)	-	-	-	-	(3,057)
Shares issued for debt	9(b)	7,362,910	110,444	-	-	-	-	110,444
Net loss and comprehensive loss for the year		-	-	-	-	111,983	(282,215)	(170,232)
Balances as at September 30, 2016		35,488,420	$ 15,027,571	$ 348,908	$ -	$ -	$ (15,480,387)	$ (103,908)

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

MERYLLION RESOURCES CORP.
Annual Statements of Cash Flows
(In Canadian Dollars)
For the year ended September 30,

	NOTES	2017	2016
OPERATING ACTIVITIES			
Net loss for the year		**$ (259,412)**	$ (282,215)
Items not involving cash:			
Foreign exchange (gain)		**-**	(30,692)
Gain on debt settlement	9(b)	**(24,965)**	(110,443)
Gain on sale of subsidiary		**-**	(123,847)
Changes in non-cash working capital:			
Accounts receivable		**(995)**	2,476
Prepaid expenses and deposits		**2,274**	3,050
Accounts payable and accrued liabilities		**154,144**	271,704
Cash used in operating activities		**(128,954)**	(269,967)
INVESTING ACTIVITIES			
Additions to mineral interests		**-**	(26,788)
Net cash transferred to purchaser of subsidiary		**-**	(852)
Cash used in investing activities		**-**	(27,640)
FINANCING ACTIVITIES			
Private placement proceeds	9(b)	**220,000**	165,000
Share issue costs		**(24,191)**	(3,057)
Loan advances		**46,500**	169,500
Loan repayment	10	**(159,500)**	(50,000)
Cash provided by financing activities		**82,809**	281,443
Effect of foreign exchange on cash		**-**	36,165
Net increase in cash		**(46,145)**	20,001
Cash, beginning of year		**75,915**	55,914
Cash, end of year		**$ 29,770**	$ 75,915

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

Supplemental Cash Flow information:

	2017	2016
Interest paid	**$ -**	$ -
Shares issued for debt	**127,535**	110,444

1. NATURE OF OPERATIONS

Meryllion Resources Corp. ("Company") 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 the Company 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-V.

The Company's head office is located at 8 King Street East, Suite 1005, Toronto, Ontario, Canada, M5C 1B5.

During the year ended September 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 annual financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. Different bases of measurement may be appropriate if the Company is not expected to continue operations for the foreseeable future. At September 30, 2017, the Company had an accumulated deficit of $15,739,799 (2016 - $15,480,387) and a working capital deficiency of $39,976 (2016 – a working capital deficiency of $103,908). The Company incurred losses of $259,412 during the year ended September 30, 2017 (2016 - $170,232). The Company's ability to continue as a going concern is dependent upon its ability to raise adequate financing and generate profitable operations in the future. These conditions indicate the existence of material uncertainties which cast significant doubt about the Company's ability to continue as a going concern.

2. BASIS OF PRESENTATION

(a) Statement of compliance

These annual financial statements have been prepared in accordance 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 September 30, 2017.

2. BASIS OF PRESENTATION (Continued)

(b) Basis of presentation

These annual 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. These annual financial statements have been prepared using the accrual basis of accounting, except for cash flow information. The accounting policies set out in Note 3 have been applied consistently to all periods presented in these annual financial statements as if the policies have always been in effect.

These annual financial statements were reviewed by the Audit Committee and approved and authorized for issue by the Board of Directors on January 26, 2018.

3. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of consolidation

The annual financial statements for the twelve months ended and as at September 30, 2017 include the accounts of the Company. The comparative financial statements for the twelve months ended and as at September 30, 2016, include the accounts of the Company and, up to June 29, 2016, 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.

(b) Critical accounting estimates and judgements

The preparation of these annual 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 annual financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. These annual financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the annual 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.

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, and the assumptions used in the determination of the fair value of share-based compensation.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(b) Critical accounting estimates and judgements (continued)

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 the Company is the Canadian dollar and the functional currency of the Company's wholly-owned subsidiaries for the period up to June 29, 2016, Huayra Minerals Corp. and Meryllion Argentina SA was the US dollar, as they were the currencies of the primary economic environments in which the companies operated.

Income, value added, withholding and other taxes
The Company is subject to income, value added, withholding and other taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. The determination of the Company's income, value added, withholding and other tax liabilities requires interpretation of complex laws and regulations. The Company's interpretation of taxation law as applied to transactions and activities may not coincide with the interpretation of the tax authorities. All tax related filings are subject to government audit and potential reassessment subsequent to the financial statement reporting period. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the tax related accruals and deferred income tax provisions in the period in which such determination is made.

Share-based payments
Management determines costs for share-based payments using market-based valuation techniques. The fair value of the market-based and performance-based share awards are determined at the date of grant using generally accepted valuation techniques. Assumptions are made and judgment used in applying valuation techniques. These assumptions and judgments include estimating the future volatility of the stock price, expected dividend yield, future employee turnover rates and future employee stock option exercise behaviors and corporate performance. Such judgments and assumptions are inherently uncertain. Changes in these assumptions affect the fair value estimates.

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. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(c) Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost. The Company does not have any significant legal or constructive obligations as at September 30, 2017 and 2016.

(d) Foreign currency translation

Functional and presentation currency
Items included in the annual financial statements of the Company and each of the Company's subsidiaries up to June 29, 2016 are measured using the currency of the primary economic environment in which the entity operates (the functional currency). These annual financial statements are presented in Canadian Dollars. The Company's functional currency is the Canadian dollar and its wholly-owned subsidiaries' (up to June 29, 2016) functional currency is the US dollar.

Transactions and balances
Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign currency monetary items are translated at the period-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined. Exchange differences are recognized in profit or loss in the period in which they arise.

Parent and Subsidiary Companies
The financial position and results of operations whose functional currency is different from the presentation currency are translated as follows:

- assets and liabilities are translated at period-end exchange rates prevailing at that reporting date; and
- income and expenses are translated at the average exchange rates for the period.

Exchange differences are transferred directly to the annual statement of comprehensive loss and are included in a separate component of shareholders' equity titled "Accumulated other comprehensive income or loss – currency translation adjustment". These differences are recognized in profit or loss in the period in which the operation is disposed of.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(e) Evaluation and exploration expenses

Evaluation and exploration expenses are comprised of costs that are directly attributable to:

- researching and analyzing existing exploration data;
- conducting geological studies, exploratory drilling and sampling;
- examining and testing extraction and treatment methods; and
- activities in relation to evaluating the technical feasibility and commercial viability of extracting a mineral resource.

All exploration and evaluation expenditures are expensed until properties are determined to contain economically viable reserves. When economically viable reserves have been determined, technical feasibility has been determined and the decision to proceed with development has been approved, the subsequent costs incurred for the development of that project are capitalized as mining properties, a component of property, plant and equipment.

Development expenditures are net of the proceeds of the sale of ore extracted during the development phase. Interest on borrowings related to the construction and development of assets are capitalized until substantially all the activities required to make the asset ready for its intended use are complete.

The costs of removing overburden to access ore are capitalized as pre-production stripping costs and classified as mineral interests.

(f) Mineral interests

Mineral interests include any costs relating to the acquisition and claim maintenance of mineral properties, including option payments and annual fees to maintain the property in good standing. When economically viable reserves have been determined, technical feasibility has been determined and the decision to proceed with development has been approved by the Board of Directors, the capitalized mineral interests for that project are capitalized as mining properties, a component of property, plant and equipment. Upon determination and the decision to proceed with development of a mineral interest, the mineral interest is tested for impairment and then reclassified from mineral interests to mineral properties, net of any impairment losses.

The Company assesses its capitalized mineral interests for indications of impairment on a regular basis and when events and circumstances indicate a risk of impairment. A mineral interest is written down or written off when the Company determines that an impairment of value has occurred or when exploration results indicate that no further work is warranted.

Although the Company has taken steps to verify title to mineral properties in which it has an interest, these procedures do not guarantee the Company's title. Such properties may be subject to prior agreements or transfers, or title may be affected by undetected defects.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Impairment of long-lived assets

Long-lived assets are assessed for impairment at each reporting date. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units). These are typically individual mines or development projects.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but to an amount that does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

(h) Loss per share

The basic loss per share is computed by dividing the net loss by the weighted average number of common shares outstanding during the period. The diluted loss per share reflects the potential dilution of common share equivalents such as outstanding stock options and share purchase warrants, in the weighted average number of common shares outstanding during the period if dilutive. The Company uses the treasury stock method of calculating fully diluted per share amounts whereby any proceeds from the exercise of stock options or other dilutive instruments are assumed to be used to purchase common shares at the average market price during the year. Diluted loss per share has not been presented separately as the outstanding options and warrants are anti-dilutive for each period presented.

(i) Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, bank balances, deposits held at call and certificates of deposits and money market instruments, including cashable guaranteed investment certificates with an original term to maturity of three months or less at date of purchase, and are carried at amortized cost.

(j) Income taxes

Income tax expense comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity.

Current tax
Current tax expense is the expected tax payable on taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(j) Income taxes (continued)

Deferred tax

Deferred tax is accounted for using the liability method, providing for the tax effect of temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and their respective tax bases.

A deferred tax liability is recognized for all taxable temporary differences except where the deferred income tax liability arises from the initial recognition of goodwill, or the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss in respect of taxable temporary differences associated with investments in subsidiaries, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

A deferred income tax asset is recognized for all deductible temporary differences, carry-forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax credits and losses can be utilized, except where the deferred income tax asset related to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss. In respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

Deferred tax is measured on an undiscounted basis using the tax rates that are expected to apply in the period when the liability is settled or the asset is realized, based on tax rates and tax laws enacted or substantively enacted at the statement of financial position date. Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

(k) Share-based compensation

The Company grants share-based awards to certain officers, employees, directors and other eligible persons. For equity-settled awards, the fair value is charged to profit or loss and credited to the related reserve account, on a straight-line basis over the vesting period, after adjusting for the estimated number of awards that are expected to vest.

The fair value of the equity-settled awards is determined at the date of the grant. In calculating fair value, no account is taken of any vesting conditions, other than conditions linked to the price of the shares of the Company. The fair value is determined by using the Black-Scholes option pricing model.

At each statement of financial position date, the cumulative expense representing the extent to which the vesting period has expired and management's best estimate of the awards that are ultimately expected to vest is computed. The movement in cumulative expense is recognised in profit or loss with a corresponding entry against the related reserve. No expense is recognised for awards that do not ultimately vest.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(k) Share-based compensation (continued)

Where equity instruments are granted to non-employees, they are recorded at the fair value of the goods or services received in profit or loss, unless they are related to the issuance of shares. Amounts related to the issuance of shares are recorded as a reduction of share capital. When the value of goods or services received in exchange for the share-based payment cannot be reliably estimated, the fair value is measured by use of a valuation model.

(l) Share capital

Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Company's common shares and warrants are classified as equity instruments.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(m) Property, plant and equipment ("PPE")

Property, plant and equipment is recorded at cost less accumulated depreciation and accumulated impairment losses. The cost of an item of PPE includes its purchase price, any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management and the estimated close down and restoration costs associated with dismantling and removing the asset.

Depreciation is provided at rates calculated to write off the cost of PPE, less their estimated residual value, using the straight-line method or unit-of-production method over their expected useful lives as follows:

- Office equipment – 5 years straight-line basis
- Furniture and fixtures – 5 years straight-line basis

When major components of an item of PPE have different useful lives, they are accounted for as separate items of PPE and depreciated as per each component's useful life.

An item of PPE is derecognized upon disposal, when held for sale or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal, determined as the difference between the net disposal proceeds and the carrying value of the asset, is recognized in profit or loss in the annual statement of loss.

Estimates of residual values and useful lives are reassessed annually and any change in estimate is taken into account in the determination of remaining depreciation charges. Depreciation commences on the date when the asset is available for use.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(n) 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 and other-financial-liabilities. All financial instruments are initially measured in the annual statement of financial position at fair value. 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 does not use derivative instruments or hedges to manage risks. Transaction costs related to the Company's financial instruments will be added to their carrying amounts.

Financial assets and liabilities are offset and the net amount reported in the annual statement of financial position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

Impairment of financial assets
The Company assesses at each statement of financial position date whether there is objective evidence that a financial asset is impaired. Objective evidence of impairment could include the following:
• Significant financial difficulty of the issuer or counterparty; or
• Default or delinquency in interest or principal payments; or
• It has become probable that the borrower will enter bankruptcy or financial reorganization.

Where impairment has occurred, the cumulative loss is recognized in profit or loss.

(o) Rehabilitation obligations

The Company recognizes the fair value of a legal or constructive liability for a rehabilitation obligation in the year in which it is incurred and when a reasonable estimate of fair value can be made. The carrying amount of the related long-lived asset is increased by the same amount as the liability. Changes in the liability for an asset retirement obligation due to the passage of time will be measured by applying an interest method of allocation. The amount will be recognized as an increase in the liability and an accretion expense in profit or loss. Changes resulting from revisions to the timing or the amount of the original estimate of undiscounted cash flows are recognized as an increase or a decrease to the carrying amount of the liability and the related long-lived asset. The Company does not have significant rehabilitation obligations as at September 30, 2017 and 2016.

4. FUTURE ACCOUNTING POLICIES AND ACCOUNTING CHANGES

During 2017, the Company adopted a number of new IFRS standards, interpretations, amendments and improvements to existing standards. These included IAS 1. These new changes did not have any material impact on the Company's financial statements.

4. FUTURE ACCOUNTING POLICIES AND ACCOUNTING CHANGES (Continued)

The following are revised accounting standards, amendments and interpretations that are effective for annual periods beginning on or after October 1, 2017. 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 2 – Share-based payments ("IFRS 2") was amended by the IASB in June 2016 to clarify the accounting for cash-settled share-based payment transactions that include a performance condition, the classification of share-based payments transactions with net settlement features and the accounting for modifications of share-based payment transactions from cash-settled to equity-settled. The amendments are effective for annual periods beginning on or after January 1, 2018, with earlier application permitted.

IFRS 9 – Financial Instruments ("IFRS 9") was issued by the IASB as a complete standard in July 2014 and will replace IAS 39 Financial Instruments: Recognition and Measurement ("IAS 39"). IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9, except that an entity choosing to measure a financial liability at fair value will present the portion of any change in its fair value due to changes in the entity's own credit risk in other comprehensive income, rather than within profit or loss. The new standard requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 is effective for annual period beginning on or after January 1, 2018. Earlier adoption is permitted.

IAS 7 – Statement of Cash Flows ("IAS 7") was amended in January 2016 to clarify that disclosures shall be provided that enable users of financial statements to evaluate changes in liabilities arising from financing activities. The amendments are effective for annual periods beginning of or after January 1, 2017.

5. 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 and loan payable as other-financial-liabilities.

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

(In Canadian Dollars)

5. FINANCIAL INSTRUMENTS (Continued)

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

The Company's financial instruments are measured subsequent to initial recognition at fair value are 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 are as follows:

	As at			
	September 30, 2017		**September 30, 2016**	
Financial assets				
Loans-and-receivables				
Cash	**$**	**29,770**	$	75,915
Accounts receivable		**-**		-
Total financial assets	**$**	**29,770**	$	76,915
Financial liabilities				
Other-financial-liabilities				
Accounts payable and accrued liabilities	**$**	**67,265**	$	40,621
Loan payable		**6,500**		144,500
Total financial liabilities	**$**	**73,765**	$	185,121

(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.

The Company is exposed to credit risk with respect to its cash. The Company's maximum exposure to credit risk is the amounts disclosed in the annual 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.

5. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risks (continued)

Liquidity risk
Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due.

At September 30, 2017, the Company had a cash balance of $29,770 (September 30, 2016 - $75,915) to settle current liabilities of $73,765 (September 30, 2016 - $185,121). All of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms.

During the year ended September 30, 2017 the Company settled debt in the aggregate principal amount of $152,500 by the issuance of 6,100,000 common shares in the capital of the Company, having a deemed value of $0.025 per common share (See Note 9(b)).

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 not exposed to significant currency risk.

6. 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 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, warrants 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 during the years ended September 30, 2017 and 2016 and the Company is not subject to any externally imposed capital requirements.

7. 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.

During the year ended September 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").

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.

(In Canadian Dollars)

7. MINERAL INTERESTS (Continued)

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.

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 during the year ended September 30, 2015.

8. EVALUATION AND EXPLORATION EXPENSES

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

	Cerro Amarillo, Argentina	**Samenta, Argentina**	**Total**
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 year	(1)	(39,027)	(39,028)
Balance as at September 30, 2016 and 2017	$ -	$ -	$ -

The Company's exploration expenses for the years ended September 30, 2017 and 2016 were as follows:

	Years ended September 30, 2017	**Years ended September 30, 2016**
Cerro Amarillo, Argentina		
Administration	**$ -**	$ 90,654
Camp Costs	**-**	3,413
Travel and Transport	**-**	78
Other	**-**	12,839
Total Cerro Amarillo	**-**	106,984
Samenta, Argentina		
Administration	**-**	42,090
Other	**-**	7,582
Total Samenta	**-**	49,672
Total evaluation and exploration expenses	**$ -**	$ 156,656

(In Canadian Dollars)

9. SHARE CAPITAL

(a) Authorized

Unlimited Class A common shares without par value.

(b) Issued and outstanding

At September 30, 2017, the Company had 50,388,420 (September 30, 2016 – 35,488,420) common shares issued and outstanding.

Year ended September 30, 2017
During the year ended September 30, 2017, the Company settled debt in the aggregate principal amount of $152,500 owing to directors of the Company by the issuance of 6,100,000 common shares in the capital of the Company. The shares were valued at $0.021 per share based on the quoted market price of the shares on the date of issuance. Accordingly the Company recognized a gain of $24,965 on the debt settlement.

During the year ended September 30, 2017, the Company completed a private placement for 8,800,000 units for gross proceeds of $220,000 at $0.025 per unit. Each unit comprised of one common share of the Company plus one-half of one common share warrant. Each whole warrant entitles the holder to acquire one common share of the Corporation for $0.05 for a period of 18 months from the closing date. The fair value of the 4,400,000 warrants was estimated as $36,018 using the Black-Scholes option pricing model with the following assumptions: 131% expected volatility; a risk-free interest rate of 1.23%; an expected dividend yield of Nil%; and 18 months expected term. Directors of the Company subscribed 1,400,000 units of this private placement for proceeds of $35,000. The Company incurred share issue costs of $24,191.

Year ended September 30, 2016
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. Included in the settled debt was $25,000 owed to a director 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.

(c) Warrants

The movement in the Company's warrants for the year ended September 30, 2017 was as follows:

	Number of warrants	Weighted average exercise price
Outstanding, September 30, 2015 and 2016	-	-
Issued (Note 9(b))	4,400,000	0.05
Outstanding, September 30, 2017	**4,400,000**	**$ 0.05**

Subsequent to September 30, 2017, 500,000 warrants were exercised for $0.05 per common share.

(In Canadian Dollars)

9. SHARE CAPITAL (Continued)

(d) 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 1,007,768.

The movement in the Company's stock options for the year ended September 30, 2017 was as follows:

	Number of options	Weighted average exercise price
Outstanding, September 30, 2015	975,000	0.30
Cancelled	(875,000)	0.30
Outstanding, September 30, 2016 and 2017	**100,000**	**$ 0.30**

The Company's outstanding and exercisable stock options as at September 30, 2017 were as follows:

	Outstanding		Exercisable	
Exercise price	**Number outstanding**	**Weighted average remaining life (years)**	**Number exercisable**	**Weighted average remaining life (years)**
$0.30	100,000	1.20	100,000	1.20

There were no stock options granted during the years ended September 30, 2017 and 2016.

(In Canadian Dollars)

10. RELATED PARTY TRANSACTIONS

(a) Key management compensation

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

	Years ended September 30,			
	2017		**2016**	
Short-term benefits (1)	**$**	**157,500**	$	18,750
Short-term benefits forgone (1)		**-**		(18,750)
Total directors compensation	**$**	**157,500**	$	-

(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 September 30, 2017, the Company owed $30,000 (September 30, 2016: $nil) in directors fees and expenses to the directors and a former director of the Company.

As at September 30, 2017 the Company has a loan payable to a shareholder of $6,500 (September 30, 2016: $144,500) which is unsecured, non-interest bearing and payable on demand.

See Note 9(b).

(b) Other related party transactions

During the year ended September 30, 2017 the Company incurred $81,586 (2016 - $120,000) in fees paid to a management company to provide administration services including services of a Chief Financial Officer and a Corporate Secretary. As at September 30, 2017, $9,540 (September 30, 2016 - $nil) was payable to this company. During the year ended September 30, 2016, $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.

11. INCOME TAXES

The provision for income taxes differs from the amount calculated using the Canadian federal and provincial statutory income tax rates of 26.0% (2016 – 26%) as follows:

	Year ended September 30,			
	2017		2016	
Net loss for the year	$	(259,412)	$	(282,215)
Statutory income tax rate		26.0%		26.0%
Expected income tax recovery		(69,000)		(73,000)
Other		1,000		-
Deferred income tax benefit not recognized		68,000		73,000
Deferred income tax (expense)/recovery	$	-	$	-

(In Canadian Dollars)

11. INCOME TAXES (Continued)

The Company recognizes deferred tax assets on losses or other deductible amounts where it is probable that sufficient future taxable profits will be available to realize such assets. The Company's unrecognized deductible temporary differences and unused tax losses for which no deferred tax asset is recognized consist of the following amounts:

	As at September 30,			
	2017		2016	
Non- capital loss carry forward	$	2,553,000	$	1,297,000
Capital loss carry forward		9,975,000		649,000
Share issue costs		18,000		1,000
Unrecognized deferred tax assets	$	12,546,000	$	1,947,000

As at September 30, 2017, the Company has Canadian non-capital loss carry-forwards of $2,553,178 (2016 - $2,476,426) that are available to reduce taxable income in Canada. These losses expire between 2034 and 2037.

12. SALE OF SUBSIDIARY

On June 30, 2016, the Company closed a Purchase and Sale Agreement whereby the purchaser acquired all the issued and outstanding shares of Huayra Minerals Corp. in exchange for $10 and the assumption of any and all liabilities of Meryllion Argentina SA.

The following provides information with respect to the gain on the sale:

Consideration	$	10
Less :		
Cash		862
Prepaid expenses and deposits		1,574
Mineral interests		39,028
Accounts payable and accrued liabilities		(272,966)
Net assets (deficit) of Huayra Minerals Corp		(231,502)
		231,512
Reclassification of cumulative translation differences		(107,665)
Gain on sale of subsidiary	$	123,847

13. SUBSEQUENT EVENTS

See Note 9(c).