

MERYLLION

R e s o u r c e s

MERYLLION RESOURCES CORP.
Condensed Interim Financial Statements
For the Three and Six Months Ended March 31,
2021 and 2020
(Expressed in Canadian Dollars)

NOTICE OF NO AUDITOR REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these unaudited condensed interim financial statements in accordance with the standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

MERYLLION RESOURCES CORP.
Condensed Interim Statements of Financial Position
As at
(Unaudited)
(In Canadian Dollars)

| | Note | March 31, 2021 | September 30, 2020 (Audited) |
|--|------|-------------------|------------------------------------|
| | | \$ | \$ |
| ASSETS | | | |
| CURRENT | | | |
| Cash | | 300,518 | 27,442 |
| Amounts receivable | | 17,259 | 14,982 |
| TOTAL ASSETS | | 317,777 | 42,424 |
| LIABILITIES | | | |
| CURRENT | | | |
| Accounts payable and accrued liabilities | 8 | 226,340 | 136,107 |
| TOTAL LIABILITIES | | 226,340 | 136,107 |
| EQUITY (DEFICIENCY) | | | |
| Share capital | 7b) | 16,115,711 | 15,801,871 |
| Warrant reserve | 7c) | 65,581 | 65,581 |
| Share-option reserve | 7d) | 440,902 | 348,908 |
| Deficit | | (16,530,757) | (16,310,043) |
| Total equity (deficiency) | | 91,437 | (93,683) |
| Total liabilities and equity (deficiency) | | 317,777 | 42,424 |

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

Going concern (Note 1)
Subsequent events (Note 9)

APPROVED ON BEHALF OF THE BOARD OF DIRECTORS:

“Jeremy Edelman”
Director

“Guy Charette”
Director

MERYLLION RESOURCES CORP.
Condensed Interim Statements of Loss and Comprehensive Loss
For the Three and Six Months Ended March 31,
(Unaudited)
(In Canadian Dollars)

| | Note | Three months ended, | | Six months ended, | |
|--|------|---------------------|-----------|-------------------|-----------|
| | | 2021 | 2020 | 2021 | 2020 |
| | | \$ | \$ | \$ | \$ |
| ADMINISTRATIVE EXPENSES | | | | | |
| Professional fees | | 28,467 | 950 | 30,967 | 2,325 |
| Management fees | 8 | 36,000 | - | 72,000 | - |
| Office and administration | 8 | 204 | 346 | 2,487 | 8,156 |
| Regulatory and filing fees | | 7,443 | 6,749 | 23,290 | 13,138 |
| Share-based payments | 7d) | 91,994 | - | 91,994 | - |
| TOTAL ADMINISTRATIVE EXPENSES | | 164,108 | 8,045 | 220,738 | 23,619 |
| Foreign exchange loss (gain) | | (24) | 14 | (24) | 14 |
| NET LOSS AND COMPREHENSIVE LOSS | | 164,084 | 8,059 | 220,714 | 23,633 |
| LOSS PER SHARE, basic and diluted | | | | | |
| | | 0.02 | 0.00 | 0.02 | 0.00 |
| Weighted average number of common shares, basic and diluted(1) | | | | | |
| | | 9,863,902 | 6,784,842 | 9,485,256 | 6,784,842 |

(1) Adjusted for 1-for-10 share consolidation on December 11, 2020.

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

MERYLLION RESOURCES CORP.**Condensed Interim Statements of Changes in Equity (Deficiency)
For the Periods Ended March 31, 2021 and 2020**

(Unaudited)

(In Canadian Dollars)

| | Note | Number of Shares | Share Capital \$ | Share-option Reserve \$ | Warrants \$ | Deficit \$ | Total \$ |
|--|------|---------------------|------------------------|-------------------------------|----------------|---------------------|-----------------|
| Balance, September 30, 2019 (Audited) | | 6,784,842 | 15,701,134 | 348,908 | 65,581 | (16,168,224) | (52,601) |
| Net loss and comprehensive loss for the period | | - | - | - | - | (23,633) | (23,633) |
| Balance, March 31, 2020 | | 6,784,842 | 15,701,134 | 348,908 | 65,581 | (16,191,857) | (76,234) |
| Balance, September 30, 2020 (Audited) | | 9,114,842 | 15,801,871 | 348,908 | 65,581 | (16,310,043) | (93,683) |
| Private placement | 7b) | 4,615,383 | 300,000 | - | - | - | 300,000 |
| Share issuance costs | 7b) | - | (6,160) | - | - | - | (6,160) |
| Shares for debt | 7b) | 200,000 | 20,000 | - | - | - | 20,000 |
| Share-based payments | 7d) | - | - | 91,994 | - | - | 91,994 |
| Net loss and comprehensive loss for the period | | - | - | - | - | (220,714) | (220,714) |
| Balance, March 31, 2021 | | 13,930,225 | 16,115,711 | 440,902 | 65,581 | (16,530,757) | 91,437 |

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

MERYLLION RESOURCES CORP.
Condensed Interim Statements of Cash Flows
For the Six Months Ended March 31,
(Unaudited)
(In Canadian Dollars)

| | Note | 2021 | 2020 |
|--|------|------------------|----------|
| | | \$ | \$ |
| OPERATING ACTIVITIES | | | |
| Net loss for the period | | (220,714) | (23,633) |
| Items not affecting cash: | | | |
| Shared-based compensation | 7d) | 91,994 | - |
| | | (128,720) | (23,633) |
| Changes in non-cash working capital items: | | | |
| Amounts receivable | | (2,277) | 1,964 |
| Accounts payable and accrued liabilities | | 110,233 | 21,694 |
| Cash flows from (used in) operating activities | | (20,764) | 25 |
| FINANCING ACTIVITIES | | | |
| Proceeds from private placement | 7b) | 300,000 | - |
| Share issuance costs | 7b) | (6,160) | - |
| Cash flows from financing activities | | 293,840 | - |
| Change in cash during the period | | 273,076 | 25 |
| Cash, beginning of period | | 27,442 | 2,386 |
| Cash, end of period | | 300,518 | 2,411 |
| <i>Non-cash activities:</i> | | | |
| Shares for debt | 7b) | \$ 20,000 | \$ - |

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

MERYLLION RESOURCES CORP.

Notes to the Condensed Interim Financial Statements

For the Three and Six Months Ended March 31, 2021 and 2020

(Unaudited)

(In Canadian Dollars)

1. NATURE OF OPERATIONS AND GOING CONCERN

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.

These 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. Realization values may be substantially different from carrying values as shown and the financial statements do not given effect to adjustments that would be necessary to the carrying values and the classification of assets and liabilities should the Company be unable to continue operating as a going concern. Such adjustments could be material.

At March 31, 2021, the Company had an accumulated deficit of \$16,530,757 (September 30, 2020 - \$16,310,043) and a working capital of \$91,437 (September 30, 2020 - working capital deficiency of \$93,683). The Company incurred a net loss of \$220,714 during the six months ended March 31, 2021 (2020 - \$23,633). These circumstances raise material uncertainties which may cast substantial doubt as to the ability of the Company to meet its ongoing obligations as they come due, and accordingly, the appropriateness of the use of the accounting principles applicable to a going concern. The Company's ability to continue as a going concern is dependent upon its ability to raise adequate financing to meet its present and future commitments and to generate profitable operations in the future.

2. BASIS OF PRESENTATION

(a) Statement of compliance

The condensed interim financial statements of the Company have been prepared in accordance with IAS 34 Interim Financial Reporting.

The condensed interim financial statements of the Company should be read in conjunction with the Company's 2020 annual financial statements which have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). The condensed interim financial statements have been prepared using accounting policies consistent with those used in the Company's 2020 annual financial statements except for income tax expense which is recognized and disclosed for the full financial year in the audited financial statements.

MERYLLION RESOURCES CORP.

Notes to the Condensed Interim Financial Statements

For the Three and Six Months Ended March 31, 2021 and 2020

(Unaudited)

(In Canadian Dollars)

2. BASIS OF PRESENTATION (Continued)

(b) Basis of presentation

These 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 financial statements have been prepared using the accrual basis of accounting, except for cash flow information. The accounting policies set out in Note 3 of the audited annual financial statements for the year ended September 30, 2020 have been applied consistently to all periods presented in these condensed interim financial statements as if the policies have always been in effect.

These financial statements were reviewed by the Audit Committee and approved and authorized for issue by the Board of Directors on May 27, 2021.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of these condensed interim financial statements in accordance with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities at the date of the condensed interim financial statements and reported amounts of revenue and expenses during the reporting period. Actual outcomes could differ from these estimates. The condensed interim financial statements include estimates, which, by their nature, are uncertain. The impact of such estimates are pervasive throughout the condensed interim financial statements, and may require accounting adjustments based on future occurrences.

The estimates and underlying assumptions are reviewed on a regular basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected. The areas involving a higher degree of judgment or complexity, or areas where the assumptions and estimates are significant to the financial statements were the same as those applied to the Company's audited financial statements for the year ended September 30, 2020.

4. FUTURE ACCOUNTING POLICIES AND ACCOUNTING CHANGES

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods commencing on or after October 1, 2020. Many are not applicable or do not have a significant impact to the Company and have been excluded. The following have not yet been adopted and are being evaluated to determine their impact on the Company.

Changes in Accounting Estimates and Errors ("IAS 8") were amended in October 2018 to refine the definition of materiality and clarify its characteristics. The revised definition focuses on the idea that information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general-purpose financial statements make on the basis of those financial statements. The amendments are effective for annual reporting periods beginning on or after January 1, 2020. Earlier adoption is permitted.

MERYLLION RESOURCES CORP.**Notes to the Condensed Interim Financial Statements****For the Three and Six Months Ended March 31, 2021 and 2020**

(Unaudited)

*(In Canadian Dollars)***5. FINANCIAL INSTRUMENTS****(a) Designation and valuation of 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 as amortized costs. All financial instruments are measured in the statement of financial position at fair value initially. Subsequent measurement and changes in fair value will depend on their initial classification.

The Company has designated its cash and amounts receivable as amortized cost and accounts payable and accrued liabilities as amortized cost. Cash 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 are as follows:

| | As at | |
|--|---------------------------|------------------------------------|
| | March 31, 2021 | September 30, 2020 (Audited) |
| Financial assets | | |
| Assets at amortized cost | | |
| Cash | \$ 300,518 | \$ 27,442 |
| Amounts receivable | 17,259 | 14,982 |
| Total financial assets | \$ 317,777 | \$ 42,424 |
| Financial liabilities | | |
| Liabilities at amortized cost | | |
| Accounts payable and accrued liabilities | \$ 226,340 | \$ 136,107 |
| Total financial liabilities | \$ 226,340 | \$ 136,107 |

(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 condensed interim 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.

MERYLLION RESOURCES CORP.

Notes to the Condensed Interim Financial Statements

For the Three and Six Months Ended March 31, 2021 and 2020

(Unaudited)

(In Canadian Dollars)

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 obligations as they fall due.

At March 31, 2021, the Company had a cash balance of \$300,518 (September 30, 2020 - \$27,442) to settle current liabilities of \$226,340 (September 30, 2020 - \$136,107). All of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms.

The Company intends to finance future requirements from share issuances, 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.

MERYLLION RESOURCES CORP.

Notes to the Condensed Interim Financial Statements

For the Three and Six Months Ended March 31, 2021 and 2020

(Unaudited)

(In Canadian Dollars)

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 believe its current working capital is sufficient to maintain its core operations for the next twelve months, and additional funding will be required by the Company to complete its strategic objectives and continue as a going concern. There is no certainty that additional financing at terms that are acceptable to the Company will be available. The 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 three and six months ended March 31, 2021 and 2020, and the Company is not subject to any externally imposed capital requirements.

7. SHARE CAPITAL

(a) Authorized

Unlimited Class A common shares without par value.

(b) Issued and outstanding

At March 31, 2021, the Company had 13,930,225 (September 30, 2020 - 9,114,842) common shares issued and outstanding. During the period ended March 31, 2021, the Company consolidated its common shares on a 10 for 1 basis. The share consolidation has been retrospectively applied in these financial statements.

During the six months ended March 31, 2021, 200,000 common shares with a fair value of \$20,000 were issued to settle debts owed to certain prior directors of the Company.

The Company also completed a non-brokered private placement of 4,615,383 common shares in the capital stock of the Company at a price of \$0.065 per share for gross proceeds of \$300,000, (Note 8). The proceeds from the private placement will be used for general working capital purposes.

Share issuance costs related to the private placement and shares for debt transaction were \$6,160.

MERYLLION RESOURCES CORP.**Notes to the Condensed Interim Financial Statements****For the Three and Six Months Ended March 31, 2021 and 2020**

(Unaudited)

*(In Canadian Dollars)***7. SHARE CAPITAL (Continued)****c) Warrants**

The Company's outstanding warrants as at March 31, 2021 was as follows:

| | Number of warrants | Weighted average exercise price |
|---|-----------------------|---------------------------------------|
| Outstanding, September 30, 2019 | 3,900,000 | 0.05 |
| Expired | (3,900,000) | (0.05) |
| Outstanding, September 30, 2020 and March 31, 2021 | - | - |

The Company did not have any outstanding warrants as at March 31, 2021 (September 30, 2020 - Nil).

(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 1,393,022.

On March 19, 2021, the Company granted an aggregate of 900,000 incentive stock options, with an exercise price of \$0.105 each, to certain officers and directors of the Company. The options vest immediately and are exercisable for a period of 60 months from date of issuance.

The Company had 900,000 outstanding stock options as at March 31, 2021 (September 30, 2020 - Nil). There were no stock options granted during the three and six months ended March 31, 2020.

| | Number of stock options | Weighted average exercise price |
|--|----------------------------|------------------------------------|
| Outstanding, September 30, 2019 and 2020 | - | - |
| Granted | 900,000 | \$0.105 |
| Outstanding, March 31, 2021 | 900,000 | \$0.015 |

| Grant Date | Exercise Price (\$) | Weighted Average Remaining Life (yrs) | Number of Options Outstanding | Number of Options Exercisable |
|----------------|---------------------|---------------------------------------|-------------------------------|-------------------------------|
| March 19, 2021 | 0.105 | 4.98 | 900,000 | 900,000 |
| | 0.105 | 4.98 | 900,000 | 900,000 |

MERYLLION RESOURCES CORP.**Notes to the Condensed Interim Financial Statements****For the Three and Six Months Ended March 31, 2021 and 2020**

(Unaudited)

*(In Canadian Dollars)***7. SHARE CAPITAL (Continued)****d) Stock options (Continued)**

The fair value of the Company's stock options issued was estimated using the Black-Scholes option pricing model using the following assumptions for the periods ended March 31:

| | 2021 | 2020 |
|--|---------|------|
| Expected volatility (based on historical share prices) | 198% | N/A |
| Risk-free interest rate | 0.99% | N/A |
| Expected life (years) | 5 | N/A |
| Expected dividend yield | Nil | N/A |
| Forfeiture rate | Nil | N/A |
| Underlying share price | \$0.105 | N/A |

The compensation expense and charge to contributed surplus relating to the vesting of stock options for the six months ended March 31, 2021 was \$91,994 (2020 - \$Nil). The average fair value of each option granted during the six months ended March 31, 2021 was approximately \$0.102 (2020 - \$Nil).

8. RELATED PARTY TRANSACTIONS

Transactions with related parties are incurred in the normal course of business and are measured at their fair values, which is the amount of consideration established and approved by the related parties.

a. Key management compensation

During the six months ended March 31, 2021, the Company incurred \$72,000 (2020 - \$Nil) in management fees to the CEO and CFO of the Company. As at March 31, 2021, the Company owed \$108,000 (September 30, 2020 - \$36,000) in these fees.

b. Other related party transactions

During the six months ended March 31, 2021, the Company incurred \$Nil (2020 - \$7,500) in fees paid to a management company to provide administration services including services of a Chief Financial Officer and a Corporate Secretary. As at March 31, 2021, \$Nil (September 30, 2020 - \$Nil) was payable to this company.

During the six months ended March 31, 2021, the Company's directors subscribed for 3,846,152 common shares in the capital stock of the Company at a price of \$0.065 per share for gross proceeds of \$250,000 (Note 7).

9. SUBSEQUENT EVENTS

On April 12, 2021, the Company completed the second and final tranche of its previously announced non-brokered private placement of common shares. Pursuant to this second tranche, the Company issued a total of 6,904,617 common shares at a price of \$0.065 per share for gross proceeds of \$448,800. The Company will use the proceeds of the private placement for working capital purposes. All common shares issued pursuant to the private placement are subject to a hold period of four months and one day from the date of issuance.

MERYLLION RESOURCES CORP.

Notes to the Condensed Interim Financial Statements

For the Three and Six Months Ended March 31, 2021 and 2020

(Unaudited)

(In Canadian Dollars)

9. SUBSEQUENT EVENTS (Continued)

On May 27, 2021, the Company granted an aggregate of 1,390,000 incentive stock options, with an exercise price of \$0.115 each, to certain officers, directors and consultants of the Company. The options vest immediately and are exercisable for a period of 60 months from date of issuance.