

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, 2022 and 2021
(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, 2022	September 30, 2021 (Audited)
		\$	\$
ASSETS			
CURRENT			
Cash		597,775	554,621
Amounts receivable		83,509	25,018
TOTAL CURRENT ASSETS		681,284	579,639
Exploration and evaluation assets	9	63,070	32,932
TOTAL ASSETS		744,354	612,571
LIABILITIES			
CURRENT			
Accounts payable and accrued liabilities	8	79,017	241,221
TOTAL LIABILITIES		79,017	241,221
EQUITY			
Share capital	7b)	16,623,231	16,560,231
Shares to be issued	7c)	400,050	-
Warrant reserve	7d)	65,581	65,581
Share-option reserve	7e)	596,204	596,204
Deficit		(17,019,729)	(16,850,666)
Total equity		665,337	371,350
TOTAL LIABILITIES AND EQUITY (DEFICIENCY)		744,354	612,571

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

Going concern (Note 1)
Subsequent events (Note 10)

APPROVED ON BEHALF OF THE BOARD OF DIRECTORS:

“Richard Revelins”
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,	
		2022	2021	2022	2021
				\$	\$
ADMINISTRATIVE EXPENSES					
Professional fees		41,010	28,467	76,825	30,967
Management fees	8	36,000	36,000	72,000	72,000
Office and administration		410	204	2,912	2,487
Regulatory and filing fees		9,808	7,443	16,951	23,290
Share-based payments	7e)	-	91,994	-	91,994
TOTAL ADMINISTRATIVE EXPENSES		87,228	164,108	168,688	220,738
Foreign exchange loss (gain)		421	(24)	375	(24)
NET LOSS AND COMPREHENSIVE LOSS		87,649	164,084	169,063	220,714
LOSS PER SHARE, basic and diluted		0.00	0.02	0.01	0.02
Weighted average number of common shares, basic and diluted		21,564,840	9,863,902	21,195,829	9,485,256

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

MERYLLION RESOURCES CORP.
Statements of Changes in Equity (Deficiency)
For the six months ended March 31, 2022 and 2021
(Unaudited)
(In Canadian Dollars)

	Note	Shares to be Issued	Shares Issued	Shares to be Issued	Share Capital	Share- option Reserve	Warrants	Deficit	Total
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	7e)	-	-	-	-	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
Balance, September 30, 2021 (Audited)		-	20,834,840	-	16,560,231	596,204	65,581	(16,850,666)	371,350
Shares for debt	7b)	-	900,000	-	63,000	-	-	-	63,000
Private placement	7c)	6,154,615	-	400,050	-	-	-	-	450,050
Net loss and comprehensive loss for the period		-	-	-	-	-	-	(169,063)	(169,063)
Balance, March 31, 2022		6,154,615	21,734,840	400,050	16,623,231	596,204	65,581	(17,019,729)	665,337

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

MERYLLION RESOURCES CORP.
Condensed Interim Statements of Changes in Cash Flows
For the six months ended March 31, 2022 and 2021
(Unaudited)
(In Canadian Dollars)

	Note	2022	2021
		\$	\$
OPERATING ACTIVITIES			
Net loss for the period		(169,063)	(220,714)
Items not affecting cash:			
Shares to be issued for services	7c)	18,000	-
Shared-based compensation	7e)	-	91,994
		(151,063)	(128,720)
Changes in non-cash working capital items:			
Amounts receivable		(58,491)	(2,277)
Accounts payable and accrued liabilities		(99,204)	110,233
Cash flows (used in) operating activities		(308,758)	(20,764)
FINANCING ACTIVITIES			
Proceeds from private placement	7b)	-	300,000
Shares to be issued	7c)	382,050	-
Share issuance costs	7b)	-	(6,160)
Cash flows from financing activities		382,050	293,840
INVESTING ACTIVITIES			
Expenditures on exploration and evaluation assets	9	(30,138)	-
Cash flows (used in) investing activities		(30,138)	-
Change in cash during the period		43,154	273,076
Cash, beginning of period		554,621	27,442
Cash, end of period		597,775	300,518
<i>Non-cash activities:</i>			
Shares for debt	7b)	\$ 63,000	\$ 20,000
Shares to be issued for services	7c)	\$ 18,000	\$ -

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, 2022 and 2021
(Unaudited)
(In Canadian Dollars)

1. NATURE OF OPERATIONS AND GOING CONCERN

Meryllion Resources Corp. (the “Company” or “Meryllion”) 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 301-217 Queen St. West, Toronto, Ontario, Canada, M5V 0R2.

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, 2022, the Company had an accumulated deficit of \$17,019,729 (September 30, 2021 - \$16,850,666) and working capital of \$602,267 (September 30, 2021 - \$338,418). The Company incurred a net loss of \$169,063 during the six months ended March 31, 2022 (2021 - \$220,714). 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 2021 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 2021 annual financial statements except for income tax expense which is recognized and disclosed for the full financial year in the audited financial statements.

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, 2021 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 April 27, 2022.

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, 2021.

4. FUTURE ACCOUNTING POLICIES AND ACCOUNTING CHANGES

Accounting Standards Issued But Not Yet Applied

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for annual periods beginning on or after January 1, 2021 or later periods.

IAS 1 – *Presentation of Financial Statements* ("IAS 1") was amended in January 2020 to provide a more general approach to the classification of liabilities under IAS 1 based on the contractual arrangements in place at the reporting date. The amendments clarify that the classification of liabilities as current or noncurrent is based solely on a company's right to defer settlement at the reporting date. The right needs to be unconditional and must have substance. The amendments also clarify that the transfer of a company's own equity instruments is regarded as settlement of a liability, unless it results from the exercise of a conversion option meeting the definition of an equity instrument. The amendments are effective for annual periods beginning on January 1, 2023.

4. FUTURE ACCOUNTING POLICIES AND ACCOUNTING CHANGES (Continued)

IAS 37 – *Provisions, Contingent Liabilities and Contingent Assets* (“IAS 37”) was amended. The amendments clarify that when assessing if a contract is onerous, the cost of fulfilling the contract includes all costs that relate directly to the contract – i.e. a full-cost approach. Such costs include both the incremental costs of the contract (i.e. costs a company would avoid if it did not have the contract) and an allocation of other direct costs incurred on activities required to fulfill the contract – e.g. contract management and supervision, or depreciation of equipment used in fulfilling the contract. The amendments are effective for annual periods beginning on January 1, 2022.

IFRS 3 – *Business Combinations* (“IFRS 3”) was amended. The amendments introduce new exceptions to the recognition and measurement principles in IFRS 3 to ensure that the update in references to the revised conceptual framework does not change which assets and liabilities qualify for recognition in a business combination. An acquirer should apply the definition of a liability in IAS 37 – rather than the definition in the Conceptual Framework – to determine whether a present obligation exists at the acquisition date as a result of past events. For a levy in the scope of IFRIC 21, the acquirer should apply the criteria in IFRIC 21 to determine whether the obligating event that gives rise to a liability to pay the levy has occurred by the acquisition date. In addition, the amendments clarify that the acquirer should not recognize a contingent asset at the acquisition date. The amendments are effective for annual periods beginning on January 1, 2022.

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.

MERYLLION RESOURCES CORP.
Notes to the Condensed Interim Financial Statements
For the three and six months ended March 31, 2022 and 2021
(Unaudited)
(In Canadian Dollars)

5. FINANCIAL INSTRUMENTS (Continued)

The Company's financial instruments are as follows:

	As at	
	March 31, 2022	September 30, 2021 (Audited)
Financial assets		
Assets at amortized cost		
Cash	\$ 597,775	\$ 554,621
Amounts receivable	83,509	25,018
Total financial assets	\$ 681,284	\$ 579,639
Financial liabilities		
Liabilities at amortized cost		
Accounts payable and accrued liabilities	\$ 79,017	\$ 241,221
Total financial liabilities	\$ 79,017	\$ 241,221

(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.

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, 2022, the Company had a cash balance of \$597,775 (September 30, 2021 - \$554,621) to settle current liabilities of \$79,017 (September 30, 2021 - \$241,221). 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.

5. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risks (Continued)

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 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 periods ended March 31, 2022 and 2021 and the Company is not subject to any externally imposed capital requirements.

MERYLLION RESOURCES CORP.
Notes to the Condensed Interim Financial Statements
For the three and six months ended March 31, 2022 and 2021
(Unaudited)
(In Canadian Dollars)

7. SHARE CAPITAL

(a) Authorized

Unlimited Class A common shares without par value.

(b) Issued and outstanding

Six months ended March 31, 2022

As at March 31, 2022, the Company had 21,734,840 (September 30, 2021 - 20,834,840) common shares issued and outstanding. During the year ended September 30, 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, 2022, the Company announced that it had completed a shares-for-debt transaction pursuant to which the Company issued a total of 900,000 common shares at deemed issue a price of \$0.07 per share in settlement of \$63,000 of outstanding management fees owing to two of the Company's officers and directors.

Six months ended March 31, 2021

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).

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

(c) Shares to be issued

On March 1, 2022, the Company announced a proposed non-brokered private placement of up to 6,153,846 common shares at a price of \$0.065 per share in order to raise up to \$400,050. As at March 31, 2022, \$350,000 of funds were received pursuant to the private placement, of which \$18,000 was related to shares to be issued for services. The Company also has \$50,050 of shares subscriptions receivables included in its amounts receivable balance for funds to be received pursuant to the private placement. The private placement was completed subsequent to March 31, 2022 (Note 10).

(d) Warrants

The Company did not have any outstanding warrants as at March 31, 2022 (September 30, 2021 - Nil).

(e) 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.

MERYLLION RESOURCES CORP.
Notes to the Condensed Interim Financial Statements
For the three and six months ended March 31, 2022 and 2021
(Unaudited)
(In Canadian Dollars)

7. SHARE CAPITAL (Continued)

(e) Stock options (Continued)

During the six months ended March 31, 2022, the Company did not issue any stock options.

During the six months ended March 31, 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 2,290,000 outstanding stock options as at March 31, 2022 (September 30, 2021 - 2,290,000).

Grant Date	Exercise Price (\$)	Weighted Average Remaining Life (yrs)	Number of Options Outstanding	Number of Options Exercisable
March 19, 2021	0.105	3.97	900,000	900,000
May 27, 2021	0.115	4.16	1,390,000	1,390,000
	0.111	4.08	2,290,000	2,290,000

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:

	2022	2021
Expected volatility (based on historical share prices)	Nil	198%
Risk-free interest rate	Nil	0.99%
Expected life (years)	Nil	5
Expected dividend yield	Nil	Nil
Forfeiture rate	Nil	Nil
Underlying share price	Nil	\$0.105

The compensation expense and charge to contributed surplus relating to the vesting of stock options for the six months ended March 31, 2022 was \$Nil (2021 - \$91,994). The average fair value of each option granted during the six months ended March 31, 2022 was approximately \$Nil (2021 - \$0.102).

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.

During the six months ended March 31, 2022, the Company incurred \$72,000 (2021 - \$72,000) in management fees to the CEO and CFO of the Company. As at March 31, 2022, accounts payable and accrued liabilities included \$36,000 (September 30, 2021 - \$180,000) payable to the CEO and CFO.

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).

MERYLLION RESOURCES CORP.
Notes to the Condensed Interim Financial Statements
For the three and six months ended March 31, 2022 and 2021
(Unaudited)
(In Canadian Dollars)

9. EXPLORATION AND EVALUATION ASSETS

On July 26, 2021, the Company signed an option to acquire a 100% interest in the Oldham Range base and battery metal exploration property (the "Property") in Western Australia. The Property comprises a 14,700 ha granted exploration license, 320km northeast of Wiluna, Western Australia.

The Company can earn a 100% interest in the Property by incurring AUD \$300,000 of expenditures based on an agreed budget on or before December 31, 2021. On January 6, 2022, the Company announced that it has signed an extension to the option agreement over the Oldham Range Project in Western Australia to April 1, 2022. On March 31, 2022, the Company signed an extension to December 31, 2022. All other terms of the agreement have remained the same.

Following the minimum expenditure being met, Meryllion will have an exclusive right to acquire the Property at any time subject to:

1. Issuing 2,000,000 Meryllion shares
2. Payment of AUD \$50,000; and
3. Granting a 1% net smelter royalty for all metals produced from the Property.

The following expenditures were incurred by the Company during the six months ended March 31, 2022:

	Oldham Range
	\$
Balance, September 30, 2020	-
Geological consulting	11,481
Logistics	11,891
Travel and lodging	9,560
Balance, September 30, 2021	32,932
Geological consulting	12,799
Contract labour	3,507
Travel and lodging	12,338
Field supplies	304
Drilling	1,190
Balance, March 31, 2022	63,070

10. SUBSEQUENT EVENTS

On April 26, 2022, the Company announced that it has reached terms with Essex Minerals Inc., for an arm's length option and earn-in joint venture on the Mt Turner copper-molybdenum and Drummer Fault gold projects in north Queensland, Australia.

Highlights

- Previous exploration by Essex has identified a coherent copper in soil anomaly (>100ppm) flanking a molybdenum in soil anomaly (>10ppm) over a 4km x 4km area at Mt Turner. The soil anomalies are coincident with circular aeromagnetic and geological features which display classic signatures of a large copper-molybdenum porphyry system.
- Mt Turner also has the potential to identify an economic gold resource along the Drummer Fault structure, which has demonstrated gold mineralization beneath six small oxide open pits, previous drilling and rock chip samples along 14 km of the identified strike length within the project area.
- Essex has granted Meryllion a 90-day option to fund a minimum \$250,000 on exploration at Mt Turner, including a detailed induced polarization survey to define drill targets within the porphyry system.
- Meryllion will then have the right to earn up to a 70% interest in the project by funding up to a further \$3,800,000 in exploration in three stages.
 - \$400,000 on exploration within 12 months from the exercise date of the Option ("First Stage Earn-In") to earn 25%;
 - \$1,400,000 on exploration within 36 months of exercising the Option ("Second Stage Earn-in") to earn 51%; and
 - a further \$2,000,000 on exploration to earn a total 70% interest

In addition to the exploration programs, Meryllion will pay Essex \$25,000 for the option and \$75,000 to exercise the option.

For more information, please refer to the Company's MD&A for the three and six months ended March 31, 2022.

On April 7, 2022, the Company completed its previously announced non-brokered private placement on March 1, 2022, pursuant to which the Company has issued a total of 6,154,615 common shares at a price of \$0.065 per share for gross proceeds of \$400,050 (the "Private Placement").

Certain insiders of the Company subscribed for a total of 2,307,693 common shares pursuant to the Private Placement. The issuance of shares to each insider constitutes a related-party transaction within the meaning of Multi-Lateral Instrument 61-101 - Protection of Minority Security Holders in Special Transactions ("MI 61-101").

Neither the Company, nor to the knowledge of the Company after reasonable inquiry, a related party, has knowledge of any material information concerning the Company or its securities that has not been generally disclosed.

The share issuances to the insiders are exempt from the formal valuation and minority shareholder approval requirements of MI 61-101 pursuant to Sections 5.5(c) and 5.7(1)(b) of MI 61-101 as they were a distribution of securities for cash and neither the fair market value of the common shares distributed to, nor the consideration received from, interested parties exceeded \$2,500,000.

10. SUBSEQUENT EVENTS (Continued)

The Company did not file a material change report more than 21 days before the expected closing of the Private Placement because the details of the participation therein by related parties to the Company were not settled until shortly prior to the closing, and the Company wished to close on an expedited basis for business reasons. 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.