MERYLLION RESOURCES CORP.

Financial Statements
For the years ended September 30, 2024 and 2023
(Expressed in Canadian Dollars)

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
Meryllion Resources Corp.

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Meryllion Resources Corp. (the Company), which comprise the statements of financial position as at September 30, 2024 and 2023, and the statements of loss and comprehensive loss, statements of cash flows and statements of changes in equity for the years then ended, and notes to the financial statements, including a summary of material accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at September 30, 2024 and 2023, and its financial performance and its cash flows for the years then ended, in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with those requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Relating to Going Concern

We draw your attention to Note 1 in the financial statements, which indicates that the Company incurred a comprehensive loss of $328,186 the year ended September 30, 2024. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements for the year ended September 30, 2024. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matter described in the Emphasis of Matter - *Material Uncertainty Related to Going Concern* section of our report, we have determined the matter described below to be the key audit matter to be communicated in our report.

Impairment Assessment of Exploration and Evaluation (E&E) Assets

Description of the matter

As described in Note 9 to the financial statements, the carrying value of the exploration and evaluation assets amounted to $276,627 as at September 30, 2024.

As of September 30, 2024, the Company had one mineral property, Tasmania project. No E&E impairment was recognized during the year ended September 30, 2024.

E&E assets are assessed for impairment when facts and circumstances suggest that the carrying amount may exceed its recoverable amount. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. Management groups mineral claims that are contiguous and specific to an area that encompasses the same prospective minerals, into one area of interest and assigns a name to this mineral property. Each named mineral property is considered an area of interest and subject to impairment assessment.

In undertaking this assessment, management is required to apply judgment whether the following factors would be considered an indicator of impairment:

- The period for which the entity has the right to explore in the specific area has expired during the financial statement period or will expire in the near future and is not expected to be renewed;
- Substantive expenditures on further exploration for, and evaluation of, mineral resources in the specific area is neither budgeted nor planned;
- Exploration for and evaluation of mineral resources in the specific area has not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities in the specific area; and
- Sufficient data exists to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or sale.

Why the matter is a key audit matter
We determined this as a key audit matter as it represented an area of significant risk of material misstatement given the magnitude of the E&E assets and the significant management judgment involved in assessing the existence of impairment indicators. In addition, significant auditor judgement, knowledge and effort were required in evaluating the results of our audit procedures.

How the matter was addressed in the audit
The following were the primary procedures we performed to address this key audit matter.

- Reviewed management's E&E impairment analysis and ensured it was reasonable and complies with IFRS 6 guidance;
- Verified the status of the Tasmania project by confirming good standing of the related option agreement with the property optionor;
- Considered evidence obtained in other areas of the audit to assess the Company's continued ability and plans to further develop the E&E properties; and;
- Reviewed National Instrument 43-101 Technical Reports noting the potential commercial viability of the properties.

Information Other than the Financial Statements and Auditor's Report Thereon
Management is responsible for the other information. The other information comprises the annual management's discussion and analysis, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements
Management is responsible for the preparation and fair presentation of the 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.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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 Company’s internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because of the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Pat Kenney.

Clearhouse LLP

Chartered Professional Accountants
Licensed Public Accountants

Mississauga, Ontario
January 28, 2025

MERYLLION RESOURCES CORP.
Statements of Financial Position
As at
(Expressed in Canadian Dollars)

	Note	September 30, 2024 $	September 30, 2023 $
ASSETS			
CURRENT			
Cash		**20,195**	69,913
Amounts receivable		**22,566**	14,260
Prepaids		**11,250**	-
TOTAL CURRENT ASSETS		**54,011**	84,173
Exploration and evaluation assets	9	**276,627**	10,570
TOTAL ASSETS		**330,638**	94,743
LIABILITIES			
CURRENT			
Accounts payable and accrued liabilities		**104,870**	99,519
Due to related parties	8	**101,778**	103,046
Loans payable	8	**75,000**	42,260
TOTAL LIABILITIES		**281,648**	244,825
EQUITY			
Share capital	7b)	**17,497,257**	17,097,971
Warrant reserve	7c)	**127,972**	-
Contributed surplus	7d)	**755,779**	755,779
Deficit		**(18,332,018)**	(18,003,832)
Total equity (deficiency)		**48,990**	(150,082)
TOTAL LIABILITIES AND EQUITY (DEFICIENCY)		**330,638**	94,743

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

Going concern (Note 1)

APPROVED ON BEHALF OF THE BOARD OF DIRECTORS:

"Signed"
*"***Richard Revelins***"*
Director

"Signed"
*"***Guy Charette***"*
Director

MERYLLION RESOURCES CORP.
Statements of Loss and Comprehensive Loss
For the years ended September 30, 2024 and 2023
(Expressed in Canadian Dollars)

	Note	2024 $	2023 $
OPERATING EXPENSES			
Professional fees	8	**125,014**	117,133
Management fees	8	**103,539**	76,992
Office and administration		**89,783**	56,841
Regulatory and filing fees		**27,582**	19,780
Share-based payments	7d), 8	**-**	8,660
TOTAL OPERATING EXPENSES		**345,918**	279,406
Loss on impairment of exploration and evaluation assets	9	**-**	478,471
Gain on forgiveness of debt	8	**(19,824)**	-
Foreign exchange loss		**2,092**	1,073
NET LOSS AND COMPREHENSIVE LOSS FOR THE YEAR		**328,186**	758,950
LOSS PER SHARE, basic and diluted		**(0.01)**	(0.03)
Weighted average number of common shares, basic and diluted		**38,824,460**	29,073,017

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

MERYLLION RESOURCES CORP.
Statements of Changes in Equity (Deficiency)
For the years ended September 30, 2024 and 2023
(Expressed in Canadian Dollars)

	Note	Shares Issued	Share Capital	Contributed surplus	Warrants	Deficit	Total
			$	$	$	$	$
Balance, September 30, 2022		27,889,455	17,002,806	680,703	65,581	(17,244,882)	504,208
Private placement	7b)	2,000,000	99,130	-	870	-	100,000
Share issuance costs	7b)	-	(3,965)	-	(35)	-	(4,000)
Expiry of warrants	7c)	-	-	66,416	(66,416)	-	-
Share-based payments	7d)	-	-	8,660	-	-	8,660
Net loss and comprehensive loss for the year		-	-	-	-	(758,950)	(758,950)
Balance, September 30, 2023		29,889,455	17,097,971	755,779	-	(18,003,832)	(150,082)
Balance, September 30, 2023		29,889,455	17,097,971	755,779	-	(18,003,832)	(150,082)
Private placement	7b), 7c)	8,011,625	187,295	-	133,170	-	320,465
Share issuance costs	7b)	-	(7,311)	-	(5,198)	-	(12,509)
Shares issued for option exercise payment	7b), 9	4,186,046	209,302	-	-	-	209,302
Shares for debt settlement	7b)	200,000	10,000	-	-	-	10,000
Net loss and comprehensive loss for the year		-	-	-	-	(328,186)	(328,186)
Balance, September 30, 2024		**42,287,126**	**17,497,257**	**755,779**	**127,972**	**(18,332,018)**	**48,990**

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

MERYLLION RESOURCES CORP.
Statements of Changes in Cash Flows
For the years ended September 30, 2024 and 2023
(Expressed in Canadian Dollars)

	Note	2024	2023
		$	$
OPERATING ACTIVITIES			
Net loss for the year		**(328,186)**	(758,950)
Items not affecting cash:			
Shared-based compensation	7b)	**-**	8,660
Impairment of exploration and evaluation assets	9	**-**	478,471
Gain on forgiveness of debt	8	**(19,824)**	-
Changes in non-cash working capital items:			
Amounts receivable		**(8,306)**	27,925
Prepaids		**(11,250)**	-
Accounts payable and accrued liabilities		**(11,243)**	119,568
Due to related parties	8	**46,555**	-
Cash flows (used in) operating activities		**(332,254)**	(124,326)
FINANCING ACTIVITIES			
Proceeds from private placement	7c)	**276,800**	100,000
Share issuance costs	7b)	**(12,509)**	(4,000)
Proceeds from loans payable	8	**75,000**	42,260
Cash flows from financing activities		**339,291**	138,260
INVESTING ACTIVITIES			
Expenditures on exploration and evaluation assets	9	**(56,755)**	(10,570)
Cash flows (used in) investing activities		**(56,755)**	(10,570)
Change in cash during the year		**(49,718)**	3,364
Cash, beginning of year		**69,913**	66,549
Cash, end of year		**20,195**	69,913

	Note	2024	2023
Non-cash activities:			
Shares for loan payable settlement	7b)	**$ 43,665**	$ -
Shares issued for option agreement	7b), 9	**$ 209,302**	$ -
Shares for debt settlement	7b)	**$ 10,000**	$ -

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

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. Meryllion is a natural resource company, at the exploration stage, engaged in the acquisition and exploration of resource properties. The Company's shares trade on the Canadian Securities Exchange ("CSE") under the symbol MYR.

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 September 30, 2024, the Company had an accumulated deficit of $18,332,018 (September 30, 2023 - $18,003,832) and working capital deficit of $227,637 (September 30, 2023 - $160,652). The Company incurred a net loss of $328,186 during the year ended September 30, 2024 (2023 - $758,950). 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

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").

The policies applied in these financial statements are based on IFRSs issued and outstanding as of January 24, 2025, the date the Board of Directors approved the financial statements.

(b) Basis of presentation

These annual financial statements are expressed in Canadian Dollars, the Company's presentation and functional 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.

3. MATERIAL ACCOUNTING POLICIES

(a) Critical accounting estimates, judgements and assumptions

The preparation of financial statements in conformity with IFRS requires management to make significant judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses and related footnote disclosures. Use of available information and the application of judgment are inherent in the formation of estimates. Actual results in the future can differ from these estimates, which may be material to future financial statements.

Significant estimates and underlying assumptions are reviewed on a periodic basis. Management uses historical experience and various other factors, which it believes to be reasonable under the circumstances as the basis for its judgments and estimates. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements, are outlined below:

- Going concern - Management assessment of going concern and uncertainties of the Company's ability to raise additional capital and/or obtain financing to meet its commitments.
- Valuation of share-based payments - Black-Scholes valuation model is used for the valuation of the share-based payments granted and the assumptions used for the valuation include volatility of the share price, risk free interest rate and the life of the warrant granted. These assumptions are highly subjective and materially affect the calculated fair value.
- Recoverability of deferred income tax assets – assessing whether the realization of tax losses against future taxable income for income tax purposes is probable.
- Impairment of exploration and evaluation assets - assessed for impairment when indicators and circumstances suggest that the carrying amount may exceed its recoverable amount. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.
- Valuation of shares issued for non-cash consideration - The Company is required to recognize these transactions at fair value which requires judgment in selecting valuation techniques and other factors.

(b) 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, 2024 and 2023.

3. MATERIAL ACCOUNTING POLICIES (Continued)

(c) 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.

(d) 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.

(e) Income taxes

Income tax expense comprises current and deferred tax. Income tax is recognized in net loss except to the extent that it relates to items recognized directly in equity or in other comprehensive loss/income.

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.

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.

3. MATERIAL ACCOUNTING POLICIES (Continued)

(e) Income taxes (Continued)

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.

(f) 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 reporting 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 recognized in profit or loss with a corresponding entry against the related reserve. No expense is recognized for awards that do not ultimately vest.

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.

(g) 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.

3. MATERIAL ACCOUNTING POLICIES (Continued)

(h) Financial instruments

Recognition

The Company recognizes a financial asset or financial liability on the statement of financial position when it becomes party to the contractual provisions of the financial instrument. Financial assets are initially measured at fair value and are derecognized either when the Company has transferred substantially all the risks and rewards of ownership of the financial asset, or when cash flows expire. Financial liabilities are initially measured at fair value and are derecognized when the obligation specified in the contract is discharged, cancelled or expired.

A write-off of a financial asset (or a portion thereof) constitutes a derecognition event. Write-off occurs when the Company has no reasonable expectations of recovering the contractual cash flows on a financial asset.

Classification and measurement

The Company determines the classification of its financial instruments at initial recognition. Financial assets and financial liabilities are classified according to the following measurement categories:

- those to be measured subsequently at fair value, either through profit or loss (“FVTPL”) or through other comprehensive income (“FVTOCI”); and
- those to be measured subsequently at amortized cost.

The classification and measurement of financial assets after initial recognition at fair value depends on the business model for managing the financial asset and the contractual terms of the cash flows. Financial assets that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding, are generally measured at amortized cost at each subsequent reporting period. All other financial assets are measured at their fair values at each subsequent reporting period, with any changes recorded through profit or loss or through other comprehensive income (which designation is made as an irrevocable election at the time of recognition). After initial recognition at fair value, financial liabilities are classified and measured at either:

- amortized cost;
- FVTPL, if the Company has made an irrevocable election at the time of recognition, or when required (for items such as instruments held for trading or derivatives); or
- FVTOCI, when the change in fair value is attributable to changes in the Company’s credit risk.

The Company reclassifies financial assets when and only when its business model for managing those assets changes. Financial liabilities are not reclassified.

Transaction costs that are directly attributable to the acquisition or issuance of a financial asset or financial liability classified as subsequently measured at amortized cost are included in the fair value of the instrument on initial recognition. Transaction costs for financial assets and financial liabilities classified at fair value through profit or loss are expensed in profit or loss.

3. MATERIAL ACCOUNTING POLICIES (Continued)

(h) Financial instruments (Continued)

Fair value of financial instruments

The determination of the fair value of financial assets and liabilities, for which there is no observable market price, requires the use of valuation techniques. For financial instruments that trade infrequently and have little price transparency, fair value is less objective as such it requires varying degrees of judgment. The use of judgment in valuing financial instruments includes assessing qualitative factors such on liquidity, concentration, uncertainty of market factors, pricing assumptions and other risks affecting the particular instrument.

The Company measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

Level 1: Quoted market price in an active market for an identical instrument.

Level 2: Valuation techniques based on observable inputs derived either directly or indirectly from market prices. This category includes instruments valued using quoted market prices in active markets for similar instruments, quoted market prices for identical or similar instruments in markets that are considered less than active or other valuation techniques where all significant inputs are directly or indirectly observable from market data.

Level 3: Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted market prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

As of September 30, 2024, all the Company’s financial instruments are recorded at amortized cost in the statements of financial position.

(i) Impairment of financial assets

The Company assesses all information available, including on a forward-looking basis the expected credit losses associated with any financial assets carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. To assess whether there is a significant increase in credit risk, the Company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition based on all information available, and reasonable and supportive forward-looking information.

3. MATERIAL ACCOUNTING POLICIES (Continued)

(j) Related party transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties, which may be individuals or corporate entities, are also considered to be related if they are subject to common control or common significant influence. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties. Related party transactions that are in the normal course of business and have commercial substance are measured at the exchange amount.

(k) Exploration and evaluation assets

Once the legal right to explore has been acquired, costs directly associated with the exploration project are capitalized as either tangible or intangible exploration and evaluation assets ("E&E") according to the nature of the asset acquired. Such E&E costs may include undeveloped land acquisition, geological, geophysical and seismic, exploratory drilling and completion, testing, decommissioning and directly attributable internal costs. E&E costs are not depleted and are carried forward until technical feasibility and commercial viability of extracting a mineral resource is considered to be determined. The technical feasibility and commercial viability of a mineral resource is considered to be established when proved and or probable mineral reserves are determined to exist. All such carried costs are subject to technical, commercial and management review at least once a year to confirm the continued intent to develop or otherwise extract value from the exploratory activity. When this is no longer the case, impairment costs are expensed. Upon determination of mineral reserves, E&E assets attributed to those reserves are first tested for impairment and then reclassified to development and production assets within property, plant and equipment, net of any impairment. Expired land costs are also expensed to exploration and evaluation expense as they occur.

(l) Foreign currency

Foreign currency transactions are recorded at the exchange rate as at the date of the transaction.

At each statement of financial position date, monetary assets and liabilities denominated in foreign currencies are translated into the functional currency using the period-end foreign exchange rate. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. All gains and losses on translation of these foreign currency transactions and balances are included in profit or loss and presented within operating expenses.

(Expressed in Canadian Dollars)

4. FUTURE ACCOUNTING POLICIES AND ACCOUNTING CHANGES

Accounting standards issued but not yet applied

Certain pronouncements were issued by the IASB or the Interpretations of the IFRS Interpretations Committee that are mandatory for accounting periods on or after October 1, 2023 or later periods. Many are not applicable or do not have a significant impact to the Company and have been excluded. The following has not yet been adopted and is being evaluated to determine their impact on the Company.

IFRS 10 – Consolidated Financial Statements ("IFRS 10") and IAS 28 – Investments in Associates and Joint Ventures("IAS 28") were amended in September 2014 to address a conflict between the requirements of IAS 28 and IFRS 10 and clarify that in a transaction involving an associate or joint venture, the extent of gain or loss recognition depends on whether the assets sold or contributed constitute a business. The effective date of these amendments is yet to be determined, however early adoption is permitted.

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 the Company's financial instruments are classified as amortized cost. 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, loans payable and due from related parties 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 and loans payable due to their short-term nature.

The Company's financial instruments are as follows:

	As at			
		September 30, 2024		September 30, 2023
Financial assets				
Assets at amortized cost				
Cash	**$**	**20,195**	$	69,913
Amounts receivable		**22,566**		14,260
Total financial assets	**$**	**42,761**	$	84,173
Financial liabilities				
Liabilities at amortized cost				
Accounts payable and accrued liabilities	**$**	**104,870**	$	99,519
Due to related parties		**101,778**		103,046
Loans payable		**75,000**		42,260
Total financial liabilities	**$**	**281,648**	$	244,825

5. FINANCIAL INSTRUMENTS (Continued)

(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 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.

As at September 30, 2024, the Company had a cash balance of $20,195 (September 30, 2023 - $69,913) to settle current liabilities of $281,648 (September 30, 2023 - $244,825). All 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.

5. FINANCIAL INSTRUMENTS (Continued)

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's functional and reporting currency is the Canadian dollar.

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 adjusts it in light of changes in economic conditions and risk characteristics of the underlying assets. 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, 2024, and 2023 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

As at September 30, 2024, the Company had 42,287,126 (September 30, 2023 - 29,889,455) common shares issued and outstanding.

For the year ended September 30, 2024

On January 8, 2024, the Company closed a non-brokered private placement previously announced in November 2023. Pursuant to the private placement, the Company issued a total of 8,011,625 units of the Company at a price of $0.04 per unit for gross proceeds of $320,465. Of the total amount issued, 1,091,625 units were issued to settle a loan payable balance of $43,665 (Note 8). Each unit consisted of one common share of the Company and one warrant. Each warrant is exercisable at a price of $0.07 per share for a period of 24 months. The Company also issued 22,400 finder's warrants exercisable at a price of $0.07 per share for a period of 24 months.

In connection with the January 8, 2024 private placement, the Company recorded a total warrant reserve of $133,170. The Company incurred cash costs of $12,509 related to the completion of the private placement, of which $7,311 was allocated to share capital and $5,198 was allocated to the total warrant reserve.

(Expressed in Canadian Dollars)

7. SHARE CAPITAL (Continued)

***For the year ended September 30, 2024* (Continued)**

On January 23, 2024, the Company satisfied its exploration option payment by issuing 4,186,046 common shares to TSGM and Westbury at a price $0.05 per share for total consideration of $209,302 (Note 9).

On March 28, 2024, the Company closed its previously announced shares-for-debt settlement transaction with its CFO to settle $10,000 of accrued management fees (Note 8). Pursuant to the transaction, a total of 200,000 common shares were issued at a deemed issued price of $0.05 per share.

For the year ended September 30, 2023

On February 27, 2023, the Company closed a non-brokered private placement by issuing 2,000,000 units of the Company at a price of $0.05 per unit for gross proceeds of $100,000. Each unit consisted of one common share of the Company and one warrant. Each warrant is exercisable at a price of $0.08 per share until July 1, 2023. The Company recorded a total warrant reserve of $870. The Company incurred cash costs of $4,000 related to the completion of the private placement, of which $3,965 was allocated to share capital and $35 was allocated to the total warrant reserve.

(c) Warrants

As at September 30, 2024, the Company has 8,034,025 warrants outstanding (September 30, 2023 - Nil).

	Number of Warrants	Weighted Average Exercise Price
Balance at September 30, 2022	-	$ -
Granted	2,000,000	0.080
Expired	(2,000,000)	0.080
Balance at September 30, 2023	-	0.080
Granted	8,034,025	0.070
Balance at September 30, 2024	**8,034,025**	**$ 0.070**

Issue Date	Weighted Average Exercise Price ($)	Weighted Average Remaining Life (yrs)	Number of Warrants Outstanding
8-Jan-24	0.07	1.274	8,011,625
8-Jan-24	0.07	1.274	22,400

For the year ended September 30, 2024

On January 8, 2024, the Company issued 8,011,625 financing warrants and 22,400 finders' warrants at an exercise price of $0.07 per share per a period of 24 months, in connection with the private placement. The $133,170 total fair value of the warrants was estimated using the Black-Scholes pricing model using the following assumptions: expected life – 2 years; annualized volatility – 170%; risk-free interest rate – 4.06%; dividend rate - 0%; and stock price - $0.04. Share issuance costs of $5,198 were allocated to the warrants.

(Expressed in Canadian Dollars)

7. SHARE CAPITAL (Continued)

(c) Warrants (Continued)

For the year ended September 30, 2023

On February 27, 2023, the Company issued 2,000,000 warrants as part of a private placement with an exercise price of $0.08 per common share, exercisable until July 1, 2023. The $870 fair value of the warrants was estimated using the Black-Scholes pricing model using the following assumptions: expected life – 0.34 years; annualized volatility – 132%; risk-free interest rate – 4.29%; dividend rate - 0%; and stock price - $0.02. Share issuance costs of $35 were allocated to the warrants. As of September 30, 2023, the 2,000,000 warrants expired unexercised, and the total value of these warrants was reclassed to contributed surplus.

(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. As at September 30, 2024, the maximum number of common shares that may be reserved for issuance under the plan is 4,228,712.

	Number of Options	**Weighted Average Exercise Price ($)**
Balance at September 30, 2022	2,290,000	0.111
Granted	500,000	0.070
Balance at September 30, 2023	2,790,000	0.104
Cancelled	(2,290,000)	0.111
Balance at September 30, 2024	**500,000**	**0.070**

For the year ended September 30, 2024

The Company did not issue any stock options during the year ended September 30, 2024. During the year ended September 30, 2024, the Company cancelled an aggregate of 2,290,000 stock options of the Company. Of the cancelled options, an aggregate of 450,000 were exercisable at exercise prices of $0.105 until March 19, 2026, an aggregate of 1,340,000 were exercisable at exercise prices of $0.105 to $0.115 until May 27, 2026, and an aggregate of 500,000 were exercisable at exercise prices of $0.115 until September 26, 2027. All the options were voluntarily surrendered by the holders thereof for no consideration.

(Expressed in Canadian Dollars)

7. SHARE CAPITAL (Continued)

(d) Stock Options (Continued)

For the year ended September 30, 2023

On August 28, 2023, the Company granted 500,000 stock options to a consultant with an exercise price of $0.070 each. The options vest immediately and are exercisable for a period of 24 months from date of issuance.

Grant Date	Exercise Price ($)	Weighted Average Remaining Life (yrs)	Number of Options Outstanding	Number of Options Exercisable
August 28, 2023	0.070	0.91	500,000	500,000
	0.070	0.91	500,000	500,000

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 years ended September 30:

	2024	2023
Expected volatility (based on historical share prices)		146%
Risk-free interest rate	-	4.81%
Expected life (years)	-	2
Expected dividend yield	-	Nil
Forfeiture rate	-	Nil
Underlying share price	-	$0.03

The compensation expense and charge to contributed surplus relating to the vesting of stock options for the year ended September 30, 2023, was $8,660. The average fair value of each option granted during the year ended September 30, 2023, was $0.02.

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. Key management includes directors and officers of the Company.

During the year ended September 30, 2024, the Company incurred $103,539 (2023 - $76,992) in management fees to the CEO and CFO of the Company. As at September 30, 2024, due to related parties included $18,000 (September 30, 2023 - $36,000) payable to a director of the Company and $58,245 (September 30, 2023 - $67,076) owing to the CEO and CFO of the Company.

Per debt settlement agreement with the CFO, the Company incurred a gain on forgiveness of debt of $19,824 and settled $10,000 of accrued management fees to the CFO by issuing 200,000 common shares at a deemed price of $0.05 per share (Note 7).

8. RELATED PARTY TRANSACTIONS (Continued)

During the year ended September 30, 2024, the Company incurred legal fees of $36,755 (2023 - $36,700) to a law firm, in which a director of the Company is a partner. As of September 30, 2024, due to related parties included $25,533 (September 30, 2023 - $33,004) owing to the company controlled by a director.

During the year ended September 30, 2024, the Company borrowed the sum of $50,000 from Croesus Mining Pty Ltd., a company controlled by a director of the Company. The loan is unsecured, bears no interest and is repayable in full on or before May 14, 2025. The Company borrowed an additional $25,000, which is unsecured, bears no interest and repayable in full on demand.

During the year ended September 30, 2023, the Company borrowed the sum of $42,260 (AUD$50,000) (the "Loan") from Croesus Mining Pty Ltd., a company controlled by a director of the Company. The Loan is unsecured, bears no interest and is repayable in full on or before August 28, 2024. During the year ended September 30, 2024, the loan payable balance to date of $44,665 was settled through the issuance of 1,091,625 units at a price of $0.04 per unit (Note 7).

During the year ended September 30, 2023, a Company director subscribed for 2,000,000 common shares in the capital stock of the Company at a price of $0.05 per share for gross proceeds of $100,000 (Note 7b).

9. EXPLORATION AND EVALUATION ASSETS

Tasmanian Strategic Green Metals Pty Ltd.

The Company entered into an arm's-length Option and Earn-In Agreement dated as of July 17, 2023 (the "Agreement") with Tasmanian Strategic Green Metals Pty Ltd. ("TSGM"), a private Australian company, to acquire an interest on four rare earth exploration leases located in northeast Tasmania totaling approximately 809 square kilometres (the "Project"). The Agreement was amended on October 3, 2023, and further amended on January 15, 2024, which superseded all previous terms from the previous agreements.

On January 15, 2024, the Company entered into an amended agreement with TSGM and Westbury Resources Pty Ltd. ("Westbury"), a private Australian company, whereby it intends to exercise its previously announced option in respect of the Project. The option agreement originally required an initial cash payment of AUD$125,000 (CAD$ 112,500) to TSGM/Westbury.

Pursuant to varied terms, the Company would make an initial payment to TSGM and Westbury in the aggregate amount of AUD$200,000 (CAD$180,000) by way of issuance of a total of 4,186,046 common shares at a deemed issue price of $0.043 per share (the "Initial Shares"). During the year ended September 30, 2024, the Company issued 4,186,046 common shares to TSGM/Westbury and satisfied the option exercise payment (Note 7).

By virtue of issuing the Initial Shares, Meryllion will have the right, but not the obligation, to earn a 50% interest in and to the Project by (i) spending a minimum of AUD$300,000 (CAD$270,000) in project expenditures forming part of an agreed initial exploration program within 180 days of the date on which Meryllion exercises the option; (ii) committing to spending an additional AUD$200,000 (CAD$180,000) in project expenditures within the subsequent 90 days (the "Earn-In Date"); (iii) paying to TSGM the sum of AUD$100,000 (CAD$90,000) which amount shall be refunded by TSGM to certain seed investors of TSGM; and (iv) subject to usual regulatory approvals, allotting to said seed investors an aggregate of AUD$100,000 (CAD$90,000) worth of common shares in the capital stock of the Company.

(Expressed in Canadian Dollars)

9. EXPLORATION AND EVALUATION ASSETS (Continued)

Tasmanian Strategic Green Metals Pty Ltd. (Continued)

On July 22, 2024, the Company entered into a second amending agreement with TGSM and Westbury, whereby the reference to '180 days' in paragraph 3.2(a)(i) of the Agreement, as amended by the first amending agreement was replaced by '270 days'. All other terms and conditions of the Agreement not specifically amended by the first amending agreement and second amending agreement shall remain in full force in effect.

Upon having earned its 50% interest in the Project, Meryllion will have the right, but not the obligation, to acquire additional interests in the Project, by way of 10% increments over time up to a maximum 80%, through the funding of additional Project expenditures totaling AUD$600,000 (CAD$540,000) and aggregate payments to TSGM/Westbury of AUD$200,000 (CAD$180,000) in cash and AUD$160,000 (CAD$144,000) in common shares of Meryllion. The Company will have a 30-month period as of the Earn-In Date, during which it may earn up to its maximum interest.

Other than the Initial Shares, all common shares issuable pursuant to the option shall be issued at a deemed issue price equal to the 10-day volume weighted average price of the shares on the date of each respective share issuance or such other period as may be required by the Canadian Securities Exchange (the "CSE").

Upon having earned its 80% interest in the Projects and a production decision being made in respect thereto, Meryllion will have the option to buy the remaining 20% of the Projects at a price based upon an independent evaluation which would be made at that time. All shares issued are subject to a hold period equal to four months and one day from the date of issuance.

During the year ended September 30, 2024, the Company incurred the following expenditures related to TSGM:

	TSGM
	$
Balance, September 30, 2022	**-**
Geological consulting	3,386
Drilling	7,184
Balance, September 30, 2023	**10,570**
Rent	7,906
Geological consulting	30,093
Travel and lodging	18,756
Option exercise payment	209,302
Balance, September 30, 2024	**276,627**

Oldham Range

On July 26, 2021, the Company signed an option to acquire a 100% interest in the Oldham Range base and battery metal exploration property in Western Australia.

During the year ended September 30, 2023, the Company did not have sufficient funds to pursue this project, therefore, the exploration costs incurred up to this date of $103,471 were written off and included in the Company's net loss and comprehensive loss for the period. As at September 30, 2024 and 2023, the Company no longer has an interest in the Oldham Range property.

(Expressed in Canadian Dollars)

9. EXPLORATION AND EVALUATION ASSETS (Continued)

Mt Turner Joint Venture

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.

During the year ended September 30, 2023, the Company decided not to further pursue the project. Therefore, the exploration costs incurred up to this date of $375,000 were written off and included in the Company's net loss and comprehensive loss for the year. As of September 30, 2024, and 2023, the Company no longer has an interest in the Mt Turner property.

10. INCOME TAXES

The Company's provision for income taxes differs from the amounts computed by applying the basic current federal and provincial rate of 26.5% (2023 – 26.5%) to the income (loss) for the year before taxes as shown in the following table:

For the year ended September 30,	2024	2023
	$	**$**
Income (loss) before taxes	**(328,186)**	(758,950)
Expected income tax benefit based on statutory rates	**(86,969)**	(201,122)
Increase (decrease) to the income tax benefit resulting from:		
Non-deductible expenses and others	**146,738**	6,169
Impairment losses	**-**	126,795
Share issuance costs	**(3,072)**	(2,684)
Share issuance costs reported in equity	**(1,550)**	(630)
Mineral property interest originally capitalized	**(73,306)**	(2,801)
Change in deferred tax asset not recognized	**18,159**	74,273
Income tax (recovery) expense	**-**	-

Deferred income taxes

As at September 30,	2024	2023
	$	$
Mineral property interest	**53,488**	126,795
Non-capital losses carried forward	**1,151,990**	1,059,600
Share issuance costs	**4,904**	5,828
Capital loss carry forward	**2,643,395**	2,643,395
Deferred tax asset (liability)	**3,853,777**	3,835,618
Less: deferred tax asset not recognized	**(3,853,777)**	(3,835,618)
Deferred tax asset (liability)	**-**	-

Certain deferred tax assets have not been recognized because it is not probable that future taxable profit will be available against which the Company can utilize the benefits therefrom.

As at September 30, 2024, the Company has Canadian non-capital loss carry forwards of approximately $4,347,130 (September 30, 2023 - $3,998,489) that are available to reduce taxable income in Canada.

11. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform with the current year's presentation. Such reclassification had no impact on previously reported net loss or deficit.