

PROPOSED ARRANGEMENT INVOLVING CONCORDIA RESOURCE CORP. AND
MERYLLION RESOURCES CORPORATION

AND

REVERSE TAKE OVER OF CONCORDIA RESOURCE CORP. BY HPX TECHCO INC.
THROUGH PURCHASE OF HPX TECHCO ASSETS

Notice of Special Meeting of Concordia Resource Corp. to be held on November 29, 2013
and Information Circular

October 16, 2013

Neither the TSX Venture Exchange Inc. nor any securities regulatory authority has in any way passed upon the merits of the proposed arrangement and reverse takeover or any other matter described in this information circular.

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CONCORDIA RESOURCE CORP.

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**Notice of the Special Meeting of Shareholders
to be held on November 29, 2013**

NOTICE IS HEREBY GIVEN that a special meeting (the “**Meeting**”) of the holders of common shares and securities convertible into common shares (together, the “**Concordia Securityholders**”) of Concordia Resource Corp. (“**Concordia**” or the “**Company**”) will be held at Suite 1100, 355 Burrard Street, Vancouver, B.C., on November 29, 2013, at 10 AM (Pacific Standard Time).

At the Meeting, Concordia Securityholders will be asked to consider and, if deemed advisable, to pass, with or without amendment:

1. a special resolution (the “**Arrangement Resolution**”) approving the arrangement (the “**Arrangement**”) under Part 9, Division 5 of the *Business Corporations Act* (British Columbia) (the “**Act**”) as a result of which, among other things: (a) the Company will consolidate its common shares on a five (5) to one (1) basis; and (b) the Company will spin out its interest in its subsidiary Meryllion Resources Corporation (“**Meryllion**”) to its shareholders, all as more particularly described in the Information Circular accompanying this Notice under the heading “Particulars of Matters to be Acted Upon – The Plan of Arrangement”.

In addition to the Arrangement Resolution, the Company’s shareholders (the “**Concordia Shareholders**”) will be asked to consider and, if deemed advisable, to pass at the Meeting, with or without amendment:

2. a special resolution (the “**HPX TechCo RTO Resolution**”) authorizing the Company to enter into a transaction with HPX TechCo Inc. (“**HPX TechCo**”) whereby it will acquire certain assets of HPX TechCo in exchange for issuing common shares representing 85% of its issued and outstanding share capital (the “**HPX TechCo RTO**”), all as more particularly described in the Information Circular accompanying this Notice under the heading “Particulars of Matters to be Acted Upon – HPX TechCo RTO”.

Concordia Securityholders that are not Concordia Shareholders are not entitled to vote on the HPX TechCo RTO Resolution, nor are such securityholders provided with dissent rights in respect of the HPX TechCo RTO.

The board of directors of Concordia requests all Concordia Securityholders that will not be attending the Meeting in person to read, date and sign the accompanying proxy and deliver it to Computershare in accordance with the instructions described in the Information Circular accompanying this Notice under the heading “*Appointment and Revocation of Proxies*”. If a Concordia Securityholder does not deliver a proxy to Computershare Investor Services Inc. of Canada by 10 AM (Pacific Standard Time) on November 27, 2013 (or before 48 hours, excluding Saturdays, Sundays and holidays before any adjournment of the Meeting at which the proxy is to be used) then the Concordia Securityholder will not be entitled to vote at the Meeting by proxy. Only Concordia Securityholders of record at the close of business on October 28, 2013 will be entitled to vote at the Meeting.

Take notice that, pursuant to the interim order of the Supreme Court of British Columbia dated October 25, 2013, registered Concordia Shareholders may deliver a Notice of Dissent with respect to the Arrangement Resolution to the registered office of the Company 48 hours before the time of the Meeting. As a result of delivering a Notice of Dissent, a dissenting Concordia Shareholder may require the Company to purchase all its common shares of the Company in respect of which the Notice of Dissent was given at a price equal to the fair value of such shares, determined in accordance with the Act.

The Information Circular accompanying this Notice contains the full text of the Arrangement Resolution and the HPX TechCo RTO Resolution, and provides additional information relating to the subject matter of the Meeting, including the Arrangement and the HPX TechCo RTO.

DATED at Vancouver, British Columbia this 16th day of October, 2013.

BY ORDER OF THE BOARD OF DIRECTORS OF CONCORDIA RESOURCE CORP.

/s/ "Terry Krepiakevich"

Terry Krepiakevich

Interim Chief Executive Officer and Director

No person is authorized to give any information or to make any representation respecting the transactions referenced in this Circular and, if given or made, such information or representation should not be relied upon as having been authorized. This Circular does not constitute an offer to sell, or a solicitation of an offer to acquire, any securities, or the solicitation of a proxy, by any person in any jurisdiction in which such an offer or solicitation is not authorized or in which the person making such offer or solicitation is not qualified to do so or to any person to whom it is unlawful to make such an offer or proxy solicitation.

GLOSSARY OF TERMS

In this Circular, the Schedules hereto and accompanying Notice of Meeting, unless there is something in the subject matter inconsistent therewith, the following terms shall have the respective meanings set out below, words importing the singular number shall include the plural and vice versa.

“**Affiliate**” has the meaning attributed to that term in the BC Act.

“**Applicable Laws**” means any applicable laws with respect to any person, including the common law and any multinational, supranational, domestic or foreign federal, national, state, regional, provincial, territorial, municipal or local commercial, securities, Tax, personal land use and zoning, sanitizing, occupational health and safety and real property, security, mining, environmental, water, energy, investment or property ownership laws (whether statutory, common or otherwise), and any constitution, treaty, convention, ordinance, code, rule, regulation, order, injunction, judgment, decree, ruling, guideline, policy or other similar requirement enacted, adopted, promulgated, issued or applied by a Governmental Authority that is binding upon or applicable to such person or the property of such person, as amended unless expressly specified otherwise.

“**Appropriate Regulatory Approvals**” means those sanctions, rulings, consents, orders, exemptions, permits and other approvals (including the lapse, without objection, of a prescribed time under a law that states that a transaction may be implemented if a prescribed time lapses following the giving of notice without an objection being made) of Governmental Authorities, regulatory agencies or self regulatory organizations.

“**Argentina Mining Code**” means the material mining regulations of Argentina.

“**Arrangement**” means an arrangement under section 288 to 299 of the BC Act on the terms and conditions set forth in the Arrangement Agreement and the Plan of Arrangement and any amendment or variation thereto made in accordance with the terms of the Arrangement Agreement, the Plan of Arrangement or made at the direction of the Court in the Final Order.

“**Arrangement Agreement**” means the arrangement agreement dated October 1, 2013 between Concordia and Meryllion, as may be amended from time to time.

“**Arrangement Closing**” means the closing of the Arrangement following the fulfilment of all conditions precedent thereto.

“**Arrangement Resolution**” means the special resolution of the Concordia Securityholders to approve the Arrangement in the form and content as set out in Schedule “A” to this Circular.

“**Australian Mining Act**” means the *Mining Act 1992 (NSW)*.

“**BC Act**” means the *Business Corporations Act* (British Columbia), as amended, superseded or replaced from time to time, prior to the Effective Date.

“**Bugeco**” means Bugeco S.A., a company incorporated under the laws of Belgium.

“**Bugeco MOU**” means the Joint Venture Memorandum of Understanding between Bugeco and Swala UK dated effective as of June 19, 2008, pursuant to which Bugeco and Swala UK each hold a 50% interest in the DRC Assets.

“**Bugeco Termination and Release Agreement**” means the agreement among Bugeco, Swala and Concordia dated October 1, 2013 providing for the DRC Property Purchase.

“**Business Day**” means a day which is not a Saturday, Sunday or a day when commercial banks are not open for business in Vancouver, British Columbia.

“**Cerro Amarillo Project**” means a copper-gold-molybdenum porphyry prospect located in the Province of Mendoza, Argentina.

“**Clancy**” means Clancy Exploration Limited with registration number ACN 105 578 756.

“**Circular**” means, collectively, the Notice of Meeting and this information circular of Concordia, including all schedules hereto, sent to Concordia Securityholders in connection with the Meeting.

“**Common Share Consolidation**” means the consolidation of Concordia Shares on a five (5) for one (1) basis to be made effective pursuant to the Arrangement.

“**Company**” or “**Concordia**” means Concordia Resource Corp., a company existing under the laws of the Province of British Columbia.

“**Concordia Board**” means the board of directors of Concordia.

“**Concordia Amended Options**” means the options to purchase New Concordia Common Shares to be issued in exchange for the Concordia Options as part of the Arrangement.

“**Concordia Convertible Securities**” means all outstanding warrants, options or other securities convertible into Concordia Shares.

“**Concordia Convertible Securityholders**” means the registered and beneficial holders of Concordia Convertible Securities.

“**Concordia Options**” means the issued and outstanding options to purchase Concordia Shares at varying exercise prices and with varying expiry dates.

“**Concordia Optionholders**” means the registered and beneficial holders of Concordia Options on the Share Exchange Record Date.

“**Concordia Securities**” means collectively, the Concordia Shares and Concordia Convertible Securities.

“**Concordia Securityholders**” means the registered and beneficial Concordia Shareholders and the registered and beneficial Concordia Convertible Securities.

“**Concordia Shareholders**” means the registered holders of Concordia Shares and “**Concordia Shareholder**” means any one of them.

“**Concordia Shares**” means the common shares in the capital of Concordia and “**Concordia Share**” means each such share.

“**Consideration Shares**” means the 106,489,000 New Concordia Common Shares to be issued to HPX TechCo pursuant to the HPX TechCo Asset Purchase Agreement.

“**Court**” means the Supreme Court of British Columbia.

“**Dissent Procedures**” means the dissent procedures described under the heading “Dissent Rights” in this Circular.

“**Dissent Rights**” means the rights of dissent provided to Concordia Shareholders pursuant to the BC Act in respect of the Arrangement described in Article 4 of the Plan of Arrangement.

“**Dissenting Concordia Shareholder**” means a Concordia Shareholder that has exercised a Dissent Right pursuant to Article 4 of the Plan of Arrangement and that is ultimately entitled to be paid the fair value of the Concordia Shares held by such Concordia Shareholder.

“**DRC**” means the Democratic Republic of Congo.

“**DRC Assets**” means, together, the 20% equity interest in Ebende and 30% equity interest in the Kabongo Project currently held equally by Bugeco and Swala pursuant to the Bugeco MOU.

“**DRC Property Purchase**” means the transactions effected pursuant to the Bugeco Release and Termination Agreement whereby Concordia will issue 1,666,667 New Concordia Common Shares and pay Cdn.\$750,000 cash to Bugeco in exchange for Bugeco transfer the DRC Assets to Swala.

“**Ebende**” means Ebende Resources Limited, a corporation incorporated under the laws of the British Virgin Islands.

“**Ebende Project**” means the exploration program targeting nickel-copper and platinum group elements located in Katanga, south-central DRC.

“**Ebende Rights**” means the exploration permits 10390, 10391, 10414, 14015, 10417, 10420, 10421, 10422, 10424, 10425, 10426, 10427, 10428, 10429, 10430, 10431, 10438 all of which have been issued by the Mining Cadastre of the DRC (CAMI) to Ebende.

“**Ebende Sub**” means Ebende Exploration S.P.R.L., a corporation incorporated under the laws of the DRC and a wholly owned subsidiary of Ebende.

“**Ebende Technical Report**” means the independent NI 43-101 compliant Technical Report dated October 10, 2013 and prepared by MSA, concerning the Ebende Project.

“**Effective Date**” means the date that is five Business Days after the last of the conditions precedent to the completion of the Arrangement have been satisfied or waived, or such earlier or later date as is agreed to by the parties.

“**Escrow Agent**” means Computershare Trust Company of Canada.

“**Exchange**” means the TSX Venture Exchange.

“**Fairholme Joint Venture**” means the unincorporated joint venture established pursuant to the Fairholme Joint Venture Agreement in respect of the Fairholme Project.

“**Fairholme Joint Venture Agreement**” means the Joint Venture Agreement – Fairholme Joint Venture between HPX TechCo and Clancy dated May 14, 2013, which established the Fairholme Joint Venture.

“**Fairholme Option Agreement**” means the Option Agreement between HPX TechCo and Clancy whereby HPX TechCo has a right to earn into the Fairholme Project.

“**Fairholme Project**” means the copper-gold project located southeast of Condobolin in New South Wales, Australia, which currently consists of two tenements, Fairholme EL6552 and Manna EL6915 held by Clancy.

“**Fairholme Project Agreements**” means the agreements governing the Fairholme Project as more particularly described in the HPX TechCo Asset Purchase Agreement.

“**Fairholme Tenements**” means exploration licenses 6652 and 6915, each issued and held under the Australian Mining Act and any renewal, conversion, substitution, consolidation, replacement, extension or amendment of those tenements (or of any part of the area of those tenements) including any mining lease granted from those tenements.

“**Final Order**” means the final order of the Court approving the Arrangement as such order may be amended by the Court at any time prior to the Effective Date or, if appealed, then, unless such appeal is withdrawn or dismissed, as affirmed or as amended on appeal.

“**Governmental Authorities**” means any (i) multinational, federal, provincial, state, regional, municipal, local or other government, governmental or public department, central bank, court, tribunal, arbitral body, commission, board, bureau or agency, including securities regulatory authorities, domestic or foreign, (ii) subdivision, agent, commission, board, or authority of any of the foregoing, or (iii) quasi governmental or private body exercising any regulatory, expropriation or taxing authority under or for the account of any of the foregoing including the Exchange.

“**Haywood**” means Haywood Securities Inc.

“**Haywood Opinion**” means the fairness opinion of Haywood dated October 1, 2013 delivered to the Concordia Board concerning the Transactions.

“**HPX TechCo**” means HPX TechCo Inc., a company organized under the laws of the British Virgin Islands.

“**HPX TechCo Asset Purchase Agreement**” means the asset purchase agreement between the Company and HPX TechCo dated October 1, 2013, whereby the Company agrees to purchase the HPX TechCo Assets from HPX TechCo in consideration for issuing the Consideration Shares to HPX TechCo.

“**HPX TechCo Assets**” means collectively: i) Cdn.\$5,000,000 in cash; ii) an 80% interest in the Ebende Project; iii) HPX TechCo’s interest in the Fairholme Option Agreement; iv) the HPX TechCo Loan; and v) the Service Agreement.

“**HPX TechCo Closing Date**” means the closing date under the HPX TechCo Asset Purchase Agreement, which date shall be within ten business days of the completion of the conditions precedent specified in the HPX TechCo

Asset Purchase Agreement, and on which the DRC Property Purchase and Arrangement shall have been made effective, unless Concordia and HPX TechCo agree otherwise.

“**HPX TechCo Loan**” means the Cdn.\$5,000,000 unsecured revolving line of credit that HPX TechCo will provide Concordia pursuant to the HPX TechCo Loan Agreement.

“**HPX TechCo Loan Agreement**” means the loan agreement between HPX TechCo and Concordia providing for the HPX TechCo Loan.

“**HPX TechCo RTO**” means the purchase of the HPX TechCo Assets by the Company in exchange for the HPX TechCo Consideration Shares.

“**HPX TechCo RTO Resolution**” means the special resolution of the Concordia Shareholders to approve the HPX TechCo RTO in the form and content as set out in Schedule “B” to this Circular.

“**HPX TechCo Technology Cluster**” means HPX TechCo’s hardware, software, know-how, and proprietary systems that facilitate rapid, accurate and deep geophysical exploration of buried geological targets.

“**IFRS**” means International Financial Reporting Standards.

“**Interim Order**” means the interim order of the Court in respect of the Arrangement dated October 25, 2013, a copy of which is attached hereto as Schedule “J”.

“**Inferred Mineral Resource**” means that part of a mineral resource for which the quantity and grade or quality can be estimated on the basis of geological evidence and limited sampling and reasonably assumed, but not verified, geological and grade continuity. The estimate is based on limited information and sampling gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes.

“**Kabongo Project**” means the Kabongo project is a joint venture is with Anglo American plc targeting potential sediment-hosted Cu mineralization.

“**La Providencia Project**” means the Providencia silver-copper prospect located in the municipality of Susques in the Province of Jujuy, in the northwestern high plain deserts (Altiplano) region of Argentina.

“**La Providencia Technical Report**” means the Technical Report dated October 8, 2013 relating to the La Providencia Project.

“**Material Adverse Effect**” means, with respect to any person, any change, event, circumstance, occurrence or state of facts which could reasonably be expected to have a material and adverse effect on the business, affairs, capital, operations, properties, assets, liabilities (absolute, accrued, contingent or otherwise) or condition (financial or otherwise) of such person, taken collectively with its subsidiaries.

“**Meeting**” means the special meeting of the Concordia Securityholders (including any adjournment or postponement of that meeting) to be called and held on November 29, 2013 in accordance with the Interim Order to consider the Arrangement Resolution, and other matters set out in the Circular.

“**Meryllion**” means Meryllion Resources Corporation, a wholly owned subsidiary of Concordia incorporated under the laws of British Columbia.

“**Meryllion Assets**” means together, all of the equity interest in Meryllion Sub and the Vend-in Cash Amount.

“**Meryllion Board**” means the board of directors of Meryllion.

“**Meryllion Listing Date**” means the date the Meryllion Shares are listed for trading on the Exchange.

“**Meryllion Shares**” means common shares in the capital of Meryllion and “**Meryllion Share**” means each such share.

“**Meryllion Sub**” means Meryllion Minerals Corp., a wholly owned subsidiary of Meryllion incorporated under the laws of British Columbia.

“**Misrepresentation**” has the meaning attributed to that term in the *Securities Act* (British Columbia).

“**MSA**” means The MSA Group (pty) Ltd., the authors of the Ebende Technical Report.

“**New Concordia**” means Concordia after the Effective Date of the Arrangement.

“**New Concordia Common Shares**” has the meaning ascribed to it in the “*Particulars of Other Matters to be Acted On – Arrangement Materials*” section of this Circular.

“**Notice of Dissent**” means a written objection to the Arrangement by a registered Concordia Shareholder.

“**Notice of Meeting**” means the notice to the Concordia Securityholders which accompanies this Circular.

“**Order**” means a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation that was in effect for a period of more than 30 consecutive days.

“**Plan of Arrangement**” means the plan of arrangement substantially in the form and content included in Schedule “C” attached to this Circular and any amendments or variations thereto made in accordance with section 6.1 of the Arrangement Agreement, section 6.1 of the Plan of Arrangement or made at the direction of the Court in the Final Order.

“**Record Date**” means October 28, 2013, the record date for the Meeting.

“**RPA**” means RPA Inc., the authors of the La Providencia Technical Report.

“**Registrar**” has the meaning attributed to that term in the BC Act.

“**SEC**” means the United States Securities and Exchange Commission.

“**Securities Legislation**” means the *Securities Act* (British Columbia) and the equivalent law in the other provinces of Canada and in the United States, and the published instruments and rules of any Governmental Authority administering those statutes, as well as the rules, regulations, by laws and policies of the Exchange.

“**Services Agreement**” means the Service Agreement between Concordia and HPX TechCo, whereby HPX TechCo agrees to provide geological survey services to Concordia.

“**Share Exchange Record Date**” means December 2, 2013, the date established by Concordia for the purpose of determining (i) the Concordia Shareholders entitled to receive New Concordia Common Shares, and Meryllion Shares, and (ii) the Concordia Optionholders that are entitled to receive Concordia Amended Options under the Arrangement.

“**Swala**” means Swala Resources Inc., a company continued under the laws of British Columbia and a wholly owned subsidiary of Concordia.

“**Swala UK**” means Swala (UK) Limited (formerly Swala Resources Plc), a wholly-owned subsidiary of Swala.

“**Tax**” or “**Taxes**” or means all federal, state, provincial, territorial, county, municipal, local or foreign taxes, duties, imposts, levies, assessments, tariffs and other charges imposed, assessed or collected by a Taxation Authority including, (i) any gross income, net income, gross receipts, business, royalty, capital, capital gains, goods and services, value added, severance, stamp, franchise, occupation, premium, capital stock, sales and use, real property, land transfer, personal property, ad valorem, transfer, licence, profits, windfall profits, environmental, payroll, employment, employer health, pension plan, anti-dumping, countervail, excise, severance, stamp, occupation, or premium tax, (ii) all withholdings on amounts paid to or by the relevant person, (iii) all employment insurance or similar such premiums and pension plan contributions or premiums, (iv) any fine, penalty, interest, or addition to tax, (v) any tax imposed, assessed, or collected or payable pursuant to any tax-sharing agreement or any other contract relating to the sharing or payment of any such tax, levy, assessment, tariff, duty, deficiency, or fee, and (vi) any liability for any of the foregoing as a transferee, successor, guarantor or by contract or operation of law.

“**Tax Act**” means the *Income Tax Act* (Canada), as amended from time to time.

“**Taxation Authority**” means any Governmental Authority entitled to impose Taxes or to administer any applicable Tax legislation.

“**Transactions**” means, together, the Arrangement and the HPX TechCo RTO, each as more fully described in the Circular at “*Particulars of Other Matters to be Acted Upon – The Arrangement*” and “*Particulars of Other Matters to be Acted Upon – HPX TechCo RTO*”, respectively.

“**Transaction Agreements**” means, collectively, the HPX TechCo Asset Purchase Agreement, the Services Agreement, the HPX TechCo Loan Agreement, the Arrangement Agreement, the Bugeco Termination and Release Agreement, and Vend-in Agreement.

“**U.S. Exchange Act**” means the *United States Securities Exchange Act of 1934*, as amended.

“**U.S. Securities Act**” means the *United States Securities Act of 1933*, as amended.

“**U.S. Securityholders**” means those Concordia Securityholders that are in the United States or are U.S. Persons (as defined in Rule 902 of Regulation S under the U.S. Securities Act), or that hold such securities for the account or benefit of a U.S. Person or a person in the United States.

“**Vend-In Agreement**” means the vend-in agreement between Concordia and Meryllion dated October 1, 2013, whereby Concordia transferred and sold the Meryllion Assets to Meryllion.

“**Vend-In Cash Amount**” means approximately Cdn.\$4,740,000 plus Concordia’s Working Capital as of the Closing Date minus Cdn.\$5,000,000 subject to the closing adjustments.

“**Working Capital**” means current assets minus current liabilities.

CURRENCY AND EXCHANGE RATES

In this Circular, all references to “US\$” or “USD” are to United States dollars, all references to “Cdn.\$” are to Canadian dollars and all references to “A\$” are to Australian dollars.

The following table sets forth, for the periods indicated, the high, low, average and period-ended noon buying rates for the exchange of one (1) US\$ to one(1) Cdn.\$, published by the Bank of Canada.

US Dollar to Canadian Dollar

	Year Ended December 31,					
	2012	2011	2010	2009	2008	2007
High rate during period	C\$1.0418	C\$1.0604	C\$1.0778	C\$1.3000	C\$1.2969	C\$1.1853
Low rate during period	C\$0.9710	C\$0.9449	C\$0.9946	C\$1.0292	C\$0.9719	C\$0.9170
Average rate for the period	C\$0.9996	C\$0.9891	C\$1.0299	C\$1.1420	C\$1.0660	C\$1.0748
Period Ended	C\$0.9949	C\$1.0170	C\$0.9946	C\$1.0466	C\$1.2246	C\$0.9881

The following table sets forth, for the periods indicated, the high low, average and period-ended noon buying rates for the exchange of one (1) A\$ to one (1) Cdn.\$, published by the Bank of Canada.

Australian Dollar to Canadian Dollar

	Year Ended December 31,					
	2012	2011	2010	2009	2008	2007
High rate during period	C\$1.0754	C\$1.0660	C\$1.0180	C\$0.9822	C\$0.9822	C\$0.9474
Low rate during period	C\$0.9970	C\$0.9709	C\$0.8633	C\$0.7838	C\$0.7524	C\$0.8389
Average rate for the period	C\$1.0353	C\$1.0206	C\$0.9470	C\$0.8969	C\$0.9002	C\$0.8982
Period Ended	C\$1.0339	C\$1.0424	C\$1.0180	C\$0.9395	C\$0.8550	C\$0.8670

The Bank of Canada’s noon buying rate on October 16, 2013 for the purchase of one United States dollar using Canadian dollars was Cdn.\$1.0345 (one Canadian dollar on that date equalled US\$0.9667) and one Australian dollar using Canadian dollars was Cdn.\$0.9858 (one Canadian dollar on that date equalled A\$1.0144).

FINANCIAL INFORMATION AND ACCOUNTING PRINCIPLES

Except as otherwise indicated, all financial statements (including pro forma financial statements), and the summaries of all financial statements and other financial information included in this Circular are reported in Canadian dollars. Concordia and Meryllion’s financial statements have been prepared in accordance with IFRS.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

Certain statements made herein, other than statements of historical fact relating to Concordia, represent forward-looking information. In some cases, this forward-looking information can be identified by words or phrases such as “may”, “will”, “expect”, “anticipate”, “contemplates”, “aim”, “estimate”, “intend”, “plan”, “believe”, “potential”, “continue”, “is/are likely to”, “should” or the negative of these terms, or other similar expressions intended to identify forward-looking information. This forward-looking information includes, among other things, Concordia’s business strategies, its capital expenditure plans, its operations and business prospects, its financial

condition, the regulatory environment as well as the industry outlook generally, general economic trends, and other statements that are not historical facts. These forward-looking statements include in particular:

- the success of future exploration programs and potential to identify expanded resources and reserves at the Ebende Project;
- realization of the intended benefits of the Transactions
- successful completion of the Transactions;
- statements concerning the expected benefits of the Transactions; and
- statements concerning the conduct of the business of Concordia following the Transactions.

By their nature, forward-looking information involves numerous assumptions, both general and specific, which may cause the actual results, performance or achievements of Concordia and/or its subsidiaries to be materially different from any future results, performance or achievements expressed or implied by the forward-looking information. Some of the key assumptions include, among others, the absence of any material adverse change in Concordia's operations or in foreign exchange rates, the prevailing price of nickel, copper, platinum, silver and other metals, effective tax rates and other assumptions underlying Concordia's financial performance, Concordia's ability to obtain regulatory approvals on a timely basis, continuing positive labour relations, the absence of any material adverse effects as a result of political instability, terrorism, natural disasters, litigation or arbitration and adverse changes in government regulation, the availability and accessibility of financing to Concordia, the performance by counterparties of the terms and conditions of all contracts to which Concordia is a party. The forward-looking information is also based on the assumption that none of the risk factors identified in this Circular that could cause actual results to differ materially from the forward-looking information actually occurs.

Forward-looking information contained herein is stated as of the date of this Circular based on the opinions, estimates and assumptions of management. There are a number of important risk, uncertainties and other factors that could cause actual actions, events or results to differ materially from those described as forward-looking information. In particular, important factors that could cause actual results to differ from this forward-looking information include those described under the heading "Risk Factors" in this Circular. Concordia disclaims any obligation to update any forward-looking information, whether as a result of new information, estimates, opinions or assumptions, future events or results or otherwise except to the extent required by law. There can be no assurance that forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. The forward-looking information in this Circular is expressly qualified by this cautionary statement. The reader is cautioned not to place undue reliance on forward-looking information.

INFORMATION FOR UNITED STATES SECURITYHOLDERS

THE SECURITIES ISSUABLE IN CONNECTION WITH THE ARRANGEMENT HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION OR SECURITIES REGULATORY AUTHORITIES OF ANY STATE, NOR HAS THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION OR SECURITIES REGULATORY AUTHORITIES OF ANY STATE PASSED UPON THE ADEQUACY OR ACCURACY OF THIS CIRCULAR. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

The securities to be issued or distributed under the Arrangement have not been registered under the U.S. Securities Act and are being issued in reliance on the exemption from registration provided by Section 3(a)(10) thereof on the basis of the approval of the Court, which will consider, among other things, the fairness of the terms and conditions of the Arrangement to Concordia Securityholders. For more information, see the section entitled "Regulatory Matters - U.S. Securities Matters" of this Circular.

Concordia Securityholders should be aware that the acquisition of the securities described herein may have tax consequences both in the United States and in Canada. Such consequences for investors who are resident in, or citizens of, the United States may not be fully described herein. See "United States Federal Income Tax Considerations." U.S. Securityholders should consult their own tax advisors with respect to their own particular circumstances.

The solicitation of proxies hereby is not subject to the proxy requirements of Section 14(a) of the U.S. Exchange Act and the SEC rules promulgated thereunder. Accordingly, this Circular has been prepared in accordance with applicable disclosure requirements in Canada. U.S. Securityholders should be aware that such requirements are different than those of the United States.

The information in this Circular relating to Concordia, New Concordia and HPX TechCo has been prepared in accordance with the disclosure requirements of Canadian corporate and securities laws. The financial statements of Concordia included herein have been prepared in accordance with IFRS, are subject to Canadian auditing and auditor independence standards, and thus may not be comparable in all respects to financial statements of U.S. companies whose financial statements are prepared in accordance with U.S. generally accepted accounting principles. Likewise, information concerning the properties and operations of Concordia has been prepared in accordance with Canadian disclosure standards, which are not comparable in all respects to disclosure standards applicable in the United States.

This Circular uses the term “Inferred” Resources, which is a Canadian mining term as defined in accordance with National Instrument 43-101 *Standards of Disclosure for Mineral Properties* under guidelines set out in the Definition Standards for Mineral Resources and Mineral Reserves adopted by the Canadian Institute of Mining, Metallurgy and Petroleum Council. U.S. Securityholders should note that the SEC does not recognize such term and does not normally permit it to be used in documents filed with the SEC. Under United States standards, mineralization may not be classified as a “reserve” unless the determination has been made that the mineralization could be economically and legally produced or extracted at the time the determination is made. Inferred Mineral Resources have a great amount of uncertainty as to their existence, and as to their economic and legal feasibility. It cannot be assumed that all or any part of an Inferred Mineral Resource will ever be upgraded to a higher category. U.S. Securityholders are cautioned not to assume that all or any part of an Inferred Mineral Resource exists, or is economically or legally mineable. As such, certain information contained in this Circular or in the documents incorporated by reference herein concerning descriptions of mineralization and resources under Canadian standards may not be comparable to similar information made public by U.S. companies subject to reporting and disclosure requirements of the SEC.

The enforcement by investors of civil liabilities under the United States federal securities laws may be affected adversely by the fact that each of Concordia and Meryllion is incorporated or organized outside the United States, that some or all of their respective officers and directors and the experts named herein are residents of a country other than the United States, and that all or a substantial portion of the assets of Concordia and Meryllion and said persons are located outside the United States. As a result, it may be difficult or impossible for U.S. Securityholders to effect service of process within the United States upon Concordia, Meryllion, their respective officers and directors or the experts named herein, or to realize against them upon judgments of courts of the United States predicated upon civil liabilities under the federal securities laws of the United States or “blue sky” laws of any state within the United States. In addition, U.S. Securityholders, should not assume that the courts of Canada: (a) would enforce judgments of United States courts obtained in actions against such persons predicated upon civil liabilities under the federal securities laws of the United States or “blue sky” laws of any state within the United States; or (b) would enforce, in original actions, liabilities against such persons predicated upon civil liabilities under the federal securities laws of the United States or “blue sky” laws of any state within the United States.

SUMMARY

The following is a summary of some of the information relating to Concordia, New Concordia (assuming completion of the HPX TechCo RTO), Meryllion, the Arrangement and the HPX TechCo RTO, and should be read together with the more detailed information and financial data and statements contained elsewhere in this Circular.

This summary may not contain all of the information about the Transactions that is important to you. For a more detailed description of the proposed Transactions, we encourage you to read carefully this entire document including the exhibits.

The Transactions

In order to give effect to the Transactions, Concordia Securityholders are being asked to approve the Arrangement and Concordia Shareholders are being asked to approve the HPX TechCo RTO. The Reorganization will ultimately result in two separate and independent mineral exploration companies with listings on the Exchange: New Concordia and Meryllion.

As a preliminary matter and a condition to the Transactions, the Company will complete the DRC Property Purchase, whereby it will purchase minority interests in mineral exploration projects located in the DRC, including an additional 10% interest in the Ebende Project. The DRC Property Purchase is a separate transaction to, but a condition precedent to each of, the Plan of Arrangement and the HPX TechCo RTO.

The Arrangement will see the Company (i) consolidate its common shares on a five (5) to one (1) basis, and (ii) spin-out to its Shareholders all of the equity interest in Meryllion. After the Arrangement has become effective, Meryllion will exist as a separate Exchange listed mineral exploration and development company, with a general focus on South America and a particular focus on Argentina.

Following completion of the Arrangement and the DRC Property Purchase, the Company proposes to effect the HPX TechCo RTO, whereby it will issue to HPX TechCo the Consideration Shares at a deemed price of \$0.31 per Consideration Share, totalling approximately 85% of the issued and outstanding New Concordia Common Shares (after giving effect to such issuance) in exchange for: i) Cdn.\$5,000,000 in cash, subject to adjustment; ii) an 80% interest in Ebende, the holder of the Ebende Rights; iii) an assignment of an option to earn an interest in the Fairholme Project in Australia currently held by HPX TechCo; iv) a Cdn.\$5,000,000 HPX TechCo Loan; and v) HPX TechCo providing Concordia with rights to deploy the HPX TechCo Technology Cluster worldwide, other than China, pursuant to the Services Agreement.

After completing the Transactions, New Concordia will be a well financed, mineral exploration company focused on the exploration and development of its material mineral exploration property, the Ebende Project. The Company will also possess a distinct competitive advantage in evaluating and acquiring additional mineral exploration opportunities, due to its preferential access to the HPX TechCo Technology Cluster. New Concordia will remain listed on the Exchange following the HPX TechCo RTO.

In order to proceed with the Transactions, (i) Concordia Securityholders must approve the Plan of Arrangement by way of special resolution, and (ii) Concordia Shareholders must approve the HPX TechCo RTO by way of special resolution.

Parties to the Transactions

Concordia

Concordia Resource Corp., formerly Western Uranium Corporation, was formed under the BC Act on March 31, 2006 under the name "Navan Capital Corp." as a result of the amalgamation of Navan Capital Corp., an Exchange listed corporation, and Western Uranium Corporation, a private corporation. Immediately after the amalgamation on March 31, 2006, the amalgamated company changed its name to "Western Uranium Corporation". On April 5, 2011, Concordia changed its name to "Concordia Resource Corp." and changed its trading symbol on the Exchange to "CCN", Concordia's corporate and registered and records office is located at Suite 1100, 355 Burrard Street, Vancouver, British Columbia. Concordia is a reporting issuer in British Columbia and Alberta.

If the Transactions are approved at the Meeting, Concordia will become New Concordia, a mineral exploration company focused on developing the Ebende Property in the DRC. In addition, by virtue of its preferential access to the HPX TechCo Technology Cluster, New Concordia will be positioned to actively seek out new exploration targets and enter into joint venture agreements with the entities owning the rights to such targets. New Concordia is expected to change its name to "Kaizen Discovery Inc." following the completion of the Transactions.

For additional information regarding New Concordia, refer to Schedule "E" of this Circular.

Meryllion

Meryllion was incorporated pursuant to the BC Act on July 25, 2013 as numbered company 0976329 B.C Ltd. On August 16, 2013, 0976329 B.C Ltd. changed its name to Meryllion Resources Corporation. Meryllion's principal asset is its interest in Meryllion Sub.

If the Transactions are approved at the Meeting, Meryllion will exist as an Argentinean focused mineral exploration company. Meryllion's principal project will be the La Providencia Project, located in the Jujuy Province in the north-west region of Argentina. Meryllion will also hold an interest in the Cerro Amarillo Project.

If the Transactions are approved at the Meeting, the Meryllion Shares are expected to begin trading on the Exchange on or about December 4, 2013.

For additional information on Meryllion, refer to Schedule "D" of this Circular.

Inferred Mineral Resource Estimate for the La Providencia Project

Inferred Mineral Resources for the La Providencia Project as of August 31, 2012 estimated by RPA Inc. are summarized below.

Summary of Inferred Mineral Resources La Providencia Silver Project August 31, 2012

Category	Cut-Off (g/t Ag)	Tonnes	Ag (g/t)	Cu (%)	Ag (oz)	Cu (lb)
Open Pit	40	981,000	155	0.074	4,900,000	72,400
Underground	150	32,900	504	0.249	533,000	8,180
Total		1,014,000	166	0.080	5,430,000	80,600

Notes:

1. CIM definitions were followed for Inferred Mineral Resources.
2. Inferred Mineral Resources are estimated at the cut-off grades of 40 g/t Ag for open pit and 150 g/t Ag for underground.
3. Inferred Mineral Resources are estimated using a long-term silver price of US\$27 per ounce.
4. A nominal minimum mining width of 3 m was used.
5. Bulk density is 2.40 t/m³.
6. Numbers may not add due to rounding.
7. Inferred Mineral Resources that are not mineral reserves do not have demonstrated economic viability.

HPX TechCo

HPX TechCo is a private metals focused exploration company formed under the laws of the British Virgin Islands on October 11, 2011. HPX TechCo is indirectly controlled by Mr. Robert Friedland, an independent arm's length party of Concordia and its subsidiaries.

As of the date of this Circular, HPX TechCo did not hold any Concordia Shares.

Background to and Reasons for the Transactions

Board Review Process

The process that led to Concordia entering into the Transactions commenced with preliminary meetings between HPX TechCo and Concordia management during the spring of 2013. Following these meetings, a general framework for a potential HPX TechCo/Concordia transaction was settled, which contemplated, among other things, that Concordia would need to complete the Vend-In Agreement in order to isolate and remove the Meryllion Assets from the potential HPX TechCo RTO. More detailed discussions followed these preliminary meetings over the course of the following months, and involved an initial preparatory process between May 2013 and July 2013, followed by a restructuring of transaction parameters and negotiations among the parties from July 2013 through to execution of the HPX TechCo Asset Purchase Agreement in October 2013.

Following extensive discussions between Concordia's management team and HPX TechCo representatives, the Concordia Board was introduced to the potential of acquiring the HPX TechCo Assets at a board meeting in July 2013. Following this meeting, the Company embarked upon a process to assess the merits of acquiring the HPX TechCo Assets, to assess the HPX TechCo Assets and to assess the parameters upon which the Concordia Board would consider such an acquisition.

Throughout the summer of 2013 preparatory work related to the Transactions occurred, including due diligence investigations, the engagement of MSA to prepare the Ebende Technical Report, the engagement of RPA to prepare the La Providencia Technical Report, the engagement of Hatch Ltd. to conduct technical due diligence on the Fairholme Project, the engagement of Haywood and the commencement of the Haywood Opinion process.

This process culminated in the Concordia Board receiving the legal opinions underlying the Ebende Technical Report and La Providencia Technical Report prior to October 1, 2013, and Haywood delivering the Haywood Opinion on October 1, 2013. On October 1, 2013, after reviewing the Haywood Opinion and the relevant legal opinions, the Concordia Board met to consider the HPX TechCo Asset Purchase Agreement, and subsequently approved such agreement and the Transactions.

Benefits of the Transactions

The Concordia Board believes that Concordia Securityholders and Concordia Shareholders will benefit from the Transactions as a result of the following factors, among others:

- the Transactions will maximize value by reorganizing and simplifying the corporate ownership of Concordia's mineral resource assets;
- the Transactions offer the opportunity to selectively finance and develop various mineral properties held through separate entities and enhances Concordia's ability to divest specific mineral properties;
- the Transactions will enhance the investment diversification of Concordia Shareholders, with ownership positions in two publicly traded companies;
- the exploration potential of the Ebende Project evidenced by the Ebende Technical Report;
- create a well-financed company with strong backing to pursue and develop projects, and leverage the unparalleled HPX TechCo technological expertise for growth;
- the Transaction allows Concordia Shareholders to benefit from access to HPX TechCo Technology Cluster, allowing the Company to deploy the state-of-the-art unrivalled proprietary geophysical technology and a team of analytical exploration geophysicists; and
- consolidating a 100% ownership of the Ebende nickel-copper-cobalt-platinum group metals project.

Concordia Shareholders opposed to the Arrangement may, upon compliance with certain conditions, dissent from the approval of the Arrangement Resolution in accordance with the BC Act and be paid fair value for their Concordia Shares. See "*Dissent Rights*" in this Circular.

Board Approval

The decision of the Concordia Board to approve each of the Transactions for submission to the Concordia Securityholders or Concordia Shareholders, as applicable, at the Meeting was reached after consideration of a number of factors, including those summarized under “*Benefits of the Transactions*” above, and the following:

- the procedures by which the Arrangement will be approved, including the requirement for the approval of 66⅔% of the Concordia Securityholders that vote on the Arrangement Resolution and the approval of the Court after a hearing at which the fairness of the Arrangement will be considered;
- the opportunity for all Concordia Securityholders to vote on the Arrangement;
- the opportunity for Concordia Shareholders that are opposed to the Arrangement to dissent from the approval of the Arrangement, subject to compliance with certain conditions, and to be paid fair value of their Concordia Shares;
- the proposed spin out of Meryllion to the Concordia Shareholders and the listing of the Meryllion Shares on the Exchange;
- the procedures by which the HPX TechCo RTO will be approved, including the requirement for the approval of a majority of the Concordia Shareholders that vote on the HPX TechCo RTO Resolution;
- the receipt of the Haywood Opinion, stating that the consideration to be received by the common shareholders of the Company is fair, from a financial point of view, to the Concordia Shareholders;
- the increase to the Company’s liquidity resources by virtue of the Cdn.\$5,000,000 cash payment, as adjusted, and the Cdn.\$5,000,000 to be made available under the HPX TechCo Loan Agreement;
- the experience of Concordia’s proposed new management team; and
- the opportunity for Concordia Optionholders to participate in the Arrangement.

The Concordia Board unanimously determined that the Transactions are fair to Concordia Securityholders and Concordia Shareholders, as applicable, and recommended the submission of the Arrangement to the Court and Concordia Securityholders and Concordia Shareholders, as applicable, for approval at the Meeting.

The Arrangement

The Arrangement Agreement

The Arrangement will be effected by the Arrangement Agreement, which provides for the following:

- (a) *Common Share Consolidation*: All of the issued and outstanding Concordia Shares will be consolidated on a five (5) to one (1) basis;
- (b) *Reorganization of Capital*: The authorized capital of Concordia and its Notice of Articles will be altered by:
 - i) Renaming and redesignating all of the issued and unissued Concordia Shares as Class A Shares (the “**Class A Shares**”); and
 - ii) Creating an unlimited number of common shares without par value as the New Concordia Common Shares having the right, on liquidation of Concordia, to the return of capital in priority to the Class A Shares, but otherwise with the same rights, privileges and restrictions as the Class A Shares;
- (c) *Share Exchange*: Pursuant to the capital reorganization described in paragraph (b) above, each issued and outstanding Class A Share, other than those held by Dissenting Concordia Shareholders, will be deemed to be exchanged for one (1) New Concordia Common Share and one (1) Meryllion Share;
- (d) *Cancellation of Class A Shares*: The Class A Shares, none of which will be allotted and issued once the steps referred to in (b) and (c) are completed, will be cancelled and the authorized capital of Concordia and its Notice of Articles shall be amended by deleting the Class A Shares as a class of shares of Concordia; and

- (e) *Options*: Each Concordia Option, to the extent it has not been exercised as of the Share Exchange Record Date, will be cancelled and exchanged for one (1) Concordia Amended Option.

Termination of the Arrangement Agreement

Concordia may terminate the Arrangement Agreement at any time before the Effective Date. If the Arrangement Agreement is terminated, no party will have any further liability to perform its obligations under the Arrangement Agreement. If the Arrangement Agreement is terminated, the HPX TechCo RTO will not proceed.

Conditions to the Arrangement Becoming Effective

The Arrangement Agreement also provides that the obligations of the parties to complete the Arrangement are subject to the satisfaction, on or before the Effective Date, of certain conditions precedent, each of which may only be waived by the mutual consent of Concordia and Meryllion. Those conditions include, but are not limited to the following:

- the Interim Order shall have been granted in form and substance satisfactory to Concordia and Meryllion;
- the Arrangement Resolution, without amendment or with amendments acceptable to Concordia and Meryllion, shall have been approved at the Meeting;
- the Final Order shall have been granted in form and substance satisfactory to Concordia and Meryllion;
- all approvals and consents, regulatory or otherwise, which are required in connection with the consummation of the Arrangement shall have been obtained;
- the time period for the exercise of any right to dissent conferred upon the Concordia Shareholders in respect of the Arrangement shall have expired and the Concordia Shareholders shall not have exercised (and not abandoned) such right of dissent with respect to greater than 5% of the number of outstanding Concordia Shares as of the Share Exchange Record Date;
- no injunction, restraining order, cease trading order or order or decree of any governmental or regulatory authority shall have been issued to prohibit or impose material limitations on the Arrangement;
- there shall not exist any prohibition at law against the completion of the Arrangement;
- Concordia shall have satisfied or obtained a waiver from all conditions to the HPX TechCo Asset Purchase Agreement that can be satisfied or waived prior to the Effective Date (excluding the condition that requires the Arrangement to have been made effective as a condition of the HPX TechCo Asset Purchase Agreement);
- all conditions to the DRC Property Purchase shall have been satisfied or waived;
- the Meryllion Shares shall have been approved for listing on the Exchange; and
- the Arrangement Agreement shall not have been terminated in accordance with the terms thereof.

Treatment of Concordia Optionholders

As soon as practicable following the Effective Date, without any further act or formality, each Concordia Option, to the extent it has not been exercised as of the Share Exchange Record Date, will be cancelled and exchanged for one fifth (1/5th) Concordia Amended Option. The exercise price of the Concordia Amended Option will be reduced to reflect the spin-out of the Argentina Assets. Based on the following formulae: the Concordia Option Exercise Price divided by one (1) multiplied by forty four point eight percent (44.8%) and multiplied by five (5) to reflect the Common Share Consolidation.

It is intended that the provisions of subsection 7(1.4) of the Tax Act will apply to the exchange; therefore, notwithstanding the foregoing, Concordia shall increase the exercise price per New Concordia Common Share of each Concordia Amended Option if necessary to ensure that the excess, if any, of (i) the aggregate fair market value of the New Concordia Common Shares underlying such Concordia Amended Options immediately following the exchange over (ii) the aggregate exercise price of such Concordia Amendment Options otherwise determined does not exceed the excess, if any, of ~~(iii) the~~ aggregate fair market value of the Concordia Shares underlying the Concordia Options immediately before the exchange over the aggregate exercise price of such Concordia Options.

Arrangement Process

Concordia and Meryllion have agreed to implement the Arrangement in accordance with the Arrangement Agreement and the Plan of Arrangement. The Arrangement requires Court approval under the BC Act. Prior to the mailing of this Circular, Concordia obtained the Interim Order providing for the calling and holding of the Meeting and certain other procedural matters related to the Meeting, a copy of which is attached as Schedule "J". Following approval of the Arrangement Resolution by Concordia Securityholders at the Meeting, Concordia will make application to the Court for the Final Order at 10:00 AM (Pacific Standard Time) on or about December 3, 2013 at the Courthouse, 800 Smithe Street, Vancouver, British Columbia. The Notice of Hearing is attached as Schedule "K". Concordia's counsel has advised that, in deciding whether to grant the Final Order, the Court will consider, among other things, the fairness of the terms and conditions of the Arrangement to Concordia Securityholders. At this hearing, any Concordia Securityholder or any other interested person that wishes to participate or to be represented or that wishes to present evidence or argument may do so, subject to filing a response and satisfying certain other requirements.

The authority of the Court under the BC Act is very broad. The Court may make any inquiry it considers appropriate and may make any order it considers appropriate with respect to the Arrangement. The Court may consider, among other things, the fairness and reasonableness of the Arrangement in its entirety to Concordia Securityholders. The Court may approve the Arrangement either as proposed or as amended in any manner the Court may direct, subject to compliance with such terms and conditions, if any, as the Court considers fit. The Court will be advised, at the hearing, that the Court's approval of the Arrangement will form the basis for an exemption from the registration requirements of the U.S. Securities Act for the issuance and distribution of New Concordia Common Shares, Concordia Amended Options and Meryllion Shares under the U.S. Securities Act pursuant to Section 3(a)(10) thereof. If the Final Order is obtained, subject to the satisfaction or waiver of any conditions contained in the Arrangement Agreement, the Arrangement will become effective in accordance with the terms of the Final Order.

Effective Date

The Arrangement Agreement provides that the Effective Date shall be deemed to occur at 12:01 AM (Pacific Standard Time) on the date the Arrangement is made effective.

Dissent Rights

The Plan of Arrangement and the Interim Order provide that each Concordia Shareholder will have the right to dissent and to have such shareholder's Concordia Shares deemed to have been transferred to Concordia in exchange for a cash payment from Concordia equal to the fair value of such shareholder's Concordia Shares as of the day before the Meeting. In order to validly dissent, any such shareholder must not vote any of such shareholder's Concordia Shares in favour of the Arrangement Resolution, must provide Concordia with a written Notice of Dissent in respect of the Arrangement Resolution no later than 48 hours before the Meeting, and must otherwise strictly comply with the Dissent Procedures under the BC Act as provided under the Interim Order.

Dissenting Concordia Shareholders should note that the exercise of Dissent Rights can be a complex, time-sensitive and expensive procedure. Dissenting Concordia Shareholders should consult their legal advisors with respect to the legal rights available to them in relation to the Arrangement and the Dissent Rights. For more information see Schedule "H" *Dissent Rights Under the British Columbia Business Corporations Act* in this Circular.

Income Tax Considerations

Canadian federal income tax considerations to Concordia Shareholders that participate in the Arrangement or that dissent from the Arrangement are summarized under "*Certain Canadian Federal Income Tax Considerations*". United States federal income tax considerations to Concordia Shareholders that participate in the Arrangement are summarized under the section entitled "*United States Federal Income Tax Considerations*" in this Circular.

Each Concordia Shareholder should carefully review the tax considerations applicable to such shareholder under the Arrangement and is urged to consult the shareholder's own tax advisers with regard to the shareholder's particular circumstances.

The Arrangement may have adverse tax consequences to United States taxpayers.

DRC Property Purchase

In connection with the Arrangement, Concordia, Swala and Bugeco have entered into the Bugeco Termination and Release Agreement in order to give effect to the DRC Property Purchase. Pursuant to the terms of the Bugeco Termination and Release Agreement, in consideration of the payment Cdn.\$750,000 in cash and issuance of 1,666,667 New Concordia Common Shares to Bugeco, the Bugeco MOU will be terminated and Bugeco will transfer its 50% interest in the DRC Assets to Swala, thereby giving Swala 100% of the DRC Assets. Upon completion of the HPX TechCo Asset Purchase Agreement, the 20% equity interest in Ebende underlying the DRC Assets will be combined with the 80% of Ebende received from HPX TechCo pursuant to the HPX TechCo Asset Purchase Agreements to give New Concordia 100% of the equity interest in Ebende.

HPX TechCo RTO

The HPX TechCo Asset Purchase Agreement

The HPX TechCo Asset Purchase Agreement provides for the issuance by Concordia to HPX TechCo of the Consideration Shares, totalling 85% of the issued and outstanding New Concordia Common Shares, in exchange for: i) Cdn.\$5,000,000 in cash, subject to certain post-closing adjustments; ii) an 80% interest in Ebende Resources, the holder of the Ebende Project and certain other mineral exploration assets; iii) assignment of the Fairholme Option Agreement; iv) the establishment of the Cdn.\$5,000,000 HPX TechCo Loan; and v) entering into of the Services Agreement.

Services Agreement

Pursuant to the terms of the Services Agreement, HPX TechCo has agreed to provide Concordia with preferential rights to its proprietary mineral exploration technology worldwide, other than China. Specifically, the services which HPX TechCo has agreed to perform under the Services Agreement include geophysical services, analyses, and related exploration services for and as directed by Concordia, in exchange for Concordia covering the survey costs plus a 12% management fee. Subject to earlier termination in the case of breach of the agreement by one of the parties or upon a specified change of control transaction occurring in respect of Concordia, the Services Agreement will remain in effect until terminated by the mutual agreement of each of the parties. For more information on the terms and conditions of the Services Agreement, see the section entitled "*HPX TechCo RTO = Services Agreement*" of this Circular.

HPX TechCo Loan

Pursuant to the terms of the HPX TechCo Loan Agreement, HPX TechCo will provide Concordia with a revolving line of credit of Cdn.\$5,000,000, which may be increased by HPX TechCo in its sole discretion from time to time. Initially, the HPX TechCo Loan will not bear interest; however, upon 30 days advanced written notice to Concordia, HPX TechCo shall be entitled to charge interest of 3% per annum, compounded monthly, on the principal balance.

Drawdown on the HPX TechCo Loan by Concordia is subject to satisfaction of the following conditions: (i) three (3) days' advance written notice being given to HPX TechCo; (ii) the representations, covenants, and warranties under the HPX TechCo Loan agreement remaining true; and (iii) that there have been no events of default, which include a failure to make any principal or interest payment when due, entering into bankruptcy, or any breach or misrepresentation of a covenant, representation or warranty that is not curable within 30 days.

The outstanding balance of the HPX TechCo Loan is repayable in full by Concordia within 90 days of demand. Prior to the maturity of the HPX TechCo Loan, Concordia may repay any amount of the HPX TechCo Loan upon 10 days' advance written notice, without bonus or penalty. An event of default shall render the HPX TechCo Loan immediately due and payable to HPX TechCo, without any further action or notice.

Assignment of Fairholme Option Agreement

As a result of the assignment of the Fairholme Option Agreement, Concordia will have the option to earn up to a 95% interest (49% interest earned) in the Fairholme Project.

Conditions to Completion under the HPX TechCo Asset Purchase Agreement

Completion of the transactions contemplated in the HPX TechCo Asset Purchase Agreement depends on a number of conditions being met prior to Closing, including, but not limited to, the following conditions:

- no order, injunction or other decree issued by any Governmental Authority shall be in effect which prevents the consummation of the transactions contemplated by HPX TechCo Asset Purchase Agreement;
- no Applicable Law shall be in effect that makes consummation of the HPX TechCo Asset Purchase Agreement or the transactions contemplated therein illegal;
- the HPX TechCo Asset Purchase Agreement shall have been approved by the Concordia Shareholders in the manner required by Applicable Laws (including any conditions under the Interim Order) and the Exchange;
- the Exchange shall have issued its conditional approval to the transactions contemplated by the HPX TechCo Asset Purchase Agreement, the Arrangement Agreement and the DRC Property Purchase, on terms satisfactory to each of the Concordia and HPX TechCo, acting reasonably;
- the DRC Property Purchase shall have been completed on terms satisfactory to both parties, acting reasonably;
- the Arrangement shall have been made effective in accordance with its terms;
- each of the respective representations and warranties of each of Concordia and HPX TechCo set out in the HPX TechCo Asset Purchase Agreement shall be true and correct as of Closing in all material respects as though made at and as of such time (except to the extent such representations and warranties are by their express terms made as of the date of the HPX TechCo Asset Purchase Agreement or another specific date and time, in which case such representations and warranties shall be true and correct as of such date and time);
- each of Concordia and HPX TechCo shall have performed or complied with, in all material respects, all of its obligations, covenants and agreements under the HPX TechCo Asset Purchase Agreement to be performed or complied with at or prior to the Closing;
- no Material Adverse Effect with respect to Ebende has occurred subsequent to the execution of the HPX TechCo Asset Purchase Agreement;
- HPX TechCo shall have delivered or caused to be delivered executed copies of each of the Transaction Agreements and releases from all resigning directors and officers of Concordia; and
- receipt of all necessary approvals from the Exchange and any other applicable Governmental Authorities to permit the issuance of the Consideration Shares and the completion of the transactions contemplated by the HPX TechCo Asset Purchase Agreement.

Summary of Risk Factors

Risk Factors relating to the Transactions

- Each of the Arrangement Resolution and the HPX TechCo RTO Resolution are required to be approved at the Meeting or both resolutions will be deemed to not have been approved.
- Possible failure to realize anticipated benefits of the Transactions.
- Completion of the Transactions is subject to several conditions that must be satisfied or waived and which are beyond the control of the relevant parties.
- Failure to obtain necessary approvals for completion of the Transactions.

Risk Factors relating to business of New Concordia and Meryllion

- New Concordia and Meryllion will each need substantial additional financing in the future and each cannot assure that such financing will be available.

- The volatility of the capital markets may affect both New Concordia's and Meryllion's access to and cost of capital.
- Currency fluctuations may affect the costs that either New Concordia or Meryllion incur in their operations.
- Exploration Risk.
- Early Stage of Development.
- New Concordia's and Meryllion's respective prospects depend on their ability to attract and retain qualified personnel.
- Future mining operations and exploration activities are subject to laws and regulations relating to the protection and remediation of the environment.
- As a participant in the resource extraction industry, New Concordia and Meryllion each may face opposition from local and international groups.
- The costs of complying with applicable laws and governmental regulations may have an adverse impact on either New Concordia's or Meryllion's respective businesses.
- New Concordia's or Meryllion's respective insurance coverage may not cover all of their potential losses, liabilities and damages related to their respective business and certain risks are uninsured or uninsurable.
- Mining is inherently dangerous and subject to factors or events beyond New Concordia's or Meryllion's control.
- Directors and officers may be subject to conflicts of interest.
- Competition in the mining industry may adversely affect New Concordia and Meryllion.

Risk Factors relating to New Concordia

- If the Transactions are completed, HPX TechCo will be the holder of a majority of the New Concordia Common Shares and will have the ability to exert a significant degree of control over the business and affairs of New Concordia.
- Operations in the DRC are subject to numerous risks not necessarily present in readers' home jurisdictions.
- Legal protections in the DRC may be limited.
- New Concordia's operations in the DRC will be subject to numerous risks associated with operating in emerging economies.
- The development and success of the Ebende Project will be largely dependent on the future price of nickel, copper, platinum and other metals.
- The Services Agreement may be terminated by HPX TechCo in certain cases.
- The HPX TechCo Technology Cluster may infringe on the intellectual property rights of others.

Risk Factors relating to Meryllion

- Meryllion's exploration and mining activities will be focused in Argentina and will therefore be subject to the risks of political and economic instability associated with this country.
- The development and success of the La Providencia Project will be largely dependent on the future price of silver, copper and other metals.

For more details on the above identified risk factors, refer to the section entitled "*Risk Factors*" of this Circular.

Pro forma Use of Funds and Business Objectives

Upon completion of the Transactions, Meryllion expects to have working capital of approximately Cdn.\$5,000,000 and intends to use these funds to further develop its mineral properties, for possible future

acquisitions, for general and administrative expenses and for general working capital purposes. See Schedule “D” of this Circular at “*Information Relating to Meryllion*” under the section entitled “Available Funds and Principal Purposes” and “Pro Forma Available Funds and Purposes” in this Circular for disclosure regarding its proposed use of funds.

Upon completion of the Transactions, New Concordia expects to have working capital of approximately Cdn.\$10,000,000 and intends to use these funds to further develop its mineral properties, for possible future acquisitions, for general and administrative expenses and for general working capital purposes. See Schedule “E” of this Circular at “*Information Relating to Concordia, HPX TechCo Assets and New Concordia*”. Under the section entitled “Available Funds and Principal Purposes” and “Pro Forma Available Funds and Purposes” in this Circular for disclosure regarding its use of funds.

Stock Exchange Listings and Exchange Conditional Approval

The issued and outstanding shares of Concordia are listed and quoted for trading on the Exchange. Concordia has applied to the Exchange for approval of the Transactions and, as of the date of this Circular, has received conditional approval from the Exchange. In addition, the completion of the Arrangement is conditional upon the approval of the Exchange for the listing of the Meryllion Shares and New Concordia Common Shares on the Exchange as separate companies. Concordia has applied to list both the Meryllion Shares and New Concordia Common Shares on the Exchange. Final approval of the Transactions and listing of the Meryllion Shares and New Concordia Common Shares on the Exchange will be subject to both Meryllion and New Concordia fulfilling all the listing requirements of the Exchange.

Summary Pro Forma Financial Information

New Concordia

The following table sets out the unaudited pro forma statement of financial position as of June 30, 2013 and should be considered in conjunction with the more complete information contained in the selected information from the unaudited pro forma statement of financial position of New Concordia’s business as of June 30, 2013, attached as Schedule “G” to this Circular.

Expressed in thousands of Canadian dollars	As of June 30, 2013
	Cdn.\$ (unaudited)
Total assets.....	\$15,317
Liabilities.....	\$4,211

Meryllion

FINANCIAL INFORMATION

Audited financial statements of Meryllion for the years ended September 30, 2012 and 2011 combined with the unaudited financial statements for the nine month interim period ended June 30, 2013 are attached hereto as Schedule “F”. These financial statements reflect the consolidated financial position, statements of comprehensive loss, changes in equity and cash flows of the related Argentine exploration business of Concordia and Meryllion Minerals Corp. The statement of comprehensive loss for the period ended June 30, 2013 includes a Cdn.\$719,000 (September 30, 2012 – Cdn.\$1,145,000 September 30, 2011 – Cdn.\$840,000) allocation of Concordia’s general and administrative expenses. The allocation of general and administrative expenses was calculated on the basis of the ratio of expenditures incurred on the La Providencia and Cerro Amarillo properties as compared to the expenditures incurred on all of Concordia’s properties during the periods. Management cautions readers of these financial statements, that the allocation of expenses may not be indicative of the actual expenses that would have been incurred had Meryllion Business been operating as a separate, stand-alone public company for the periods presented and do not reflect Meryllion’s consolidated results of operations, financial position and cash flows had Meryllion Business been a stand-alone public company during the periods presented. The results of operations are not necessarily indicative of the operating results of future years.

The following table sets out selected financial information for the periods indicated and should be considered in conjunction with the more complete information contained in the consolidated financial statements of Concordia attached to this Circular. All currency amounts are stated in Canadian dollars.

Amounts are in thousands of Canadian Dollars
except per share amounts

	Nine Month Period Ended June 30, 2013	Year Ended September 30, 2012	Year Ended September 30, 2011
	\$ (unaudited)	\$ (audited)	\$ (audited)
Total assets	851	740	317
Exploration and evaluation assets.....	770	562	236
Working capital (deficit)	20	144	(152)
Long-term financial liabilities	-	-	-
Total revenues	-	-	-
Expenses.....	1,259	5,020	2,281
Total comprehensive loss	1,175	5,275	2,305
Loss per common share (basic & diluted)	(0.07)	(0.34)	(0.19)

Conflicts of Interest

Gerard de La Vallée Poussin, a director of Concordia, is also a shareholder and director and Chief Executive Officer of Bugeco, and consequently, has an economic interest in the DRC Property Purchase. As a result, Mr. Poussin declared his interest at the board meeting of Concordia held to approve the Transactions and abstained from voting thereon at such meeting.

R. Edward Flood, a director of Concordia, declared a conflicting interest in the Transaction by reason of his right to obtain a cash payment in the amount of US\$325,000 if the Reorganization closes before December 31, 2013, and accordingly declared his interest at the board meeting of Concordia held to approve the Transactions and abstained from voting thereon at such meeting.

Terry Krepiakovich, a director and Interim Chief Executive Officer of Concordia, declared his conflicting interest in the Transaction by reason of his scheduled appointment to the role of Chief Executive Officer of Meryllion after the Arrangement is completed, and accordingly declared his interest at the board meeting of Concordia held to approve the Transactions and abstained from voting thereon at such meeting.

Sponsorship

Pursuant to the Exchange's policy manual, the listing of the New Concordia Common Shares following the HPX TechCo RTO requires sponsorship. For this purpose Concordia has engaged Salman Partners Inc. as its sponsor.

Interests of Experts

No person or company whose profession or business gives authority to a statement made by the person or company and who is named as having prepared or certified a part of this Circular or prepared or certified a report or valuation described or included in this Circular has any direct or indirect interest in the properties of New Concordia or Meryllion or owns in aggregate greater than 1% of each company's voting securities. For more information, refer to the sections entitled "Interests of Experts" in Schedules "D" and "E" for Meryllion and New Concordia, respectively.

Return of Proxy

This Circular is furnished in connection with the solicitation of proxies by the management of Concordia for use at the Meeting. If a registered Concordia Securityholder is unable to be present at the Meeting in person, he or she may vote by completing the applicable form of enclosed proxy. A registered Concordia Securityholder may appoint as proxyholder a person other than the directors of Concordia named in the accompanying forms of proxy by inserting the name of such other person, that need not be a registered Concordia Securityholder, in the blank space provided in the applicable form of proxy or by completing another proper form of proxy.

If a registered Concordia Shareholder or Concordia Securityholder does not specify a choice by checking either of the boxes marked "For" or "Against" for the particular resolution or checks both boxes, the proxy will not be counted in determining if either resolution passes.

In order for the proxy to be valid, a registered Concordia Shareholder or Concordia Securityholder must fill in the date, sign and print such shareholder's or securityholder's name on the lines specified for such purpose at the bottom right hand corner of the form of proxy and return the properly executed and completed Proxy by delivering it to the office of Computershare Investor Services Inc., Attention: Proxy Department in Toronto, Ontario at the address specified in the Notice of Meeting, on November 27, 2013 (or before 48 hours, excluding Saturdays, Sundays and holidays before any adjournment of the Meeting at which the proxy is to be used).

Please refer to the discussion under the heading "Appointment and Revocation of Proxy" of this Circular for further information with respect to proxies.

Eligible Securityholders

Each registered Concordia Securityholder at 5:00 PM (Pacific Standard Time) on the Record Date of October 28, 2013 is entitled to attend the Meeting in person or by proxy. Each Concordia Securityholder is entitled to cast one vote for each Concordia Security held by such Concordia Securityholder on such date in respect of the Arrangement Resolution and each Concordia Shareholder is entitled to cast one vote for each Concordia Share held by such Concordia Shareholder on such date in respect of the HPX TechCo RTO Resolution. **Concordia Securityholders that are not Concordia Shareholders will not be entitled to vote on the HPX TechCo RTO Resolution.**

Share Exchange Record Date

Concordia established December 2, 2013, the business day following the Meeting, as the Share Exchange Record Date for the purpose of determining the Concordia Shareholders entitled to receive New Concordia Common Shares Meryllion Shares under the Arrangement and the Concordia Optionholders entitled to receive Concordia Amended Options under the Arrangement.

If the Arrangement is approved at the Meeting, any trading in the Concordia Shares after the Share Exchange Record Date will be considered to trade as if the Meryllion Shares had already been spun out of Concordia, regardless of the date of closing of the Arrangement. The Arrangement is expected to close on or about December 4, 2013, but may close at such earlier or later date as Concordia, Meryllion and HPX TechCo may agree.

INFORMATION CIRCULAR

(as at October 16, 2013 except as otherwise indicated)

SOLICITATION OF PROXIES

This Circular is provided in connection with the solicitation of proxies by the management of Concordia. The form of proxy (the “Proxy”) accompanying this Circular is to be used at the Meeting to be held on November 29, 2013. The Meeting will be held at the time and place set out in the accompanying Notice of Meeting. The Company will bear the cost of this solicitation. The solicitation will be made by mail, but may also be made by telephone. The total cost of the solicitation of proxies will be borne by the Company.

The contents and the sending of this Circular have been approved by the directors of the Company.

The Concordia Board has fixed the close of business on October 28, 2013 as the Record Date, being the date for the determination of the registered Concordia Shareholders and Concordia Securityholders entitled to receive notice of, and to vote, at the Meeting.

APPOINTMENT AND REVOCATION OF PROXY

The persons named in the Proxy are directors or officers of the Company. **A Concordia Shareholder or Concordia Securityholder entitled to vote at the Meeting may appoint, as proxyholder or alternate proxyholder, a person or persons other than any of the persons designated in the Proxy, and may do so either by inserting the name of such persons in the blank space provided in the Proxy or by completing another proper Proxy.**

An appointment of a proxyholder or alternate proxyholder will not be valid unless a Proxy making the appointment, signed by the Concordia Shareholder or Concordia Securityholder, as the case may be, or by an attorney of such shareholder or securityholder authorized in writing, is deposited with Computershare Trust Company of Canada (“**Computershare**”):

- a) by mail or by hand to 100 University Avenue, 8th Floor, Toronto, Ontario M5J 2Y1 (Attention: Proxy Department),
- b) by telephone at 1-866-732-VOTE (8683) from a touch tone phone, or
- c) by Internet voting as described below,

and, in each case, must be received by Computershare not later than 10:00 AM (Pacific Standard Time) on November 27, 2013 or not less than 48 hours (excluding Saturdays, Sundays and holidays) before any adjournment of the Meeting at which the Proxy is to be used.

In order to vote by Internet, you should have the proxy form you received available and access the website at www.investorvote.com. You will be prompted to enter the 15-digit code, which is located on the reverse side of the proxy form.

Revocation of Proxy

A Concordia Shareholder or a Concordia Securityholder, as the case may be, who has given a Proxy may revoke it:

- a) by voting again by telephone or on the Internet before 10:00 AM (Pacific Standard Time) on November 27, 2013;

- b) completing a Proxy that is dated later than the Proxy you are changing, and mailing it to 100 University Avenue, 8th Floor, Toronto, Ontario M5J 2Y1 (Attention: Proxy Department), so that it is received before 10:00 AM (Pacific Standard Time) on November 27, 2013;
- c) sending a notice in writing from you or your authorized attorney (or, if the shareholder is a corporation, by a duly authorized officer) revoking your Proxy to the Corporate Secretary of the Company so that it is received before 10:00 AM (Pacific Standard Time) on November 27, 2013; or
- d) attending the Meeting or any adjournment thereof and registering with the scrutineer as a Concordia Shareholder or Concordia Securityholder, as applicable, present in person.

Provisions Relating to Voting of Proxies

The Concordia Securities represented by the Proxy in the enclosed form will be voted by the designated holder in accordance with the direction of the Concordia Shareholder or Concordia Securityholder appointing him. If there is no direction by such shareholder or securityholder, or if both choices are specified, those Concordia Securities will not be counted as being voted for or against the Arrangement Resolution and the HPX TechCo RTO Resolution. **If either the Arrangement Resolution or HPX TechCo RTO Resolution are not approved by Concordia Shareholders and Concordia Securityholders, as applicable, at the Meeting, both resolutions will be treated as not approved.** The Proxy gives the person named in it the discretion to vote as they see fit on any amendments or variations to matters identified in the Notice of Meeting, or any other matters which may properly come before the Meeting. At the time of printing of this Circular, the management of the Company knows of no other matters which may come before the Meeting other than those referred to in the Notice of Meeting.

Non-Registered Holders

Only registered Concordia Shareholders, Concordia Securityholders or duly appointed proxy holders are permitted to vote at the Meeting. Most Concordia Shareholders are “non-registered” because the Concordia Shares they own are not registered in their names but are instead registered in the name of the brokerage firm, bank or trust company through which they purchased the shares. A person is not a registered shareholder (a “**Non-Registered Holder**”) in respect of shares which are held either: (a) in the name of an intermediary (an “**Intermediary**”) that the Non-Registered Holder deals with in respect of the shares (Intermediaries include, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSPs, RRIFs, RESPs and similar plans); or (b) in the name of a clearing agency (such as CDS Clearing and Depository Services Inc. (“**CDS**”)), of which the Intermediary is a participant.

Non-Registered Holders that have not objected to their Intermediary disclosing certain ownership information about themselves to the Company are referred to as “NOBOs”. Those Non-Registered Holders that have objected to their Intermediary disclosing ownership information about themselves to Concordia are referred to as “OBOs”.

Pursuant of National Instrument 54-101 – *Communication with the Beneficial Owners of Securities of a Reporting Issuer* (“**NI 54-101**”) of the Canadian Securities Administrators, Concordia has distributed copies of the Notice of Meeting, this Circular and the Proxy (collectively, the “**Meeting Materials**”) to CDS and Intermediaries for onward distribution to Non-Registered Holders. Intermediaries are required to forward the Meeting Materials to Non-Registered Holders unless a Non-Registered Holder has waived the right to receive them. The Company is not using the notice-and-access delivery procedures defined under NI 54-101 and National Instrument 51-102 -- *Continuous Disclosure Obligations* as a means of sending the Meeting Materials to Registered Shareholders or Non-Registered Shareholders.

Intermediaries often use service companies to forward the Meeting Materials to Non-Registered Holders. The Company will pay the fees and cost of the Intermediaries for their services in delivering the Meeting Materials to Non-Registered Shareholders. Generally, Non-Registered Holders that have not waived the right to receive Meeting Materials will either:

- (a) be given a form of proxy which has already been signed by the Intermediary (typically by a facsimile, stamped signature), which is restricted as to the number of shares beneficially owned by the Non-Registered Holder and must be completed, but not signed, by the Non-Registered Holder and deposited with Computershare; or

- (b) more typically, be given a voting instruction form which is not signed by the Intermediary, and which, when properly completed and signed by the Non-Registered Holder and returned to the Intermediary or its service company, will constitute voting instructions which the Intermediary must follow.

In either case, the purpose of this procedure is to permit Non-Registered Holders to direct the voting of the Concordia Shares, which they beneficially own. Should a Non-Registered Holder that receives one of the above forms wish to vote at the Meeting in person, the Non-Registered Holder should strike out the names of the Management proxy holder named in the form and insert the Non-Registered Holder's name in the blank space provided. **Non-Registered Holders should carefully follow the instructions of their Intermediary, including those regarding when and where the Proxy or proxy authorization form is to be delivered.**

A Non-Registered Holder may revoke a Proxy or voting instruction form given to an Intermediary by contacting the Intermediary through which the Non-Registered Holder's Concordia Shares are held and following the instructions of the Intermediary respecting the revocation of proxies. In order to ensure that an Intermediary acts upon a revocation of a proxy form or voting instruction form, the written notice should be received by the Intermediary well in advance of the Meeting.

VOTES NECESSARY TO PASS RESOLUTIONS

Pursuant to the articles of the Company, a quorum for the transaction of business at any meeting of shareholders is at least two persons who are, or who represent by proxy, shareholders who, in the aggregate, hold at least 5% of the issued Concordia Shares entitled to be voted at the Meeting.

Pursuant to the BC Act and the articles of the Company, a majority two-thirds ($66\frac{2}{3}$) of the votes cast at the Meeting is required to pass a special resolution.

VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

As at the date of the accompanying Notice of Meeting, the Company's authorized capital consists of an unlimited number of Concordia Shares without par value and 100,000,000 Class A Preferred Shares with a par value of Cdn.\$1.00. As of the date of this Circular, there are issued and outstanding (a) 85,627,550 Concordia Shares, (b) 0 (nil) Class A Preferred Shares, and (c) Concordia Options to acquire an aggregate of 6,686,504 Concordia Shares. Each Concordia Share carries the right to one vote. For the purposes of the Arrangement Resolution, each whole Concordia Security carries one vote for each Concordia Share that would be receivable on the conversion of such security to a Concordia Share.

To the knowledge of the directors and executive officers of the Company, as of the date of this Circular, the following persons beneficially own, directly or indirectly, or exercise control or direction over, more than 10% of the Concordia Shares:

Name and Jurisdiction of Residence ⁽¹⁾	Number of Concordia Shares	Percentage of Issued Capital
David Birkenshaw Ontario, Canada	14,234,500	16.6%
Directors and Officers of Concordia ⁽²⁾	17,163,479 ⁽³⁾	20%

Notes:

- (1) The beneficial owners of Concordia Shares held by depositories are not known to the directors or executive officers of the Company.
- (2) Assuming the full exercise of all Concordia Options held by Concordia's directors and officers, such individuals would own 21,964,474 Concordia Shares, which would represent 16% of the total issued and outstanding Concordia Shares under this assumption.
- (3) This total number of Concordia Shares includes the 14,234,500 Concordia Shares held by Mr. Birkenshaw.

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

Except as otherwise disclosed in this Circular under the heading "Conflicts of Interest", no director or executive officer of the Company nor any proposed nominee of management of the Company for election as a director of the Company, nor any associate or affiliate of the foregoing persons, has any material interest, direct or

indirect, by way of beneficial ownership of securities or otherwise, since the beginning of the Company's last financial year in matters to be acted upon at the Meeting, other than the election of directors or the appointment of auditors.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Other than as stated herein, no informed person of Concordia, or any associate or affiliate of any informed person or proposed director, has had any material interest, direct or indirect, in any transaction since the commencement of Concordia's most recently completed financial year or in any proposed transaction which has materially affected or would materially affect Concordia or any of its subsidiaries, other than as disclosed under the heading "Conflicts of Interest" in this Circular.

AUDITOR

Concordia's auditor is MacKay LLP, Chartered Accountants. MacKay LLP was recently re-appointed as Concordia's auditor at Concordia's annual general meeting held on August 29, 2013 and was first appointed as auditor of Concordia in 2006.

MANAGEMENT CONTRACTS

No management functions of the Company or its subsidiaries are to any substantial degree performed by a person or company other than the directors or executive officers of the Company or its subsidiaries.

PARTICULARS OF MATTERS TO BE ACTED UPON

The Transactions

Purpose of the Transactions

Concordia is engaging in the Transactions in order to maximize its value by reorganizing and simplifying the corporate ownership of its mineral resource assets. Concordia views the Ebende Project as a highly prospective project and, when combined with the experience and expertise of HPX TechCo, in advancing mineral projects in the DRC, an excellent and unique investment opportunity. The Transactions will allow Concordia Shareholders to participate in a well financed New Concordia focused on the Ebende Project and leveraging the opportunities created by the HPX TechCo Technology Cluster while continuing to participate in the Company's Argentina assets through their shareholdings in Meryllion.

In addition to the interest in the Ebende Property received pursuant to the HPX TechCo RTO, the HPX TechCo RTO will provide New Concordia with an infusion of capital, access to additional capital, new exploration opportunities with the Fairholme Project, and rights to deploy the sophisticated and state of the art HPX TechCo Technology Cluster, which technology Concordia believes will leave it better positioned to understand and exploit its existing mineral property interests and any interests it acquires in future transactions.

Background to the Transactions

The process that led to Concordia entering into the Transactions commenced with preliminary meetings between HPX TechCo and Concordia management during the spring of 2013. Following these meetings, a general framework for a potential HPX TechCo/Concordia transaction was settled, which contemplated, among other things, that Concordia would need to complete the Vend-In Agreement in order to isolate and remove the Meryllion Assets from the potential HPX TechCo RTO. More detailed discussions followed these preliminary meetings over the course of the following months, and involved an initial preparatory process between May 2013 and July 2013, followed by a restructuring of transaction parameters and negotiations among the parties from July 2013 through to execution of the HPX TechCo Asset Purchase Agreement in October 2013.

Following extensive discussions between Concordia's management team and HPX TechCo representatives, the Concordia Board was introduced to the potential of acquiring the HPX TechCo Assets at a board meeting in July 2013. Following this meeting, the Company embarked upon a process to assess the merits of acquiring the HPX TechCo Assets, to assess the HPX TechCo Assets and to assess the parameters upon which the Concordia Board would consider such an acquisition.

Throughout the summer of 2013 preparatory work related to the Transactions occurred, including due diligence investigations, the engagement of MSA to prepare the Ebende Technical Report, the engagement of RPA to prepare the La Providencia Technical Report, the engagement of Hatch Ltd. to conduct technical due diligence on the Fairholme Project, the engagement of Haywood and the commencement of the Haywood Opinion process.

This process culminated in the Concordia Board receiving the legal opinions underlying the Ebende Technical Report and La Providencia Technical Report prior to October 1, 2013, and Haywood delivering the Haywood Opinion on October 1, 2013. On October 1, 2013, after reviewing the Haywood Opinion and the relevant legal opinions, the Concordia Board met to consider the HPX TechCo Asset Purchase Agreement, and subsequently approved such agreement and the Transactions.

Approval and Recommendation of the Concordia Board

The Concordia Board unanimously approved the Arrangement and the HPX TechCo RTO, and unanimously recommended and authorized the submission of the Arrangement Resolution to Concordia Securityholders and the Court for approval and the HPX TechCo RTO to Concordia Shareholders. **The Concordia Board has concluded that both the Arrangement and the HPX TechCo RTO are in the best interests of Concordia, the Concordia Shareholders and the Concordia Securityholders, and recommends that Concordia Securityholders vote in favour of the Arrangement Resolution at the Meeting and that Concordia Shareholders vote in favour of the HPX TechCo RTO Resolution at the Meeting.**

In reaching its conclusion to recommend the Transactions to the Concordia Securityholders and Concordia Shareholders, the Concordia Board considered the following factors it identified as benefits of the Transactions:

- the Transactions will maximize value by reorganizing and simplifying the corporate ownership of Concordia's mineral resource assets;
- the Transactions offer the opportunity to selectively finance and develop various mineral properties held through separate entities and enhances Concordia's ability to divest specific mineral properties;
- the Transactions will enhance the investment diversification of Concordia Shareholders, with ownership positions in two publicly traded companies, each focused on separate geographic areas and mineral targets;
- the exploration potential of the Ebende Project evidenced by the Ebende Technical Report;
- access to the HPX TechCo Technology Cluster; and
- the conclusion of the Haywood Fairness Opinion stating that the consideration to be received by the common shareholders of the Company is fair, from a financial point of view, to the Concordia Shareholders.

Haywood Fairness Opinion

The Concordia Board engaged Haywood to evaluate the Transactions and to provide the Haywood Opinion. The Haywood Opinion was delivered to the Concordia Board on October 1, 2013. The Haywood Opinion concludes that, based upon and subject to the assumptions, limitations and qualifications set forth therein, as of such date, the consideration to be received by the common shareholders of the Company is fair, from a financial point of view, to the Concordia Shareholders.

Concordia encourages the Concordia Shareholders to carefully read the Haywood Opinion in its entirety to understand the procedures followed, assumptions and qualifications made, matters considered and limitations on the review undertaken by Haywood in providing the Haywood Opinion. **The Haywood Opinion was delivered to the Concordia Board for its information and does not serve as a recommendation as to how Concordia Shareholders should vote at the Meeting. The summary of the Haywood Opinion in this Circular is qualified in its entirety by the full text of such opinion, which is attached as Schedule "I" to this Circular, and Concordia Shareholders are encouraged to read the Haywood Opinion in its entirety.**

In addition to the factors described above, the Concordia Board considered the following procedural elements in reaching its approval recommendation for the Transactions:

- the procedures by which the Arrangement will be approved, including the requirement for the approval of 66⅔% of the Concordia Securityholders that vote on the Arrangement Resolution and the approval of the Court after a hearing at which the fairness of the Arrangement will be considered;
- the opportunity for all Concordia Securityholders to vote on the Arrangement;
- the opportunity for Concordia Shareholders that are opposed to the Arrangement to dissent from the approval of the Arrangement, subject to compliance with certain conditions, and to be paid fair value of their Concordia Shares;
- the proposed spin out of Meryllion to the Concordia Shareholders and the listing of the Meryllion Shares on the Exchange;
- the procedures by which the HPX TechCo RTO will be approved, including the requirement for the approval of a majority of the Concordia Shareholders that vote on the HPX TechCo RTO Resolution;
- the receipt of the Haywood Opinion, stating that the consideration to be received by the common shareholders of the Company is fair, from a financial point of view, to the Concordia Shareholders;
- the increase to the Company's liquidity resources by virtue of the Cdn.\$5,000,000 cash payment, as adjusted, and the Cdn.\$5,000,000 to be made available under the HPX TechCo Loan Agreement;
- the experience of Concordia's proposed new management team; and
- the opportunity for Concordia Optionholders to participate in the Arrangement.

Concordia Shareholders that are opposed to the Arrangement may, upon compliance with certain conditions, dissent from the approval of the Arrangement Resolution in accordance with the BC Act and be paid fair value for their Concordia Shares. See Schedule "H" - *Dissent Rights under the British Columbia Correspondence Act* of this Circular for a description of the dissent rights provided to Dissenting Shareholders under the BC Act.

Required Securityholder Approvals

In order to implement the Arrangement, the Arrangement Resolution (a copy of which is attached to this Circular as Schedule "A") must be approved by at least 66⅔% of the votes cast at the Meeting by the Concordia Securityholders.

In order to implement the HPX TechCo RTO, the HPX TechCo RTO Resolution (a copy of which is attached to this circular as Schedule "B") must be approved by at least 66⅔% of the votes cast at the Meeting by Concordia Shareholders. **Concordia Securityholders that are not Concordia Shareholders will not be entitled to vote on the HPX TechCo RTO Resolution.**

Information about Meryllion and New Concordia

In order to provide Concordia Shareholders and Concordia Securityholders with sufficient information to evaluate the Transactions, Concordia, Meryllion and HPX TechCo have prepared descriptions of the business and assets of Meryllion in Schedule "D" and of New Concordia in Schedule "E" of this Circular.

Deemed Closing Sequence

The Plan of Arrangement, the HPX TechCo RTO and the DRC Property Purchase contain mutual conditions precedent whereby the closing of each transaction is conditional upon the fulfillment or waiver of the conditions contained in the other transactions. Despite this cross-conditionality, the transactions shall be deemed to close in the following order: 1) Plan of Arrangement; 2) DRC Property Purchase; and 3) HPX TechCo RTO.

Plan of Arrangement

The following summarizes, among other things, the material terms of the Arrangement Agreement, a copy of which has been filed on SEDAR as a material document and is available for review at Concordia's head office at Suite 1100, 355 Burrard Street, Vancouver, BC, V6C 2G8. Concordia Securityholders are urged to read the Arrangement Agreement in its entirety for a more complete description of the Arrangement.

Common Share Consolidation

As part of the Arrangement, Concordia proposes to effect the Common Share Consolidation, whereby all of the issued and outstanding Concordia Shares will be consolidated on the basis of five (5) existing Concordia Shares for one (1) New Concordia Common Share (the "Consolidation Ratio"). The Common Share Consolidation is a condition to the closing of the Arrangement.

The Exchange has conditionally approved the proposed Common Share Consolidation, subject to approval of the Arrangement Resolution by Concordia Securityholder at the Meeting.

If the Common Share Consolidation is implemented, its principal effect will be to proportionately decrease the number of issued and outstanding Concordia Shares by a factor equal to the Consolidation Ratio. Based on the number of Concordia Shares currently issued and outstanding, immediately following the completion of the Common Share Consolidation, and for illustrative purposes only, the number of Concordia Shares then issued and outstanding (disregarding any resulting fractional common shares) will be as follows:

Common Share Consolidation ratio	Concordia Shares Outstanding Prior to Common Share Consolidation	Concordia Shares Outstanding After the Common Share Consolidation
5:1	85,627,550	17,125,510

The Company does not expect the Common Share Consolidation itself to have any economic effect on holders of Concordia Shares or Concordia Convertible Securities, except to the extent the Common Share Consolidation will result in fractional shares.

Voting rights and other rights of Concordia Shareholders prior to the implementation of the Common Share Consolidation will not be affected by the Common Share Consolidation, other than as a result of the creation and disposition of fractional shares as described below. For example, a holder of 2% of the voting power attached to the outstanding Concordia Shares immediately prior to the implementation of the Common Share Consolidation will generally continue to hold 2% of the voting power attached to the Concordia Shares immediately after the implementation of the Common Share Consolidation. The number of registered Concordia Shareholders will not be affected by the Common Share Consolidation (except to the extent any are cashed out as a result of holding fractional Concordia Shares).

Effect on Non-registered Shareholders

Non-registered Concordia Shareholders holding Concordia Shares through an intermediary (a securities broker, dealer, bank or financial institution) should be aware that the intermediary may have different procedures for processing the Common Share Consolidation than those that will be put in place by Concordia for registered shareholders. If you hold Concordia Shares through an intermediary and you have questions in this regard, you are encouraged to contact your intermediary.

Effect on Incentive Stock Options

As of the date of this Circular, there were incentive stock options held by directors, employees and other service providers exercisable under the Company's equity incentive plan to acquire, in the aggregate, 4,801,000 unissued Concordia Shares. The equity incentive plan authorizes the Concordia Board to make appropriate adjustments to both the number of Concordia Shares underlying all outstanding incentive stock options and the applicable exercise price(s) in the event of any change to the Concordia Shares as a result of a consolidation, subdivision or reclassification of the Concordia Shares, or otherwise.

Upon the implementation of the Common Share Consolidation, each then outstanding incentive stock option will be adjusted as follows:

- the number of unissued Concordia Shares that may be purchased through the exercise of an incentive stock option will be reduced on the same proportionate basis as the issued and outstanding Concordia Shares based on the Consolidation Ratio; and
- the price for which one (1) Concordia Share may be purchased pursuant to the exercise of an incentive stock option will be increased in inverse proportion to the reduction in the number of Concordia Shares based on the Consolidation Ratio.

Risks Associated with the Common Share Consolidation

The Common Share Consolidation will, in all likelihood, result in some shareholders owning “odd lots” of fewer than 100 Concordia Shares on a post-consolidation basis. Odd lots may be more difficult to sell, or attract greater transaction costs per share to sell, and brokerage commissions and other costs of transactions in odd lots are generally somewhat higher than the costs of transactions in “round lots” of even multiples of 100 Concordia Shares.

The Common Share Consolidation may also create an immaterial element of dilution for certain shareholders because the Common Share Consolidation is likely to create fractional Concordia Shares. For further details regarding the fractional Concordia Shares, see below.

No Fractional Shares

No fractional Concordia Shares will be issued pursuant to the Common Share Consolidation. Any entitlement to a fraction of a post-Common Share Consolidation Concordia Share shall be disregarded with the number of post-Common Share Consolidation Concordia Shares rounded down to the next whole number. In calculating such fractional interests, all Concordia Shares registered in the name of each registered shareholder will be aggregated.

Accounting Consequences

If the Common Share Consolidation is implemented, net income or loss per Concordia Share, and other per share amounts, will be increased because there will be fewer Concordia Shares issued and outstanding. In future financial statements, net income or loss per Concordia Share and other per share amounts for periods ending before the Common Share Consolidation took effect will be recast to give retroactive effect to the Common Share Consolidation.

Arrangement Mechanics

The following description of the Arrangement is qualified in its entirety by reference to the full text of the Plan of Arrangement which is set out in Schedule “C” to this Circular. The Arrangement will become effective on the Effective Date which is anticipated to be on or about December 4, 2013 or such earlier or later date as Concordia or Meryllion may agree.

Treatment of Concordia Shares

Under the Arrangement Agreement, upon the Arrangement becoming effective the following Concordia Shares will be treated as follows, without any further authorization, act or formality required:

- Share Consolidation: All of the issued and outstanding Concordia Shares will be consolidated on a five (5) to one (1) basis, with any entitlement to a fraction of a post-consolidation Concordia Share disregarded with the number of post-consolidation Concordia Shares rounded down to the next whole number;
- Reorganization of Capital: The authorized capital of Concordia and its notice of articles will be altered by (i) renaming and redesignating all of the issued and unissued Concordia Shares as Class A Shares, and (ii) creating an unlimited number of new common share of Concordia (the “**New Concordia Common Shares**”), with such shares having the right, on liquidation of Concordia, to the return of capital in priority to the Class A Shares, but otherwise with the same rights, privileges and restrictions as the Class A Shares;

- Share Exchange: Each issued and outstanding Class A Share, other than those held by Dissenting Shareholders, will be exchanged for (i) one (1) New Concordia Common Share and (ii) one (1) Meryllion Share;
- Cancellation of Class A Shares: The Class A Shares, none of which will be allotted and issued once the reorganization of capital is completed, will be cancelled and the authorized capital of Concordia and its notice of articles shall be amended by deleting the Class A Shares as a class of shares of Concordia; and
- Options: Each Concordia Option, to the extent it has not been exercised as of the Share Exchange Record Date, will be cancelled and exchanged for one (1) Concordia Amended Option.

If the Arrangement Resolution is approved at the Meeting, any trading in the Concordia Shares after the Share Exchange Record Date will be considered to trade as if the Meryllion Assets had already been spun out of Concordia, regardless of the date of closing of the Arrangement. The Arrangement is expected to close on or about December 4, 2013, but may close at such earlier or later date as Concordia and HPX TechCo may agree.

Treatment of Concordia Optionholders

As soon as practicable following the Effective Date, without any further act or formality, each Concordia Option, to the extent it has not been exercised as of the Share Exchange Record Date, will be cancelled and exchanged for one fifth (1/5th) Concordia Amended Option. The Concordia Amended Option's exercise price will be amended to reflect the spin-out of the Argentina Assets. The exercise price of the Concordia Amended Options will be reduced based on the following formulae: The Concordia Option Exercise Price divided by one (1) multiplied by forty four point eight percent (44.8%) and multiplied by five (5) to reflect the Common Share Consolidation

It is intended that the provisions of subsection 7(1.4) of the Tax Act apply to the exchange; therefore, notwithstanding the foregoing, Concordia shall increase the exercise price per New Concordia Common Share of each Concordia Amended Option **if necessary** to ensure that the excess, if any, of (i) the aggregate fair market value of the New Concordia Common Shares underlying such Concordia Amended Options immediately following the exchange over (ii) the aggregate exercise price of such Concordia Amendment Options otherwise determined does not exceed the excess, if any, of (iii) the aggregate fair market value of the Concordia Shares underlying the Concordia Options immediately before the exchange over the aggregate exercise price of such Concordia Options.

Required Court Approval

The Arrangement requires Court approval under the BC Act. Prior to the mailing of this Circular, Concordia obtained the Interim Order providing for the calling and holding of the Meeting and certain other procedural matters related to the Meeting. A copy of the Interim Order is attached to this Circular as Schedule "J". Following approval of the Arrangement Resolution by Concordia Securityholders at the Meeting, Concordia will make application to the Court for the Final Order at 9:45 AM (Pacific Standard Time) on or about December 3, 2013 at the Courthouse, 800 Smithe Street, Vancouver, British Columbia. The Notice of Hearing for the Final Order is set forth in Schedule "K". Concordia's counsel has advised that, in deciding whether to grant the Final Order, the Court will consider, among other things, the fairness of the Arrangement to Concordia Securityholders.

At the hearing for the Final Order, Concordia Securityholders or other interested person are entitled to appear in person or by counsel and to make a submission regarding the Arrangement, subject to filing and serving a response and satisfying any other applicable requirements.

At the hearing, the Court will consider, among other things, the fairness of the terms and conditions of the Arrangement and the rights and interests of every person affected. In addition, the Court will be informed at the hearing that, pursuant to the provisions of Section 3(a)(10) of the U.S. Securities Act, if the Court approves the fairness of the terms and conditions of the Arrangement, the deemed exchange and the distribution of New Concordia Common Shares and Meryllion Shares to Concordia Shareholders and Concordia Amended Options to Concordia Optionholders, will not require registration under the U.S. Securities Act in reliance upon such Court approval.

At the hearing, the Court may approve the Arrangement either as proposed, or make the Arrangement subject to such terms and conditions as the Court considers appropriate, or may dismiss the application.

Effective Date of the Arrangement

After obtaining the Final Order and subject to the satisfaction or waiver of the conditions set forth in the Arrangement Agreement, including receipt of all Appropriate Regulatory Approvals, the Arrangement will become effective on the Effective Date. For more information, please see “*Regulatory Matters*” in this Circular.

Representations and Warranties

Each of Concordia and Meryllion provided customary representations and warranties in the Arrangement Agreement for a transaction of this nature. For the complete list of representations and warranties given by each party, refer to the Arrangement Agreement.

Mutual Covenants of Concordia and Meryllion

Each of Concordia and Meryllion have agreed to do and perform all such acts and things and execute and deliver all such agreements, assurances, notices and other documents and instruments, as may reasonably be required to facilitate the carrying out of the intent and purpose of the Arrangement Agreement.

Conditions to Closing

The Arrangement Agreement also provides that the obligations of the parties to complete the Arrangement are subject to the satisfaction, on or before the Effective Date, of certain conditions precedent, each of which may only be waived by the mutual consent of Concordia and Meryllion. Those conditions include:

- (a) the Interim Order shall have been granted in form and substance satisfactory to Concordia and Meryllion;
- (b) the Arrangement Resolution, without amendment or with amendments acceptable to Concordia and Meryllion, shall have been approved at the Meeting;
- (c) the Final Order shall have been granted in form and substance satisfactory to Concordia and Meryllion;
- (d) all approvals and consents, regulatory or otherwise, which are required in connection with the consummation of the Arrangement shall have been obtained;
- (e) the time period for the exercise of any right to dissent conferred upon the Concordia Shareholders in respect of the Arrangement shall have expired and the Concordia Shareholders shall not have exercised (and not abandoned) such right of dissent with respect to greater than 5% of the number of outstanding Concordia Shares as of the Share Exchange Record Date;
- (f) no injunction, restraining order, cease trading order or order or decree of any governmental or regulatory authority shall have been issued to prohibit or impose material limitations on the Arrangement;
- (g) there shall not exist any prohibition at law against the completion of the Arrangement;
- (h) Concordia shall have satisfied or obtained a waiver from all conditions to the HPX TechCo Asset Purchase Agreement that can be satisfied or waived prior to the Effective Date (excluding the condition that requires the Arrangement to have been made effective as a condition of the HPX TechCo Asset Purchase Agreement);
- (i) all conditions to the DRC Property Purchase shall have been satisfied or waived;
- (j) the Meryllion Shares shall have been approved for listing on the Exchange; and
- (k) the Arrangement Agreement shall not have been terminated in accordance with the terms thereof.

Termination and Amendment

At any time prior to the Effective Date, the Arrangement Agreement may at any time before or after the holding of the Meeting, and before or after the granting of the Final Order be terminated by direction of the

Concordia Board for any reason it considers appropriate without further action on the part of Concordia Securityholders. If the Arrangement Agreement is terminated, no party will have any further liability to perform its obligations under the Arrangement Agreement. If the Arrangement Agreement is terminated, the HPX TechCo RTO will not proceed.

Under the HPX TechCo Asset Purchase Agreement, Concordia agreed not to amend the Arrangement Agreement without first receiving the consent of HPX TechCo.

Meryllion and the Vend-In Agreement

Pursuant to the Vend-in Agreement, in consideration for the issuance of 17,125,509 Meryllion Shares, Concordia has transferred and sold the Meryllion Assets to Meryllion. The Meryllion Assets consist of the following:

- Shares of Meryllion Sub: 7,061,263 shares of Meryllion Sub currently registered in the name of Meryllion. Meryllion Sub is the registered holder of the La Providencia Project and the Cerro Amarillo Project.
- The Vend-in Cash Amount.

La Providencia Project and Cerro Amarillo Project

If the Transactions are completed the La Providencia Project will be Meryllion's only material mineral property. The La Providencia Project is located in the Puna of northwestern Argentina, and comprises mineral concessions situated at 4,200 m above sea level and is approximately 260 km by good road from San Salvador de Jujuy, the capital of the Jujuy Province. The focus of the La Providencia Project has been mineralization of the La Providencia silver deposit which was discovered in 1969 and produced some five million ounces of silver between 1986 and 1997. For more information see the section entitled "La Providencia Project" in Schedule "D" - *Information Relating to Meryllion* and refer to the La Providencia Technical Report filed on SEDAR.

The Cerro Amarillo Project is a copper-gold-molybdenum porphyry prospect located in the Malargue District in the Province of Mendoza, Argentina. The property lies at the southern end of the highly productive late Miocene – Pliocene magmatic arc that hosts the El Teniente and Los Bronces porphyry deposits in Chile. For more information on the Cerro Amarillo Project, see the section entitled "Cerro Amarillo Project" in Schedule "D" - *Information Relating to Meryllion*.

HPX TechCo RTO

HPX TechCo Asset Purchase Agreement

In order to effect the HPX TechCo RTO, Concordia and HPX TechCo entered into the HPX TechCo Asset Purchase Agreement. Pursuant to the terms of the HPX TechCo Asset Purchase Agreement, Concordia will issue the Consideration Shares at a deemed price of \$0.31 per Consideration, totalling approximately 85% of the issued and outstanding New Concordia Common Shares (after giving effect to such issuance) in exchange for: i) Cdn.\$5,000,000 in cash, subject to adjustment; ii) an 80% interest in Ebende Resources, the holder of the Ebende Rights; iii) an assignment of an option to earn an interest in the Fairholme exploration project in Australia currently held by HPX TechCo; iv) the Cdn.\$5,000,000 HPX TechCo Loan; and v) HPX TechCo providing Concordia with rights to deploy the HPX TechCo Technology Cluster worldwide, other than China, pursuant to the Services Agreement. Shareholders are urged to read the HPX TechCo Asset Purchase Agreement in its entirety for a more complete description of the HPX TechCo RTO, a copy of which is available on SEDAR or at the Company's head office at Suite 1100, 355 Burrard Street, Vancouver, British Columbia, V6C 2G8.

Cash Payment

Concordia shall receive the Cdn.\$5,000,000 cash payment on the HPX TechCo Closing Date, with such payment subject to a possible reduction based on a statement of financial position for Ebende effective as of the HPX TechCo Closing Date (the "**Closing Date Balance Sheet**"). On HPX TechCo Closing Date, all HPX TechCo's investments and advances to Ebende will be converted into common shares of Ebende except for a balance equal to 20% of the cumulative HPX TechCo's investments and advances to Ebende that exceed US\$3.25 million ("**Excess Contribution**").

HPX TechCo will submit Ebende's Closing Date Balance Sheet within 45 days of the HPX TechCo Closing Date. Upon receipt of Ebende's Closing Date Balance Sheet, Concordia shall be obligated to remit to HPX TechCo, a cash payment equivalent to the Excess Contribution.

Representations and Warranties

The HPX TechCo Asset Purchase Agreement contains representations and warranties of HPX TechCo, including but not limited to those relating to:

- the authorized and outstanding share capital of Ebende and its subsidiary that holds the Ebende Rights;
- the sufficiency of the book and records of Ebende;
- HPX TechCo's title to the Ebende Shares and the absence of any third party rights to any equity interest in Ebende;
- the good standing of title of the Ebende Rights;
- the business carried on by Ebende since its incorporation;
- the absence of litigation or other proceedings against Ebende;
- the absence of any event that would constitute a material adverse effect to Ebende since October 11, 2011;
- Ebende's financial position and that neither Ebende nor its subsidiary will have any liabilities as of the HPX TechCo Closing Date other than in the normal course of business;
- compliance by Ebende with all applicable environmental laws;
- payment by Ebende and its subsidiary of all applicable taxes; and
- the good standing of title to the Fairholme Tenements and the Fairholme Project Agreements.

The HPX TechCo Asset Purchase Agreement also contains representations and warranties by Concordia, including but not limited to the following:

- the outstanding share capital of Concordia;
- the absence of litigation or other proceedings against Concordia;
- the absence of any event that would constitute a material adverse effect to Concordia since January 1, 2013;
- the accuracy and completeness of Concordia's public disclosure record;
- Concordia's cash resource; and
- The execution and delivery by Concordia of each of the Transaction Agreements.

The representations and warranties given by Concordia and HPX TechCo are subject to materiality and knowledge qualifications in many respects, and expire on the HPX TechCo Closing Date. For the complete list of representations and warranties of each of HPX TechCo and Concordia, refer to Article 2 of the HPX TechCo Asset Purchase Agreement.

Covenants of Concordia and HPX TechCo

Each of Concordia and HPX TechCo have agreed to do and perform all such acts and things and execute and deliver all such agreements, assurances, notices and other documents and instruments, as may reasonably be required to facilitate the carrying out of the intent and purpose of the HPX TechCo Asset Purchase Agreement.

In addition, HPX TechCo has agreed to:

- cause Ebende to refrain from any conduct or activity, including omissions or failures to act, that may reasonably be anticipated to affect title to the Ebende Property or the status of the Ebende Project without the prior written consent of Concordia;
- promptly deliver to Concordia any notices, demands, or other communications relating to the Ebende Property that it receives from any Governmental Authority or any other third party.

Concordia has agreed to the following obligations:

- not to amend the Transaction Agreements without receiving HPX TechCo's consent;
- touse all reasonable efforts to carry out the Arrangement and DRC Property Purchase, and refrain from any conduct or activity, including omissions or failures to act, that jeopardizes the Arrangement or DRC Property Purchase;
- not to issue any new Concordia Shares (except under conversion or exchange of Concordia Convertible Securities outstanding as of the date of the HPX TechCo Asset Purchase Agreement), or split, consolidate, reorganize, reclassify or otherwise modify or amend its capital structure, except as contemplated in the Arrangement; and
- other than pursuant to the Bugeco Termination and Release Agreement, not to acquire or agree to acquire, any business, assets, securities, property (including real property) or assume any obligation or liability, or create any new obligation or liability (other than in the ordinary course of business) without first obtaining the consent of HPX TechCo.

Conditions to Closing

The HPX TechCo Asset Purchase Agreement also provides that the obligations of the parties to complete the HPX TechCo RTO are subject to the satisfaction, of certain conditions precedent, each of which may only be waived by the mutual consent of Concordia and HPX TechCo . Those conditions include:

- (a) no order, injunction or other decree issued by any Governmental Authority shall be in effect which prevents the consummation of the transactions contemplated by HPX TechCo Asset Purchase Agreement;
- (b) no Applicable Law shall be in effect that makes consummation of the HPX TechCo Asset Purchase Agreement or the transactions contemplated therein illegal;
- (c) the HPX TechCo Asset Purchase Agreement shall have been approved by the Concordia Shareholders in the manner required by Applicable Laws (including any conditions under the Interim Order) and the Exchange;
- (d) the Exchange shall have issued its conditional approval to the transactions contemplated by the HPX TechCo Asset Purchase Agreement, the Arrangement Agreement and the DRC Property Purchase, on terms satisfactory to each of the Concordia and HPX TechCo, acting reasonably;
- (e) the DRC Property Purchase shall have been completed on terms satisfactory to both parties, acting reasonably;
- (f) the Arrangement shall have been made effective in accordance with its terms;
- (g) each of the respective representations and warranties of each of Concordia and HPX TechCo set out in the HPX TechCo Asset Purchase Agreement shall be true and correct as of Closing in all material respects as though made at and as of such time (except to the extent such representations and warranties are by their express terms made as of the date of the HPX TechCo Asset Purchase Agreement or another specific date and time, in which case such representations and warranties shall be true and correct as of such date and time);
- (h) each of Concordia and HPX TechCo shall have performed or complied with, in all material respects, all of its obligations, covenants and agreements under the HPX TechCo Asset Purchase Agreement to be performed or complied with at or prior to the Closing;
- (i) no Material Adverse Effect with respect to Ebende has occurred subsequent to the execution of the HPX TechCo Asset Purchase Agreement;
- (j) HPX TechCo shall have delivered or caused to be delivered executed copies of each of the Transaction Agreements and releases from all resigning directors and officers of Concordia; and
- (k) receipt of all necessary approvals from the Exchange and any other applicable Governmental Authorities to permit issue of the Consideration Shares and the completion of the transactions contemplated by the HPX TechCo Asset Purchase Agreement.

Services Agreement

As a key element of the HPX TechCo RTO, Concordia and HPX TechCo entered into the Services Agreement, which provides Concordia with usage rights to the HPX TechCo Technology Cluster on its current and future projects, and third party projects in which it has an option to earn an interest in. Pursuant to the terms of the Services Agreement, in consideration for HPX TechCo utilizing the HPX TechCo Technology Cluster as directed by Concordia, HPX TechCo shall receive a fee equal to survey costs incurred plus a 12% management fee. Following the deployment of the HPX TechCo Technology Cluster by HPX TechCo on a Concordia or applicable third party project, HPX TechCo will provide a summary report detailing its findings at the subject project (each, a “**Project Report**”). Concordia will then have the opportunity to assess the Project Report and, if needed, have HPX TechCo revise the Project Report or perform further services in order to address any deficiencies identified by Concordia. Only once Concordia has accepted a Project Report will HPX TechCo be entitled to receive its fee under the Services Agreement.

The term of the Services Agreement is indefinite; however, it may be terminated by either party with 30 days’ written notice if a party is in breach of its obligations under the agreement and such breach remains uncured for at least 14 days. In addition, HPX TechCo retains the right to terminate the Services Agreement if a Change of Control of Concordia occurs, subject to completing any existing or contemplated exploration programs as at the date the Change of Control occurs. For the purpose of the Services Agreement, a “Change of Control” shall be deemed to have occurred upon any of the following:

- a merger, amalgamation, arrangement, consolidation, reorganization or transfer takes place in which securities of Concordia possessing more than fifty percent (50%) of the total combined voting power of Concordia’s outstanding voting securities are acquired by a person or persons different from the persons holding those voting securities immediately prior to such event, and other than a subsidiary or affiliate of Concordia or HPX TechCo, and the composition of the Concordia board of directors following such event is such that the directors of Concordia prior to the transaction constitute less than 50% of the board membership following the event;
- any person, or any combination of persons acting jointly or in concert by virtue of an agreement, arrangement, commitment or understanding, and other than a subsidiary or affiliate of Concordia or HPX TechCo, acquires, directly or indirectly, fifty percent (50%) or more of the voting rights attached to all outstanding voting securities of Concordia;
- any person, or any combination of persons acting jointly or in concert by virtue of an agreement, arrangement, commitment or understanding, and other than a subsidiary or affiliate of Concordia or HPX TechCo, acquires, directly or indirectly, the right to appoint a majority of the directors of Concordia; and
- Concordia sells, transfers or otherwise disposes of all or substantially all of its assets, except that no Change of Control will be deemed to occur if such sale or disposition is made to a subsidiary or affiliate of Concordia or HPX TechCo.

HPX TechCo’s Technology

The HPX TechCo Technology Cluster is a proprietary geophysical technology cluster focussed on the rapid and accurate identification and assessment of buried base metals deposits. Within this cluster are survey design, optimisation, acquisition, processing and interpretation hardware and software components, applicable to a range of geophysical methods.

The HPX TechCo Technology Cluster is comprised of a data acquisition system (and associated know-how and technologies), which generates high power and a pure signal to enable it to produce a very high signal/noise ratio (the “**Technology**”). This facilitates imaging of minerals at depths out of the range of other systems, together with high productivity and efficiency. The Technology has a demonstrated ability to be effective where other systems are not, such as in the caliche soils of northern Chile, which have a high contact resistance. A further aspect of the Technology is its ability to transmit both induced polarization and electromagnetic signals, allowing it to survey for both disseminated and massive sulphides, where separate surveys are usually required by other systems. HPX TechCo’s subsidiary, Computational Geosciences Inc., uses synthetic forward modelling and advanced 2D and 3D inversion technology to assist with survey design, and processing of recorded data to identify geological targets.

The Technology has been active since 2011, and has been deployed in Namibia, Chile, DRC and currently in Australia. In Chile, a recently completed survey demonstrated that the Technology can work in areas with caliche soils, a sedimentary layer of cemented calcium carbonate, generally found in arid or semiarid regions, which renders conventional geophysical exploration ineffective. The first generation system demonstrated its capability to image drill confirmed disseminated sulphides at depths of 1,500 metres.

Assignment of Fairholme Option Agreement

Under the HPX TechCo Asset Purchase Agreement, HPX TechCo has agreed to assign its interest in the Fairholme Option Agreement to New Concordia. Pursuant to the Fairholme Option Agreement, HPX TechCo has the right to earn an initial 49% of the Fairholme Project by funding A\$1 million in exploration over one year, with a minimum spending commitment of A\$500,000. HPX TechCo will then have the right to increase its interest in the Fairholme Project to 65% by funding an additional A\$4 million in exploration over the subsequent two years with the aim of delineating a scoping study. HPX TechCo can further increase its stake to 80% or 85% by funding a prefeasibility study (depending on the cost of such study).

The Fairholme Project is a copper-gold porphyry project located in central New South Wales, Australia. It consists of two tenements that cover approximately 172 km² of the Fairholme Igneous Complex, part of the Macquarie Arc that hosts porphyry copper-gold deposits at Cadia and Northparkes. The geophysical characteristics of the Fairholme Igneous Complex are similar to the Cowal Complex to the south, which hosts the Cowal gold mine owned and operated by Barrick Gold Corporation and the Marsden copper-gold prospect owned and operated by Newcrest Mining Limited. Refer to the section entitled “*Information Concerning New Concordia – Proposed Exploration and Development Activities – Fairholme Project*” of Schedule “E” for further information on the Fairholme Project.

HPX TechCo Loan

Pursuant to the terms of an HPX TechCo Loan Agreement, HPX TechCo is providing the HPX TechCo Loan to Concordia. The HPX TechCo Loan is an unsecured revolving line of credit with a maximum principal balance of Cdn.\$5,000,000, which may be increased by HPX TechCo from time to time. Initially, interest will not be payable on funds advanced under the HPX TechCo Loan; however, HPX TechCo may, upon 30 days advanced written notice to Concordia, charge interest on the HPX TechCo Loan at a rate of 3% per annum, compounded monthly. Concordia has the option to repay the any indebtedness incurred under the HPX TechCo Loan without interest during this 30 day notice period.

The HPX TechCo Loan will mature on the date that is 90 days after receiving written demand from HPX TechCo. Prior to the maturity of the HPX TechCo Loan, Concordia may make repayments at any time with 10 days written notice, without bonus or penalty. Any repayments made by Concordia will first apply to accrued and unpaid interest, and any remainder will reduce the principal balance.

Advances on the HPX TechCo Loan are conditional on (i) three (3) days written notice given to HPX TechCo, (ii) the representations, covenants, and warranties under the HPX TechCo Loan Agreement remaining true, and (iii) that there have been no uncured event of default. Upon the occurrence of any event of default under the HPX TechCo Loan Agreement, the HPX TechCo Loan shall become immediately due and payable to HPX TechCo, without any further action or notice.

Ebende and the Ebende Project

Ebende

Ebende was incorporated on October 11, 2011 under the laws of the British Virgin Islands. The primary asset of Ebende is the Ebende Rights, which Ebende holds indirectly through its wholly-owned subsidiary, Ebende Sub.

Ebende Project

The Ebende Project is an early stage exploration project based on a licence holding of approximately 5,400 km² in the Kasai Orientale and Katanga provinces of the DRC. The Ebende Project is comprised of 17 contiguous and near-contiguous exploration licences, with such licenses allowing for mining of chrome, cobalt, copper, zinc, nickel, gold, platinum and lead. There are currently no Mineral Resources or Mineral Reserves estimated for the Ebende Project. For more information on the Ebende Project, refer to the section entitled “*Information Concerning New Concordia – Proposed Exploration and Development Activities – Ebende Project*” of Schedule “E”, and the Ebende Technical Report, a copy of which has been filed on SEDAR.

DRC Property Purchase

In connection with the Arrangement, Concordia, Swala and Bugeco have entered into the Bugeco Termination and Release Agreement in order to give effect to the DRC Property Purchase. Pursuant to the terms of the Bugeco Termination and Release Agreement, in consideration of the payment Cdn.\$750,000 in cash and issuance of 1,666,667 New Concordia Common Shares to Bugeco, the Bugeco MOU will be terminated and Bugeco will transfer its 50% interest in the DRC Assets to Swala, thereby giving Swala 100% of the DRC Assets.

The DRC Assets are comprised of a 30% interest in the Kabongo Project and a 20% equity interest in Ebende. Upon completion of the Transactions, the 20% equity interest in Ebende underlying the DRC Assets when combined with the 80% of Ebende acquired pursuant to the HPX TechCo Asset Purchase Agreements will give New Concordia 100% of the equity interest in Ebende.

The Kabongo Project is a joint venture with Anglo American plc targeting potential sediment-hosted copper mineralization. In addition to the sediment-hosted copper potential of the Kabongo Project, several magmatic nickel-copper-PGE mineralization targets have been identified. Licence renewal applications were submitted to the Cadastre Minier for four of the six tenements. This application was accompanied by the compulsory 50% reduction in tenement size. The joint venture has generated a regional geological/structural map of the property and follow-up targets for sediment-hosted copper mineralization have been identified on the basis of soil geochemical data and structural analysis of an interpreted basin.

CONFLICTS OF INTEREST

In connection with Transactions, Concordia notes that certain of its directors have “disclosable interests” in the Transactions for the purposes of the BC Act. As a result, such directors declared and detailed their interest to the Concordia Board and abstained from voting on the approval of the Transactions. Details of the specific “disclosable interests” are described below.

Gerard de La Vallée Poussin, a director of Concordia, is also a shareholder, director and Chief Executive Officer of Bugeco, and consequently, has an economic interest in the DRC Property Purchase. As a result, Mr. Poussin declared his interest at the board meeting of Concordia held to approve the Transactions and abstained from voting thereon at such meeting.

R. Edward Flood, a director of Concordia, declared a conflicting interest in the Transaction by reason of his right to obtain a cash payment in the amount of US\$325,000 if the Reorganization closes before December 31, 2013, and accordingly declared his interest at the board meeting of Concordia held to approve the Transactions and abstained from voting thereon at such meeting.

Terry Krepiakovich, a director and Interim Chief Executive Officer of Concordia, declared his conflicting interest in the Transaction by reason of his scheduled appointment to the role of Chief Executive Officer of Meryllion after the Arrangement is completed, and accordingly declared his interest at the board meeting of Concordia held to approve the Transactions and abstained from voting thereon at such meeting.

CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

In the opinion of Koffman Kalef LLP, Canadian tax counsel to Concordia, the following summary fairly describes the principal Canadian federal income tax considerations relating to the Arrangement generally applicable

to Concordia Shareholders who, for purposes of the Tax Act, (i) hold their Concordia Shares, and will hold their New Concordia Common Shares and Meryllion Shares as capital property, (ii) deal at arm's length with Meryllion and Concordia, and (iii) are not affiliated with Meryllion or Concordia.

Concordia Shares, New Concordia Common Shares and Meryllion Shares, will generally be considered to be capital property to a holder thereof, unless such securities are held in the course of carrying on a business or were acquired in a transaction considered to be an adventure in the nature of trade. Certain shareholders that are resident in Canada and that might not otherwise be considered to hold their Concordia Shares, New Concordia Common Shares and Meryllion Shares as capital property may be entitled to have them treated as capital property by making the irrevocable election provided by subsection 39(4) of the Tax Act. Any person contemplating making a subsection 39(4) election should first consult their tax adviser for advice as the making of such election will affect the income tax treatment of the person's disposition of other Canadian securities.

This summary is not applicable to a Concordia Shareholder that (i) is a "financial institution" for the purposes of the mark-to-market rules contained in the Tax Act, (ii) is a "specified financial institution" as defined in the Tax Act, (iii) is a securityholder an interest in which is a "tax shelter investment" as defined in the Tax Act, or (iv) has acquired Concordia Shares, or that acquires New Concordia Common Shares or Meryllion Shares upon the exercise of an employee stock option, or (v) is a taxpayer whose "functional currency" for the purposes of the Tax Act is the currency of a country other than Canada.

This summary is based upon the current provisions of the Tax Act, the regulations thereunder (the "**Regulations**"), and counsel's understanding of the current administrative practices and policies of the Canada Revenue Agency (the "**CRA**"). This summary also takes into account all specific proposals to amend the Tax Act and Regulations (the "**Proposed Amendments**") announced by the Minister of Finance (Canada) prior to the date hereof, and assumes that all Proposed Amendments will be enacted in their present form. If the Proposed Amendments are not enacted as presently proposed, the tax consequences may not be as described below in all cases. This summary does not take into account or anticipate any other changes in law or administrative or assessing practice, whether by legislative, governmental, or judicial action or decision, nor does it take into account provincial, territorial or foreign income tax considerations, which may differ from the Canadian federal income tax considerations discussed below.

This summary is of a general nature only, and is not exhaustive of all possible Canadian federal income tax considerations. This summary is not intended to be, nor should it be construed to be, legal or tax advice to any Concordia Shareholder. Accordingly, Concordia Shareholders should consult their own tax advisers for advice as to the income tax consequences to them of the Arrangement in their particular circumstances.

Securityholders Resident in Canada

The following portion of this summary is applicable to a Concordia Shareholder who, at all material times, is or is deemed to be resident in Canada for the purposes of the Tax Act.

Common Share Consolidation

Under the Tax Act, the Common Share Consolidation should not be a taxable event to a Concordia Shareholder. A Concordia Shareholder will realize a capital loss to the extent proceeds received for any fractional share of Concordia are less than the adjusted cost base of the fractional share to the Concordia Shareholder. See "Taxation of Capital Gains and Losses" below for a general description of the treatment of capital gains and losses under the Tax Act. The adjusted cost base to a Concordia Shareholder of Common Shares after the Common Share Consolidation should be equal to the adjusted cost base that such Concordia Shareholder had in Concordia Shares before the Common Share Consolidation less the adjusted cost base of any fractional share disposed of by such shareholder.

Redesignation of Concordia Shares as Class A Shares

Under the Tax Act, the renaming and redesignating of the of the Concordia Shares as Class A Shares should not be a taxable event to a Concordia Shareholder. The adjusted cost base to a Concordia Shareholder of Class A Shares should be equal to the adjusted cost base that such Concordia Shareholder had in Concordia Shares.

Exchange of Concordia Shares for New Concordia Common Shares and Meryllion Shares

Concordia has informed counsel that the amount expected to be the fair market value of all Meryllion Shares when they are distributed is substantially lower than the amount that will be the “paid up capital”, as defined in the Tax Act, of all Concordia Shares immediately before the distribution of Meryllion Shares. Accordingly, Concordia is not expected to be deemed to have paid a dividend as a result of the distribution of Meryllion Shares. In the event that the fair market value of all Meryllion Shares at the time of their distribution were to exceed the paid-up capital of all Concordia shares immediately before that time, Concordia would be deemed to have paid a dividend on the Concordia Shares equal to the amount of the excess, and each holder of Concordia Shares would be deemed to have received a pro rata portion of the dividend, based on the proportion of Concordia Shares held.

Assuming that the fair market value of all Meryllion Shares at the time of distribution does not exceed the paid-up capital of all Concordia Shares immediately before that time, a Concordia Shareholder whose Concordia Shares are exchanged for New Concordia Common Shares and Meryllion Shares will be considered to have disposed of the Concordia Shares for proceeds of disposition equal to the greater of the adjusted cost base to the shareholder of the Concordia Shares immediately before the exchange and the fair market value of the Meryllion Shares at the time of their distribution. Consequently, the Concordia Shareholder will realize a capital gain to the extent that the fair market value of the Meryllion Shares received exceeds the adjusted cost base of the shareholder's Concordia Shares. In the event that the fair market value of all Meryllion Shares at the time of distribution were to exceed the paid-up capital of all Concordia Shares immediately before the distribution, the proceeds of disposition of the shareholder's Concordia Shares would be reduced by the amount of the deemed dividend referred to in the previous paragraph that the shareholder is deemed to have received. See “Taxation of Capital Gains and Losses” below for a general description of the treatment of capital gains and losses under the Tax Act.

The cost to a Concordia Shareholder of New Concordia Common Shares acquired on the exchange will be equal to the amount, if any, by which the adjusted cost base of the shareholder's Concordia Shares immediately before the exchange exceeds the fair market value, at the time of their distribution, of the Meryllion Shares received by the shareholder. The cost to a Concordia Shareholder of the Meryllion Shares acquired on the exchange will be equal to the fair market value of the Meryllion Shares at the time of their distribution.

Dissenting Shareholders

A Concordia Shareholder who, as a result of exercising Dissent Rights in respect of the Arrangement, receives a cash payment from Concordia in consideration for the holder's Concordia Shares will be deemed to receive a taxable dividend equal to the amount by which the amount received (excluding interest) from Concordia exceeds the paid-up capital of the dissenting Concordia Shareholder's Concordia Shares. In the case of a dissenting Concordia Shareholder that is a corporation, in some circumstances, the amount of such deemed dividend may be treated as proceeds of disposition and not a dividend. See “Taxation of Dividends” below for a general description of the treatment of dividends under the Tax Act. The dissenting Concordia Shareholder will also be deemed to have received proceeds of disposition for the Concordia Shares equal to the amount (excluding interest) received by the dissenting Concordia Shareholder from Concordia less the amount of the deemed dividend referred to above. Consequently the dissenting Concordia Shareholder will realize a capital gain (or capital loss) to the extent that such proceeds of disposition exceed (or are exceeded by) the adjusted cost base of such dissenting Concordia Shareholder's Concordia Shares. See “Taxation of Capital Gains or Capital Losses” below for a general description of the treatment of capital gains and losses under the Tax Act.

Interest paid or payable to a dissenting Concordia Shareholder will be included in the Dissenting Shareholder's income.

Taxation of Dividends

In the case of a shareholder that is an individual, dividends received or deemed to be received on shares of Concordia or Meryllion will be included in computing the individual's income and will be subject to gross-up and dividend tax credit rules applicable to taxable dividends received from taxable Canadian corporations, including the enhanced gross up and dividend tax credit applicable to any dividends designated by Concordia or Meryllion, as the case may be, as an “eligible dividend” in accordance with the Tax Act.

In the case of a shareholder that is a corporation, dividends received or deemed to be received on shares of Concordia or Meryllion will be included in computing the corporation's income and will generally be deductible in

computing its taxable income. A “private corporation” (as defined in the Tax Act) or any other corporation controlled or deemed to be controlled by or for the benefit of an individual (other than a trust) or a related group of individuals (other than trusts) may be liable under Part IV of the Tax Act to pay a refundable tax of 33⅓% on dividends received or deemed to be received on shares of Concordia or Meryllion to the extent that such dividends are deductible in computing the corporation’s taxable income.

Disposition of Shares of Concordia or Meryllion

The disposition or deemed disposition of shares of Concordia or Meryllion by a holder will generally result in a capital gain (or capital loss) equal to the amount by which the proceeds of disposition, net of any reasonable costs of disposition, exceed (or are less than) the adjusted cost base to the holder of those shares immediately before the disposition. See “Taxation of Capital Gains and Losses” below for a general description of the tax treatment of capital gains and losses under the Tax Act.

Taxation of Capital Gains and Losses

One-half of any capital gain (a “**taxable capital gain**”) realized by a shareholder in a taxation year will be included in the shareholder’s income for the year. One-half of any capital loss (an “allowable capital loss”) realized by the shareholder in a year may be deducted against taxable capital gains realized in the year. Any excess of allowable capital losses over taxable capital gains in a taxation year may be carried back up to three taxation years or forward indefinitely and deducted against net taxable capital gains in those other years, to the extent and in the circumstances specified in the Tax Act.

A shareholder that is throughout the relevant taxation year a “Canadian controlled private corporation” (as defined in the Tax Act) may be liable to pay an additional refundable tax of 6-⅔% on its “aggregate investment income” for the year, which will include taxable capital gains.

The amount of any capital loss arising on the disposition or deemed disposition of any shares by a shareholder that is a corporation may be reduced by the amount of certain dividends received or deemed to have been received by it on such shares to the extent and under circumstances prescribed by the Tax Act. Similar rules may apply where the corporation is a member of a partnership or a beneficiary of a trust that owns such shares or where a trust or partnership of which the corporation is a beneficiary or a member is a member of a partnership or a beneficiary of a trust that owns any such shares.

Alternative Minimum Tax on Individuals

The Tax Act provides for an alternative minimum tax applicable to individuals (including certain trusts and estates) resident in Canada, which is computed by reference to an adjusted taxable income amount. Eighty percent of capital gains (net of capital losses) and the actual amount of taxable dividends (not including any gross-up) are included in adjusted taxable income. Any additional tax payable by an individual under the minimum tax provisions may be carried forward and applied against certain tax otherwise payable in any of the seven immediately following taxation years; however this carry forward amount will only be creditable in a particular year to the extent that the individual’s tax payable for the year, calculated without reference to the minimum tax provisions, exceeds the tax payable under the minimum tax provisions for the year.

Eligibility for Investment – Meryllion Shares

Provided the Meryllion Shares received by the Concordia Shareholders are listed on a “designated stock exchange”, as defined in the Tax Act (which includes the Exchange), on or before Meryllion’s filing-due date for its T2 corporate income tax return for its first taxation year and Meryllion elects in the manner and within the time limits prescribed by the Tax Act to be a “public corporation” (as that term is defined in the Tax Act) from the beginning of its first taxation year, the Meryllion Shares will be “qualified investments” for a trust governed by a registered retirement savings plan (“RRSP”), a registered retirement income fund (“RRIF”), a deferred profit sharing plan, a registered education savings plan, a registered disability savings plan and a tax-free savings account (“TFSA”) under the Tax Act as of the date of the distribution of the Meryllion Shares. The management of Meryllion intends to elect to have Meryllion treated as a public corporation from the beginning of its first taxation year, and the listing of the Meryllion Shares on the Exchange and the distribution of the Meryllion Shares are intended to occur in Meryllion’s first taxation year. Notwithstanding the foregoing, the holder of a TFSA or the

annuitant of a RRSP or RRIF will be subject to a penalty tax in respect of a Meryllion Share held in the TFSA, RRSP or RRIF if such share is a "prohibited investment" under the Tax Act. A Meryllion Share will generally not be a prohibited investment for a TFSA, RRSP or RRIF, as applicable, provided that: (i) the holder of such account does not have a "significant interest" within the meaning of the Tax Act in Meryllion and (ii) Meryllion deals at arm's length, for the purposes of the Tax Act, with such holder and any corporation, partnership or trust in which the holder has a significant interest. **Concordia Shareholders should consult their own tax advisors to ensure that the Meryllion Shares would not be a prohibited investment for a trust governed by a TFSA, RRSP or RRIF in their particular circumstances.**

Concordia Securityholders Not Resident in Canada

The following portion of this summary is applicable to a Concordia Shareholder that (i) has not been, is not, and will not be resident or deemed to be resident in Canada for purposes of the Tax Act, and (ii) does not and will not use or hold, and is not and will not be deemed to use or hold, Concordia Shares, New Concordia Common Shares, or Meryllion Shares in connection with carrying on a business in Canada (a "Non-Resident Holder"). Special rules, which are not discussed in this summary, may apply to a Non-Resident Holder that is an insurer carrying on business in Canada and elsewhere.

Common Share Consolidation

The discussion above, applicable to Concordia Shareholders resident in Canada under the heading "Common Share Consolidation" also applies to a non-resident holder. The tax treatment of a capital gain or capital loss realized by non-resident holders described generally below under the heading "Taxation of Capital Gains and Losses".

Exchange of Concordia Shares for New Concordia Common Shares and Meryllion Shares

The discussion above, applicable to Concordia Shareholders resident in Canada under the heading "Exchange of Concordia Shares for New Concordia Common Shares and Meryllion Shares" also applies to a Non-Resident Holder. The tax treatment of a capital gain or a capital loss realized by a Non-Resident Holder is described generally below under the heading "Taxation of Capital Gains and Losses".

Dissenting Non-Resident Shareholders

The discussion above applicable to Concordia Shareholders resident in Canada under the heading "Dissenting Shareholders", also applies to a dissenting Non-Resident Holder of Concordia Shares. The tax treatment of a capital gain or capital loss and a deemed dividend realized by a Non-Resident Holder of Concordia Shares as a consequence of exercising dissent rights to the Arrangement are described generally below under the headings "Taxation of Capital Gains and Losses" and "Taxation of Dividends".

Taxation of Capital Gains and Capital Losses

A Non-Resident Holder will not be subject to tax under the Tax Act in respect of any capital gain arising on a disposition or deemed disposition of shares (including Concordia Shares, New Concordia Common Shares and Meryllion Shares), unless, at the time of disposition, such shares constitute "taxable Canadian property" of the Non-Resident Holder within the meaning of the Tax Act and the Non-Resident Holder is not entitled to relief under an applicable income tax convention.

Generally, a share listed on a designated stock exchange for purposes of the Tax Act (which includes the Exchange) will not be "taxable Canadian property" to a Non-Resident Shareholder unless, at any particular time during the 60-month period immediately preceding the disposition (i) 25% or more of the issued shares of any class or series of the capital stock of the particular corporation were owned by such Non-Resident Shareholder, by persons with whom the Non-Resident Shareholder did not deal at arm's length, or any combination thereof, and (ii) the shares derived more than 50% of their fair market value directly or indirectly from one or any combination of real property situation in Canada, "timber resource property", "Canadian resource property" (each as defined under the Tax Act), or options in respect of, or interests or rights in any of the foregoing.

A disposition or deemed disposition of shares by a Non-Resident Holder whose shares are taxable Canadian property and that is not entitled to an exemption under an applicable income tax convention, will give rise

to a capital gain (or a capital loss) equal to the amount, if any, by which the proceeds of disposition, less the reasonable costs of disposition, exceed (or are less than) the adjusted cost of such shares to the Non-Resident Holder at the time of actual or deemed disposition. Generally, one-half of any capital gain realized will be required to be included in income as a taxable capital gain and will be taxed at applicable Canadian tax rates. One-half of any capital loss will be deductible, subject to certain limitations, against certain taxable capital gains in the year of disposition or the three preceding years or any subsequent year in accordance with the detailed provisions of the Tax Act. Non-Resident Holders to whom these rules may be relevant should consult their own tax advisers in this regard.

Taxation of Dividends

Dividends paid or credited or deemed under the Tax Act to be paid or credited to a Non-Resident Holder on Concordia Shares, New Concordia Common Shares or Meryllion Shares will be subject to Canadian withholding tax at a rate of 25%. This rate may be reduced in the case of a Non-Resident Holder that is entitled to the protection of an applicable income tax convention.

Certain Canadian Federal Income Tax Considerations for Optionholders

The following is, as of the date hereof, a summary of certain Canadian federal income tax considerations generally applicable under the Tax Act in respect of the Arrangement to an Optionholder that (i) at all relevant times, is, or is deemed to be, resident in Canada for the purposes of the Tax Act, (ii) exchanges their Options pursuant to the Plan of Arrangement, (iii) is a current or former employee or director of Concordia (iv) received their Options in respect of, in the course of, or by virtue of such employment or in consideration for the services performed by them as an employee or director of Concordia and (v) at the time the holder's Options were granted, dealt at arm's length with Concordia. This summary does not describe the tax consequences of an exercise or other disposition by holders of Options, prior to the Effective Time, and holders that have, or wish to, exercise or dispose of their Options prior to the Effective Time should consult their own tax advisers. This summary is not applicable to warrant holders. Warrant holders should consult their own advisors with respect to the consequences of transactions under the Arrangement.

Redesignation

The Redesignation will not result in a disposition or deemed disposition of the Concordia Options.

Exchange of Options

The terms of the Arrangement provide that Concordia Options that are not exercised prior to the Effective Time will be exchanged for New Concordia Options. Provided that the only consideration received by an Optionholder for each Concordia Option is a New Concordia Option to acquire one New Concordia Share and (i) the amount by which the aggregate fair market value of the New Concordia Share immediately after the exchange exceeds the exercise price to acquire such share under the New Concordia Option is not greater than (ii) the amount by which the fair market value of a Class A Share immediately before the exchange exceeded the exercise price to acquire such share under the Concordia Option exchanged, an Optionholder that exchanges a Concordia Option for a New Concordia Option will not be considered to have disposed of their Concordia Option and the New Concordia Option will be deemed to be a continuation of the Concordia Option so exchanged.

CERTAIN UNITED STATES FEDERAL INCOME TAX CONSIDERATIONS

The following is a general summary of certain material U.S. federal income tax considerations applicable to U.S. Holders arising from and relating to the consolidation of the Concordia Shares and the receipt of Meryllion Shares pursuant to the Arrangement as well as the ownership and disposition of Meryllion Shares received pursuant to the Arrangement. This summary addresses only Concordia Shareholders that are U.S. Holders who participate in the Arrangement. This summary is for general information purposes only and does not purport to be a complete analysis or listing of all potential U.S. federal income tax consequences that may apply to a U.S. Holder as a result of the Arrangement. In addition, this summary does not take into account the individual facts and circumstances of any particular U.S. Holder that may affect the U.S. federal income tax consequences of the Arrangement to such U.S. Holder. Accordingly, this summary is not intended to be, and should not be construed as, legal or U.S. federal

income tax advice with respect to any U.S. Holder. In addition, this summary does not address any tax consequences to U.S. persons that hold Concordia Options with respect to such options. Except as specifically set forth below, this summary does not discuss applicable tax reporting requirements. This summary does not address the U.S. federal estate and gift, U.S. federal alternative minimum, U.S. state and local, or non-U.S. tax consequences to U.S. Holders of the Arrangement or the ownership or disposition of Meryllion Shares. Each U.S. Holder should consult its own tax advisors regarding the U.S. federal estate and gift, U.S. federal alternative minimum, U.S. state and local and non-U.S. tax consequences of the Arrangement and the ownership or disposition of Meryllion Shares.

No legal opinion from U.S. legal counsel or ruling from the U.S. Internal Revenue Service (“IRS”) has been requested, or will be obtained, regarding the U.S. federal income tax consequences of the Arrangement to U.S. Holders. This summary is not binding on the IRS, and the IRS is not precluded from taking a position that is different from, and contrary to, the positions taken in this summary. In addition, because the authorities on which this summary is based are subject to various interpretations, the IRS and the U.S. courts could disagree with one or more of the positions taken in this summary.

NOTICE PURSUANT TO U.S. TREASURY DEPARTMENT CIRCULAR 230: ANYTHING CONTAINED IN THIS SUMMARY CONCERNING ANY U.S. FEDERAL TAX ISSUE IS NOT INTENDED OR WRITTEN TO BE USED, AND IT CANNOT BE USED BY A U.S. HOLDER, FOR THE PURPOSE OF AVOIDING U.S. FEDERAL TAX PENALTIES UNDER THE U.S. INTERNAL REVENUE CODE. THIS SUMMARY WAS WRITTEN TO SUPPORT THE PROMOTION OR MARKETING OF THE TRANSACTIONS OR MATTERS ADDRESSED BY THIS DOCUMENT. EACH U.S. HOLDER SHOULD SEEK U.S. FEDERAL TAX ADVICE, BASED ON SUCH U.S. HOLDER’S PARTICULAR CIRCUMSTANCES, FROM AN INDEPENDENT TAX ADVISOR.

Scope of this Disclosure

Authorities

This summary is based on the U.S. Internal Revenue Code (“Code”), Treasury Regulations, published rulings of the IRS, published administrative positions of the IRS, the U.S. Tax Treaty and U.S. court decisions that are applicable and, in each case, as in effect and available, as of the date of this Circular. Any of the authorities on which this summary is based could be changed in a material and adverse manner at any time, and any such change could be applied on a retroactive basis. This summary does not discuss the potential effects, whether adverse or beneficial, of any proposed legislation that, if enacted, could be applied on a retroactive basis.

U.S. Holders

For purposes of this summary, the term “U.S. Holder” means a beneficial owner of Concordia Shares (or, after the Arrangement, New Concordia Common Shares and Meryllion Shares) that is for U.S. federal income tax purposes:

- an individual treated as a citizen or resident of the U.S.;
- a corporation (or other entity taxable as a corporation for U.S. federal income tax purposes) organized under the laws of the U.S., any state thereof or the District of Columbia;
- an estate whose income is subject to U.S. federal income taxation regardless of its source; or
- a trust that: (a) is subject to the primary supervision of a court within the U.S. and the control of one or more U.S. persons for all substantial decisions; or (b) has a valid election in effect under applicable U.S. Treasury Regulations to be treated as a U.S. person.

U.S. Holders Subject to Special U.S. Federal Income Tax Rules Not Addressed

This summary does not address the U.S. federal income tax consequences of the Arrangement to U.S. Holders that are subject to special provisions under the Code, including U.S. Holders that: (a) are tax exempt organizations, qualified retirement plans, individual retirement accounts, or other tax deferred accounts; (b) are financial institutions, insurance companies, real estate investment trusts, or regulated investment companies; (c) are

dealers in securities or currencies or U.S. Holders that are traders in securities that elect to apply a mark-to-market accounting method; (d) have a “functional currency” other than the U.S. dollar; (e) own Concordia Shares (or, after the Arrangement, New Concordia Common Shares and Meryllion Shares) as part of a straddle, hedging transaction, conversion transaction, constructive sale, or other arrangement involving more than one position; (f) hold Concordia Shares (or, after the Arrangement, New Concordia Common Shares and Meryllion Shares) other than as a capital asset within the meaning of Section 1221 of the Code; and (g) own (directly, indirectly, or by attribution) 10% or more of the total combined voting power of all classes of shares of Concordia (and/or after the Arrangement, Meryllion) entitled to vote. This summary also does not address the U.S. federal income tax considerations applicable to U.S. Holders who are: (a) U.S. expatriates or former long term residents of the U.S.; (b) persons that have been, are, or will be a resident or deemed to be a resident in Canada for purposes of the Tax Act; (c) persons that use or hold, will use or hold, or that are or will be deemed to use or hold Concordia Shares (or, after the Arrangement, New Concordia Common Shares and Meryllion Shares) in connection with carrying on a business in Canada; (d) persons whose Concordia Shares (or, after the Arrangement, New Concordia Common Shares and Meryllion Shares) constitute “taxable Canadian property” under the Tax Act; or (e) persons that have a permanent establishment in Canada for the purposes of the U.S. Tax Treaty. U.S. Holders that are subject to special provisions under the Code, including U.S. Holders described immediately above, should consult their own tax advisors regarding the U.S. and non-U.S. tax consequences of the Arrangement and the ownership and disposition of Meryllion Shares.

If an entity that is classified as a partnership for U.S. federal income tax purposes holds Concordia Shares (or, after the Arrangement, New Concordia Common Shares and Meryllion Shares), the U.S. federal income tax consequences of the Arrangement and owning and disposing of such shares to such partnership and the partners of such partnership generally will depend on the activities of the partnership and the status of such partners. This summary does not address the tax consequences to any such partner or partnership. Partners of entities that are classified as partnerships for U.S. federal income tax purposes should consult their own tax advisors regarding the U.S. federal income tax consequences of the Arrangement and the ownership and disposition of Meryllion Shares.

U.S. Federal Income Tax Characterization of the Arrangement

Common Share Consolidation

A U.S. Holder may hold a number of pre-Common Share Consolidation shares that is divisible into a whole number of post-Common Share Consolidation shares (“Whole Shareholders”) or into a whole number plus a fractional share of post-Common Share Consolidation shares (“Fractional Shareholders”).

The Common Share Consolidation will not result in the recognition of gain or loss by a Whole Shareholder for U.S. federal income tax purposes. The Whole Shareholder’s aggregate adjusted bases of the post-Common Share Consolidation shares will be the same as such U.S. Holder’s aggregate adjusted bases of the pre-Common Share Consolidation shares. The holding period of the post-Common Share Consolidation shares will include a Whole Shareholder’s holding periods for the pre-Common Share Consolidation shares.

A Fractional Shareholder will not receive a fractional share in the Common Share Consolidation and will instead receive a number of Concordia Shares that is rounded down to a whole number. A Fractional Shareholder should consult its own tax advisors on whether to allocate its aggregate tax basis in its pre-Common Share Consolidation shares entirely to its post-Common Share Consolidation shares or, alternatively, whether it should allocate a portion of such basis to the fractional share which it would have received had its post-Common Share Consolidation shares not been rounded down to a whole number and recognize a loss on such fractional share equal to the basis so allocated. Other than a possible loss with respect to the fractional share not received, no gain or loss should be recognized by a Fractional Shareholder upon such U.S. Holder’s exchange of pre-Common Share Consolidation shares for post-Common Share Consolidation shares and such shareholder’s holding period for the post-Common Share Consolidation shares will include the period during which the shareholder held the pre-Common Share Consolidation shares surrendered in the Common Share Consolidation.

Spin-Out

The Arrangement will be effected under applicable provisions of Canadian corporate law, which are technically different from analogous provisions of U.S. corporate law. Therefore, the U.S. federal income tax

consequences of certain aspects of the Arrangement are not certain. This summary assumes that: (a) the re-designation of the Concordia Shares as “Class A Shares”, (b) the exchange of each Class A Share for one New Concordia Common Share and one Meryllion Share and (c) the cancellation of the Class A Shares, will properly be treated, under the step transaction doctrine or otherwise, as: (i) a tax deferred exchange by Concordia Shareholders of their Concordia Shares for New Concordia Common Shares, either under Section 1036 or Section 368(a)(1)(E) of the Code; and (ii) a distribution of the Meryllion Shares under Section 301 of the Code.

There can be no assurance that the IRS will not challenge this characterization of the Arrangement or that, if challenged, a U.S. court would not agree with the IRS. No ruling from the IRS or an opinion of counsel regarding any of the tax consequences of the Arrangement has been sought or obtained. Each U.S. Holder should consult its own tax advisor regarding the proper treatment of the Arrangement for U.S. federal income tax purposes.

Passive Foreign Investment Company Rules Applicable to the Arrangement

Status of Concordia and Meryllion

Special, generally adverse, U.S. federal income tax consequences apply to U.S. taxpayers who hold interests in a passive foreign investment company (a “PFIC”) as defined under Section 1297 of the Code for any tax year during which such U.S. Holder holds or held shares in the PFIC, unless certain elections are available and timely and effectively made. As discussed below, it is believed that Concordia has been a PFIC in prior years and is expected to be one at the time of the Arrangement.

A non-U.S. corporation generally will be classified as a PFIC if, for a tax year: (a) 75% or more of the gross income (as defined for U.S. federal income tax purposes) of such non-U.S. corporation for such tax year is passive income (the “**income test**”); or (b) 50% or more of the value of such non-U.S. corporation’s assets either produce passive income or are held for the production of passive income, based on the quarterly average of the fair market value of such assets (the “**asset test**”). For purposes of the PFIC provisions, “gross income” generally includes all sales revenues less the cost of goods sold, plus income from investments and from incidental or outside operations or sources, and “passive income” includes, for example, dividends, interest, certain rents and royalties, certain gains from the sale of stock and securities, and certain gains from commodities transactions.

For purposes of the PFIC income test and assets test described above, if a foreign corporation owns, directly or indirectly, 25% or more of the total value of the outstanding shares of another corporation, it will be treated as if it: (a) held a proportionate share of the assets of such other corporation; and (b) received directly a proportionate share of the income of such other corporation. In addition, for purposes of the PFIC income test and asset test, “passive income” does not include certain interest, dividends, rents, or royalties that are received or accrued by the foreign corporation from a “related person” (as defined in Section 954(d)(3) of the Code), to the extent such items are properly allocable to the income of such related person that is not passive income and certain other requirements are satisfied.

In addition, under certain attribution rules, if Concordia or Meryllion is a PFIC, U.S. Holders will be deemed to own their proportionate share of subsidiaries of Concordia or Meryllion, as applicable, which are PFICs (such subsidiaries referred to as “Subsidiary PFICs”), and will be subject to U.S. federal income tax on: (a) a distribution on the shares of a Subsidiary PFIC; and (b) a disposition of shares of a Subsidiary PFIC, both as if the holder directly held the shares of such Subsidiary PFIC.

Concordia believes that it was a PFIC for prior tax years and based on current business plans and financial expectations, Concordia expects to be a PFIC for the tax year that includes the Arrangement. In addition, based on current business plans and financial expectations, Concordia expects that Meryllion will be a PFIC for the tax year in which the Arrangement occurs and may be a PFIC in subsequent tax year. The determination of whether any corporation was, or will be, a PFIC for a tax year depends, in part, on the application of complex U.S. federal income tax rules, which are subject to differing interpretations. In addition, whether any corporation will be a PFIC for any tax year depends on the assets and income of such corporation over the course of each such tax year and, as a result, generally cannot be determined until the close of the tax year in question. Accordingly, there can be no assurance that the IRS will not challenge any determination made by Concordia (or a Subsidiary PFIC) concerning its PFIC status or Meryllion’s PFIC status. Each U.S. Holder should consult its own tax advisors regarding the PFIC status of Concordia, Meryllion and each Subsidiary PFIC.

Effect of PFIC Rules on the Exchange of Concordia Shares for New Concordia Common Shares

If Concordia has been a PFIC at any time during the period that a U.S. Holder has held Concordia Shares, such holder could potentially be subject to the special, generally adverse, rules described below with respect to the exchange of Concordia Shares for New Concordia Common Shares pursuant to the Arrangement. However, proposed Treasury Regulations under Section 1291 provide an exception to the application of the PFIC rules in the context of certain non-recognition transactions where shares in a PFIC are exchanged for shares of an entity that also qualifies as a PFIC for the tax year that includes the day after the effective date of the transaction (the “PFIC for PFIC Exception”). Assuming the exchange of Concordia Shares for New Concordia Common Shares in connection with the Arrangement qualifies as a tax deferred transaction under U.S. tax rules, such exchange should fit within the PFIC for PFIC Exception since Concordia is expected to be a PFIC both immediately before and immediately after such exchange.

These proposed Treasury Regulations state that they are to be effective for transactions occurring on or after April 11, 1992. If the proposed Treasury Regulations are adopted in their current form, U.S. Holders could be expected to avoid application of the PFIC rules with respect to their exchange of Concordia Shares for New Concordia Common Shares pursuant to the Arrangement. However, because the proposed Treasury Regulations have not yet been adopted in final form, they are not currently effective and there is no assurance that they will be adopted in the form and with the effective date proposed. Nevertheless, the IRS has announced that, in the absence of final Treasury Regulations, taxpayers may apply reasonable interpretations of Code provisions applicable to PFICs and that it considers the rules set forth in the proposed Treasury Regulations to be reasonable interpretations of those Code provisions.

In addition, in the absence of the proposed U.S. Treasury Regulations being finalized in their current form, if such exchange qualifies as a tax deferred exchange under Section 1036 or Section 368(a)(1)(E), such tax-deferred exchange treatment should be respected under the applicable PFIC rules; however, it is unclear whether the IRS would agree with this interpretation. U.S. Holders should consult their own tax advisors regarding whether the proposed U.S. Treasury Regulations under Section 1291 would apply if such exchange qualifies as a tax deferred exchange.

A U.S. Holder should take a basis in the New Concordia Common Shares received pursuant to the Arrangement equal to its basis in the Concordia Shares exchanged therefor and the holding period for the New Concordia Common Shares received should include the holding period of the exchanged Concordia Shares. However, there can be no assurance that the IRS will not challenge the qualification of such exchange under the PFIC for PFIC Exception or that, if challenged, a U.S. court would not agree with the IRS. Each U.S. Holder should consult its own tax advisor regarding the proper treatment of the Arrangement for U.S. federal income tax purposes.

Effect of PFIC Rules on the Distribution of Meryllion Shares Pursuant to the Arrangement

If Concordia is a PFIC or was a PFIC at any time during a U.S. Holder’s holding period for the New Concordia Common Shares, the effect of the PFIC rules on such U.S. Holder receiving Meryllion Shares in the Arrangement will depend on whether such U.S. Holder has made a timely and effective election to treat Concordia as a “qualified electing fund” (a “**QEF**”) under Section 1295 of the Code (a “**QEF Election**”) or has made a mark-to-market election with respect to its New Concordia Common Shares under Section 1296 of the Code (a “**Mark-to-Market Election**”). In this summary, a U.S. Holder that has made a timely and effective QEF Election or a Mark-to-Market Election is referred to as an “Electing Shareholder” and a U.S. Holder that has not made a timely and effective QEF Election or a Mark-to-Market Election is referred to as a “Non-Electing Shareholder”. If either of these elections has been successfully made, Electing Shareholders generally would not be subject to the default rules of Section 1291 of the Code discussed below upon the receipt of Meryllion Shares pursuant to the Arrangement.

Default Rules

With respect to a Non-Electing Shareholder, if Concordia is a PFIC or was a PFIC at any time during a U.S. Holder’s holding period for the New Concordia Common Shares, the default rules under Section 1291 of the Code will apply to gain recognized on any disposition of New Concordia Common Shares and to “excess distributions” from Concordia (generally, distributions received in the current tax year that are in excess of 125% of

the average distributions received during the three preceding years (or during the U.S. Holder's holding period for the New Concordia Common Shares, if shorter).

Under Section 1291 of the Code, any such gain recognized on the sale or other disposition of New Concordia Common Shares and any excess distribution must be ratably allocated to each day in a Non-Electing Shareholder's holding period for the New Concordia Common Shares. The amount of any such gain or excess distribution allocated to the tax year of disposition or distribution of the excess distribution and to years before Concordia became a PFIC, if any, would be taxed as ordinary income. The amounts allocated to any other tax year would be subject to U.S. federal income tax at the highest tax rate applicable to ordinary income in each such prior year and an interest charge would be imposed on the tax liability for each such year, calculated as if such tax liability had been due in each such prior year. Such a Non-Electing U.S. Holder that is not a corporation must treat any such interest paid as "personal interest," which is not deductible.

If the distribution of the Meryllion Shares pursuant to the Arrangement constitutes an "excess distribution" with respect to a Non-Electing Shareholder, such Non-Electing Shareholder will be subject to the rules of Section 1291 of the Code discussed above upon the receipt of the Meryllion Shares. In addition, the distribution of the Meryllion Shares pursuant to the Arrangement may be treated, under proposed Treasury Regulations, as the "indirect disposition" by a Non-Electing Shareholder of such Non-Electing Shareholder's indirect interest in Meryllion, which generally would be subject to the rules of Section 1291 of the Code discussed above.

QEF Election

If a U.S. Holder has made a timely and effective QEF Election with respect to its New Concordia Common Shares, the default rules under Section 1291 of the Code discussed above will generally not be applicable to such holder in connection with the distribution of Meryllion Shares pursuant to the Arrangement. Such an Electing Shareholder would, instead, be subject to rules described under "– Passive Foreign Investment Company Rules Applicable to the Ownership and Disposition of Meryllion Shares Received in the Arrangement – QEF Election" below, which generally require the current inclusion of net capital gain and ordinary earnings of Concordia but allow the holder to avoid application of the default rules described above. However, Concordia can provide no assurances that it will satisfy the record keeping and information disclosure requirements that apply to a QEF or supply U.S. Holders with the information required under the QEF rules for them to make a QEF Election. Thus, U.S. Holders may not be able to make a QEF Election with respect to their New Concordia Common Shares or Concordia Shares.

A QEF Election will be treated as "timely" only if it is made for the first year in the U.S. Holder's holding period for the New Concordia Common Shares in which Concordia is a PFIC. A U.S. Holder's holding period for the New Concordia Common Shares should include such holder's holding period for its Concordia Shares which are exchanged for such New Concordia Common Shares under the Arrangement. As a result, if a U.S. Holder has not made a timely QEF Election with respect to its Concordia Shares, in order to make a timely QEF Election with respect to its New Concordia Common Shares, a U.S. Holder may be required to make a "deemed sale" election under the Code (a "Deemed Sale Election") and a QEF Election with respect to its New Concordia Common Shares which would be treated as timely with respect to the Arrangement. A Deemed Sale Election may also be available with respect to a U.S. Holder's Concordia Shares. A U.S. Holder makes the Deemed Sale Election and the QEF Election by filing Form 8621 with its tax return, reporting any gain under the excess distribution rules, and paying any resulting tax on the gain, including the interest as described under the Code. The foregoing is only a brief summary of the rules related to the QEF Election and Deemed Sale Election, and U.S. Holders should consult their own tax advisors regarding the application of these elections to their particular circumstances.

To the extent that the distribution of Meryllion Shares generates gain to Concordia under general U.S. tax rules applicable to corporations, the net capital gain an Electing Shareholder would be required to take into account under the QEF rules could be increased. To the extent the distribution of Meryllion Shares represents "earnings and profits" of Concordia that were previously included in income by the Electing Shareholder because of the QEF Election, the distribution of Meryllion Shares pursuant to the Arrangement will not be taxable to such holder. In addition, subject to the foregoing sentence, a U.S. Holder who has made a timely and effective QEF Election would be subject to the tax consequences described under "– Tax Consequences of the Distribution" below.

Even if a U.S. Holder has made a timely and effective QEF Election with respect to Concordia, in order to avoid application of the default rules described above to an indirect disposition of an interest in Meryllion deemed to occur under proposed Treasury Regulations as a result of the Arrangement, a U.S. Holder must make a separate timely and effective QEF Election with respect to Meryllion.

Mark-to-Market Election

If a Mark-to-Market Election, discussed under “– Passive Foreign Investment Company Applicable to the Ownership and Disposition of Meryllion Shares Received in the Arrangement – Mark-to-Market Election” below, has been made by a U.S. Holder with respect to its New Concordia Common Shares in a year prior to the distribution of Meryllion Shares, such U.S. Holder generally will not be subject to the PFIC rules discussed above upon the receipt of such New Concordia Common Shares. However, if a U.S. Holder makes a Mark-to-Market Election after the beginning of such U.S. Holder’s holding period for the New Concordia Common Shares (which is deemed to include the holding period of the New Concordia Common Shares) and in the same year as the Meryllion Shares are distributed pursuant to the Arrangement, the PFIC rules would apply to the distribution of Meryllion Shares.

A U.S. Holder that has made a Mark-to-Market Election in a year prior to the year in which Meryllion Shares are distributed pursuant to the Arrangement should avoid the potential interest charge of Section 1291 of the Code on the distribution of Meryllion Shares and on any “indirect disposition” of such U.S. Holder’s indirect interest in Meryllion deemed to occur, as described above. Instead, such U.S. Holder will include in ordinary income for the tax year in which the distribution of Meryllion Shares occurs an amount equal to the excess, if any, of: (a) the fair market value of the New Concordia Common Shares as of the close of such tax year over; (b) such U.S. Holder’s tax basis in such New Concordia Common Shares. Such U.S. Holder will be allowed a deduction in an amount equal to the lesser of: (a) the excess, if any, of: (i) such U.S. Holder’s adjusted tax basis in the New Concordia Common Shares over; (ii) the fair market value of such New Concordia Common Shares as of the close of such tax year; or (b) the excess, if any, of: (i) the amount included in ordinary income because of such Mark-to-Market Election for prior tax years; over (ii) the amount allowed as a deduction because of such Mark-to-Market Election for prior tax years.

A U.S. Holder who has made a timely and effective Mark-to-Market Election would also be subject to the tax consequences described under “– Tax Consequences of the Distribution” below. In addition, a U.S. Holder that has made a Mark-to-Market Election generally will adjust its tax basis in the New Concordia Common Shares to reflect the amount included in gross income or allowed as a deduction because of such Mark-to-Market Election. Inclusion and deductions because of the Mark-to-Market Election are taken into account when calculating gain or loss on a future sale of New Concordia Common Shares.

The PFIC rules are complex, and each U.S. Holder should consult its own tax advisors regarding the PFIC rules and how the PFIC rules may affect the U.S. federal income tax consequences of the Arrangement. In particular, each U.S. Holder should consult its own tax advisors regarding the availability of, and procedure for making, a QEF Election or a Mark-to-Market Election.

Tax Consequences of the Distribution

Subject to the PFIC rules discussed above, a U.S. Holder would be required to include the fair market value of the Meryllion Shares received pursuant to the Arrangement (without reduction for any Canadian income tax withheld) in gross income as a dividend to the extent of the current or accumulated “earnings and profits” of Concordia. To the extent the fair market value of the Meryllion Shares distributed pursuant to the Arrangement exceeds Concordia’s adjusted tax basis in such shares (as calculated for U.S. federal income tax purposes), the Arrangement can be expected to generate additional earnings and profits for Concordia. To the extent that the fair market value of the Meryllion Shares exceeds the current and accumulated “earnings and profits” of Concordia, the distribution of the Meryllion Shares pursuant to the Arrangement will be treated: (a) first, as a tax free return of capital to the extent of a U.S. Holder’s tax basis in the New Concordia Common Shares; and (b) thereafter, as gain from the sale or exchange of such New Concordia Common Shares. However, Concordia may not maintain the calculations of its earnings and profits in accordance with U.S. federal income tax principles, and each U.S. Holder may have to assume that any distribution by Concordia with respect to the New Concordia Common Shares will constitute ordinary dividend income. Dividends received on New Concordia Common Shares by corporate U.S.

Holders generally will not be eligible for the “dividends received deduction.” Subject to the PFIC rules, preferential tax rates apply to long term capital gains of a U.S. Holder that is an individual, estate, or trust. There are currently no preferential tax rates for long term capital gains of a U.S. Holder that is a corporation. Concordia does not anticipate that its distribution of Meryllion Shares will constitute qualified dividend income eligible for the preferential tax rates applicable to long-term capital gains. The distribution rules are complex, and each U.S. Holder should consult its own tax advisors regarding the application of such rules.

Dissenting U.S. Holders

A U.S. Holder that exercises the right to dissent from the Arrangement and is paid cash for all of such U.S. Holder’s Concordia Shares generally will recognize gain or loss in an amount equal to the difference, if any, between (a) the amount of cash received by such U.S. Holder in exchange for the Concordia Shares (other than amounts, if any, that are or are deemed to be interest for U.S. federal income tax purposes, which amounts will be taxed as ordinary income) and (b) the tax basis of such U.S. Holder in the Concordia Shares surrendered.

Subject to the PFIC rules discussed above, such gain or loss generally will be capital gain or loss, which will be long-term capital gain or loss if the Concordia Shares are held for more than one year. Preferential tax rates apply to long-term capital gains of a U.S. Holder that is an individual, estate, or trust. There are currently no preferential tax rates for long-term capital gains of a U.S. Holder that is a corporation. Deductions for capital losses are subject to complex limitations under the Code.

Passive Foreign Investment Company Rules Applicable to the Ownership and Disposition of Meryllion Shares Received in the Arrangement

As noted in the discussion above, based on current business plans and financial projections, it is expected that Meryllion will be a PFIC for its tax year that includes the date after the Effective Date of the Arrangement and may be a PFIC in subsequent tax years. If Meryllion is a PFIC, the U.S. federal income tax consequences to a U.S. Holder of the acquisition, ownership, and disposition of Meryllion Shares will depend on whether such U.S. Holder makes a timely QEF Election or a Mark-to-Market Election (both as defined above) with respect to Meryllion, or the Meryllion Shares, as applicable. A U.S. Holder that does not make either a QEF Election or a Mark-to-Market Election will be referred to in this summary as a “Non-Electing U.S. Holder.”

Default Rules

A Non-Electing U.S. Holder will be subject to the PFIC rules described above with respect to: (a) any gain recognized on the sale or other taxable disposition of Meryllion Shares; and (b) any excess distribution received on the Meryllion Shares. As previously discussed, these rules require that any such gain or excess distribution be allocated over the Non-Electing U.S. Holder’s holding period for the Meryllion Shares and taxed at the highest tax rates applicable to ordinary income for such year with an interest charge assessed on the resulting liability as if such amount were due in such prior year and not paid. A Non-Electing U.S. Holder that is not a corporation must treat any such interest paid as “personal interest,” which is not deductible. If Meryllion is a PFIC for any tax year during which a Non-Electing U.S. Holder holds Meryllion Shares, Meryllion will continue to be treated as a PFIC with respect to such Non-Electing U.S. Holder, regardless of whether Meryllion ceases to be a PFIC in one or more subsequent tax years. If Meryllion ceases to be a PFIC, a Non-Electing U.S. Holder may terminate this deemed PFIC status by electing to recognize gain (which will be taxed under the PFIC rules discussed above) as if such Meryllion Shares were sold on the last day of the last tax year for which Meryllion was a PFIC.

QEF Election

A U.S. Holder that makes a QEF Election for the first tax year in which its holding period of its Meryllion Shares begins generally will not be subject to the default PFIC rules discussed above with respect to its Meryllion Shares. However, a U.S. Holder that makes a QEF Election will be subject to U.S. federal income tax on such U.S. Holder’s pro rata share of: (a) the net capital gain of Meryllion, which will be long term capital gain to such U.S. Holder; and (b) the ordinary earnings of Meryllion, which will be taxed as ordinary income to such U.S. Holder. Generally, “net capital gain” is the excess of: (a) net long term capital gain; over (b) net short term capital loss. “Ordinary earnings” are generally the excess of: (a) “earnings and profits”; over (b) net capital gain. A U.S. Holder that makes a QEF Election will be subject to U.S. federal income tax on such amounts for each tax year in which

Meryllion is a PFIC, regardless of whether such amounts are actually distributed to such U.S. Holder by Meryllion. However, for any tax year in which Meryllion is a PFIC and has no net income or gain, U.S. Holders that have made a QEF Election would not have any income inclusions as a result of the QEF Election. If a U.S. Holder that made a QEF Election has an income inclusion, such a U.S. Holder may, subject to certain limitations, elect to defer payment of current U.S. federal income tax on such amounts, subject to an interest charge. If such U.S. Holder is not a corporation, any such interest paid will be treated as “personal interest,” which is not deductible.

A U.S. Holder that makes a QEF Election generally: (a) may receive a tax free distribution from Meryllion to the extent that such distribution represents “earnings and profits” of Meryllion that were previously included in income by the U.S. Holder because of such QEF Election; and (b) will adjust such U.S. Holder’s tax basis in the Meryllion Shares to reflect the amount included in income or allowed as a tax free distribution because of such QEF Election. In addition, a U.S. Holder that makes a QEF Election generally will recognize capital gain or loss on the sale or other taxable disposition of Meryllion Shares.

The procedure for making a QEF Election, and the U.S. federal income tax consequences of making a QEF Election, will depend on whether such QEF Election is timely. A QEF Election will be treated as “timely” if such QEF Election is made for the first year in the U.S. Holder’s holding period for the Meryllion Shares in which Meryllion was a PFIC. A U.S. Holder may make a timely QEF Election by filing the appropriate QEF Election documents at the time such U.S. Holder files a U.S. federal income tax return for such year.

A QEF Election will apply to the tax year for which such QEF Election is made and to all subsequent tax years, unless such QEF Election is invalidated or terminated or the IRS consents to revocation of such QEF Election. If a U.S. Holder makes a QEF Election and, in a subsequent tax year, Meryllion ceases to be a PFIC, the QEF Election will remain in effect (although it will not be applicable) during those tax years in which Meryllion is not a PFIC. Accordingly, if Meryllion becomes a PFIC in another subsequent tax year, the QEF Election will be effective and the U.S. Holder will be subject to the QEF rules described above during any subsequent tax year in which Meryllion qualifies as a PFIC.

U.S. Holders should be aware that there can be no assurances that Meryllion will satisfy the record keeping requirements that apply to a QEF, or that Meryllion will supply U.S. Holders with information that such U.S. Holders require to report under the QEF rules, in the event that Meryllion is a PFIC and a U.S. Holder wishes to make a QEF Election. Thus, U.S. Holders may not be able to make a QEF Election with respect to their Meryllion Shares. Each U.S. Holder should consult its own tax advisors regarding the availability of, and procedure for making, a QEF Election.

Mark-to-Market Election

A U.S. Holder may make a Mark-to-Market Election only if the Meryllion Shares are marketable stock. The Meryllion Shares generally will be “marketable stock” if the Meryllion Shares are regularly traded on: (a) a national securities exchange that is registered with the SEC; (b) the national market system established pursuant to Section 11A of the U.S. Exchange Act; or (c) a foreign securities exchange that is regulated or supervised by a governmental authority of the country in which the market is located, provided that: (i) such foreign exchange has trading volume, listing, financial disclosure, and other requirements and the laws of the country in which such foreign exchange is located, together with the rules of such foreign exchange, ensure that such requirements are actually enforced; and (ii) the rules of such foreign exchange ensure active trading of listed stocks. If such stock is traded on such a qualified exchange or other market, such stock generally will be “regularly traded” for any calendar year during which such stock is traded, other than in de minimis quantities, on at least 15 days during each calendar quarter.

A U.S. Holder that makes a Mark-to-Market Election with respect to its Meryllion Shares generally will not be subject to the rules of Section 1291 of the Code discussed above with respect to the Meryllion Shares. However, if a U.S. Holder does not make a Mark-to-Market Election beginning in the first tax year of such U.S. Holder’s holding period for the Meryllion Shares or such U.S. Holder has not made a timely QEF Election, the rules of Section 1291 of the Code discussed above will apply to certain dispositions of, and distributions on, the Meryllion Shares.

A U.S. Holder that makes a Mark-to-Market Election will include in ordinary income, for each tax year in which Meryllion is a PFIC, an amount equal to the excess, if any, of: (a) the fair market value of the Meryllion Shares, as of the close of such tax year; over (b) such U.S. Holder's tax basis in such Meryllion Shares. A U.S. Holder that makes a Mark-to-Market Election will be allowed a deduction in an amount equal to the excess, if any, of: (a) such U.S. Holder's adjusted tax basis in the Meryllion Shares; over (b) the fair market value of such Meryllion Shares (but only to the extent of the net amount of previously included income as a result of the Mark-to-Market Election for prior tax years).

A U.S. Holder that makes a Mark-to-Market Election generally also will adjust such U.S. Holder's tax basis in the Meryllion Shares to reflect the amount included in gross income or allowed as a deduction because of such Mark-to-Market Election. In addition, upon a sale or other taxable disposition of Meryllion Shares, a U.S. Holder that makes a Mark-to-Market Election will recognize ordinary income or ordinary loss (not to exceed the excess, if any, of: (a) the amount included in ordinary income because of such Mark-to-Market Election for prior tax years; over (b) the amount allowed as a deduction because of such Mark-to-Market Election for prior tax years).

A Mark-to-Market Election applies to the tax year in which such Mark-to-Market Election is made and to each subsequent tax year, unless the Meryllion Shares cease to be "marketable stock" or the IRS consents to revocation of such election. Each U.S. Holder should consult its own tax advisors regarding the availability of, and procedure for making, a Mark-to-Market Election.

Although a U.S. Holder may be eligible to make a Mark-to-Market Election with respect to the Meryllion Shares, no such election may be made with respect to the stock of any Subsidiary PFIC that a U.S. Holder is treated as owning because such stock is not marketable. Hence, the Mark-to-Market Election will not be effective to eliminate the interest charge described above with respect to deemed dispositions of Subsidiary PFIC stock or distributions from a Subsidiary PFIC.

Other PFIC Rules

Under Section 1291(f) of the Code, the IRS has issued proposed Treasury Regulations that, subject to certain exceptions, would cause a U.S. Holder that had not made a timely QEF Election to recognize gain (but not loss) upon certain transfers of Meryllion Shares that would otherwise be tax deferred (e.g., gifts and exchanges pursuant to corporate reorganizations). However, the specific U.S. federal income tax consequences to a U.S. Holder may vary based on the manner in which Meryllion Shares are transferred.

Certain additional adverse rules will apply with respect to a U.S. Holder if Meryllion is a PFIC, regardless of whether such U.S. Holder makes a QEF Election. For example, under Section 1298(b)(6) of the Code, a U.S. Holder that uses Meryllion Shares as security for a loan will, except as may be provided in Treasury Regulations, be treated as having made a taxable disposition of such Meryllion Shares.

Special rules also apply to the amount of foreign tax credit that a U.S. Holder may claim on a distribution from a PFIC. Subject to such specific rules, foreign taxes paid with respect to any distribution in respect of stock in a PFIC are generally eligible for the foreign tax credit. The rules relating to distributions by a PFIC and their eligibility for the foreign tax credit are complicated, and a U.S. Holder should consult with its own tax advisors regarding the availability of the foreign tax credit with respect to distributions by a PFIC.

The PFIC rules are complex, and each U.S. Holder should consult its own tax advisors regarding the PFIC rules and how the PFIC rules may affect the U.S. federal income tax consequences of the acquisition, ownership, and disposition of Meryllion Shares.

General U.S. Federal Income Tax Rules Applicable to the Ownership and Disposition of Meryllion Shares

A U.S. Holder's initial tax basis in the Meryllion Shares received pursuant to the Arrangement will be equal to the fair market value of such Meryllion Shares on the date of distribution. A U.S. Holder's holding period for the Meryllion Shares received pursuant to the Arrangement will begin on the day after the date of distribution.

The following discussion is subject to the rules described under the heading “– Passive Foreign Investment Company Rules Applicable to the Ownership and Disposition of Meryllion Shares Received in the Arrangement” above.

Distributions on Meryllion Shares

A U.S. Holder that receives a distribution, including a constructive distribution, with respect to a Meryllion Share will be required to include the amount of such distribution in gross income as a dividend (without reduction for any Canadian income tax withheld from such distribution) to the extent of the current or accumulated “earnings and profits” of Meryllion, as computed for U.S. federal income tax purposes. To the extent that a distribution exceeds the current and accumulated “earnings and profits” of Meryllion, such distribution will be treated first as a tax free return of capital to the extent of a U.S. Holder’s tax basis in the Meryllion Shares and thereafter as gain from the sale or exchange of such Meryllion Shares (see “– Sale or Other Taxable Disposition of Meryllion Shares” below). However, Meryllion may not maintain the calculations of earnings and profits in accordance with U.S. federal income tax principles, and each U.S. Holder should therefore assume that any distribution by Meryllion with respect to the Meryllion Shares will constitute ordinary dividend income. Dividends received on the Meryllion Shares generally will not be eligible for the “dividends received deduction.” Subject to applicable limitations, dividends paid by the Company to non-corporate U.S. Holders, including individuals, generally will be eligible for the preferential tax rates applicable to long-term capital gains for dividends, provided certain holding period and other conditions are satisfied, including that Meryllion not be classified as a PFIC in the tax year of distribution or in the preceding tax year. The dividend rules are complex, and each U.S. Holder should consult its own tax advisors regarding the application of such rules.

Sale or Other Taxable Disposition of Meryllion Shares

Upon the sale or other taxable disposition of Meryllion Shares, a U.S. Holder generally will recognize capital gain or loss in an amount equal to the difference between the amount of cash plus the fair market value of any property received and such U.S. Holder’s tax basis in the shares sold or otherwise disposed of. Gain or loss recognized on such sale or other disposition generally will be long term capital gain or loss if, at the time of the sale or other disposition, the shares have been held for more than one year. Preferential rates apply to long term capital gains of a U.S. Holder that is an individual, estate, or trust. There are currently no preferential tax rates for long term capital gains of a U.S. Holder that is a corporation. Deductions for capital losses are subject to significant limitations under the Code.

Additional Considerations

Additional Tax on Passive Income

Individuals, estates and certain trusts whose income exceeds certain thresholds will be required to pay a 3.8% Medicare surtax on “net investment income” including, among other things, dividends and net gain from dispositions of property (other than property held in certain trades or businesses). U.S. Holders should consult their tax advisors regarding the effect, if any, of this legislation on their ownership and disposition of New Concordia Common Shares and Meryllion Shares.

Receipt of Foreign Currency

The amount of any distribution paid to a U.S. Holder in foreign currency, or on the sale, exchange or other taxable disposition of Meryllion Shares, generally will be equal to the U.S. dollar value of such foreign currency based on the exchange rate applicable on the date of receipt (regardless of whether such foreign currency is converted into U.S. dollars at that time). If the foreign currency received is not converted into U.S. dollars on the date of receipt, a U.S. Holder will have a basis in the foreign currency equal to its U.S. dollar value on the date of receipt. Any U.S. Holder who receives payment in foreign currency and engages in a subsequent conversion or other disposition of the foreign currency may have a foreign currency exchange gain or loss that would be treated as ordinary income or loss, and generally will be U.S. source income or loss for foreign tax credit purposes. Each U.S. Holder should consult its own U.S. tax advisors regarding the U.S. federal income tax consequences of receiving, owning, and disposing of foreign currency.

Foreign Tax Credit

A U.S. Holder who pays (whether directly or through withholding) Canadian income tax with respect to dividends paid by Concordia or Meryllion generally will be entitled, at the election of such U.S. Holder, to receive either a deduction or a credit for such Canadian income tax paid. Generally, a credit will reduce a U.S. Holder's U.S. federal income tax liability on a dollar for dollar basis, whereas a deduction will reduce a U.S. Holder's income subject to U.S. federal income tax. This election is made on a year by year basis and applies to all foreign taxes paid (whether directly or through withholding) by a U.S. Holder during a year.

Complex limitations apply to the foreign tax credit, including the general limitation that the credit cannot exceed the proportionate share of a U.S. Holder's U.S. federal income tax liability that such U.S. Holder's "foreign source" taxable income bears to such U.S. Holder's worldwide taxable income. In applying this limitation, a U.S. Holder's various items of income and deduction must be classified, under complex rules, as either "foreign source" or "U.S. source." In addition, this limitation is calculated separately with respect to specific categories of income. Dividends paid by Concordia and Meryllion generally will constitute "foreign source" income. Gain or loss recognized by a U.S. Holder on the sale or other taxable disposition of Meryllion Shares generally will be treated as "U.S. source" for purposes of applying the U.S. foreign tax credit rules unless the gain is subject to tax in Canada and is resourced as "foreign source" under the U.S. Tax Treaty and such U.S. Holder elects to treat such gain or loss as "foreign source." The foreign tax credit rules are complex, and each U.S. Holder should consult its own tax advisors regarding the foreign tax credit rules.

Information Reporting; Backup Withholding Tax

Under U.S. federal income tax law and Treasury Regulations, certain categories of U.S. Holders must file information returns with respect to their investment in, or involvement in, a foreign corporation. For example, U.S. return disclosure obligations (and related penalties) are imposed on U.S. Holders that hold certain specified foreign financial assets in excess of certain threshold amounts. The definition of specified foreign financial assets includes not only financial accounts maintained in foreign financial institutions, but also, unless held in accounts maintained by a financial institution, any stock or security issued by a non U.S. person, any financial instrument or contract held for investment that has an issuer or counterparty other than a U.S. person and any interest in a foreign entity. U.S. Holders may be subject to these reporting requirements unless their Meryllion Shares are held in an account at certain financial institutions. Penalties for failure to file certain of these information returns are substantial. U.S. Holders should consult with their own tax advisors regarding the requirements of filing information returns, including the requirement to file an IRS Form 8938.

The payment of cash to U.S. Holders which exercise Dissent Rights pursuant to the Arrangement as well as payments made within the U.S., or by a U.S. payor or U.S. middleman, of dividends on, or proceeds arising from the sale or other taxable disposition of Meryllion Shares, generally will be subject to information reporting and backup withholding tax (currently at the rate of 28%), if a U.S. Holder: (a) fails to furnish such U.S. Holder's correct U.S. taxpayer identification number (generally on Form W-9); (b) furnishes an incorrect U.S. taxpayer identification number; (c) is notified by the IRS that such U.S. Holder has previously failed to properly report items subject to backup withholding tax; or (d) fails to certify, under penalty of perjury, that such U.S. Holder has furnished its correct U.S. taxpayer identification number and that the IRS has not notified such U.S. Holder that it is subject to backup withholding tax. However, U.S. Holders that are corporations generally are excluded from these information reporting and backup withholding tax rules. Backup withholding is not an additional tax. Any amounts withheld under the U.S. backup withholding tax rules will be allowed as a credit against a U.S. Holder's U.S. federal income tax liability, if any, or will be refunded, if such U.S. Holder furnishes required information to the IRS in a timely manner.

The discussion of reporting requirements set forth above is not intended to constitute a complete description of all reporting requirements that may apply to a U.S. Holder. A failure to satisfy certain reporting requirements may result in an extension of the time period during which the IRS can assess a tax, and under certain circumstances, such an extension may apply to assessments of amounts unrelated to any unsatisfied reporting requirement. Each U.S. Holder should consult its own tax advisors regarding the information reporting and backup withholding rules.

REGULATORY MATTERS

Canadian Securities Matters

The Meryllion Shares to be transferred to the Concordia Shareholders that are not Dissenting Concordia Shareholders and that participate in the Arrangement will be transferred under exemptions from the requirements to provide a prospectus or involve a registrant (i.e., broker) under applicable Canadian securities laws.

Meryllion is not a reporting issuer in any province or territory of Canada; however upon completion of the Arrangement, it is anticipated that Meryllion will be a reporting issuer in British Columbia. Meryllion has applied to list the Meryllion Shares on the Exchange upon completion of the Arrangement.

U.S. Securities Matters

Issuance of Securities by Concordia and Meryllion Pursuant to the Arrangement

The issuance and distribution of securities by each of Concordia and Meryllion pursuant to the Arrangement will not be registered under the U.S. Securities Act or the securities laws of any state of the United States and will be effected in reliance upon the exemption from registration under the U.S. Securities Act provided by Section 3(a)(10) thereof. Section 3(a)(10) of the U.S. Securities Act exempts from registration a security that is issued in exchange for outstanding securities where the terms and conditions of such issuance and exchange are approved, after a hearing upon the fairness of such terms and conditions at which all persons to whom it is proposed to issue securities in such exchange have the right to appear, by a court or by a governmental authority expressly authorized by law to grant such approval. Accordingly, the Final Order of the Court will, if granted, constitute the basis for the exemption from the registration requirements of the U.S. Securities Act with respect to the exchange and distribution of the securities of Concordia and Meryllion to Concordia Securityholders in connection with the Arrangement.

The securities issuable in connection with the Arrangement have not been approved or disapproved by the SEC or the securities regulatory authorities of any state, nor has the SEC or the securities regulatory authorities of any state passed on the fairness or merits of the Arrangement or the adequacy or accuracy of this Circular. Any representation to the contrary is a criminal offence.

U.S. Resale Restrictions

Securities of Concordia and Meryllion received by a holder that was an “affiliate” of Concordia or Meryllion within 90 days of the Effective Date of the Arrangement or is an “affiliate” at any time after the Arrangement will be subject to certain restrictions on resale imposed by the U.S. Securities Act. As defined in Rule 144 under the U.S. Securities Act, an “affiliate” of an issuer is a person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with the issuer. Persons that are affiliates of Concordia or Meryllion after the Arrangement, or were affiliates of Concordia or Meryllion within 90 days of the Effective Date of the Arrangement may resell any New Concordia Common Shares or Meryllion Shares that they receive in connection with the Arrangement only pursuant to an exemption from registration under the U.S. Securities Act. Such persons are encouraged to consult with their own legal counsel to determine the circumstances in which the resale of securities issued to them pursuant to the Arrangement will comply with an exemption from such registration requirements.

Persons that are not affiliates of Concordia or Meryllion within 90 days of the Effective Date of the Arrangement or at any time after the Arrangement may resell the securities of Meryllion that they receive in connection with the Arrangement in the United States without restriction under Rule 144 of the U.S. Securities Act.

INFORMATION RELATING TO MERYLLION

For further information relating to Meryllion, see Schedule “D” attached to this Circular.

INFORMATION RELATING TO NEW CONCORDIA

For further information relating to New Concordia, see Schedule “E” attached to this Circular.

RISK FACTORS

In evaluating the Transactions, you should carefully consider, in addition to the other information contained in this Circular, the risks and uncertainties described below before deciding to vote in favour of the Arrangement Resolution, in the case of Concordia Securityholders, and the HPX TechCo RTO Resolution, in the case of Concordia Shareholders. While this Circular has described the risks and uncertainties that management of Concordia believes to be material to Meryllion's and New Concordia's business and therefore the value of the Meryllion Shares and the New Concordia Common Shares, respectively, it is possible that other risks and uncertainties affecting Meryllion's and/or New Concordia's business will arise or become material in the future.

If Meryllion and New Concordia are unable to effectively address these and other potential risks and uncertainties following a successful completion of the Transactions, their business, financial condition or results of operations could be materially and adversely affected. In this event, the value of the Meryllion Shares and the New Concordia Common Shares could decline and you could lose all or part of your investment.

Risk Factors Related to the Transactions

Each of the Arrangement Resolution and the HPX TechCo RTO Resolution are required to be approved at the Meeting in order for the Transactions to proceed

If either the Arrangement Resolution or the HPX TechCo RTO Resolution is not passed by the requisite majority of Concordia Securityholders or Concordia Shareholders, as applicable and the Transactions will not proceed. Failure to complete the Transactions could materially negatively impact the trading price of the Concordia Common Shares.

Possible Failure to Realize Anticipated Benefits of the Transactions

Concordia proposes to enter the Transactions in order to achieve the benefits described in the section entitled "*Particulars of Matters to be Acted Upon - Approval and Recommendation of the Concordia Board*". There can be no assurance, however, that the anticipated benefits of the Transactions will materialize. In addition, New Concordia may discover previously unidentified liabilities or other issues that it did not discover in its due diligence reviews prior to entering into the Transaction Agreements. It is possible that the risks and uncertainties described in this Circular will arise and become material to such an extent that some or all of the anticipated benefits of the Transactions never materialize or are nullified. Failure to realize all of the anticipated benefits of the Transactions could materially negatively impact the trading price of the Meryllion Shares and the New Concordia Common Shares.

Completion of the Transactions is subject to several conditions that must be satisfied or waived

The Transaction Agreements have been structured to impose cross-conditional requirements, whereby each such agreement depends on the fulfillment or waiver of the conditions in the other Transaction Agreements. Certain of the conditions contained in the Transaction Agreements are outside of the control of Concordia and Meryllion, including, but not limited to, receipt of applicable regulatory approvals, approval of the Arrangement Resolution by the Concordia Securityholders, the approval of the HPX TechCo RTO Resolution by Concordia Securityholders, approval of the HPX TechCo RTO by the Exchange and the granting of the Final Order. There can be no certainty, nor can Concordia provide any assurance, that all conditions precedent to the Transactions will be satisfied or waived, nor can there be any certainty of the timing of their satisfaction or waiver. Failure to complete the Transactions could materially negatively impact the trading price of the Concordia Common Shares.

Failure to obtain necessary approvals for completion of the Transactions

Completion of the Transactions is subject to, among other things, the receipt of all necessary regulatory and securityholder approvals. In addition, the approval of the Exchange is subject to their review and approval of all required documentation. Concordia has applied to the Exchange for approval of the Arrangement and the HPX TechCo RTO and related transactions and the listing of the New Concordia Common Shares and Meryllion Shares issuable in connection with such transactions. At the time of mailing this Circular, the Exchange has not granted such approval and there can be no assurances that the Exchange shall grant such approval or grant such approval on

terms and conditions that are satisfactory to Meryllion, Concordia and HPX TechCo. If conditional approval is granted by the Exchange, then the transactions described in this Circular are subject to the final approval of the Exchange. The failure to obtain any such approvals may prevent Meryllion, Concordia and HPX TechCo from completing the Transactions and could materially negatively impact the trading price of the Concordia Common Shares.

Risk Factors Related to Business of New Concordia and Meryllion

New Concordia and Meryllion will each need substantial additional financing in the future and neither can assure that such financing will be available

To meet their respective operating costs and to finance their respective future acquisition, exploration, development and operating costs, New Concordia and Meryllion will each require financing from external sources, including from the sale of equity and debt securities, the sale of an interest in one or more of their respective mineral projects, entering into joint ventures or seeking other means to meet their respective financing requirements. There can be no assurance that additional funding will be available to either New Concordia or Meryllion or, if available, that such funding will be offered on terms acceptable to the respective company. If additional financing is raised through the issuance of equity or convertible debt securities, control of New Concordia or Meryllion, as applicable, may change and the interests of shareholders in the net assets of the respective company may be diluted. If unable to secure financing on acceptable terms, New Concordia or Meryllion, as applicable, may have to cancel or postpone certain of their respective planned exploration and development activities and may not be able to take advantage of acquisition opportunities. If either New Concordia or Meryllion are unable to complete minimum work obligations on their respective exploration concessions, the concessions could be relinquished under applicable exploration concession agreements. The failure of either New Concordia or Meryllion to obtain additional financing would have a material adverse effect on their respective business, financial condition, results of operations or prospects.

The volatility of the capital markets may affect both New Concordia's and Meryllion's access to and cost of capital

Securities markets throughout the world are cyclical and, over time, tend to undergo high levels of price and volume volatility, and the market price of securities of many companies, particularly those in the resource sector, can experience wide fluctuations which are not necessarily related to the operating performance, underlying asset values or prospects of such companies. Increased levels of volatility and resulting market turmoil may adversely impact New Concordia or Meryllion, or both, and their respective share prices. If either New Concordia or Meryllion are required to access credit markets to carry out their respective development objectives, the state of domestic and international credit markets and other financial systems could affect their respective access to, and cost of, capital. If these credit markets were significantly disrupted, as they were in 2007 and 2008, such disruptions could make it more difficult for New Concordia or Meryllion, or both, to obtain, or increase their respective costs of obtaining, capital and financing for their respective operations. Such capital may not be available on terms acceptable to either New Concordia or Meryllion or at all, which may have a material adverse impact on their respective business, financial condition, results of operations or prospects.

Currency fluctuations may affect the costs that either New Concordia or Meryllion incur in their operations

New Concordia's and Meryllion's reporting currency will be the Canadian dollar. Any future equity financing activities are expected to be completed in Canadian dollars while a significant portion of operating expenses for New Concordia will be incurred in Congolese Francs, and a significant portion of operating expenses for Meryllion will be incurred in Argentine pesos, among other foreign currencies. From time to time, New Concordia or Meryllion, or both, may be required to borrow funds and incur expenditures that are denominated in a foreign currency. In addition, in the event that either New Concordia or Meryllion successfully develop an operating mine, the respective company expects to sell some or all of its products to foreign markets. Metals are sold throughout the world, based principally on a U.S. dollar price, but, a significant portion of both New Concordia's and Meryllion's operating expenses are incurred in non-U.S. dollar currencies. The appreciation of any of the Congolese Francs, the Argentinean peso, the U.S. dollar or any other foreign currency with which either New Concordia or Meryllion operates against the Canadian dollar would increase their respective costs of operations, which could have a material adverse effect on the respective company's business, financial conditions, results of operations and prospects.

Exploration Risk

In addition to the Ebende Project and the La Providencia Project, both New Concordia and Meryllion, respectively, will engage in the potential acquisition and exploration of other resource properties, an inherently risky business, and there is no assurance that economic mineral deposits will ever be discovered, or if discovered, subsequently put into production on any of their respective properties. Most exploration activities do not result in the discovery of commercially mineable deposits.

Early Stage of Development

The predecessor entity of both New Concordia and Meryllion, Concordia, conducted mineral exploration activities for a relatively short period. There is limited financial, operational and other information available with which to evaluate the prospects of either New Concordia or of Meryllion. There can be no assurance that either New Concordia's or Meryllion's operations will be profitable in the future or will generate sufficient cash flow to satisfy their respective working capital requirements.

New Concordia's and Meryllion's respective prospects depend on their ability to attract and retain qualified personnel

Recruiting and retaining qualified personnel will be critical to both New Concordia's and Meryllion's respective successes. The number of persons skilled in the acquisition, exploration and development of mining properties is limited and competition for such persons is intense. Both New Concordia and Meryllion believe that they will have the necessary personnel to meet their respective corporate objectives but, as their respective business activities grow, both will require additional key financial, administrative, mining and public relations personnel as well as additional staff on the operations side. Although both New Concordia and Meryllion believe that their respective companies will be successful in attracting and retaining qualified personnel, there can be no assurance of such success.

In the DRC particularly, increased demand for skilled workers has created a shortage of skilled workers and intense competition for these workers, particularly as DRC legislation limits the number of foreign workers at a mine site at 2% to 2.5% of the workforce, with certain positions reserved exclusively for Congolese staff. As such, the ability of New Concordia to attract, train and retain skilled workers is a high priority for all mineral exploration and development companies in the DRC.

It may also be difficult to attract and retain qualified expatriate workers even if New Concordia is able to overcome legal and political restrictions on using them. A large portion of the DRC population have access to very minimal education, health care, housing and other services, including water and electricity. This, combined with other factors, has led to high levels of crime and unemployment in the DRC. As a result of the socio-economic situation in the DRC, New Concordia may not be able to recruit or retain a sufficient number of skilled workers and other key personnel or be able to train and retain a sufficient number of unskilled workers to meet New Concordia's requirements, especially as it grows and requires an increasing number of personnel. Failure by New Concordia to attract and retain a sufficient number of skilled workers or to attract, train and retain a sufficient number of unskilled workers in the DRC could have a material adverse effect on New Concordia's business, financial condition, results of operations or prospects.

Future mining operations and exploration activities are subject to laws and regulations relating to the protection and remediation of the environment

Both New Concordia's and Meryllion's respective future mining operations and exploration activities are and will be subject to laws and regulations relating to the protection and remediation of the environment. Environmental legislation provides for restrictions and prohibitions on spills, releases or emissions of various substances produced in association with certain mining industry operations, such as seepage from tailings disposal areas, which would result in environmental pollution. These laws, regulations and the governmental policies for implementation of such laws and regulations are constantly changing and are generally becoming more restrictive. The costs associated with compliance with these laws and regulations are substantial and possible future laws and regulations and changes to existing laws and regulations (including the imposition of higher taxes and mining

royalties) could cause additional expense or capital expenditure, or result in restrictions or delays in either New Concordia's or Meryllion's respective development plans, or the development plans of both companies.

Neither New Concordia nor Meryllion can give any assurance that, notwithstanding their respective precautions, breaches of environmental laws, whether inadvertent or not, or environmental pollution will not occur. In the event of any such breach, it is possible that the respective regulatory authority can suspend the rights of New Concordia or Meryllion, as applicable, to develop its mineral interests.

A breach of environmental laws and regulations may allow governmental authorities and third parties, who have an interest in any future mining operations or the consequences of mining operations, to bring lawsuits based upon damages to property and injury to persons resulting from the environmental impact of either New Concordia's or Meryllion's respective potential future operations which could lead to the imposition of substantial fines, penalties or other civil or criminal sanctions and could have a material adverse effect on the respective company's business, financial condition, results of operations or prospects.

If either New Concordia's or Meryllion's environmental compliance obligations, or the environmental compliance obligations of both companies, were to vary as a result of changes to legislation, or if certain assumptions the respective companies make to estimate liabilities are incorrect, or if unanticipated conditions were to arise in their respective future mining operations, the respective company's expenses and other obligations could increase, which could have a material adverse effect on the respective company's business, financial condition, results of operations or prospects.

As a participant in the resource extraction industry, New Concordia and Meryllion each may face opposition from local and international groups

There is an increasing level of public concern relating to the effects of mining production on its surroundings, communities, and environment. Certain non-governmental organizations, public interest groups and reporting organizations ("NGOs"), who oppose globalization and resource development and who may not be bound to codes of ethical reporting, can be vocal critics of the mining industry. In addition, there have been many instances in which local community groups have opposed resource extraction activities, which have resulted in disruption and delays to the relevant operation. While both New Concordia and Meryllion will seek to operate in a socially responsible manner, NGOs or local community organizations could direct adverse publicity and/or disrupt the operations of either company in respect of one or more of their respective properties, regardless of the respective company's successful compliance with social and environmental best practices, due to political factors, activities of unrelated third parties on lands in which the respective company has an interest or operates. Any such actions and the resulting media coverage could have an adverse effect on the reputation and financial condition of New Concordia or Meryllion, as applicable, or their respective relationships with the communities in which they operate, which could have a material adverse effect on the respective company's business, financial condition, results of operations or prospects.

The costs of complying with applicable laws and governmental regulations may have an adverse impact on either New Concordia's or Meryllion's respective businesses

Both New Concordia's and Meryllion's operations and exploration activities will be subject to laws and regulations governing various matters. These include laws and regulations relating to repatriation of capital and exchange controls, taxation, labour standards and occupational health and safety and historic and cultural preservation.

Amendments to current laws, regulations and permits governing operations and activities of mining companies, or the more stringent enforcement thereof, could have a material adverse effect on New Concordia's or Meryllion's respective business, financial condition, results of operations or prospects by increasing exploration expenses, future capital expenditures or future production costs or by reducing the future level of production, or cause the abandonment of or delays in the development of their respective projects.

New Concordia's or Meryllion's respective insurance coverage may not cover all of their potential losses, liabilities and damages related to their respective business and certain risks are uninsured or uninsurable

New Concordia's and Meryllion's businesses will each be subject to a number of risks and hazards (as further described herein). Although New Concordia and Meryllion will each maintain insurance to protect against certain risks in such amounts as the respective company considers to be reasonable, such insurance will not cover all the potential risks associated with their respective activities, including any future mining operations. Each of New Concordia and Meryllion may also be unable to maintain insurance to cover their respective risks at economically feasible premiums, or at all. Insurance coverage may not continue to be available or may not be adequate to cover any resulting liability. Moreover, insurance against risks such as environmental pollution or other hazards as a result of exploration or production may not be available to either New Concordia or Meryllion on acceptable terms. New Concordia or Meryllion might also become subject to liability for pollution or other hazards which the respective company is not currently insured against and/or in the future may not insure against because of premium costs or other reasons. Losses from these events may cause New Concordia or Meryllion, or both, to incur significant costs which could have a material adverse effect on the respective company's business, financial condition, results of operations or prospects.

Mining is inherently dangerous and subject to factors or events beyond New Concordia's or Meryllion's control

New Concordia's and Meryllion's respective businesses, and any future development or mining operations by either of them, will involve various types of risks and hazards typical of companies engaged in the mining industry. These risks will affect the exploration, development and refurbishment activities of both New Concordia and Meryllion, and will affect their respective business to an even larger extent once commercial mining operations, if any, commence. Such risks include, but are not limited to: (i) industrial accidents; (ii) unusual or unexpected rock formations; (iii) structural cave-ins or slides and pitfall, ground or slope failures and accidental release of water from surface storage facilities; (iv) fire, flooding and earthquakes; (v) rock bursts; (vi) metals losses; (vii) periodic interruptions due to inclement or hazardous weather conditions; (viii) environmental hazards; (ix) discharge of pollutants or hazardous materials; (x) failure of processing and mechanical equipment and other performance problems; (xi) geotechnical risks, including the stability of the underground hanging walls and unusual and unexpected geological conditions; (xii) unanticipated variations in grade and other geological problems, water, surface or underground conditions; (xiii) labour disputes or slowdowns; (xiv) work force health issues as a result of working conditions; and (xv) force majeure events, or other unfavorable operating conditions.

These risks, conditions and events could result in: (i) damage to, or destruction of, the value of, the mineral projects or facilities of New Concordia or Meryllion; (ii) personal injury or death; (iii) environmental damage; (iv) delays or prohibitions on mining or the transportation of minerals; (v) monetary losses; and (vi) potential legal liability. Any of the foregoing could have a material adverse effect on New Concordia's or Meryllion's respective business, financial condition, results of operation or prospects.

Directors and officers may be subject to conflicts of interest

Certain directors and officers of each of New Concordia and Meryllion are or may become associated with other mining and/or mineral exploration and development companies which may give rise to conflicts of interest. Directors who have a material interest in any person who is a party to a material contract or a proposed material contract with the company with which they serve are required, subject to certain exceptions, to disclose that interest and generally abstain from voting on any resolution to approve such a contract. In addition, directors and officers are required to act honestly and in good faith with a view to the best interests of their respective company. Some of the directors and officers have either other full-time employment or other business or time restrictions placed on them and accordingly, the company with which they serve will not be the only business enterprise of these directors and officers. Further, any failure of the directors or officers of New Concordia or of Meryllion, or of both, to address these conflicts in an appropriate manner, or to allocate opportunities that they become aware of to their respective company, could have a material adverse effect on the respective company's business, financial condition, results of operations or prospects.

Competition in the mining industry may adversely affect New Concordia and Meryllion

The mining industry is intensely competitive. Each of New Concordia and Meryllion will compete with other mining companies, many of which have greater resources and experience. Competition in the mining industry is primarily for: (i) properties which can be developed and can produce economically; (ii) the technical expertise to find, develop, and operate such properties; (iii) labour to operate the properties; and (iv) capital to fund such

properties. Such competition may result in New Concordia or Meryllion, or both, being unable to acquire desired properties, to recruit or retain qualified employees or to acquire the capital necessary to fund their respective operations and develop their respective properties. Both New Concordia's and Meryllion's inability to compete with other mining companies for these resources could have a material adverse effect on the respective company's business, financial condition, results of operations or prospects.

Risk Factors Related to Business of New Concordia

If the Transactions are completed, HPX TechCo will be the holder of a majority of the New Concordia Common Shares and will have the ability to exert a significant degree of control over the business and affairs of New Concordia

If the Transactions are completed, HPX TechCo will own a majority of the New Concordia Common Shares and will be able to exercise its voting power to elect all of the members of the New Concordia board of directors. HPX TechCo can also exercise its majority voting power to unilaterally pass any ordinary resolution submitted to a vote of New Concordia's shareholders. The interests of HPX TechCo and the interests of New Concordia's other shareholders will not necessarily align in all respects and there can be no assurance that HPX TechCo will exercise its rights as New Concordia's majority shareholder in a manner that is consistent with the best interests of New Concordia's other shareholders.

Operations in the DRC are subject to numerous risks not necessarily present in readers' home jurisdictions

The DRC is an impoverished country with infrastructure that is in a debilitated condition. It is in transition from a largely state-controlled economy to one based on free market principles, and from a non-democratic political system with a centralized ethnic power base to one based on more democratic principles. The northeast region of the DRC has undergone civil unrest and instability in recent years which could have an impact on political, social or economic conditions in the DRC more broadly. While the government of the DRC is working to extend the central government's authority into the regions there can be no assurance that such efforts will be successful. In addition, many of the mineral rights and interests New Concordia will have in the DRC are subject to government approvals, licences and permits, which, as a practical matter, are subject to the discretion of applicable governments or governmental officials. No assurance can be given that New Concordia will be successful in obtaining or maintaining any or all of the various approvals, licences and permits required to conduct its activities at the Ebende Project in full force and effect or without modification or revocation. Although the Ebende Project is in the southeastern part of the DRC, the effect of unrest and instability on political, social or economic conditions in the DRC could result in the impairment of New Concordia's exploration, future development and prospective mining operations. These risks may limit or disrupt New Concordia's operations, such as by restricting the movement of funds or resulting in the deprivation of its mineral rights, and could have a material adverse effect on New Concordia's business, financial condition, results of operations or prospects.

Legal protections in the DRC may be limited

The legal system in the DRC has inherent uncertainties that could limit the legal protections available to New Concordia, which include: (i) inconsistencies between and within laws; (ii) limited judicial and administrative guidance on interpreting DRC legislation, particularly that relating to business, corporate and securities laws; (iii) substantial gaps in the regulatory structure due to a delay or absence of enabling regulations; (iv) a lack of judicial independence from political, social and commercial forces; (v) corruption; and (vi) bankruptcy procedures that are subject to abuse, any of which could have a material adverse effect on New Concordia's business, financial condition, results of operations or prospects. Furthermore, the DRC judicial system has relatively little experience in enforcing the laws and regulations that currently exist, leading to a degree of uncertainty as to the outcome of any litigation. It may be difficult to obtain swift and equitable enforcement of a DRC judgment, or to obtain enforcement of a judgment by a court of another jurisdiction. These uncertainties associated with the DRC legal system could have a material adverse effect on New Concordia's business, financial condition, results of operations or prospects.

New Concordia's operations in the DRC will be subject to numerous risks associated with operating in emerging economies

New Concordia's exploration and future development and operating activities in the DRC will be subject to the risks normally associated with the conduct of business in countries with less developed or emerging economies. The DRC has a history of political instability, civil strife, significant and sometimes unpredictable changes in government policies and laws.

These risks of operating in the DRC, include, among others, labour unrest, invalidation of governmental orders and permits, corruption, uncertain political and economic environments, sovereign risk, war (including within or with other countries), civil disturbances and terrorist actions, arbitrary changes in laws or policies, expropriation, the failure of foreign parties to honour contractual relations with little or no recourse to local courts, challenges to or reviews of New Concordia's legal and contractual rights, reviews of taxation of foreign companies, changing tax and royalty regimes, delays in obtaining or the inability to obtain, or the cancelation of, necessary governmental permits, limitations on foreign ownership, limitations on the repatriation of earnings, limitations on mineral exports, price controls, review of taxes on foreign investment, instability due to economic under-development, inadequate infrastructure and increased financing costs. As a result of conflict in the DRC, international governments may impose regulations to limit commercial trade activities for and make more burdensome purchases of goods and services originating in the DRC.

As a result, New Concordia is subject to various increased economic, political, operational and other risks, any one or more of which could have a material adverse effect on New Concordia's business, financial condition, results of operations or prospects.

There is a risk of direct government intervention in New Concordia's mineral property interests in the DRC

Mineral development is a sensitive political issue in the DRC, and as a result there is a relatively higher risk of direct government intervention in the property rights and title New Concordia will have to the Ebende Project than that of many other industries in those countries. Such intervention could extend to nationalization, expropriation or other actions that effectively deprive New Concordia of the benefit of its interest in the Ebende Project. There have been instances in which companies have made allegations to the effect that they had their mineral property interests expropriated by the state. While Concordia has had no indication that such an action would be taken against it in the past, there can be no assurance that such a challenge to New Concordia's interests will not occur in the future.

Any nationalization, expropriation or similar action would, in most cases, legally obligate the government to pay just compensation. However, even if New Concordia did obtain compensation in such a circumstance, there could be no guarantee that the compensation paid would represent New Concordia's view as to the full value of the asset lost. Accordingly, any action to nationalize or expropriate the Ebende Project or other assets could have a material adverse effect on New Concordia's business, financial condition, results of operations or prospects. Furthermore, any increased perception that nationalization or expropriation of the Ebende Project may occur could have a material adverse effect on the price of New Concordia's securities and its ability to access financing.

The development and success of the Ebende Project will be largely dependent on the future price of nickel, copper, platinum and other metals

Metal price volatility may affect the future production, profitability, and financial condition of New Concordia. Metal prices are subject to significant fluctuation and are affected by a number of factors which are beyond the control of New Concordia. Such factors include, but are not limited to, interest rates, exchange rates, inflation or deflation, global supply and demand, and the political and economic conditions of major metal consuming countries throughout the world. The price of copper, nickel, platinum, and other metals has fluctuated widely in recent years, and future material price declines could cause development of, and commercial production from, the Ebende Project to be impracticable or uneconomic.

The metals market also tends to move in cycles. Periods of high demand, increasing profits and high capacity utilization lead to additional capacity through expansion of existing mines and investment in new mines which results in increased production. This growth increases supply until the market is saturated, leading to declining prices and declining capacity utilization until the cycle repeats. This cyclicity in prices can result in supply/demand imbalances and pressures on mineral prices and profit margins which could have a material adverse effect on New Concordia's business, financial condition, results of operations or prospects.

The Services Agreement may be terminated by HPX TechCo in certain circumstances

Pursuant to the terms of the Services Agreement, HPX TechCo may terminate such agreement upon the occurrence of a Change of Control (as such term is described in the section entitled “HPX TechCo RTO - Services Agreement” of this Circular). Upon completion of the Transactions, HPX TechCo will be the majority shareholder of Concordia and will largely control whether an event constituting such a Change of Control occurs. If a Change of Control occurs pursuant to the terms of the Services Agreement, the termination of such agreement by HPX TechCo, New Concordia could have a material adverse effect on New Concordia’s business, financial condition, results of operations or prospects.

The HPX TechCo Technology Cluster may infringe on the intellectual property rights of others

The commercial success of the HPX TechCo Technology Cluster depends upon it not infringing intellectual property rights owned by others. The mineral exploration industry has many participants that own, or claim to own, intellectual property, including participants that have been issued patents and may have filed patent applications or may obtain additional patents and proprietary rights for technologies similar to the HPX TechCo Technology Cluster. Some of these patents may grant very broad protection to the third-party owners of the patents. Third parties may assert, intellectual property infringement claims against HPX and New Concordia for its utilization of the HPX TechCo Technology Cluster. If such claims were successful or if an injunctive order was issued pending resolution of the claim, Concordia’s use of the HPX TechCo Technology Cluster could be prohibited or its exploration programs stalled pending resolution of the claim, the effect of either of which could have a materially adverse on New Concordia and the price of New Concordia Common Shares.

Risk Factors Related to Business of Meryllion

Meryllion’s exploration and mining activities will be in Argentina and will be subject to the risks of political and economic instability associated with this country

Argentina has, from time to time, experienced economic or political instability. Meryllion may be materially adversely affected by risks associated with conducting exploration and mining activities in Argentina, including: political instability and violence; war and civil disturbance; acts of terrorism; expropriation or nationalization; inequitable treatment of non-domiciled companies; changing fiscal regimes; fluctuations in currency exchange rates; high rates of inflation; underdeveloped industrial and economic infrastructure; and unenforceability of contractual rights.

Argentinean regulators have broad authority to shut down and/or levy fines against operations that do not comply with regulations or standards. In addition, factors such as those listed above, Meryllion’s mineral exploration and potential future mining activities in Argentina may also be affected in varying degrees by government regulations with respect to restrictions on production, price controls, foreign exchange controls, export controls, taxes, royalties, environmental legislation and mine safety. Regardless of the economic viability of Meryllion’s interest in its properties, and despite being beyond Meryllion’s control, such factors may prevent or restrict mining of some or all of any deposits which Meryllion may find on the its properties.

In May 2012, the government of Argentina re-nationalized Yacimientos Petrolíferos Fiscales (“YPF”), the country’s largest oil and gas company. There can be no assurance that the government of Argentina will not nationalize other businesses operating in the country, including the business of Meryllion.

Provincial governments of Argentina have considerable authority over exploration and mining in their province and there are Argentinean provinces where the provincial government has taken an anti-mining stance by passing laws to curtail or ban mining in those provinces. The current provincial government of Jujuy Province, where the La Providencia Project is situated, is supportive of the exploration and mining industry, however such situation may change in the future.

Argentina has, in the past, and is currently enduring a period of high inflation which could increase Meryllion’s operating costs relating to work carried out on Meryllion’s properties. Meryllion will also purchase certain supplies and retain the services of various companies in Argentina to meet its future business plans. It may be difficult to find or hire qualified people in the mining industry who are situated in Argentina or to obtain all of the

necessary services or expertise in Argentina or to conduct operations on its projects at reasonable rates. If qualified people and services or expertise cannot be obtained in Argentina, Meryllion may need to seek and obtain those services from people located outside of Argentina which will require work permits and compliance with applicable laws and could result in delays and higher costs to Meryllion to conduct its operations in Argentina. In addition, Argentina's status as a developing country may make it more difficult for Meryllion to obtain any required financing for its projects. If a dispute arises regarding Meryllion's interest to Meryllion's properties, Meryllion cannot rely on Canadian legal standards in defending or advancing its interests.

As a result, Meryllion will be subject to various increased economic, political, operational and other risks, any one or more of which could have a material adverse effect on Meryllion's business, financial condition, and results of operations or prospects.

The development and success of the La Providencia Project will be largely dependent on the future price of silver, copper and other metals

Metal price volatility may affect the future production, profitability, and financial condition of Meryllion. Metal prices are subject to significant fluctuation and are affected by a number of factors which are beyond the control of Meryllion. Such factors include, but are not limited to, interest rates, exchange rates, inflation or deflation, global supply and demand, and political economic conditions of major metal consuming countries throughout the world. The price of silver, copper, and other metals has fluctuated widely in recent years, and future material price declines could cause development of, and commercial production from, the Projects to be impracticable or uneconomic.

The metals market also tends to move in cycles. Periods of high demand, increasing profits and high capacity utilization lead to additional capacity through expansion of existing mines and investment in new mines which results in increased production. This growth increases supply until the market is saturated, leading to declining prices and declining capacity utilization until the cycle repeats. This cyclicity in prices can result in supply/demand imbalances and pressures on mineral prices and profit margins which could have a material adverse effect on Meryllion's business, financial condition, results of operations or prospects.

Depending on the price of silver, copper, and other metals, projected cash flow from planned mining operations may not be sufficient and Meryllion could be forced to discontinue development and may lose its interest in, or may be forced to sell, one or more of the mining properties. Future production from Meryllion's mining properties will be dependent on metal prices that are adequate to make these properties economically viable. Furthermore, future mine plans using significantly lower metal prices could result in material write-downs of Meryllion's investment in mining properties.

In addition to adversely affecting Meryllion's Mineral Resource Estimate for the La Providencia Project and any future Mineral Reserve estimates and its financial condition, declining commodity prices can impact operations by requiring a reassessment of the feasibility of a particular project. Such a reassessment may be the result of a management decision or may be required under financing arrangements related to a particular project. If such a reassessment determines that any of Meryllion's are not economically viable, then operations may cease and such projects may never be developed. Even if the projects are ultimately determined to be economically viable, the need to conduct such a reassessment may cause substantial delays or may interrupt operations until the reassessment can be completed. The occurrence of any of the foregoing could have a material adverse effect on Meryllion's business, financial condition, results of operations or prospects.

DISSENT RIGHTS

Pursuant to the BC Act, the terms of the Interim Order and the Plan of Arrangement, Concordia has granted to Concordia Shareholders that object to the Arrangement Resolution Dissent Rights in respect of their Concordia Shares. The Dissent Rights granted by the Court in the Interim Order are referred to in Article 4 of the Plan of Arrangement and Sections 237 to 247 of the BC Act and are described, in summary, below.

The following description of the rights of Dissenting Concordia Shareholders is not a comprehensive statement of the procedures to be followed by a Dissenting Concordia Shareholder that seeks payment of the fair value of such shareholder's Concordia Shares, and is qualified in its entirety by the reference to the full text of the relevant provisions of the BC Act which are attached to this Circular as Schedule "H". A registered Concordia

Shareholder that intends to exercise their Dissent Rights should carefully consider and comply with those provisions of Section 242. Failure to comply strictly with those provisions of Section 242 of the BC Act and to adhere to the procedures established therein may result in a loss of their Dissent Rights.

Under the BC Act and the Interim Order, a registered Concordia Shareholder has the right to dissent with respect to the Arrangement Resolution only by filing a written objection (an “**Objection Notice**”) to the Arrangement Resolution with the Corporate Secretary of Concordia, at Concordia’s head office, Suite 1100, 355 Burrard Street, Vancouver, British Columbia, V6C 2G8, no later than 48 hours before the time of the Meeting. If the Arrangement Resolution is passed and Concordia intends to act upon it, each Dissenting Concordia Shareholder will be entitled to be paid by Concordia the fair value of the securities in respect of which such Dissenting Shareholder dissents, in accordance with section 245 of the BC Act. Beneficial owners of Concordia Shares registered in the name of a broker, custodian, nominee or other intermediary that wish to dissent should be aware that only the registered holders of Concordia Shares are entitled to dissent. Accordingly, a beneficial owner of Concordia Shares desiring to exercise the Dissent Right must make arrangements for the Concordia Shares beneficially owned by such holder to be registered in such shareholder’s name prior to the time the written objection to the Arrangement Resolution is required to be received, or alternatively make arrangements for the registered holder of such holder’s Concordia Shares to dissent on the beneficial holder’s behalf. It is a condition to completion of the Arrangement that Dissenting Concordia Shareholders holding not more than 5% in the aggregate of the Concordia Shares exercise rights of dissent in relation to the Arrangement by the Share Record Exchange Date.

Concordia Shareholders that wish to exercise the Dissent Rights should consult their legal advisers with respect to the legal rights available to them in relation to the Arrangement and the Dissent Rights.

RESTRICTED SECURITIES

There are no restricted securities of Concordia outstanding.

ADDITIONAL INFORMATION

Additional information relating to Concordia and copies of each of the Transaction Agreements, except for the HPX TechCo Loan Agreement and the Services Agreement, may be found on SEDAR at www.sedar.com. Financial information is provided in Concordia’s comparative financial statements and Management Discussion and Analysis for the years ended September 30, 2012 and 2011 and comparative financial statements and Management Discussion and Analysis for the nine month periods ended June 30, 2013 and 2012, copies of which are available on SEDAR at www.sedar.com. Additional financial information concerning the Company may be obtained by any Concordia Securityholder free of charge by contacting the Company at 604-221-7982.

BOARD APPROVAL

The contents of this Circular have been approved and its mailing authorized by the Concordia Board.

DATED at Vancouver, British Columbia, the 16th day of October, 2013.

ON BEHALF OF THE BOARD

/s/ "Terry Krepiakovich"

Interim Chief Executive Officer and Director

CONSENT OF HAYWOOD SECURITIES INC.

We refer to the fairness opinion dated October 1, 2013 (the "Opinion"), which we prepared for the Board of Directors of Concordia Resource Corp. ("Concordia") with regards to the Transactions (as defined in Concordia's Management Information Circular dated October 16, 2013 (the "Circular")). We consent to the filing of the Opinion with the securities commissions (and other applicable securities regulatory authorities) in Provinces of British Columbia and Alberta, and the inclusion of the Opinion, and all references to the Opinion and our name, in the Circular. In providing such consent, we do not intend that any person other than the Board of Directors of Concordia rely upon such Opinion.

"Haywood Securities Inc."

Haywood Securities Inc.
Dated October 16, 2013

Schedule "A"
Arrangement Resolution

RESOLUTION OF THE HOLDERS OF COMMON SHARES AND OPTIONS
OF CONCORDIA RESOURCE CORP.
(the "Company")

IT IS RESOLVED AS A SPECIAL RESOLUTION THAT:

1. The arrangement agreement dated October 1, 2013 entered into by the Company and Meryllion (the "**Arrangement Agreement**"), with such amendments or variations made thereto in accordance with the terms and conditions of the Arrangement Agreement, is hereby ratified, authorized and approved.
2. The plan of arrangement under sections 288 to 299 of the *Business Corporations Act* (British Columbia), substantially in the form attached as Schedule "C" to this Circular (the "**Arrangement**") and all transactions contemplated thereby, be and are hereby ratified, authorized and approved.
3. Notwithstanding that this resolution has been duly passed and/or has received the approval of the Supreme Court of British Columbia, the board of directors of the Company may, without further notice to or approval of the holders of the securities of the Company or other interested or affected parties, subject to the terms of the Arrangement, amend or terminate the Arrangement Agreement or the Plan of Arrangement (as such term is defined in the Circular to which this resolution is attached as Schedule "A") or revoke this resolution at any time prior to the Effective Date (as such term is defined in the Circular) of the Arrangement.
4. Any director or officer of the Company is hereby authorized, for and on behalf of the Company, to execute, with or without the corporate seal, and, if appropriate, deliver all other documents and instruments and to do all other things as in the opinion of such director or officer may be necessary or desirable to implement this resolution and the matters authorized hereby, such determination to be conclusively evidenced by the execution and delivery of any such document or instrument and the taking of any such action.

Schedule "B"
HPX TechCo RTO Resolution

**RESOLUTION OF THE HOLDERS OF COMMON SHARES
OF CONCORDIA RESOURCE CORP.
(the "Company")**

IT IS RESOLVED AS A SPECIAL RESOLUTION THAT:

1. The HPX TechCo Asset Purchase Agreement dated October 1, 2013 entered into between the Company and HPX TechCo Inc., giving effect to the HPX TechCo RTO and providing for the issuance by Concordia of 106,489,000 common shares of the Company to HPX TechCo in consideration for the HPX TechCo Assets, all as more particularly described in the Company's Information Circular dated October 16, 2013 (the "Circular"), is hereby ratified, authorized and approved.
2. Notwithstanding that this resolution has been duly passed, the board of directors of the Company may, without further notice to or approval of the holders of the securities of the Company or other interested or affected parties, subject to the terms of the HPX TechCo Agreement, amend or terminate such agreement or revoke this resolution at any time prior to the Effective Date (as such term is defined in the Circular) of the HPX TechCo RTO (as such term is defined in the Circular).
3. Any director or officer of the Company is hereby authorized, for and on behalf of the Company, to execute, with or without the corporate seal, and, if appropriate, deliver all other documents and instruments and to do all other things as in the opinion of such director or officer may be necessary or desirable to implement this resolution and the matters authorized hereby, such determination to be conclusively evidenced by the execution and delivery of any such document or instrument and the taking of any such action.

Schedule "C"
Plan of Arrangement

PLAN OF ARRANGEMENT UNDER

SECTIONS 288 TO 299 OF THE *BUSINESS CORPORATIONS ACT* (BRITISH COLUMBIA)

ARTICLE 1 - INTERPRETATION

1.1 Definitions

In this Plan of Arrangement:

- a) "Argentina Co." means Meryllion Resources Corporation, a wholly-owned subsidiary of Concordia, into which Concordia proposes to transfer the Argentinean Assets and list on the Exchange following a distribution of the Argentina Co. Shares to the Concordia Shareholders;
- b) "Argentina Co. Listing Date" means the date the Argentina Co. Shares are listed for trading on the Exchange;
- c) "Argentina Co. Shares" means the common shares in the capital of Argentina Co.;
- d) "Argentinean Assets" means the Purchase Cash, Western Lithium Assets and Meryllion Shares;
- e) "Arrangement" means an arrangement under Sections 288 to 299 of the Business Corporations Act on the terms and conditions set forth in this Plan of Arrangement and any amendment or variation thereto made in accordance with the terms of the Arrangement Agreement;
- f) "Arrangement Agreement" means the arrangement agreement between Concordia and Argentina Co. dated October 1st, 2013 to which this Plan of Arrangement is attached as Schedule "A";
- g) "Business Corporations Act" means the *Business Corporations Act*, S.B.C. 2002, c. 57, as amended;
- h) "Business Day" means any day which is not a Saturday, Sunday or a day on which banks are not open for business in Vancouver, British Columbia;
- i) "Concordia" means Concordia Resource Corp., a company incorporated under the laws of British Columbia;
- j) "Concordia Amended Options" means the options to purchase Concordia Shares to be issued on exercise of the Concordia Options;
- k) "Concordia Circular" means the notice of the Concordia Meeting and the accompanying management information circular, including all schedules thereto, to be sent to Concordia Securityholders and others in connection with the Concordia Meeting, together with any amendments or supplements thereto;
- l) "Concordia Meeting" means the annual and special meeting of Concordia Securityholders and any adjournment thereof to be held to consider and, if deemed advisable, approve, among other things, the Concordia Resolution;
- m) "Concordia Optionholders" means the registered holders of Concordia Options;
- n) "Concordia Options" means the issued and outstanding options to purchase Concordia Shares at varying exercise prices and with varying expiry dates;
- o) "Concordia Option Exercise Price" means the exercise price of the Concordia Options;
- p) "Concordia Resolution" means the special resolution of the Concordia Shareholders approving the Arrangement;
- q) "Concordia Securityholders" means the Concordia Shareholders and the Concordia Optionholders;
- r) "Concordia Shareholders" means the registered holders of Concordia Shares as of the Share Distribution Record Date;
- s) "Concordia Shares" means the common shares in the capital of Concordia as constituted on the date of the Arrangement Agreement and which will be renamed and redesignated as Class A Shares as described in Article 3.1(a)(i) below;

- t) “Consideration Shares” means the Argentina Co. Shares to be distributed to the Concordia Shareholders as set out in section 3.1 herein;
- u) “Court” means the Supreme Court of British Columbia;
- v) “Dissenting Concordia Shareholder” means a Concordia Shareholder who duly exercises its Dissent Rights;
- w) “Dissent Rights” means the rights of dissent in respect to the Arrangement under the Business Corporations Act as described in Article 4;
- x) “DRC Property Purchase” means the transaction whereby Swala Resources Inc., a wholly owned subsidiary of the Company, will acquire its JV partner’s 10% interest in the Ebende Project and its 15% interest in the Kabongo Project (another DRC project held 70% by Ambase Exploration Africa (DRC) S.P.R.C.) for \$750,000 and 8.3 million common shares of the Company;
- y) “Ebende Project” means the exploration program targeting nickel-copper and platinum group elements located in Katanga, south-central DRC held by Ebende Resources;
- z) “Ebende Resources” means Ebende Resources Limited, a corporation incorporated under the laws of the British Virgin Islands;
- aa) “Effective Date” means the date on which the Arrangement is made effective;
- bb) “Exchange” means the TSX Venture Exchange;
- cc) “Fairholme Project” means the copper-gold project located southeast of Condobolin in New South Wales, Australia, which currently consists of two tenements, Fairholme EL6552 and Manna EL6915;
- dd) “Fairholme Farm-in Agreement” means the option agreement between HPX TechCo and Clancy Exploration whereby HPX TechCo has a right to earn into the Fairholme Project.
- ee) “Final Order” means the final order of the Court made in connection with the approval of the Arrangement and the fairness of the terms and conditions thereof following the application therefor;
- ff) “HPX” means High TechCo Inc., a company incorporated under the laws of the British Virgin Islands;
- gg) “HPX Asset Purchase” means the purchase of the HPX Assets by the Company in exchange for the HPX Consideration Shares;
- hh) “Interim Order” means the interim order of the Court providing for, among other things, the calling and holding of the Concordia Meeting following the application therefor, as the same may be amended, supplemented or varied by the Court;
- ii) “Meryllion” means Meryllion Minerals Corp., a wholly owned subsidiary of Concordia incorporated under the laws of British Columbia;
- jj) “Meryllion Shares” means 100% of the issued and outstanding capital of Meryllion;
- kk) “New Concordia Common Shares” has the meaning ascribed to it in Article 3.1(a)(ii);
- ll) “Notice of Dissent” means a notice given in respect of the Dissent Rights as contemplated in the Interim Order and as described in Article 4;
- mm) “Plan of Arrangement” means this plan of arrangement, proposed under Sections 288 to 299 of the Business Corporations Act, as amended and supplemented from time to time in accordance herewith and any order of the Court;
- nn) “Purchase Cash” means the cash portion of the Argentinean Assets;
- oo) “Registrar” means the Registrar of Companies appointed under Section 400 of the Business Corporations Act;
- pp) “Services Agreement” means the services agreement whereby High Power Exploration Inc., the parent company of HPX TechCo, agrees to provide geological survey services to Concordia;
- qq) “Share Exchange Record Date” means the date established by Concordia for the purpose of determining the Concordia Securityholders entitled to receive New Concordia Common Shares and Argentina Co. Shares

under the Arrangement and the holders of Concordia Options entitled to receive Concordia Amended Options;

- rr) "Tax Act" means the *Income Tax Act* (Canada);
- ss) "Western Lithium Assets" means, as applicable, (i) the Western Lithium Shares, (ii) the net proceeds received by Concordia from the sale of the Western Lithium Shares, or (iii) if Concordia has only sold a portion of the Western Lithium Shares, the remaining Western Lithium Shares together with the aggregate net proceeds received by Concordia from any sale or sales of any portion of the Western Lithium Shares; and
- tt) "Western Lithium Shares" means 28,540,393 common shares in the capital in Western Lithium USA Corporation.

1.2 Headings and References

The division of this Plan of Arrangement into Articles and sections and the insertion of headings are for convenience of reference only and do not affect the construction or interpretation of this Plan of Arrangement. Unless otherwise specified, references to sections are to sections of this Plan of Arrangement.

1.3 Number, etc.

Unless the context otherwise requires, words importing the singular number only shall include the plural and vice versa; words importing the use of any gender shall include all genders; and words importing persons shall include firms and corporations and vice versa.

1.4 Date of Any Action

In the event that any date on which any action is required to be taken hereunder by any of the parties is not a Business Day in the place where the action is required to be taken, such action shall be required to be taken on the next succeeding day which is a Business Day in such place.

1.5 Meaning

Words and phrases not otherwise defined herein and defined in the Business Corporations Act will have the same meaning herein as in the Business Corporations Act, unless the context otherwise requires.

ARTICLE 2 - ARRANGEMENT AGREEMENT

2.1 Arrangement Agreement

This Plan of Arrangement is made pursuant to, is subject to the provisions of, and forms part of the Arrangement Agreement.

ARTICLE 3 - THE ARRANGEMENT

3.1 The Arrangement

On the Effective Date, subject to the provisions of Article 4, the following shall occur and shall be deemed to occur without any further authorization, act or formality:

- a) Share Consolidation: All of the Concordia Shares issued and outstanding will be consolidated, such consolidation being conducted on a five (5) to one (1) basis, but provided that if any shareholder of Concordia shall thereafter be entitled to a fraction of a post-consolidation common share, such fraction shall be disregarded and the number of post-consolidation common shares shall be rounded down to the next whole number;
- b) Reorganization of Capital: The authorized capital of Concordia and its notice of articles will be altered by:
 - i. Renaming and redesignating all of the issued and unissued Concordia Shares as Class A Shares (the "Class A Shares"); and
 - ii. Creating an unlimited number of common shares without par value as the new Concordia Common Shares ("New Concordia Common Shares") having the right, on liquidation of Concordia, to the return of capital in priority to the Class A Shares, but otherwise with the same rights, privileges and restrictions as the Class A Shares;

- c) Share Exchange: Each issued and outstanding Class A Share, other than those held by Dissenting Shareholders, will be exchanged for one (1) New Concordia Common Share and for every one (1) Class A Shares held, one (1) Argentina Co. Share;
- d) Cancellation of Class A Shares: The Class A Shares, none of which will be allotted and issued once the steps referred to in (b) are completed, will be cancelled and the authorized capital of Concordia and its notice of articles shall be amended by deleting the Class A Shares as a class of shares of Concordia;
- e) Options: Each Concordia Option, to the extent it has not been exercised as of the Share Exchange Record Date, will be cancelled and exchanged for one (1) Concordia Amended Option.

ARTICLE 4 - RIGHTS OF DISSENT

4.1 Grant of Rights of Dissent

Concordia Shareholders registered as such on the record date for the Concordia Meeting may exercise rights of dissent pursuant to and in the manner set forth in subsection 238(d) of the Business Corporations Act, provided that the Notice of Dissent duly executed by such Concordia Shareholder is received by Concordia's registered and records office 48 hours in advance of the time of the Concordia Meeting. Dissenting Concordia Shareholders who are ultimately entitled to be paid fair value for their Concordia Shares shall be deemed to have transferred their Concordia Shares to Concordia for cancellation immediately prior to the Effective Date and in no case shall Concordia be required to recognize such Persons as holding Concordia Shares at and after the Effective Date, and the names of such Concordia Shareholders shall be removed from Concordia's register of shareholders as of the Effective Date.

4.2 Failure to Properly Exercise Dissent Rights

Concordia Shareholders who do not duly exercise their Dissent Rights in strict compliance with the Business Corporations Act are not entitled to be paid fair value for their Concordia Shares, shall be deemed to have participated in the Arrangement on the same basis as a Concordia Shareholder who is not a Dissenting Concordia Shareholder, and shall be entitled to receive New Concordia Common Shares and Argentina Co. Shares as provided in Article 3.1 of this Plan of Arrangement.

ARTICLE 5 - SHARE EXCHANGE

5.1 Right to Receive Argentina Co. Shares

As soon as practicable following the Effective Date, Concordia and Argentina Co. will cause to be delivered to the Transfer Agent, to be delivered to Concordia Shareholders as of the Share Exchange Record Date in accordance with the terms hereof, share certificates representing the aggregate New Concordia Common Shares and Argentina Co. Shares to which such Concordia Shareholders are entitled following the Arrangement. Following the effectiveness of the Arrangement, a certificate that represented Concordia Shares shall thereafter only represent the right of the holder to obtain New Concordia Common Shares and Argentina Co Shares in accordance with this Plan of Arrangement.

5.3 Concordia Optionholder Right to Receive Concordia Amended Options

As soon as practicable following the Effective Date, without any further act or formality, each Concordia Option, to the extent it has not been exercised as of the Share Exchange Record Date, will be cancelled and exchanged for one (1) Concordia Amended Option. The Concordia Amended Option's exercise price will be amended to reflect the spin-out of the Argentina Assets. The exercise price of the Concordia Amended Options will be reduced based on the following formulae: The Concordia Option Exercise Price divided by one (1) multiplied by forty four point 8 percent (44.8%).

It is intended that the provisions of subsection 7(1.4) of the Tax Act apply to the exchange; therefore, notwithstanding the foregoing, Concordia shall increase the exercise price per New Concordia Common Share of each Concordia Amended Option if necessary to ensure that the excess, if any, of (i) the aggregate fair market value of the New Concordia Common Shares underlying such Concordia Amended Options immediately following the exchange over (ii) the aggregate exercise price of such Concordia Amendment Options otherwise determined does not exceed the excess, if any, of (iii) the aggregate fair market value of the Concordia Shares underlying the Concordia Options immediately before the exchange over the aggregate exercise price of such Concordia Options.

5.4 Illegality of Delivery of New Concordia Common Shares and Argentina Co. Shares

Notwithstanding the foregoing, if it appears to Concordia that it would be contrary to applicable law to issue or transfer the New Concordia Common Shares and the Argentina Co. Shares pursuant to the Arrangement to a person that is not a resident of Canada, New Concordia Common Shares and the Argentina Co. Shares that otherwise would be issued or transferred, as the case may be, to that person will be issued or transferred, as the case may be, and delivered to the registrar and transfer agent for sale of the New Concordia Common Shares and the Argentina Co. Shares by the registrar and transfer agent on behalf of that person. The New Concordia Common Shares and the Argentina Co. Shares delivered to the registrar and transfer agent will be pooled and sold as soon as practicable after the Effective Date, on such dates and at such prices as the registrar and transfer agent determines in its sole discretion. The registrar and transfer agent shall not be obligated to seek or obtain a minimum price for any of the New Concordia Common Shares and the Argentina Co. Shares sold by it. Each such person will receive a pro rata share of the cash proceeds from the sale of the New Concordia Common Shares and the Argentina Co. Shares sold by the registrar and transfer agent (less commissions, other reasonable expenses incurred in connection with the sale of the New Concordia Common Shares and the Argentina Co. Shares and any amount withheld in respect of Canadian or other taxes) in lieu of the New Concordia Common Shares and the Argentina Co. Shares. The net proceeds will be remitted in the same manner as set forth in this Article 5. None of Concordia, Argentina Co. or the registrar and transfer agent will be liable for any loss arising out of any such sales.

ARTICLE 6 - MISCELLANEOUS PROVISIONS

6.1 Amendment of the Plan of Arrangement

The Parties may collectively amend or supplement this Plan of Arrangement at any time and from time to time provided that such amendment or supplement must be contained in a written document which is filed with the Court and, if made following the Concordia Meeting, approved by the Court and communicated to the Concordia Securityholders in the manner, if any, required by the Court. Any amendment or supplement to this Plan of Arrangement may be proposed by the Parties, collectively, at any time prior to the Concordia Meeting with or without any prior notice or communication and, if so proposed and accepted by the persons voting at the Concordia Meeting, shall become part of this Plan of Arrangement for all purposes.

6.2 Arrangement Effectiveness

The Arrangement will become final and conclusively binding on Argentina Co., the Concordia Securityholders and Concordia on the Effective Date.

6.3 Supplementary Actions

Notwithstanding that the transactions and events set out in Article 3.1 will occur and will be deemed to occur in the chronological order therein set out without any act or formality, the Parties will each make, do, execute and deliver, or cause and procure to be made, done, executed and delivered all such further acts, deeds, agreements, transfers, assurances, instruments or documents as may be required to give effect to this Plan of Arrangement, including, without limitation, any resolution of directors authorizing the issue or transfer of shares, any share transfer powers evidencing the transfer of shares and any receipt therefor, any necessary additions to or deletions from share registers.

SCHEDULE "D"

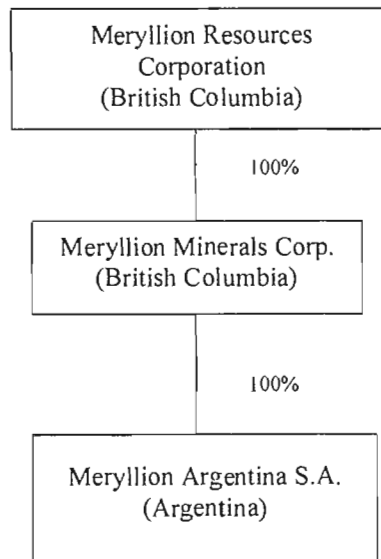
INFORMATION RELATED TO MERYLLION

CORPORATE STRUCTURE

Capitalized terms not otherwise defined in this Schedule have the meaning ascribed thereto in the Glossary of Terms in the main body of the Circular.

Inter-Corporate Relationships

Meryllion Resources Corporation ("Meryllion") is a wholly owned subsidiary of Concordia. Its inter-corporate relationships are as follows:



THE BUSINESS OF MERYLLION RESOURCES CORPORATION

It is anticipated that Meryllion will be a natural resource company engaged in the acquisition and exploration of resource properties South America. The company's full corporate name is Meryllion Resources Corporation. Its head office, and registered and records office is at Suite 1100- 355 Burrard Street, Vancouver, BC, V6C 2G8.

Three Year History

Fiscal Year Ended September 30, 2011

On September 30, 2010, Meryllion Sub entered into an exploration and option agreement (the "**Cerro Amarillo Agreement**") to purchase the 14,000 hectare Cerro Amarillo-Cajon Grande copper-gold property (the "**Cerro Amarillo Property**") located in the Malargüe District, in the Province of Mendoza, Argentina. Under the Cerro Amarillo Agreement, Meryllion Sub has the exclusive right to engage in exploration activities on the Cerro Amarillo Property for up to 52 months (revised to 76 months in January 2012) before exercising its option to acquire a 100% interest in the Cerro Amarillo Property.

On October 26, 2010, Concordia announced that it had established a new corporate entity to conduct exploration activities in South America. Concordia's board of directors approved management's recommendation that Concordia no longer focus exclusively on uranium exploration in Canada and the United States. Given that mandate, MAS was created by Concordia to undertake exploration programs in, and to acquire an interest in, South American properties, with an emphasis on Argentina, Brazil and Peru. The new company, Meryllion Sub was headed up by Willem Fuchter, PhD PGeo, a geologist with worldwide experience in gold and base metal exploration. Concordia agreed to fund Meryllion with the goal of developing a "property of merit" that will qualify for a TSX Venture Exchange listing. Dr. Fuchter will head up the exploration effort with the support of a technical team headquartered in Buenos Aires.

In March 2011, Meryllion Argentina SA ("**MAS**") acquired an option to purchase (the "**La Providencia Option Agreement**") the La Providencia silver-copper prospect located in the Jujuy province of northwestern Argentina. This agreement, between MAS and Humberto Julio Cánepa, was amended in March 2013 and covers the La Providencia and M. Tola properties. Under the terms of the option agreement on La Providencia and M. Tola, MAS has the right to acquire a 100% interest in these titles by making an initial payment of US\$50,000 with additional escalating option payments amounting to US\$1,225,000 paid over the 72 months. The exercise fee is US\$950,000 if less than 50 million ounces of resources have been delineated (as defined by a third-party, independent consultant), or US\$1,950,000 if more than 50 million ounces of silver are defined. The property is subject to a 1.5% NSR of which MAS can buy out for US\$3,000,000 if less than 50 million ounces of silver resources are defined, or for US\$2,000,000 if more than 50 million ounces of silver resources are defined. Meryllion, in addition, is committed to exploration expenditures of US\$50,000 and US\$100,000 in the first and second years respectively.

In August 2011, MAS applied for two exploration concessions (cateos) amounting to the 15,500 hectares to the south of the Core Properties of La Providencia.

On September 2, 2011, MAS received authorization from the Directorate of Mines, Province of Jujuy to proceed with drilling at the La Providencia Project.

Fiscal Year Ended September 30, 2012

In October 2011, MAS acquired two additional options to purchase two properties adjacent and surrounding La Providencia: M. Olaroz Chico and Libertad (the "**Rojo Agreements**"). The option agreements became effective in June and July 2012 respectively.

The drilling program at La Providencia was completed in early February 2012, and some 4,519 m were drilled in 41 holes. The drilling not only provided the basis for the preliminary estimate but has indicated the potential to expand these resources significantly between the pits by further drilling and extend it along a well mineralized structure trending NW from the two northerly pits. In addition, there are further targets on the property.

On March 2, 2012, Concordia announced the results of its first-stage drilling program at the La Providencia Project in northwestern Argentina, where highlights included 4 meters of mineralization at a grade of 3,112 g/t silver (DPR-0004); 1,788 g/t over 7 m (DPR-005) and 60.2 g/t over 44 m (DPR-033). The drilling program targeted near surface sediment-hosted silver mineralization within the historic pit area of the former producing La Providencia Mine, with

the aim of delineating an initial resource in line with National Instrument 43-101 guidelines. A total of 3,589.4 meters of core were drilled in 39 holes. The program has confirmed that mineralization continues under the mined areas and peripheral to the pits, extending for up to 150 m down-dip to the east, 600 m along strike and has been intersected over down-hole thicknesses averaging some 17 m (above 25 g/t Ag). Mineralization is open to the north and at depth.

The La Providencia Option Agreement between Meryllion Sub and Humberto Julio Cánepa dated March 4, 2011, was amended in March 2012. The La Providencia Project comprises four mineral titles: La Providencia, M. Tola, M. Olaroz Chico and Libertad. Under the terms of the option agreement on La Providencia and Tola, MAS has the right to acquire a 100% interest in these titles by making an initial payment of US\$50,000 with additional escalating option payments amounting to US\$1,225,000 paid over the 72 months. The exercise fee is US\$950,000 if less than 50 million ounces of resources have been delineated (as defined by a third-party, independent consultant), or US\$1,950,000 if more than 50 million ounces of silver are defined. The property is subject to a 1.5% NSR of which Concordia can buy out for US\$3,000,000 if less than 50 million ounces of silver resources are defined, or for US\$2,000,000 if more than 50 million ounces of silver resources are defined. Meryllion, in addition, is committed to exploration expenditures of US\$50,000 and US\$100,000 in the first and second years respectively.

On May 14, 2012, Concordia announced the completion of its initial field campaign at its Cerro Amarillo copper-molybdenum-gold porphyry project in Argentina, with strong indications of large copper-molybdenum-gold potential.

In June and July 2012, the Rojo Agreements became effective. These agreements were amended in May 2013 and require that MAS make payments of US\$1,060,000 over 81 months in order to earn a 100% interest in the properties.

In addition, a 1% NSR royalty is due with an option to buy out the NSR royalty for US\$500,000. In addition, an exploration-with-option-to-purchase agreement was signed effective July 11, 2012 with Jorge Bragantini (the “**Bragantini Agreement**”) for the Cerro Galán, Coyaguaima, Coranzulí, Panizos, and Nazarena properties, which are situated in the district (that also hosts Silver Standard’s Pirquitas Ag-Sn mine) but are not contiguous to the La Providencia Project. This agreement was amended in July 2013, and stipulates a series of annual option payments amounting to US\$270,000 over 72 months as well as a final purchase price of US\$740,000 in order to earn a 100% interest in the properties. These titles are also subject to a NSR royalty of 1% which can be purchased for US\$500,000.

On August 30, 2012, Concordia announced an inferred resource estimate of 5.4 million ounces of silver from the La Providencia Project, Argentina as prepared by independent consultants RPA of Vancouver, Canada.

Fiscal Year Ended September 30, 2013

Late in 2012, the owners of Cerro Amarillo Property applied for an additional and contiguous 2,500 hectares directly to the south of the original property and included this area in the original agreement by signing an addendum to the option agreement. During 2013, Meryllion proposed further mapping and sampling of the four additionally identified anomalies prior to the execution of a first stage target testing drill program for which Meryllion is currently in the process of obtaining the necessary permits and permissions. Towards this end, environmental reports and glaciological studies have been submitted to the Departments of Mining and Environmental Protection for evaluation. Additional sectorial reports from the Department of Water Affairs as well as the Municipality of Malargüe were requested and the meetings have been held with the federal and provincial mining authorities as well as officials of Malargüe who have all expressed their support for the project. The report from the Department of Water Affairs has been completed and all reports are currently being assessed by the Department of Mining.

Meryllion Resources Corporation was incorporated on July 25, 2013 under the BC Act.

Subsequent to September 30, 2013

On October 1, 2013 Meryllion entered into the Vend-In Agreement and Arrangement Agreement. For information on those agreements please see the Circular at “*Particulars of Matters to be Acted Upon – Plan of Arrangement*” and “*Particulars of Matters to be Acted Upon – Meryllion and the Vend-In Agreement*”.

MINERAL PROPERTIES

La Providencia Project

Property Description and Location

The La Providencia Project is located in the municipality of Susques in the Province of Jujuy, in the northwestern high plain desert (Altiplano) region of Argentina and comprises four contiguous properties, five exploration concessions, and additional concession applications. The four contiguous properties are La Providencia, Libertad, M. Tola, and M. Olaroz Chico (collectively, the “**Core Properties**”). The Core Properties cover a combined area of 4,955.6 hectares. The five exploration concessions cover approximately 9,504 hectares and the new concession applications have a proposed area of 15,439.6 hectares.

The La Providencia and M. Tola properties were acquired by MAS from Sr. Humberto Julio Cánepa (the “**Optioner**”) under an exploration-with-option-to-purchase agreement in March 2011. Under terms of this agreement, MAS (the “**Optionee**”) has the right to acquire 100% interest in the properties by making an initial payment of US\$50,000 with additional escalating option payments over 60 months. Other fees are due conditional upon the properties’ contained silver resources as estimated by a qualified, independent third party. These properties are subject to a 1.5% net smelter return (“**NSR**”) royalty payable to the Optioner on any production. This royalty may be bought out, conditional upon the size for the estimated silver resource, by the Optioner. The Optioner is also required to expend US\$50,000 in exploration in the first year of the agreement and US\$100,000 in the second year.

In March 2013, an addendum to this agreement was signed by both parties increasing the option period by a further two years for structured payments of an additional US\$225,000. Meryllion reports that US\$375,000 have been paid in escalating payments under the terms of the amended agreement.

Two separate exploration-with-option-to-purchase agreements with Sra. Silvia Rojo were signed in October 2011 with respect to the M. Olaroz Chico and Libertad properties. These agreements initially required that MAS make payments of US\$1.0 million over 60 months in order to earn a 100% interest in the properties. In addition, a 1% NSR royalty is due with an option to buy out the NSR royalty for US\$500,000. In May 2013, the agreements were amended increasing the period from 60 months to 84 months by making additional payments of US\$60,000.

An exploration-with-option-to-purchase agreement with Sr. Jorge Bragantini was signed in June 2012 for the Cerro Galán, Coyaguaima, Coranzulí, Panizos, and Nazarena properties. This agreement originally stipulated a series of annual option payments amounting to US\$260,000 over 48 months as well as a final purchase price of US\$740,000 in order to earn a 100% interest in the properties. The properties are also subject to a NSR royalty of 1% which can be purchased for US\$500,000. There was an additional work commitment in the first year of US\$100,000. In July 2013, this agreement was amended increasing the period from 60 months to 72 months by making additional payments of US\$10,000. In addition, the work commitment of the first year was spread over the life of the agreement.

Any production of metals from any property is subject to a 2% to 3% mine gate royalty due to Jujuy province in addition to any other royalty agreements entered into by Meryllion.

The approximate centre of the four contiguous properties that comprise the main part of the Project is 23° 16' 32.6" S latitude and 66° 46' 58.9" W longitude or Universal Transit Mercator (UTM) coordinate 726774.7 m E and 7424223.9 m S referencing the World Geodetic System established in 1984 and updated in 2004 (WGS 84) Zone 19 S (Figure 4-1).

MAS has all required permits to conduct the proposed work on the property. MAS received a drill permit in mid-August 2011 for the LA Providencia and M. Tola properties. In certain designated areas the provincial authorities have granted extra-territorial rights to indigenous communities and individuals. These rights are recognized under the Mining Code and are treated as surface rights. Collective declarations (“*actas*”) have been signed with the communities of El Toro and Olaroz Chico which grant MAS the right of access and support for environmental permitting in exchange for providing affirmative hiring practices in favor of members of the community. A similar *acta* has been signed with Sr. Santos Genaro Esquivel, who holds the surface rights for the La Providencia and Libertad properties and for portions of the M. Olaroz Chico and M. Tola properties, and in addition to a legally binding agreement which stipulates the compensation for access and disturbances that may result from exploration activities over his surface rights.

Accessibility, Climate, Local Resources, Infrastructure, and Physiography

The Core Properties that comprise the majority of the La Providencia Project area lie approximately 45 km west-northwest of the town of Susques in the Puna region of Jujuy province in northwest Argentina. Susques is approximately 240 km northwest of San Salvador de Jujuy, the capital of Jujuy province, along the paved National Highway 52. Susques is also approximately 680 km by road east of the port city of Antofagasta, Chile, and approximately 300 km by road northwest of the city of Salta, Argentina, the capital city of the adjacent Salta province.

The Core Properties can be reached by road from Susques by driving 30 km west on National Route 52 and turning northwest on an all-weather, unpaved Provincial Route 16 for approximately 45 km to the junction with the all-weather unpaved Provincial Route 70. Approximately two kilometres south of this junction is the single-lane, unpaved access road to the Property. The La Providencia mine lies approximately 13 km west of Provincial Route 70 along this access road.

Typical of Altiplano regions the climate is dry with notable temperature fluctuations, strong winds, and low precipitation. Summers are moderate to cool with temperatures ranging from below zero Celsius at night to 28°C during the day. Winter temperatures range from night time lows of -28°C to daytime highs of 10°C to 20°C. Strong westerly winds prevail throughout the year.

The period of maximum precipitation occurs during the summer months as isolated, sometimes violent, afternoon showers. During winter there are light and rare snowfalls. Total annual accumulation seldom exceeds 350 mm (expressed in mm of water).

Exploration and mining activities can usually be conducted year-round.

The area is sparsely populated with indigenous herdsmen that make a subsistence living from herding llamas, goats, and sheep. The town of Susques, the seat of local government, has a population of approximately 2,000 and is a service center for this sparsely populated Puna region. Susques hosts a number of guest houses, largely catering to a thriving ecotourism trade, a recently established government clinic, a bank, various truck stops, and a number of shops supplying a limited range of provisions. The local salt flats (*salar*s) have been the focus of recent lithium exploration in the region and local contractors have been involved in exploration and development activities in support.

When mining was being conducted, general labour was sourced from the local indigenous communities. Technical staff and consultants were recruited from other parts of Argentina and internationally.

A gas pipeline between Argentina and Chile is located six kilometres north of the La Providencia Project and the main power line between the two countries runs approximately 90 km to the south of the contiguous Core Properties. There is little perennial water in the area. The largest river in the area, Rio Rosario, is located 30 km to the north of the La Providencia mine, and carries varying amounts of water throughout the year. The Salar Olaroz contains brackish water at or near the surface. There are, however, a few permanent fresh water springs in the area, such as the ones that supply water for the camp.

At the time of acquisition by Meryllion Sub the facilities at the La Providencia Project comprised: four shallow open pits, a tailings dam composed of approximately 200,000 t of material, a conventional 150 tpd crushing/milling/flotation plant, workshops and generator building, and camp facilities.

Previous operations ceased in 1997 and the infrastructure was in poor order at the time of acquisition. In order to execute its exploration campaign, MAS made extensive repairs to the camp facilities, established a core storage and logging and sampling facility, leased container units to act as additional accommodations and sanitary facilities, installed a 67 kW diesel generated power supply, and established a bulk fuel storage facility.

The Project area lies in the geographical region known as the Puna which is the southern extension of the Bolivian Altiplano with an average elevation greater than 4,000 MASL ranging up to 4,700 MASL. Topography in the area is gentle to moderate with a maximum relative relief in the order of 700 m. The physiography can be described as basin-and-range, with linear ranges separating wide flat valleys which host *salar*s. Vegetation is typically stunted as in other high plains desert areas. It consists of low, resinous shrubs locally known as *tolas* which are used as heating and cooking fuel by the local population.

History

Mineralization at the vicinity of the La Providencia Project was first identified in 1969 when copper carbonates and native silver were found.

In 1973, an early report to the Argentine government described the results of a topographic survey, geological mapping, and sampling of an area where the Central and South Pits are now located.

Falconbridge Ltd. conducted limited exploration in area in 1974 but no follow-up work was done.

A small scale operation was established on the site between 1975 and 1982. A pilot plant was erected by a private company from Salta, Argentina.

Minera Aguilar optioned the property in 1981 and conducted detailed exploration including geological mapping, topographic and geochemical surveys, and an IP geophysical survey. Minera Aguilar also drilled 22 diamond drill holes (diameter unknown), for an aggregate length of 1,635 m before allowing the option to lapse.

Between 1980 and 1982, the German Mission for Technical Cooperation in Mining (“GMTC”) in conjunction with the National Bank of Development completed a comprehensive exploration program of geological mapping, trenching, mineralogical and metallurgical studies, and excavation of deep test pits. This work resulted in the delineation of non-NI 43-101-compliant mineral resources.

In 1983 Shell/CAPSA optioned the property. Dr. Richard Sillitoe conducted a property examination and recommended further work in the immediate vicinity of the small workings as well along the Miocene basin as a whole. The subsequent program comprised further geological mapping, trenching, geophysical surveying (scintillometer), rock geochemistry, and the drilling of three shallow holes to the north of the mine (diameter and depths unknown). The option was not renewed.

Metallgesellschaft, in joint venture with local Argentine company Rio Cincel re-evaluated the GMTC results in 1985. Results of this work are not known.

Compañía Minera Providencia (“CMP”) was incorporated in Argentina in 1986 by a group of businessmen with the specific objective of putting the La Providencia Project into production. A feasibility study was completed. Four shallow open cuts were developed and the 150 tpd flotation plant was erected on site together with workshops, powerhouse, office block, and camp. A smelter was also built on the outskirts of San Salvador de Jujuy, Argentina to process the silver-lead-zinc-copper concentrate.

In 1993, Fondinor acquired the smelter as a settlement of CMP’s debt and entered in an agreement with CMP whereby Fondinor became the operator of the mine and agreed to pay CMP a monthly stipend based on production.

Operations ceased in 1997 with a reported 4.8 M oz of silver produced from 273,243 t mined with an average grade of 548 g/t Ag.

In 1999, Peñoles conducted an exploration program that comprised surface sampling and an IP survey. An option agreement could not be reached with the property owners so no further work was done.

Cardero Resource Corp. (“Cardero”) entered into an option agreement and conducted an extensive exploration program in 2002. The work comprised geological mapping, soil sampling, rock chip sampling, two diamond drill programs for a total of 2,210 m drilled in 29 HQ-diameter (63.5 mm) drill holes, and nine reverse circulation drill holes for a total depth of 2,332 m. A resource estimate was prepared but not publically disclosed. Cardero allowed the option to lapse in 2004.

Geological Setting

Regional

The La Providencia Project is located along the Bolivian Tin Belt which extends from southern Peru through central Bolivia into northwestern Argentina. This belt is characterized by tin-tungsten-silver-lead-zinc deposits but hosts a number of copper and copper-silver sedimentary (red-bed) and/or exotic deposits, particularly along its western margin. Deposits within this belt can be correlated with thick sequences of Paleozoic (Ordovician/Silurian) marine sedimentary rocks, intermediate to felsic Tertiary-age magmatism, and large Andean structures especially those trending north to northwest.

Local

The properties are located within a basin-and-range type terrane with north-trending linear blocks bounded by high angle reverse faults separating Tertiary-age strike-slip (pull-apart) basins, many of which have developed salt flats or *salars*. The north-trending structures are cut by fractures and lineaments trending northwest and, to a lesser extent, northeast. Superimposed on to this landscape is the Upper Tertiary volcanic arc, comprising volcanic and intrusive rocks, the emplacement of which has largely been controlled by these structures. The district is characterized by two large, north-trending mountain ranges: the Sierra de Lina in the west and the Sierra de Tanques to the east which separate the centrally located Salar Olaroz and Cauchari basin from the Laguna de Jama in the west and the Rio Las Charcos to the east. The La Providencia Project area is located within a pull-apart sub-basin along the eastern flank of the Sierra de Lina.

The basement rocks of the basin comprise marine sedimentary rocks of Ordovician age which have been correlated with the wide-spread Acoite Formation. The valley-fill sequence in the Project area comprises red-colored medium grained sandstones with minor conglomerate lenses that are tentatively correlated with the Eocene-age Casa Grande Formation. The Eocene sandstones are, in turn, overlain by the Miocene-aged conglomerates and intercalated volcanoclastic sandstones of the Vizcachera Formation. These are the conglomerates that host the silver-copper and copper mineralization in the district. Overlying these, in angular unconformity, are the debris flows and pyroclastic rocks of the Pliocene-age Pastas Chicas formation.

Property

All lithologies in the vicinity of the La Providencia Project have been altered to a varying degree both locally and on a property scale. Pervasive hematization has resulted in the red hue evident in the Dark Red Conglomerate and the Eocene sandstones. Approaching the mineralized zones, carbonate content in the rocks becomes higher and, as mineralization increases, there is an increase in the abundance of sericite until, in the core of the higher grade zone, sericite appears to replace biotite and plagioclase. Calcite, on the other hand, appears depleted in the higher grade core zones.

Exploration

After the agreement to acquire the La Providencia and M. Tola properties was signed with the Optioner in March 2011, MAS undertook the following work:

- Compilation of all previous exploration data;
- Confirmation sampling of mineralization within the La Providencia Project area;
- Preparation of a controlled base map, from satellite data, for the 116 km² area in the Core Properties area;
- Geological mapping within the mine environment and along the eastern flank of the La Providencia sub-basin;
- Geomorphological mapping in the Core Properties area with a view to identifying geochemical environments for subsequent soil sampling campaigns;
- Ground magnetic survey around the open pits; and
- Development of a drill proposal and preparation of an environmental study as part of a permit acquisition submission to the Provincial Directorate of Mining (the Directorate) in Jujuy, Argentina.

Considerable data was collected from the previous campaigns of GMTTC, Minera Aguilar, and Cardero, and compiled by Cookenboo (2011a and 2011b) and Rice (2011a). This compilation formed the basis for developing the exploration program and subsequent drill proposal.

Meryllion engaged PhotoSat Information Ltd (“PhotoSat”) of Vancouver, British Columbia to acquire a high resolution (greater than 0.5 m) stereo colour image for the 116 km² area including and surrounding the Core Property area. This was used to generate one-meter contours and a digital terrain model (“DTM”) for use as a base map for all subsequent work.

PhotoSat acquired the data from the GeoEye-1 satellite. Prior to acquisition of the image from the satellite, MAS positioned nine target crosses within the 116 km² area and had these targets surveyed by local surveyor Sr. Sumbaino from Jujuy using a dual frequency Global Positioning System (“GPS”) Ashtek. The crosses were laid out to PhotoSat specifications as documented by Cires, and the survey data were collected in the Posgar 94 system which incorporates the Gauss Kruger projection with the WGS 84 datum. The area with targets was then over-flown by the GeoEye-1 system and data were acquired. These data were then processed together with the ground survey information and transformed from an ellipsoidal to an orthometric format, and subsequent digital elevation models (“DEM”)s were generated in orthometric form.

Confirmation sampling in and around the pits at the La Providencia Project was undertaken by Rice, and Fernández and Vázquez Zarzosa. Rice took mainly rock samples while Fernández and Vázquez Zarzosa took channel samples. The samples were taken from pit walls and outcrops encompassing an area measuring approximately one kilometre by 200 m wide. The results received from the channel and rock sampling are as follows:

RESULTS OF CONFIRMATION SAMPLING
Concordia Resource Corp. – La Providencia Silver Project

Sample	Location	Ag (ppm)	Cu (ppm)	Pb (ppm)	Zn (ppm)
1255	South Pit - Bench 3, C3	453	7180	4,260	3,680
1256	South Pit - Bench 5, C1	54	363	4,670	6,220
1257	South Pit - Bench 7, C3	402	3,780	3,210	5,250
1258	South Pit - Bench 7	945	8,630	3,030	5,660
1259	West Pit	1,940	36,200	7,910	2,360
1260	Central Pit	2,380	17,250	14,200	3,680
1262	Central Pit - South Face	698	5,300	19,150	1,890
1263	South Pit - Bench 8	4,160	16,250	2,460	3,820
1266	West Pit	19	374	12,350	3,350
1267	Base of "Crud Hill"	204	2,540	1,100	4,010
1268	North Pit - East Face	1,280	13,550	867	1,270
1269	North Pit - East Face	470	5,260	6,600	1,400
1270	North Pit - East Face	508	4,460	6,950	1,500
1271	North Pit - West Face	518	5,590	864	2,760
1272	North Pit - West Face	159	714	613	1,540
1273	North Pit - West Face	96	398	295	1,440
1274	North Pit - West Face	5	27	281	1,750
1275	North Pit - West Face	76	406	183	1,610
4076	North Pit - West Face	768	10,950	874	2,420
4077	North Pit - West Face	16	22	247	1,820
4078	North Pit - West Face	820	9,800	338	1,930
4079	Below West Pit	430	11,800	679	2,080
4081	West Pit	535	6,490	4,740	2,650
4082	South Road Cut	149	3,770	2,520	3,710
4083	South Hill - Lower Pit	12	290	14,050	1,870
4084	North Pit - South Face	645	7,320	19,400	3,990
4085	Side of "North Hill"	1	23	697	843

Geological mapping was done by Cookenboo and Rice. Cookenboo described the various geological units and mapped out their extent in the mine area and also defined the stratigraphy.

Vázquez Zarzosa and Fernández mapped the geomorphology of much of the Core Property area with the objective of describing geomorphological elements and defining geochemical environments. This information was designed to be used in the interpretation of planned geochemical soil surveys results.

Quantec Geoscience Argentina SA ("**Quantec**") of Mendoza, Argentina was contracted to undertake a ground magnetic survey of the mine area and adjacent ground to the north. Quantec carried out the 179.6 line-km survey using GEM Systems GSM-19 Overhauser magnetometers. Readings were taken every ten metres on lines spaced 100 m apart. The results are documented in reports by Quantec (2011, 2012).

The survey was undertaken by two teams, each consisting of two operators. The forward operator carried a hand-held 12-channel GPS and marked the survey lines at 100 m intervals. The magnetometer operator followed a short distance recording measurements at ten metre intervals in Stop-and-Go mode. The diurnal correction was

accomplished with a base station synchronized to the mobile magnetometers. The base station sampling was at three second intervals, allowing diurnal correction interpolating every third reading.

Data processing comprised, after correction for diurnal drift, importation of data into GEOSOFT OASIS MONTAJ, applying the projection to the data (WGS84 UTM Zone 19S), eliminating spurious and exceptional readings, and gridding the data. Various calculations were then performed and maps produced.

Meryllion notes the narrow range of the magnetic response which is to be expected as the lithologies are basin sediment fill. The routine measurement of susceptibility of the core, however, does indicate that the PSs generally has a higher susceptibility than the conglomerates and the WSs.

Meryllion is of the opinion that the high intensity domains may be reflecting the pink mudstone on account of the higher susceptibility encountered in drill core for this unit. The north-northeast-trending band may reflect mudstones deposited on top of conglomerates along the western margin of the Miocene-aged basin. It is more difficult, however, to ascribe the finger-like extensions in the western Ordovician or the southeast-trending band passing through the North and Central Pits at the La Providencia Project, especially since river courses associated with the finger-like extension have no significant sediment deposition. This feature may reflect some magnetic constructive alteration process. The funnel-shaped domain may reflect alteration along the mineralized trend, and the higher analytical signal areas potentially associated with alteration and possibly mineralization.

MAS geologists are of the opinion that there is exploration potential in the Core Property area as well as in the recently acquired concessions to the north. The mineralization remains open-ended in a number of directions, notably between the open pits, along the trace of a recently-identified structure which trends to the northwest, and at depth. RPA concurs with this opinion and recommends that exploration activities continue to find additional Mineral Resources.

Mineralization

The volcanoclastic portion in the upper Vizcachera Formation marks the beginning of the Upper Miocene (11 Ma to 5 Ma) magmatic arc characterized by stratovolcanoes with extensive associated pyroclastic rocks and debris flows, as well as ignimbrites that are related to magmatic centers. Dacite dykes and domes are present along the margins of various mountain ranges. These features are controlled by the north- and northwest-trending Andean structures that display a distinct magnetic signature. At the La Providencia Project there is a flexure in the magmatic arc and a change in the direction of the magnetic signature from northwest to northeast.

Silver-copper mineralization hosted by the gently-dipping, poorly consolidate Green Carbonate Member has been the focus of most of the historical mining activity at the La Providencia Project. Previous work done by Cardero, and confirmation work done by MAS, indicates the presence of a numerous mineralized lenses generally within conglomerate units. The most extensive of these, the Main Lens, is located in the central part of the upper conglomerates of the Vizcachera Formation. Drilling has indicated that additional mineralized lenses below the Main Lens are hosted by conglomerate units interbedded with the sandstones of the Eocene-age Casa Grande Formation. Mineralization also manifests itself in the White Sandstone immediately above a set of steeply dipping structures running down the center of the pits. Mineralization is vein-poor with low sulphide volumes and takes the form of irregular infiltration/replacement of the sedimentary units. The silver-copper mineralization is enriched in arsenic, cadmium, copper, manganese, lead, antimony and zinc.

Drilling

The MAS diamond drilling program at the La Providencia Project commenced in late August 2011 and the first-stage program was completed in February 2012. A total of 41 holes were drilled with an aggregate length of 4,508.9 m.

The main goal of the program was to further define the silver-copper mineralization hosted in the gently-dipping, poorly consolidated GCM. Additional mineralization below the PSs, intersected in previous programs, was a secondary target. Meryllion specifically set out to:

- Undertake routine drilling along fences across the Main Lens in order to confirm its presence and to facilitate the preparation of a NI 43-101-compliant resource estimate;
- Test for mineralization in the lithologies below the PSs under the South and North Pits as well as north of the North Pit in order to guide future drilling for additional resources at depth; and
- Twin a number of previously drilled holes in order to compare and contrast analytical results with the goal of integrating the various exploration data sets.

Drill sites were laid out by a surveyor using a Topcon Total Station 3200 under supervision of a MAS geologist, and collar positions were subsequently picked up by Servicios Topográficos SA of Salta, Argentina, using a high precision Geodesic Double Frequency Trimble 5700 GPS. Down-hole surveys were done by the drilling contractor, Major Perforaciones SA (“Major”) of Mendoza, Argentina, a subsidiary of Major Drilling Group International Inc., using a Reflex Smart Tool with readings taken every 15 m for holes less than 30 m in length or every 30 m for deeper holes.

Major mobilized a UDR200D drill with the capability of drilling both HQ- (63.5 mm) and PQ-(85.1 mm) diameter holes. The majority of the holes (33) were drilled with PQ-size equipment and the remaining eight holes were HQ-diameter. Because of the poorly consolidated nature of the conglomerates, triple tube core barrels were utilized, and recovery was further enhanced with the addition of bentonite and bio-degradable organic polymers to the drilling fluids. Core recovery was generally good averaging over 90%, but initial problems in early holes (DPR-006, DPR-007, and DPR-008) required re-drilling in order to achieve acceptable recoveries.

Drill core was taken out of the core barrel and directly transferred into wooden core boxes. Meterage of the start and end of each box was marked by the drill rig geologist and the down hole depth at the end of each core run was marked with wooden blocks by the driller. Rock Quality Designation and recovery measurements were taken by the drill rig geologist. At the end of each drill shift, core boxes were moved by pick-up truck from the drill site to the reception area of the logging facility.

At the logging facility, the full core was photographed both wet and dry. Logging was undertaken on A3 format logging sheets by the logging geologists who then entered the data into a computer. Lithology, alteration, mineralization, and structural information were recorded by the logging geologist following the recommendations made by Cookenboo (2011f, 2011g). Magnetic susceptibility measurements were routinely taken, and half of the split core was stained for carbonate species identification. Sample intervals were marked up by the logging geologist, at one metre intervals in all units with the exception of the WSs and the Eocene Sandstones where two metre samples were marked. Because of the nature of the conglomerates, core was wrapped with masking tape before being cut longitudinally using a diamond saw. Once cut, one half of the specimen was placed in a dedicated plastic sample bag with a uniquely numbered sample ticket and the remaining half core was returned to the core box for later reference and testing. RPA notes that the sampling process resulted in some degradation of the remaining core due to crumbling of the matrix.

The most recent drill program established that mineralization peripheral to the historical open pits extends up to 150 m down-dip to the east and has been intersected over downhole thicknesses of up to 44 m.

In RPA’s opinion the procedures and protocols followed by Meryllion and its contractors in locating, drilling, conducting down-the-hole surveys, logging, and sampling are consistent with industry-standard practice. The orientations of the diamond drill holes are such that mineralized intersections, in RPA’s opinion, adequately represent the true thickness of the mineralized bodies. The sampling is representative of the mineralization.

Sampling and Analysis

A total of 4,232 core samples were sent to ALS Minerals in Mendoza, Argentina for sample preparation. Once prepared, the samples were sent to another ALS Minerals laboratory in Lima, Perú for analysis. Both ALS Minerals laboratories are independent ISO/IEC 17025:2005 accredited and ISO 9001:2008 registered facilities. Samples were shipped to Mendoza, Argentina via Autotransportes Andesmar SA (“Andesmar”), an Argentina-wide bus and transport company, under an arrangement between ALS Minerals and Andesmar. Meryllion reports this arrangement includes formally established chain-of-custody protocols. The sampling and core storage facility is located in a remote area, and was supervised continuously by Meryllion personnel. Only Meryllion personnel or their designates

were allowed access to the samples. In RPA's opinion, the sample security measures undertaken by Meryllion met a reasonable standard consistent with common industry practice.

At ALS Minerals, the samples were crushed and a one kilogram portion was split off and pulverized to 85% passing 75 µm. A 50 g aliquot was taken from the pulverized material and analyzed for gold and silver by FA with a gravimetric analysis finish. An additional 0.5 g aliquot was taken and subjected to a four acid digestion and then analyzed using ICP with atomic emission spectroscopy ("AES") final analysis. Any ICP-AES result exceeding 10,000 ppm for copper, lead, or zinc was reanalyzed by four acid digestion with AAS analysis.

Quality assurance and quality control ("QA/QC") samples were included into the sample stream and the resulting data were analyzed independently by Lynda Bloom, M. Sc., P. Geo, of Analytical Solutions Ltd. ("ASL") of Toronto, Ontario. The QA/QC program consisted of the insertion of one certified reference material ("CRM") for every 36 samples and the insertion of one coarse barren CRM (blank) for every 65 samples. After completion of the program, a suite of pulp and reject duplicates were sent to an independent secondary laboratory. The primary laboratory, ALS Minerals, conducted their own routine duplicate assay of pulps as part of their internal QA/QC protocols.

Data was provided to ASL in a series of spreadsheets. The objective of the review was to inspect the silver and copper results returned from the CRMs and blanks and to identify and document any bias in the assays and/or any potential sources of contamination. It was concluded by ASL that the results did not indicate any evidence of systematic silver contamination based on 50 blank samples that had been inserted.

Two CRMs were used during the course of the diamond drilling program and a total of 180 samples were introduced into the sample stream sent to ALS Minerals. ASL found no QA/QC failures or mislabels. A total of 123, or 97%, of the CDN ME-4 assays and 56, or 96%, of the OREAS 132b assays reported within ± 10% of the expected value for silver and copper.

Overall the results for CDN ME-4 do not indicate a bias for silver but it was observed that prior to December 2011 results were between 0% and 10% below the expected value and, after that time, the results ranged between 5% and 10% higher than the expected value. The same trend was also observed for copper results. Only five CDN ME-4 samples were analyzed for gold. Two of the five samples reported below the expected value, but ASL concluded that they were within acceptable limits.

The majority of the assays for the OREAS 132b CRM were biased approximately 4.5% high for both silver and copper results. This variation was attributed to a difference in acid digestion used by ALS Minerals and no further action was taken. A total of 91 reject and 83 pulp samples were submitted to ACME Analytical Laboratories S.A. ("ACME") in Mendoza, Argentina, for re-analysis. ACME is an independent ISO 9001:2000 registered laboratory. No core duplicates were taken due to the lack of and/or poor quality of the remaining sample material after the primary samples had been taken. Of the 83 pulp samples sent, 16 were not run due to an insufficient volume of sample material, and four did not have a corresponding original assay in the database. RPA plotted the remaining 63 duplicate pairs on a scatter diagram to compare the results from the two laboratories. In RPA's opinion, there was very good agreement between the two sets of assay results.

Of the 91 reject duplicates, eight were not assayed due to insufficient sample material. The remaining 83 pairs were plotted on a scatter diagram to check for bias. In RPA's opinion, there was reasonably good agreement between the two sets of reject duplicates.

RPA reviewed the assay QA/QC results as reported by ASL (2012) and concurs with the general conclusions of that report that the assaying appeared to be reasonably accurate and unbiased.

MAS twinned two drill holes (one was twinned twice) to compare the results of HQ versus PQ core. Hole DPR-003 was an HQ size hole that was twinned by two PQ holes: DPR-002 and DPR-001. Hole DPR-004 was a PQ size hole twinned by an HQ hole (DPR-005).

The two sets of twin holes show similar profiles with respect to widths of the mineralized zones. Silver grades compare well in the 001/002/003 set of holes. However, in the 004/005 set, there is significant higher variability. In

RPA's opinion, there is reasonably good agreement between the twinned holes, and there does not appear to be any clear evidence to suggest that one core size provides better results than the other.

Security of Samples

Data were collected and stored on a server at site, which was backed up to a remote drive twice per day. Twice monthly the database was backed up and copied to the Meryllion office in Buenos Aires. Only two people were authorized to access and modify the database. Once in digital format, the drilling information was imported to a GEMS database and reviewed for accuracy by the Project Manager.

In RPA's opinion, the sample preparation, security, and analytical procedures employed by Concordia are adequate and comply with current industry standards.

Mineral Resource and Mineral Reserve Estimates

RPA has prepared a Mineral Resource estimate for the La Providencia Project. The estimate is based on diamond drilling data collected by both MAS and Cardero. The estimate was carried out using a block model constrained by three dimensional (3D) wireframe envelopes of the mineralized zones, principal lithologies, structures, overburden, and the topographic surface. Grades for silver and copper were estimated into the blocks using Inverse Distance Cubed (ID³) weighting. High grades were capped at 2,500 g/t Ag and 7,500 ppm Cu. An additional restriction was placed on the range of influence of high-grade silver composites.

RPA evaluated the block model using Whittle pit optimization software. Blocks within the pit shell generated from this analysis were subjected to a cut-off of 40 g/t Ag. Outside of the pit shell, the block cut-off was 150 g/t Ag. Metal price used was US\$27/oz Ag.

All Mineral Resources were classed as Inferred. The Mineral Resources estimate is summarized as follows:

Summary of Inferred Mineral Resources – August 31, 2012

Concordia Resource Corp. – La Providencia Silver Project

Category	Cut-Off	Tonnes	Ag	Cu	Ag	Cu
	(g/t Ag)		(g/t)	(%)	(oz)	(lb)
Open Pit	40	981,000	155	0.074	4,900,000	72,400
Underground	150	32,900	504	0.249	533,000	8,180
Total		1,014,000	166	0.080	5,430,000	80,600

Notes:

1. CIM definitions were followed for Mineral Resources.
2. Mineral Resources are estimated at the cut-off grades of 40 g/t Ag for open pit and 150 g/t Ag for underground.
3. Mineral Resources are estimated using a long-term silver price of US\$27 per ounce.
4. A nominal minimum mining width of 3 m was used.
5. Bulk density is 2.40 t/m³.
6. Numbers may not add due to rounding.

There are no Mineral Reserves for the La Providencia Project.

Environmental, Permitting, and Social Considerations

The holders of mineral rights in Argentina are obliged under the Mining Code to submit Environmental Impact Reports prior to commencing exploration or exploitation, and to submit additional reports every two years. Meryllion reports that MAS submitted, a number of reports, written by EC & Asociados of Salta, Argentina, to the the Directorate in Jujuy, Argentina. The Directorate also conducted an inspection of MAS's exploration activities in September, 2011 and subsequently issued a declaration of satisfaction.

There are signed *actas* between MAS and local communities which provide affirmative hiring practices for their members. A proactive environmental management approach has also been adopted by MAS by initiating reclamation activities as part of its exploration program and liaising with the local communities on matters of the environment.

Exploration and Development

RPA made the following recommendations which Meryllion plans to implement:

- Bulk density measurements should be made from core specimens, and regular density measurements should be included in the core logging protocols.
- As the project advances, the Cardero drill holes should be purged from the database and replaced with new drilling.
- Metallurgical testwork should be initiated.
- Exploration should continue in order to add to the Mineral Resources at the La Providencia Project (discussed below).

RPA noted that MAS geologists have designed an exploration program for the next phases of work on the property. Drill targets are already known to exist in the Core Property area. These include the northwest projection of a recently identified structure trending out of the North Pit, extensions to known mineralization in the area between the open pits, as well as some deeper targets along the north-northeast trending fracture system. In addition to these targets, MAS plans to continue with property-wide exploration to define new targets including initiation of work on its recently acquired concessions. This program would encompass geochemistry, geological mapping, and prospecting to be followed up with ground magnetic and Controlled Source Audio-Frequency Magnetotelluric (“CSAMT”) surveys. Provisions have also been made to conduct metallurgical test work and bulk density measurements, as recommended by RPA.

The proposed budget for Phase I of the program is summarized as follows:

Phase I Exploration Budget

Concordia Resource Corp. – La Providencia Project

Item	US\$ (000)
Mining Prop Costs	233
Permitting	12
Metallurgical Test Work	35
Geochem	45
Geophysics	
CSAMT	80
Ground Mag	35

Camp	37
Field Expenses	5
Personnel	74
Transport	22
Travel	17
Total	595

The successful outcome of this program can then be subsequently followed up by a second campaign of drilling which would comprise 4,000 m of HQ diamond drilling with the following objectives:

- Expanding the existing Mineral Resources between the outlined pits.
- Extending the resource to the south and northwest along the already identified structure.
- Testing structural, magnetic, and geochemical targets as outlined by the follow-up exploration program.

RPA considered the proposed exploration to be warranted and recommends that it be carried out.

Non-Core Property Summaries and Exploration Updates

All scientific and technical information set out in this section has been prepared by and under the supervision of or approved by Willem Fuchter, President and a Director of Meryllion Argentina S.A. and indirect, wholly owned subsidiary of Meryllion and a Qualified Person under National Instrument 43-101.

Cerro Amarillo Property, Argentina

The Cerro Amarillo Property is a copper-gold-molybdenum located in the Malargüe District in the Province of Mendoza, Argentina. The Cerro Amarillo Property lies at the southern end of the highly productive late Miocene – Pliocene magmatic arc that hosts the El Teniente and Los Bronces porphyry deposits in Chile. The Cerro Amarillo Property comprises some 14,000 hectares and contains three porphyry occurrences (Cerro Amarillo, Cajon Grande and C4) and an additional four color/alteration anomalies (C2, C3, Southern Anomaly and Dead Cow).

Under the Cerro Amarillo Agreement, Meryllion Sub has the exclusive right to engage in exploration activities on the Cerro Amarillo Property for up to 52 months before exercising its option to acquire a 100% interest in the Cerro Amarillo Property. The option is exercisable by Meryllion Sub at any time, however, so long as the exploration program is ongoing, Meryllion Sub will make payments to the owners of the Cerro Amarillo Property, which payments will total US\$525,000 (US\$125,000 paid) if the exploration program continues for at least 40 months. In early 2012, an extension of the Cerro Amarillo Agreement for an additional two years was negotiated for further payments of US\$175,000. When the option is exercised, Meryllion Sub will pay a final purchase price of US\$2,500,000. The owners of the Cerro Amarillo Property will also be entitled to a 1% NSR in the event the Cerro Amarillo Property is placed into commercial production.

In 2012, the owners of Cerro Amarillo Property applied for an additional and contiguous 2,500 hectares directly to the south of the original property and included this area in the original agreement by signing an addendum to the option agreement.

Meryllion Sub's recently completed 2012 austral summer campaign of detailed mapping and rock sampling within this corridor has outlined three fertile systems with strong indications of large copper-molybdenum-gold potential, and has led to the development of a drill proposal for a first stage drill program with a view to executing such program after additional mapping and sampling of C2, C3, Southern Anomaly, and Dead Cow has been undertaken.

Previous sampling undertaken at the Cerro Amarillo occurrence by BHP in 1998 returned results ranging up to 1.47% Cu, 0.98g/t Au, and 550ppm Mo, while an isolated outcrop of dacite dyke returned a value of 57g/t Au. Meryllion Sub's confirmation sampling comprising 20 samples returned values ranging up to 0.78% Cu and 0.89g/t Au. At Cajon Grande, historic values from a sampling campaign in 2008 ranged up to 4.35% Cu, 4,23g/t Au and 1500g/t Ag while Meryllion Sub's samples returned values of 1.51% Cu, 2,41g/t Au, 765g/t Ag, and 334ppm Mo. In addition, samples from epithermal veins of barite-siderite-sulphide distal to the intrusion contained up to 8.21% Cu, 2,48g/t Au and 100g/t Ag. The C4 sampling gave values up to 0.20% Cu, 170ppm Mo and 0.15g/t Au. A

qualified person has not done sufficient work to classify any of the historical estimates as current mineral resources, nor is Concordia treating the historical estimates as current mineral resources since the exploration results do not warrant or support any estimation thereof.

Not only has the mapping and sampling indicated the fertility of the systems, but it has also indicated that each system has a large scale footprint indicating large-tonnage Cu-Mo-Au potential. Moreover, Cerro Amarillo's geological similarity to the world class El Teniente and Los Bronces deposits as well as its location within the extension of the same Neogene magmatic arc are positive indications for future exploration success. As a consequence, further mapping and sampling of the four additionally identified anomalies has been proposed prior to the execution of a first stage target testing drill program for which Meryllion Sub is currently in the process of obtaining the necessary permits and permissions.

DIVIDENDS OR DISTRIBUTIONS

Meryllion has not paid dividends since its incorporation. Meryllion currently intends to retain all available funds, if any, for use in its business.

Under the BC Act, the discretion of the board of directors to declare or pay a dividend on the common shares is restricted if reasonable grounds exist to conclude that Meryllion is insolvent or the payment of the dividend would render Meryllion insolvent.

AVAILABLE FUNDS AND PRINCIPAL PURPOSES

Upon completion of the Arrangement and related transactions, Meryllion expects to have working capital of approximately Cdn.\$5,000,000 and intends to use these funds to further develop its mineral properties, for possible future acquisitions, for general and administrative expenses and for general working capital purposes.

Due to the nature of the mining industry, budgets are regularly reviewed with respect to the success of expenditures and other opportunities that become available to Meryllion. Accordingly, while it is currently intended by management of Meryllion that the available funds will be expended as set forth above, actual expenditures may in fact differ from these amounts and allocations.

MANAGEMENT'S DISCUSSION AND ANALYSIS AND FINANCIAL STATEMENTS

Meryllion's Management's Discussion and Analysis along with its unaudited financial statements for the period ended June 30, 2013 and audited financial statements for the years ended September 30, 2012 and 2011 are attached as Schedule "F" to the Circular.

DESCRIPTION OF SECURITIES

Meryllion Shares

Meryllion is authorized to issue an unlimited number of Meryllion Shares without par value of which, of which there are 17,125,510 issued and outstanding.

The holders of Meryllion Shares are entitled to dividends if, as, and when declared by the directors; to one vote per share at meetings of the shareholders of Meryllion; and, upon liquidation, to receive such assets of Concordia as are distributable to the holders of the Meryllion Shares.

CONSOLIDATED CAPITALIZATION

The following table sets out the consolidated capitalization for Meryllion as of June 30, 2013 and after giving effect to the Arrangement.

Designation of Security	Outstanding as at June 30, 2013	Amount Outstanding After Giving Effect to the Arrangement
Common shares (authorized to issue unlimited common shares)	N/A	17,125,510
Short Term Debt	N/A	Cdn.\$61,000
Long Term Debt	N/A	\$Nil
Deficit	N/A	Cdn.\$8,817,000

FINANCIAL INFORMATION

Audited financial statements of Meryllion for the years ended September 30, 2012 and 2011 combined with the unaudited financial statements for the nine month interim period ended June 30, 2013 are attached hereto as Schedule "F" of the Circular. Meryllion's financial statements reflect the consolidated financial position, statements of comprehensive loss, changes in equity and cash flows of the related Argentine exploration business of Concordia and Meryllion Minerals Corp. The statement of comprehensive loss for the period ended June 30, 2013 include a cumulative Cdn.\$2,704 (September 30, 2012 – Cdn.\$1,985, September 30, 2011 – Cdn.\$840) allocation of Concordia's general and administrative expenses. The allocation of general and administrative expenses was calculated on the basis of the ratio of expenditures incurred on the La Providencia and Cerro Amarillo properties as compared to the expenditures incurred on all of Concordia's properties during the periods. Management cautions readers of these financial statements, that the allocation of expenses may not be indicative of the actual expenses that would have been incurred had Meryllion been operating as a separate, stand-alone public company for the periods presented and do not reflect Meryllion's consolidated results of operations, financial position and cash flows had Meryllion been the stand-alone public company during the periods presented. The results of operations are not necessarily indicative of the operating results of future years.

The following table sets out selected financial information for the periods indicated and should be considered in conjunction with the more complete information contained in the consolidated financial statements of Concordia incorporated by reference into this Circular. All currency amounts are stated in Canadian dollars.

Amounts are in thousands of Canadian Dollars except per share amounts	Nine Month Period	Year Ended	Year Ended
	Ended June 30, 2013	September 30,	September 30,
	\$ (unaudited)	2012 \$ (audited)	2011 \$ (audited)
Total assets	851	740	317
Exploration and evaluation assets.....	770	562	236
Working capital (deficit)	20	144	(152)
Long-term financial liabilities	-	-	-
Total revenues	-	-	-
Expenses.....	1,259	5,020	2,281
Total comprehensive loss	1,175	5,275	2,305
Loss per common share (basic & diluted)	(0.07)	(0.34)	(0.19)

PRIOR SALES

From Meryllion's date of incorporation through to the date of this Circular, the following Meryllion Shares have been issued:

Date	Securities	Price
July 25, 2013 – <i>Incorporators Shares</i>	1 (one) common share	Cdn.\$1.00
October 1, 2013 – <i>Vend-In Agreement</i>	17,125,509	Cdn.\$0.60

ESCROWED SECURITIES AND SECURITIES SUBJECT TO CONTRACTUAL RESTRICTION ON TRANSFER

Exchange Escrow

Meryllion Shares held by Principals

As of the date hereof, there are no Meryllion Shares subject to escrow.

Meryllion applied for and received a waiver from Section 1.3 of Policy 5.4 of the TSX Venture Exchange Company Manual that requires for any new listing that all securities held by principals be subject to escrow.

PRINCIPAL SECURITYHOLDERS AND SELLING SECURITYHOLDERS

As of the date hereof, to the knowledge of the directors and officers of Meryllion, there will be no person or corporation beneficially owning, directly or indirectly, or exercising control or direction over securities carrying in excess of 10% of the voting rights attached to any class of outstanding Meryllion Shares, except as follows:

Name and Municipality of Residence	Type of Ownership (Record, Beneficial, or Both)	Number of Meryllion Shares Owned	% of Meryllion Shares owned as of the date of the Listing Application	% of Meryllion Shares Owned after Arrangement
Concordia	Both	1	100%	0%
David Birkenshaw, Ontario, Canada	Beneficial	Nil	Nil	16.6%

DIRECTORS AND EXECUTIVE OFFICERS

The following table sets out the names of the current and post-Arrangement directors and executive officers of Meryllion, Country of residence, positions with Meryllion, principal occupations within the five preceding years, periods during which each director or officer has served as a director or officer and the number of Meryllion Shares and the number of issued Meryllion Shares beneficially owned, directly or indirectly, or subject to control or direction by that person.

The term of each of the current directors of Meryllion will expire at Meryllion's next annual general meeting unless his office is earlier vacated in accordance with the articles of Meryllion or he becomes disqualified to act as a director.

Name, Country of Residence and Present Position with Meryllion	Principal Occupation and Occupation During the Past Five Years	Period From Which Nominee Has Been Director	Number and Percentage of Common Shares Beneficially Owned ⁽¹⁾
David Birkenshaw Canada <i>Executive Chairman and Director</i>	President and Chief Executive Officer of Birkenshaw & Company Ltd. since its formation in 1989.	October 7, 2013	2,846,900 (16.6%)
Terry Krepiakovich Canada <i>Chief Executive Officer, President and Director</i>	Interim Chief Executive Officer of Concordia Resource Corp. since March 2013; Independent Financial Advisor from July 1, 2011 to present; Chief Financial Officer of SouthGobi Resources Ltd. from July 2006 to July 2011.	July 25, 2013	Nil
John Fognani ⁽²⁾ USA <i>Director</i>	Vice President – Legal and General Counsel of Ivanhoe Capital Corporation from March 2003 to December 2012.	October 7, 2013	Nil
Borden Putnam ⁽²⁾ USA <i>Director</i>	Independent Mining Industry Consultant from 2009; Managing Director and Principal Analyst at Eastbourne Capital Management from 2001 to 2009.	October 7, 2013	Nil

Name, Country of Residence and Present Position with Meryllion	Principal Occupation and Occupation During the Past Five Years	Period From Which Nominee Has Been Director	Number and Percentage of Common Shares Beneficially Owned ⁽¹⁾
Gregory Shenton ⁽²⁾ Canada <i>Director</i>	Chief Financial Officer of Peregrine Diamonds Ltd. since February 2006; CFO of Jinshan Gold Mines from November 2003 to December 2005; CFO of Asia Gold Corp. from August 2003 to July 2006.	October 7, 2013	Nil
Eduard Epshtein Canada <i>Chief Financial Officer</i>	Chief Financial Officer of Concordia Resource Corp. since October 2006 Chief Financial Officer of Western Lithium USA Corporation since May 2008; Associate, J. Proust & Associates Inc., August 2006 to November 2010.	N/A	10,000 (0.1%)

Notes:

- (1) The information as to common shares beneficially owned has been provided by the directors and executive officers themselves, and assumes the closing of the Plan of Arrangement.
- (2) It is anticipated that the members of the Audit Committee will be Gregory Shenton (Chair), John Fognani, and Borden Putnam. All proposed members of the Committee are considered by the Meryllion Board to be “independent” within the meaning of NI 52-110.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

Except as disclosed below, to the best knowledge of Meryllion, no director or executive officer of Meryllion is, as at the date of this Circular, or within the ten years before the date of this Circular, has been a director, chief executive officer or chief financial officer of any company, including Meryllion, that:

- a) was subject to an Order that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer; or
- b) was subject to an Order that was issued after the director or executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

David Birkenshaw, was a director of EURO Ressources S.A. (formerly Guyanor Resources S.A.) (“Guyanor”) when Guyanor was the subject of a cease trade order issued on April 5, 2005 for failure to file required records, which cease trade order was rescinded on April 29, 2005.

No director or executive officer of Meryllion, or a shareholder holding a sufficient number of securities of Meryllion to affect materially the control of Meryllion:

- a) is, at the date of the Circular, or has been within the ten years before the date of this Circular, a director or executive officer of any company, including Meryllion, that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- b) has, within the ten years before the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder.

No director or executive officer of Meryllion, or a shareholder holding a sufficient number of securities of Meryllion to affect materially the control of Meryllion, has been subject to:

- a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or

- b) any other penalties or sanction imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

Conflicts of Interest

There are no existing or potential conflicts of interest between Meryllion, or any subsidiary of Meryllion, and any director or officer of Meryllion or of a subsidiary of Meryllion.

EXECUTIVE COMPENSATION

Named Executive Officers

From the date on incorporation on July 25, 2013 to the date of the Circular, Meryllion did not have any Named Executive Officers (defined below) as it did not remunerate any officers for performing executive duties. Pursuant to the terms of employment agreements between Meryllion and Terry Krepiakevich and Eduard Epshtein, they will begin roles as CEO and CFO respectively upon closing of the Plan of Arrangement. The terms of Mr. Krepiakevich and Mr. Epshtein's employment with Meryllion are summarized below. Both Mr. Krepiakevich and Mr. Epshtein are currently NEO's for Concordia. For a description of their remuneration with Concordia please see "*Information Concerning Concordia – Executive Compensation*" in Schedule "E" to the Circular.

"Named Executive Officer or NEO" means: (a) each Chief Executive Officer, (b) each Chief Financial Officer, (c) each of Meryllion's three most highly compensated executive officers, other than the Chief Executive Officer and Chief Financial Officer, who were serving as executive officers at the end of the most recently completed financial year and whose total salary and bonus exceeds Cdn.\$150,000, and (d) any additional individuals for whom disclosure would have been provided under (c) except that the individual was not serving as an officer of Meryllion at the end of the most recently completed financial year-end.

COMPENSATION DISCUSSION & ANALYSIS

Summary of Employment Agreements

Terry Krepiakevich – President and Chief Executive Officer

It is anticipated that Mr. Krepiakevich will enter into a consulting contract with Meryllion through his consulting company, Kalyna Consulting Ltd., to provide services as Meryllion's President and Chief Executive Officer for annual compensation of Cdn.\$240,000. It is anticipated that termination provisions will include termination with 30 days written notice by either party.

Edward Epshtein – Chief Financial Officer

Mr. Epshtein is currently employed by both Concordia Resource Corporation ("CCN") and Western Lithium USA Corporation ("WLC") and his salary of Cdn.\$200,000 annually is split evenly between CCN and WLC. It is anticipated that Mr. Epshtein will enter into an employment contract with Meryllion to provide services as the Chief Financial Officer of MRC. Meryllion and Mr. Epshtein have verbally agreed to annual compensation of Cdn.\$200,000 multiplied by a fraction which represents the percentage of time allocated to Meryllion ("**Base Salary**"). It is anticipated that Mr. Epshtein's employment contract will provide that: (a) Meryllion may terminate Mr. Epshtein's employment for just cause; and (b) Meryllion may terminate Mr. Epshtein's employment without cause upon the payment to Mr. Epshtein of a portion of his Base Salary calculated in accordance with the laws of the Province of British Columbia and the laws of Canada applicable therein.

The agreements for the Meryllion NEO's contain restrictive covenants which restrict their ability to: solicit any clients or customers from Meryllion or its subsidiaries; carry on or engage in business that competes with Meryllion or any of its subsidiaries; or offer his or her services with an organization that competes directly with Meryllion or its subsidiaries. The agreements also contain standard non-disclosure covenant restricting the ability of the officer to disclose any confidential information relating to Meryllion.

Compensation Discussion & Analysis

The objective of Meryllion's compensation program is to compensate the executive officers for their services to Meryllion at a level that is both in line with Meryllion's fiscal resources and competitive with companies at a similar stage of development.

Meryllion compensates its executive officers based on their skill and experience levels and the existing stage of development of Meryllion. Executive officers are rewarded on the basis of the skill and level of responsibility involved in their position, the individual's experience and qualifications, Meryllion's resources, industry practice, and regulatory guidelines regarding executive compensation levels.

The Meryllion Board has implemented three levels of compensation to align the interests of the executive officers with those of the shareholders. First, executive officers will be paid a monthly consulting fee or salary. Second, Meryllion Board awards executive officers long term incentives in the form of stock options. Finally, and only in special circumstances, the Meryllion Board may award cash or share bonuses for exceptional performance that results in a significant increase in shareholder value.

The base compensation of the executive officers is reviewed and set annually by the Meryllion Board. The CEO has substantial input in setting annual compensation levels. The CEO is directly responsible for the financial resources and operations of Meryllion. In addition, the CEO and the Board of Directors from time to time determine the stock option grants to be made pursuant to Meryllion's stock option plan. Previous grants of stock options are taken into account when considering new grants.

Compensation for the most recently completed financial year should not be considered an indicator of expected compensation levels in future periods. All compensation is subject to and dependant on Meryllion's financial resources and prospects.

Options Based Awards

Stock option grants will be made on the basis of the number of stock options currently held, position, overall individual performance, anticipated contribution to Meryllion's future success and the individual's ability to influence corporate and business performance. The purpose of granting such stock options is to assist Meryllion in compensating, attracting, retaining and motivating the officers, directors and employees of Meryllion and to closely align the personal interest of such persons to the interest of the shareholders.

INCENTIVE PLAN AWARDS

Meryllion Options

As of the date of this Listing Application, Meryllion has not adopted any share option plan nor has it granted any incentive share options. Below are the terms of a proposed Share Option Plan (the "**Share Option Plan**") which will be put to the Meryllion Board for approval.

Narrative Discussion

The following information is intended as a brief description of the proposed Share Option Plan and is qualified in its entirety by the full text of the proposed Share Option Plan, which will be available for review at the Meeting.

1. The maximum number of shares that may be issued upon the exercise of share options granted under the proposed Share Option Plan shall not exceed 15% of the issued and outstanding common shares of Meryllion as of the date of the proposed Share Option Plan, the exercise price of which, as determined by the board of directors in its sole discretion, shall not be less than the closing price of Meryllion's shares traded through the facilities of the Exchange on the date prior to the date of grant, less allowable discounts, in accordance with the policies of the Exchange or, if the shares are no longer listed for trading on the Exchange, then such other exchange or quotation system on which the shares are listed or quoted for trading.

2. The board of directors shall not grant options to any one person in any 12 month period which will, if exercised, exceed 5% of the issued and outstanding shares of Meryllion, at the time of the grant, or to any one consultant or to those persons employed by Meryllion who perform investor relations activities which will, if exercised, exceed 2% of the issued and outstanding shares of Meryllion, at the time of the grant.
3. Upon expiry of an option, or in the event an option is otherwise terminated for any reason, the number of shares in respect of the expired or terminated option shall again be available for the purposes of the proposed Share Option Plan. All options granted under the proposed Share Option Plan may not have an expiry date exceeding (i) five years for a Tier 2 or NEX company; and (ii) ten years for a Tier 1 Company, from the date on which the board of directors grant and announce the granting of the option.
4. If the option holder ceases to be a director of Meryllion or ceases to be employed by Meryllion (other than by reason of death), or ceases to be a consultant of Meryllion as the case may be, then the option granted shall expire within (i) 90 days; or (ii) 30 days for an optionholder conducting investor relations activities who obtained the options from a Tier 2 or NEX Company, following the date that the option holder ceases to be a director, ceases to be employed by Meryllion or ceases to be a consultant of Meryllion, subject to the terms and conditions set out in the proposed Share Option Plan.

PENSION BENEFITS

Meryllion does not have a pension plan that provides for payments or benefits to the Named Executive Officers at, following, or in connection with retirement.

TERMINATION AND CHANGE OF CONTROL BENEFITS

The following table discloses the estimated amounts payable to the Named Executive Officers under a number of termination or change of control circumstances that exceed the amounts generally payable under any termination scenario other than for cause. Amounts disclosed in the table on the following page assume that the Plan of Arrangement closes and that a change in control occurred:

	Terry Krepiakovich President and CEO	Eduard Epshtein CFO
Termination by the Company	Nil	Nil
Termination in Connection with a change of control	Nil	Nil

Other than as disclosed herein, Meryllion and its subsidiaries have no compensatory plan, contract or arrangement where a Named Executive Officer is entitled to receive more than Cdn.\$100,000 (including periodic payments or instalments) to compensate such executive officer in the event of resignation, retirement or other termination of the Named Executive Officer's employment with Meryllion or its subsidiaries, a change of control of Meryllion or its subsidiaries, or a change in responsibilities of the Named Executive Officer following a change of control.

DIRECTOR COMPENSATION

Director Compensation

No compensation was paid to directors in their capacity as directors of Meryllion or its subsidiaries, in their capacity as members of a committee of the Meryllion Board or of a committee of the board of directors of its subsidiaries, or as consultants or experts, during the Meryllion's most recently completed financial year.

INCENTIVE PLAN AWARDS

Outstanding Share-Based Awards and Option-Based Awards

From its incorporation dated of July 25, 2013 to the date of the Circular no share based or option based awards were provided to Directors.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No director or executive officer of Meryllion, any proposed nominee for election as a director of Meryllion, any associate of any such director, executive officer or proposed nominee has at any time since the beginning of the most recently completed financial year of Meryllion, been indebted to Meryllion or any of its subsidiaries or had indebtedness to another entity, at any time since the beginning of the most recently completed financial year, been the subject of a guarantee, support agreement, letter of credit, or other similar arrangement or understanding provided by Meryllion or any of its subsidiaries.

AUDIT COMMITTEES AND CORPORATE GOVERNANCE

Meryllion has adopted an audit committee charter, as described below, but has not yet appointed any members to the audit committee.

Audit Committee Charter

Mandate

The primary function of the audit committee (the “Committee”) is to assist the board of directors in fulfilling its financial oversight responsibilities. The Committee reviews the financial reports and other financial information provided by Meryllion to regulatory authorities and its shareholders and reviews Meryllion’s systems of internal controls regarding finance and accounting including our auditing, accounting and financial reporting processes. The Committee’s primary duties and responsibilities are to:

- Serve as an independent and objective party to monitor Meryllion’s financial reporting and internal control system and review Meryllion’s financial statements.
- Review and appraise the performance of Meryllion’s external auditors.
- Provide an open avenue of communication among Meryllion’s auditors, financial and senior management and the Meryllion Board.

Composition

The Committee will be comprised of three directors as determined by the Meryllion Board, the majority of whom are free from any relationship that, in the opinion of the Meryllion Board, would interfere with the exercise of their independent judgment as a member of the Committee. At least one member of the Committee should have accounting or related financial management expertise. All members of the Committee that are not financially literate will work towards becoming financially literate to obtain a working familiarity with basic finance and accounting practices. For the purposes of the Audit Committee Charter, the definition of “financially literate” is the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can presumably be expected to be raised by Meryllion’s financial statements.

The members of the Committee are elected by the Meryllion Board at its first meeting following the annual shareholders’ meeting. Unless a Chair is elected by the full Meryllion Board, the members of the Committee may designate a Chair by a majority vote of the full Committee membership.

National Instrument 52-110 *Audit Committees*, (“NI 52-110”) provides that a member of an audit committee is “independent” if the member has no direct or indirect material relationship with the issuer, which could, in the view of the issuer’s board of directors, reasonably interfere with the exercise of the member’s independent judgment.

It is anticipated that the members of the Committee will be: Gregory Shenton (Chair), John Fognani and Borden Putnam and all proposed members of the Committee are considered by the Meryllion Board to be “independent” within the meaning of NI 52-110.

Meetings

The Committee is to meet at least four times annually, or more frequently as circumstances dictate. As part of its job to foster open communication, the Committee is to meet at least annually with the Chief Financial Officer and the external auditors in separate sessions.

Responsibilities and Duties

To fulfill its responsibilities and duties, the Committee shall:

Documents/Reports Review

- Review and update the Charter annually.
- Review Meryllion's financial statements, MD&A and any press release that includes annual and interim earnings before Meryllion publicly discloses this information and any reports or other financial information (including quarterly financial statements), which are submitted to any governmental body, or to the public, including any certification, report, opinion, or review rendered by the external auditors.

External Auditors

- Review annually, the performance of the external auditors who shall be ultimately accountable to the Meryllion Board and the Committee as representatives of the shareholders of Meryllion.
- Recommend to the Meryllion Board the selection and, where applicable, the replacement of the external auditors nominated annually for shareholder approval.
- Review with management and the external auditors the audit plan for the year-end financial statements and intended template for such statements.
- Review and pre-approve all audit and audit-related services and the fees and other compensation related thereto, and any non-audit services, provided by Meryllion's external auditors.
- Provided pre-approval of the non-audit services is presented to the Committee's first scheduled meeting following such approval, such authority may be delegated by the Committee to one or more independent members of the Committee.

Financial Reporting Processes

- In consultation with the external auditors, review with management the integrity of Meryllion's financial reporting process, both internal and external.
- Consider the external auditors' judgments about the quality and appropriateness of Meryllion's accounting principles as applied in its financial reporting.
- Consider and approve, if appropriate, changes to Meryllion's auditing and account principles and practices as suggested by the external auditors and management.
- Following completion of the annual audit, review separately with management and the external auditors any significant difficulties encountered during the course of the audit, including any restrictions on the scope of work or access to required information.
- Review any significant disagreement among management and the external auditors in connection with the preparation of the financial statements.
- Review with the external auditors and management the extent to which changes and improvements in financial or accounting practices have been implemented.
- Review any complaints or concerns about any questionable accounting, internal accounting controls or auditing matters.
- Review certification process.
- Establish a procedure for the confidential, anonymous submission by employees of Meryllion of concerns regarding questionable accounting or auditing matters.
- Review any related-party transaction.

Other

Relevant Education and Experience

NI 52-110 provides that an individual is “financially literate” if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by Meryllion’s financial statements.

Each proposed Committee member has gained financial literacy through their years of experience serving as directors of several mining and mineral exploration companies and serving on numerous other audit committees. In these positions, each member would be responsible for receiving financial information relating to their company and obtaining an understanding of the balance sheet, income statement and statement of cash flows and how these statements are integral in assessing the financial position of Meryllion and its operating results. Each member has significant understanding of the mineral exploration business which Meryllion engages in and has an appreciation for the relevant accounting principles for that business. For further details regarding the details of the relevant education and experience, see the relevant biographies of the Committee members at “*Directors and Executive Officers*” above.

Audit Committee Oversight

Since the incorporation of Meryllion, the proposed Committee of Meryllion has not made any recommendations to nominate or compensate an external auditor which were not adopted by the Meryllion Board.

Reliance on Certain Exemptions

Since the incorporation of Meryllion, Meryllion has not relied on:

- (a) the exemption in section 2.4 (De Minimis Non-audit Services) of NI 52-110; or
- (b) an exemption from NI 52-110, in whole or in part, granted under Part 8 (Exemptions).

Pre-Approval Policies and Procedures

The Company has adopted specific policies and procedures for the engagement of non-audit services see “*Audit Committees and Corporate Governance – Audit Committee Charter – External Auditors*” above.

Audit Fees

The Company was not a reporting issuer and was not required to perform an audit of its financial statements in prior years.

Exemption in Section 6.1

The Company is a “venture issuer” as defined in NI 52-110 and is relying on the exemption in section 6.1 of NI 52-110 relating to Parts 3 (Composition of Audit Committee) and 5 (Reporting Obligations).

CORPORATE GOVERNANCE

National Instrument 58-101, *Disclosure of Corporate Governance Practices*, requires all companies to provide certain annual disclosure of their corporate governance practices with respect to the corporate governance guidelines (the “**Guidelines**”) adopted in National Policy 58-201 *Corporate Governance Guidelines*. These Guidelines are not prescriptive, but have been used by the Company in adopting its corporate governance practices. Meryllion’s approach to corporate governance is set out below.

Board of Directors

Directorships

In addition to their positions on the Meryllion Board, the following directors also serve as directors of the following reporting issuers:

Name of Director	Reporting Issuer
David Birkenshaw	Concordia Resources Corp., and Planet Mining Exploration Inc.
John Fognani	Concordia Resources Corp.
Terry Krepiakevich	Alexco Resource Corp., Concordia Resources Corp., Nova Copper Inc., St. Augustine Gold and Copper Limited and Western Lithium USA Corporation
Borden Putnam	Concordia Resources Corp., and Mirasol Resources Ltd.
Gregory Shenton	None

Orientation and Continuing Education

Meryllion does not provide a formal orientation and education program for new directors; however, any new directors will be given the opportunity to familiarize themselves with Meryllion, the current directors and members of management. Directors are also encouraged and given the opportunity for continuing education.

Ethical Business Conduct

The Meryllion Board has adopted a formal written Code of Business Conduct and Ethics which is applicable to all directors, officers and employees of Meryllion.

Nomination of Directors

The Meryllion Board selects new nominees to the Meryllion Board, although a formal process has not been adopted. The nominees are generally the result of recruitment efforts by the Board members, including both formal and informal discussions among the Meryllion Board members and the President and CEO. The Meryllion Board monitors, but does not formally assess, the performance of individual the Meryllion Board members or committee members or their contributions.

Compensation of Directors

The President & CEO makes recommendations to the Meryllion Board on director compensation based on Meryllion's performance during the relevant year. For a further description of the compensation of the directors, see "Director Compensation" above.

Other Board Committees

Meryllion has one standing committee, the Audit Committee. Please refer to the "Audit Committee" section above for further information.

Assessments

The Meryllion Board does not, at present, have a formal process in place for assessing the effectiveness of the Meryllion Board as a whole, its committees or individual directors, but will consider implementing one in the future should circumstances warrant. Based on Meryllion's size, its stage of development and the limited number of individuals on the Meryllion Board, it considers a formal assessment process to be inappropriate at this time. The entire Meryllion Board is responsible for selecting new directors and assessing current directors. A proposed director's credentials are reviewed in advance of a Meryllion Board meeting by one or more members of the Meryllion Board prior to the proposed director's nomination.

RISK FACTORS

See "Risk Factors" in the Circular.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

Management of Meryllion is not aware of any material legal proceedings or regulatory actions outstanding, pending or threatened as at the date hereof, by or against Meryllion, which would be material to a purchaser of securities of Meryllion.

INTERESTS OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

The management of Meryllion is not aware of any material interest, direct or indirect, of any insider of Meryllion, or any Associate or Affiliate of any such Person, in any transaction since July 25, 2013 (date of incorporation), or in any proposed transaction, except as noted in the previous section with respect to the Arrangement, that has materially affected or would materially affect Meryllion.

AUDITORS, TRANSFER AGENTS AND REGISTRARS

The Registrar and Transfer Agent for the Concordia Shares is Computershare Investor Services Inc., at its principal offices at 3rd Floor, 510 Burrard Street, Vancouver, British Columbia, V6C 3B9.

The auditors of Meryllion are MacKay, LLP Chartered Accountants of Suite 1100 - 1177 West Hastings Street Vancouver, BC, V6E 4T5.

MATERIAL CONTRACTS

Meryllion has not entered into any material contracts during the last two years, other than contracts in the ordinary course of business, except:

1. Arrangement Agreement between Concordia, Meryllion and HPX TechCo dated October 1, 2013. For a description of the terms of the Arrangement Agreement, please see "*Particulars of Matters to be Acted Upon – Plan of Arrangement*" in the Circular.
2. La Providencia Project agreements comprising:
 - a. the La Providencia Option Agreement between MAS and Humberto Julio Cánepa dated March 4, 2011 and amended March 2013;
 - b. the Rojo Agreements between MAS and Silvia Rojo dated October 13, 2011 and effective in June and July 2012 and amended in May 2013; and
 - c. the Bragantini Agreement between MAS and Jorge Bragantini dated July 11, 2012 and amended in July 2013,all of which are described in detail above.

Copies of these agreements will be available for inspection at the offices of Meryllion located at Suite 1100 – 355 Burrard Street, Vancouver, BC, V6C 2G8, at any time during ordinary business hours up to and including the date of the Meeting, as well as for a period of 30 days thereafter.

EXPERTS

Meryllion has relied on certain tax advice from Koffman Kalef LLP in relation to the tax treatment of the Meryllion Shares following the Arrangement.

Meryllion has relied on the work of the Qualified Persons listed above under the heading "Mineral Properties" who reviewed and approved the scientific and technical information presented in this Circular which is derived from the La Providencia Technical Report which is available for review under Concordia's profile on SEDAR at www.sedar.com.

To the knowledge of Meryllion, as of the date hereof:

- a. neither the Qualified Person listed above under the heading "Mineral Properties" that prepared or contributed to the preparation of the La Providencia Technical Report, nor the company listed therein that employs those individuals, hold a beneficial interest in, directly or indirectly, Meryllion Shares, or securities convertible into Meryllion Shares, equal to or greater than one percent of the issued and outstanding Common Shares of Meryllion;
- b. MacKay LLP, Chartered Accountants, have advised that they are independent of Meryllion within the meaning of the Rules of Professional Conduct of the Institute of Chartered Accountants of British Columbia; and

- c. the partners and associates of Koffman Kalef do not own, directly or indirectly, more than 1% of the issued and outstanding Meryllion Shares or securities convertible into Meryllion Shares.

OTHER MATERIAL FACTS

To the knowledge of the directors of Meryllion and Concordia, there are no material facts about Meryllion, Concordia or the Arrangement that are not disclosed above which are necessary in order for this Circular to contain full, true and plain disclosure of all material facts relating to Meryllion, and Concordia, assuming the completion of the Arrangement.

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SCHEDULE "E"

FORM 3D1 - INFORMATION CIRCULAR

OF

CONCORDIA RESOURCE CORP.

FOR THE SPECIAL MEETING

TO BE HELD ON NOVEMBER 29, 2013

**PROPOSED ARRANGEMENT INVOLVING CONCORDIA RESOURCE CORP. AND
MERYLLION RESOURCES CORPORATION
AND
REVERSE TAKE OVER OF CONCORDIA RESOURCE CORP. BY HPX TECHCO
INC. THROUGH PURCHASE OF HPX TECHCO ASSETS**

October 16, 2003

Neither the TSX Venture Exchange Inc. nor any securities regulatory authority has in any way passed upon the merits of the proposed arrangement and reverse takeover or any other matter described in the information circular of which schedule forms part.

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GLOSSARY

Capitalized terms not otherwise defined in this Schedule have the meaning ascribed thereto in the Glossary of Terms in the main body of the Circular.

SUMMARY

A summary of information relating to Concordia, HPX TechCo and New Concordia (assuming completion of the Transactions) found in the Circular at section "Summary" should be read together with the more detailed information and financial data and statements contained elsewhere in the Circular.

PROXY RELATED INFORMATION

For disclosure required pursuant to applicable securities legislation, including National Instrument 51-102 – *Continuous Disclosure Obligations*, see "Circular".

For disclosure related to the requisite securityholder approvals, see "Circular – Solicitation of Proxies".

For a summary of the rights of dissent available to securityholders, see "Circular – Dissent Rights".

An investment in the securities of Concordia is highly speculative and involves numerous and significant risks and should be undertaken only by investors whose financial resources are sufficient to enable them to assume such risks and who have no need for immediate liquidity in their investment.

An investment in a junior exploration company involves a significant degree of risk, including risks related to cash flow and liquidity, the ongoing need for financing, a volatile stock price, operations risks and costs, regulatory matters and environmental legislation, risk related to property contracts, regulatory and permitting delays, fluctuations in oil and gas prices, fluctuations in interest and exchange rates, mining industry risks and competition for key personnel. See "Circular – Risk Factors" for more detailed risks associated with an investment in the securities of Concordia.

INFORMATION CONCERNING CONCORDIA

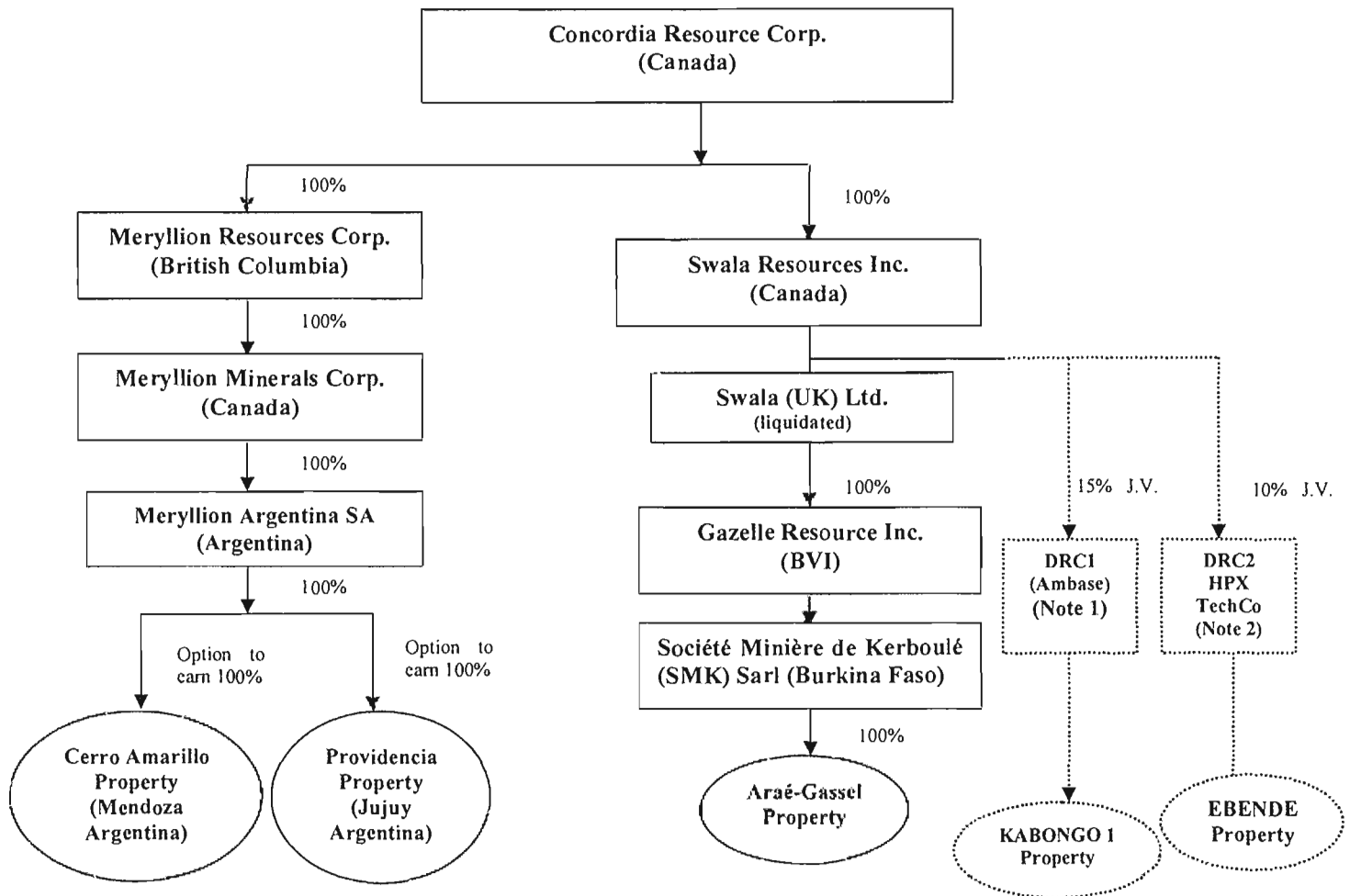
Name and Incorporation

Concordia Resource Corp., formerly Western Uranium Corporation, was formed under the BC Act on March 31, 2006 under the name “Navan Capital Corp.” as a result of the amalgamation of Navan Capital Corp., an Exchange listed corporation, and Western Uranium Corporation, a private corporation. Immediately after the amalgamation on March 31, 2006, the amalgamated company changed its name to “Western Uranium Corporation”. On April 5, 2011, Concordia changed its name to “Concordia Resource Corp.” and changed its trading symbol on the Exchange to “CCN”.

Concordia’s corporate and registered and records office is located at Suite 1100, 355 Burrard Street, Vancouver, BC, V6C 2G8.

Concordia is a reporting issuer in British Columbia and Alberta.

The material subsidiaries of Concordia, as at October 16, 2013 are as set out in the following organizational chart:



*J.V. : Joint Venture

- (1) 70% Ambase Exploration Africa (DRC) SPRL (bearing the entire funding of phase1) – 30 % Swala (with Bugeco as partner 50%) funding obligation starting of prefeasibility with minimum 1.5% NSR if diluted below 10%.
- (2) Swala retains carried 20% (with Bugeco as partner 50%) of project in first exploration phase. If decision is made to proceed to prefeasibility with funding obligation once NI.43-101 produced, can be diluted down to 10% which would be converted to a 3% NPI (Net Profit Interest)

Concordia has two material direct subsidiaries: Meryllion Minerals Corporation (“**Meryllion Sub**”) and Swala Resources Inc. (“**Swala**”). Meryllion Sub has one direct subsidiary: Meryllion Argentina S.A. Swala has one direct subsidiary, Swala (UK) Ltd., two joint ventures and one indirect subsidiary (see chart above).

General Developments of the Business

Concordia is a junior natural resource company engaged in the acquisition and exploration of resource properties. To date, Concordia has not generated significant revenues from operations and is considered to be in the exploration stage, seeking to identify large-scale mineral resources in Africa and South America. Through its subsidiaries, Concordia has held an extensive exploration portfolio in a number of resource endowed regions including USA, Spain, Canada, Burkina Faso, the Democratic Republic of Congo, Mozambique and Argentina.

USA

In 2007, Concordia entered into a mining lease and option agreement with Western Lithium USA Corporation, through their respective subsidiaries, Western Lithium Corporation and Western Energy pursuant to which Concordia granted to Western Lithium the exclusive right to explore for lithium bearing minerals and clay on its Kings Valley mineral properties in Humboldt County, Nevada (“**Kings Valley Property**”).

In July 2008, Concordia completed a statutory plan of arrangement with its then wholly-owned subsidiary, Western Lithium. Under the arrangement, Concordia spun-out a portion of its interest in Western Lithium to Concordia’s shareholders of record as of June 19, 2008, who received one Western Lithium share for every three of Concordia’s shares held. Accordingly, 19,734,361 shares in Western Lithium were distributed to shareholders of Concordia by way of an in-kind dividend, while Concordia retained 15,265,639 common shares of Western Lithium. Upon completion of this corporate reorganization, the common shares of Western Lithium were listed on the Exchange.

Subsequent to September 30, 2010, Concordia formalized its strategic plan to move from US-based uranium exploration to worldwide exploration for precious and base metals.

All of the Kings Valley Property mineral claims, except for the Albisu gold exploration target, were sold to Western Lithium in March 2011, and as consideration, Concordia received a further 5,855,000 Western Lithium common shares.

In September 2013, Concordia disposed of all of its common shares in the capital of Western Lithium.

Africa

Through a program of exploration and acquisition in early 2012, Concordia acquired a number of African assets and led an exploration program in Burkina Faso. In January 2012, Concordia completed the acquisition of all of the issued and outstanding securities of Swala, a private company founded in 2007 by African mining investors with a history of successful development in Africa, pursuant to a court approved plan of arrangement (the “**Swala Arrangement**”). Pursuant to the terms of the Swala Arrangement, each Swala shareholder received 1.9 common shares of Concordia for each share of Swala held. Prior to closing, Swala had 13,555,641 shares issued and outstanding, which resulted in approximately 25,755,716 shares of Concordia being issued to Swala shareholders.

Concordia, through its wholly-owned Burkina Faso subsidiary Société Minière de Kerboulé (SMK) sarl owns a 100% interest in two contiguous licenses; ‘Araé’ and ‘Gassel Manéré’ (the Kerboulé property), covering a total of 399.5 km².

South America

In September 2010, Meryllion entered into an exploration and option agreement (the “**Cerro Amarillo Agreement**”) to purchase the 14,000 hectare Cerro Amarillo-Cajon Grande copper-gold property (the “**Cerro Amarillo Property**”) located in the Malargüe District, in the Province of Mendoza, Argentina. Under the Cerro Amarillo Agreement, Meryllion has the exclusive right to engage in exploration activities on the Cerro Amarillo Property for up to 52 months (revised to 76 months in January 2012) before exercising its option to acquire a 100% interest in the Cerro Amarillo Property.

Geologic mapping and sampling at the Cerro Amarillo Property has outlined three distinct porphyry centers with associated alteration, mineralization and veining characteristic of many of the other producing copper mines along the Andes.

In March 2011, Meryllion acquired an option to purchase (the “**Providencia Option Agreement**”) the Providencia silver-copper prospect located in Jujuy province of northwestern Argentina (the “**Providencia Property**” and together with the Cerro Amarillo Property, the “**Argentina Properties**”). In July 2011, Meryllion received authorization from the mining regulator of the province Jujuy to proceed drilling at the Providencia Property. The drilling program was successful in verifying the historic resource as well as in identifying the geologic structures and controls on mineralization to guide the second phased of the expansion program.

In October 2013, Concordia entered into the Arrangement Agreement to spin out its current Argentinean portfolio of projects, including the Argentina Properties, into a new South American focused explorer, Meryllion Resources Corporation, and to distribute shares of Meryllion to Concordia’s current shareholders. For further information see “Information Circular – Particulars Matters to be Acted Upon – Plan of Arrangement” and Information Circular – Particulars Matters to be Acted Upon – Meryllion and the Vend-In Agreement”.

Selected Consolidated Financial Information and Management’s Discussions and Analysis

Selected Financial Information

The audited financial statements of Concordia for the financial years ended September 30, 2012, 2011 and 2010 and the unaudited interim financial statements for the period ended June 30, 2013, as attached herein.

The following tables set out selected financial information for the periods indicated and should be read in conjunction with and are qualified in their entirety by the more complete financial information attached to this Circular.

Amounts are in thousands of Canadian Dollars, except as otherwise indicated:

	Year Ended September 30, 2012⁽¹⁾	Year Ended September 30, 2011⁽¹⁾	Year Ended September 30, 2010⁽²⁾	Nine months ended June 30, 2013⁽¹⁾	Nine months ended June 30, 2012⁽¹⁾
Total Assets	43,465	44,769	63,045	30,398	46,034
Exploration and evaluation assets	14,791	861	16,955	15,001	14,664
Long-term debt	-	-	-	-	-
Revenues	-	-	-	-	-
Expenses	12,265	9,437	10,085	4,630	10,701
Net loss	15,024	11,738	9,797	13,006	13,057
Loss per share, basic and diluted	(0.19)	(0.20)	(0.16)	(0.15)	(0.17)

Notes:

- (1) Reported under IFRS.
- (2) Reported under Canadian GAAP. The financial information for the year ended September 30, 2010 is presented in accordance with Canadian GAAP (“**GAAP**”) and was not required to be restated in accordance with IFRS in this report. Information for other periods is in accordance with IFRS. The primary differences between the Company’s financial results reported under GAAP and IFRS is the accounting for the exploration expenses (capitalized under GAAP and expensed under IFRS) and accounting for the investment in Western Lithium. Transition to IFRS and explanation of the primary differences between GAAP and IFRS are disclosed in note 19 of the September 30, 2012 consolidated financial statements.

Management's Discussion and Analysis

Concordia's MD&A for the financial years ended September 30, 2012 and 2011 and for the period ended June 30, 2013 are incorporated by reference into this Information Circular. The MD&A, as incorporated by reference, should be read in conjunction with the audited financial statements and related notes thereto of Concordia.

Description of the Securities

The holders of Concordia Shares are entitled to dividends, if, as and when declared by the Concordia Board, to one vote per Concordia Share at meetings of the shareholders of Concordia and, upon dissolution, to share equally in such assets of Concordia as are distributable to the holders of Concordia Shares.

The holders of Class A Shares will be entitled to dividends, if, as and when declared by the Concordia Board, to one vote per Class A Share at meetings of the shareholders of Concordia and, upon dissolution, to share equally in such assets of Concordia as are distributable to the holders of Class A Shares.

The holders of New Concordia Common Shares will be entitled to dividends, if, as and when declared by the Concordia Board, to one vote per New Concordia Common Shares at meetings of the shareholders of Concordia and, upon dissolution, to share equally in such assets of Concordia as are distributable to the holders of New Concordia Common Shares.

Stock Option Plan

The Concordia Board established a stock option plan (the "**Stock Option Plan**") on March 30, 2009, in accordance with the policies of the Exchange, whereby from time to time at the discretion of the board of directors, stock options are granted to directors, officers and certain consultants. The Stock Option Plan was approved and ratified by shareholders of Concordia on August 29, 2013. The following information is intended as a brief description of the Stock Option Plan and is qualified in its entirety by the full text of the Stock Option Plan:

1. The maximum number of shares that may be issued upon the exercise of stock options granted under the Stock Option Plan shall not exceed 10% of the issued and outstanding common shares of Concordia at the time of grant, the exercise price of which, as determined by the Concordia Board in its sole discretion, shall not be less than the closing price of Concordia's shares traded through the facilities of the Exchange on the date prior to the date of grant, less allowable discounts, in accordance with the policies of the Exchange or, if the shares are no longer listed for trading on the Exchange, then such other exchange or quotation system on which the shares are listed or quoted for trading.
2. The Concordia Board shall not grant options to any one person in any 12 month period which will, when exercised, exceed 5% of the issued and outstanding shares of Concordia or to any one consultant or to those persons employed by Concordia who perform investor relations services which will, when exercised, exceed 2% of the issued and outstanding shares of Concordia.
3. Upon expiry of an option, or in the event an option is otherwise terminated for any reason, the number of shares in respect of the expired or terminated option shall again be available for the purposes of the Stock Option Plan. All options granted under the Stock Option Plan may not have an expiry date exceeding five years from the date on which the board of directors grant and announce the granting of the option.
4. If the option holder ceases to be a director of Concordia or ceases to be employed by Concordia (other than by reason of death), or ceases to be a consultant of Concordia as the case may be, then the option granted shall expire on no later than the 120th day following the date that the option holder ceases to be a director, ceases to be employed by Concordia or ceases to be a consultant of Concordia, subject to the terms and conditions set out in the Stock Option Plan.

Prior Sales

In the 12 months preceding the date of this document, no Concordia Shares were issued.

Trading History

The following table sets forth the price ranges in Canadian dollars and volume of Concordia's Shares on the Exchange for each month and part month of the current financial quarter and the immediately preceding quarter and quarterly for the seven preceding financial quarters.

Period	High	Low	Volume
October 2013	N/A	N/A	N/A
September 2013	\$0.16	\$0.11	6,521,653
August 2013	\$0.15	\$0.13	343,000
July 2013	\$0.16	\$0.12	1,661,866
April 01, 2013 – June 30, 2013	\$0.18	\$0.10	1,752,610
January 01, 2013 – March 31, 2013	\$0.25	\$0.14	2,645,683
October 01, 2012 – December 31, 2012	\$0.27	\$0.20	3,495,469
July 01, 2012 – September 30, 2012	\$0.31	\$0.21	3,057,663
April 01, 2012 – June 30, 2012	\$0.44	\$0.24	10,985,258
January 01, 2012 – March 31, 2012	\$0.61	\$0.385	5,301,583
October 01, 2011 – December 31, 2011	\$0.61	\$0.43	8,471,842

Executive Compensation

In accordance with the requirements of applicable securities legislation in Canada, the following executive compensation disclosure is provided in respect of each person who served as the Company's Chief Executive Officer (the "CEO") or Chief Financial Officer (the "CFO") during the 2012 fiscal year, and each of the three (3) most highly compensated executive officers of the Company and its subsidiaries for the 2012 fiscal year, whose annual aggregate compensation exceeded Cdn.\$150,000 (collectively, the "NEOs").

Compensation Discussion & Analysis

The objective of Concordia's compensation program is to compensate the executive officers for their services to Concordia at a level that is both in line with Concordia's fiscal resources and competitive with companies at a similar stage of development.

Concordia does not have a formal compensation program with set benchmarks; however, Concordia does have an informal program designed to encourage, compensate and reward employees on the basis of individual and corporate performance, and to align the interests of executive officers with the interest of Concordia's shareholders. This alignment of interests is achieved by making long term equity-based incentives through the granting of stock options, a significant component of executive compensation (on the assumption that the performance of the common share price over the long term is an important indicator of long term performance).

Concordia compensates its executive officers based on their skill and experience levels and the existing stage of development of Concordia. Executive officers are rewarded on the basis of the skill and level of responsibility involved in their position, the individual's experience and qualifications, Concordia's resources, industry practice, and regulatory guidelines regarding executive compensation levels.

The Concordia Board reviews data related to the compensation programs of companies that are similar in size to Concordia and operate within the mining exploration and development industry. The purpose of this process is to:

- understand the competitiveness of current pay levels for each of the Concordia's executive positions relative to companies with similar revenues and business characteristics;
- identify and understand any discrepancies that may exist between Concordia's compensation levels and market compensation levels; and

- establish a basis for developing salary adjustments and incentive awards for the Concordia Board to review.

The Concordia Board has implemented three levels of compensation to align the interests of the executive officers with those of the shareholders. First, executive officers are paid a monthly consulting fee or salary. Second, the Concordia Board awards executive officers long term incentives in the form of stock options. Finally, and only in special circumstances, the Concordia Board may award cash or share bonuses for exceptional performance that results in a significant increase in shareholder value.

Base salary comprises the portion of executive compensation that is fixed, whereas stock options and cash or share bonuses represent compensation that is “at risk” and thus may or may not be paid to the respective executive officer depending on: (a) whether the executive officer is able to meet or exceed his or her applicable performance expectations; (b) market performance of the common shares; and, (c) Concordia’s liquidity and ability to raise further capital in the prevailing economic environment.

No specific formulae have been developed to assign a specific weighting to each of these components. Instead, the Concordia Board reviews each element of compensation for market competitiveness, and it may weigh a particular element more heavily based on the NEO’s role and responsibilities within the Company. The focus is on remaining competitive in the market with respect to “total compensation” as opposed to within any one component of executive compensation.

The base compensation of the executive officers is reviewed and set annually by the Board. The CEO has substantial input in setting annual compensation levels. The CEO is directly responsible for the financial resources and operations of Concordia. In addition, the CEO and the Concordia Board from time to time determine the stock option grants to be made pursuant to Concordia’s Stock Option Plan. Previous grants of stock options are taken into account when considering new grants.

Compensation for the most recently completed financial year should not be considered an indicator of expected compensation levels in future periods. All compensation is subject to and dependant on Concordia’s financial resources and prospects.

Options Based Awards

Stock option grants are made on the basis of the number of stock options currently held, position, overall individual performance, anticipated contribution to Concordia’s future success and the individual’s ability to influence corporate and business performance. The purpose of granting such stock options is to assist Concordia in compensating, attracting, retaining and motivating the officers, directors and employees of Concordia and to closely align the personal interest of such persons to the interest of the shareholders.

NEOs or directors are not permitted to purchase financial instruments, including, for greater certainty, prepaid variable forward contracts, equity swaps, collars or units of exchange funds that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by the NEO or director.

Summary Compensation Table

The compensation paid to Concordia’s NEOs during its most recently completed financial years ended September 30, 2012 is as set out below and expressed in Canadian Dollars:

Name and principal position	Year	Salary (\$)	Share-based awards (\$)	Option-based awards (\$)	Non-equity incentive plan compensation (\$)		Pension value (\$)	All other compensation (\$) ⁽⁶⁾	Total compensation (\$)
					Annual incentive plans	Long-term incentive plans			
R. Edward Flood ^{(1) (4)} Former CEO and President	2012	327,410	N/A	N/A	N/A	N/A	N/A	16,631	344,041
	2011	292,742	N/A	750,000	N/A	N/A	N/A	-	1,047,742
	2010	56,026	N/A	67,000	N/A	N/A	N/A	-	123,026
Toby Mayo ⁽²⁾ President	2012	200,000	N/A	15,000	N/A	N/A	N/A	10,000	225,000
	2011	183,333	N/A	290,000	N/A	N/A	N/A	5,000	478,333
	2010	N/A	N/A	N/A	N/A	N/A	N/A	-	N/A
Eduard Epshtein ⁽³⁾ CFO	2012	100,000	N/A	22,500	N/A	N/A	N/A	12,500	135,000
	2011	90,173	N/A	118,500	N/A	N/A	N/A	25,000	233,673
	2010	56,040	N/A	33,500	N/A	N/A	N/A	-	89,540

Notes:

- (1) R. Edward Flood was appointed as Concordia's President and Chief Executive Officer on December 31, 2010. Mr. Flood resigned as President on November 17, 2011 and Toby Mayo was appointed President. Mr. Flood resigned as CEO of Concordia in February 2013 and Terry Krepiakovich was appointed interim CEO.
- (2) Mr. Mayo was promoted from the position of Senior Vice President Corporate Development to President in November 2011.
- (3) Mr. Epshtein is also CFO of Western Lithium USA Corporation and his salary is evenly split between the two companies.
- (4) Salary is paid in US currency. The exchange rate used to convert the amounts to Canadian currency was US\$1.00 = Cdn.\$1.01 (2011 = Cdn.\$0.99 and 2010 = Cdn.\$1.04).
- (5) This column includes the grant date fair value estimated using Black-Sholes option pricing model of all options granted by Concordia to the NEOs during the year.
- (6) Other compensation consists of bonuses paid during the year.

Incentive Plan Awards

Outstanding Share-Based and Option-Based Awards

The following table sets forth information concerning all awards outstanding under incentive plans of Concordia at the end of the most recently completed financial year, including awards granted before the most recently financial year, to each of the NEOs:

Name	Option-based Awards				Share-based Awards		
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$) ⁽¹⁾	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)	Market or payout value of vested share-based awards not paid out or distributed (\$)
R. Edward Flood Former CEO and President	500,000	0.83	Jan 21, 2014	-	N/A	N/A	N/A
	100,000	0.85	June 10, 2015	-	N/A	N/A	N/A
	1,000,000	0.95	Dec. 22, 2015	-	N/A	N/A	N/A
Toby Mayo President	200,000	0.85	Nov. 8, 2015	-	N/A	N/A	N/A
	200,000	1.00	Mar. 31, 2016	-	N/A	N/A	N/A

	100,000	0.27	Sept. 16, 2017		N/A	N/A	N/A
Eduard Epshtein	50,000	0.85	June 10, 2015	-	N/A	N/A	N/A
	150,000	1.00	Mar. 31, 2016	-	N/A	N/A	N/A
CFO	150,000	0.27	Sept. 16, 2017	-	N/A	N/A	N/A

Note:

- (1) The “value of unexercised in-the-money options” is calculated on the basis of the difference between the closing price of the common shares on the Exchange on September 30, 2012 and the exercise price of the stock options. The closing market price of Concordia’s common shares on September 30, 2012 was Cdn.\$0.27.

Incentive Plan Awards – Value Vested or Earned During the Year

The following table sets forth details of the value vested during the financial year ended September 30, 2012 for each of the NEOs for option-based awards, share-based awards and non-equity incentive plan compensation.

Name	Option-based awards – Value vested during the year⁽¹⁾ (\$)	Share-based awards – Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
R. Edward Flood Former CEO and President	Nil	N/A	N/A
Eduard Epshtein CFO	Nil	N/A	N/A
Toby Mayo President	Nil	N/A	N/A

Note:

- (1) The “value vested during the year” is calculated using the closing price of the common shares of Concordia on the TSX Venture Exchange on the vesting date less the respective exercise prices of the options.

Pension Benefits

Concordia does not have a pension plan that provides for payments or benefits to the NEOs at, following, or in connection with retirement.

Termination and Change of Control Benefits

Concordia and R. Edward Flood entered into a management agreement dated December 31, 2011 (the “**Management Agreement**”). On August 24, 2012 Concordia and Mr. Flood entered into a new employment agreement which superseded the Management Agreement (the “**Flood Employment Agreement**”). Under the Flood Employment Agreement, Concordia engaged Mr. Flood as CEO of Concordia and agreed to pay Mr. Flood an annual salary of US\$325,000. The Flood Employment Agreement provides that: (a) Concordia may terminate Mr. Flood’s employment for just cause; and (b) Concordia may terminate Mr. Flood’s employment without cause upon the payment to Mr. Flood of two (2) times his annual salary in a lump sum. The Flood Employment Agreement also provides that Concordia will provide Mr. Flood with a lump sum payment equal to three (3) times his annual salary upon a change of control. In February 2013 Mr. Flood resigned as CEO and Chairman of Concordia and was paid severance in the amount of US\$650,000 pursuant to the Flood Employment Agreement. Concordia has agreed to continue paying health, dental and life insurance premiums plus an additional US\$325,000 upon closing of the Transactions by December 31, 2013.

Concordia and Toby Mayo entered into a management agreement (the “**Mayo Management Agreement**”) dated November 1, 2010. On August 24, 2012 Concordia and Mr. Mayo entered into a new employment agreement which superseded the Mayo Management Agreement (the “**Mayo Employment Agreement**”). Under the Mayo Employment Agreement, Concordia engaged Mr. Mayo as President of Concordia and agreed to pay Mr. Mayo an annual salary of Cdn.\$200,000. On January 1, 2013 Mr. Mayo’s salary was increased to Cdn.\$250,000 annually.

The Mayo Employment Agreement provides that: (a) Concordia may terminate Mr. Mayo's employment for just cause; and (b) Concordia may terminate Mr. Mayo's employment without cause upon the payment to Mr. Mayo of one and a half (1.5) times his annual salary in a lump sum and also provides that Concordia will provide Mr. Mayo with a lump sum payment equal to two (2) times his annual salary upon a change of control. Mr. Mayo has agreed to waive the change of control provisions under the Mayo Employment Agreement in connection with the Transactions.

Concordia is party to shareholders' cost-sharing agreement with WMM Services Corporation ("WMM"), a private company owned equally by Concordia and Western Lithium. WMM provides administration, accounting and other office services to Concordia on a cost-recovery basis. Prior to August 24, 2012, Mr. Epshtein's employment agreement was with WLC and his annual salary was evenly split between Concordia and WLC and paid through WMM. On August 24, 2012 Concordia and Mr. Epshtein entered into a new employment agreement (the "**Epshtein Employment Agreement**") and collectively with the Flood Management Agreement and the Mayo Employment Agreement, the "**Employment Agreements**"). Under the Epshtein Employment Agreement, Concordia engaged Mr. Epshtein as Chief Financial Officer of Concordia and agreed to pay Mr. Epshtein an annual salary of Cdn.\$200,000 multiplied by a fraction, which represents the percentage of time allocated to Concordia ("**Base Salary**"). The Epshtein Employment Agreement provides that: (a) Concordia may terminate Mr. Epshtein's employment for just cause; and (b) Concordia may terminate Mr. Epshtein's employment without cause upon the payment to Mr. Epshtein of one (1) times his Base Salary in a lump sum and also provides that Concordia will provide Mr. Epshtein with a lump sum payment equal to two (2) times his Base Salary upon a change of control. Mr. Epshtein will not continue with New Concordia, and as result of the change of control provisions under the Epshtein Employment agreement Mr. Epshtein will be paid Cdn.\$200,000.

The Employment Agreements contain restrictive covenants on the employee's ability to: (i) solicit any clients or customers from Concordia or its subsidiaries; (ii) carry on or engage in business that competes with Concordia or any of its subsidiaries; or, (iii) offer his services with an organization that competes directly with Concordia or its subsidiaries. The Employment Agreements also contain standard non-disclosure covenant restricting the ability of the officer to disclose any confidential information relating to Concordia.

Other than as disclosed herein, Concordia and its subsidiaries have no compensatory plan, contract or arrangement where an NEO is entitled to receive more than Cdn.\$100,000 (including periodic payments or instalments) to compensate such executive officer in the event of resignation, retirement or other termination of the NEO's employment with Concordia or its subsidiaries, a change of control of Concordia or its subsidiaries, or a change in responsibilities of the NEO following a change of control.

Director Compensation

Other than compensation paid to the NEOs, and except as noted below, no compensation was paid to directors in their capacity as directors of Concordia or its subsidiaries, in their capacity as members of a committee of the Concordia Board or of a committee of the board of directors of its subsidiaries, or as consultants or experts, during Concordia's most recently completed financial year.

The following table sets forth the details of compensation provided to the directors, other than the NEOs during the Company's most recently completed financial year: All dollar amounts in the following table are in Canadian dollars.

Director Compensation Table

Name	Fees Earned (\$)	Share-based Awards (\$)	Option-based Awards ⁽¹⁾ (\$)	Non-Equity Incentive Plan Compensation (\$)	Pension Value (\$)	All Other Compensation (\$)	Total (\$)
Gerard de La Vallée Poussin ⁽²⁾	-	N/A	74,520	N/A	N/A	72,919	147,439
Harry Dobson ⁽³⁾	-	N/A	-	N/A	N/A	-	-
John Fognani	18,750	N/A	-	N/A	N/A	-	18,750

Name	Fees Earned (\$)	Share-based Awards (\$)	Option-based Awards ⁽¹⁾ (\$)	Non-Equity Incentive Plan Compensation (\$)	Pension Value (\$)	All Other Compensation (\$)	Total (\$)
Peter Jones ⁽⁴⁾	15,500	N/A	51,300	N/A	N/A	-	66,800
Terry Krepiakovich	18,750	N/A	-	N/A	N/A	-	18,750
Pamela Klessig ⁽⁵⁾	-	N/A	-	N/A	N/A	46,035	46,035
Pierre Lebel ⁽⁴⁾	15,500	N/A	-	N/A	N/A	-	15,500
Borden R Putman	18,750	N/A	-	N/A	N/A	-	18,750

Notes:

- (1) This column includes the grant date fair value of all options granted by Concordia to the directors during the most recently completed financial year. The grant date fair value of all options granted during the year ended September 30, 2012 was estimated using the Black-Scholes valuation model. The Black-Scholes option pricing model has been used to determine grant date fair value due to its wide acceptance across industry as an options valuation model, and because it is the same model Concordia uses to value options for financial reporting purposes.
- (2) Appointed as a director of Concordia on January 25, 2012. Effective March 1, 2012, Concordia engaged Mr. de La Vallée Poussin to provide African projects consulting and advisory services at a rate of Cdn.\$10,417 per month.
- (3) Resigned as a director of Concordia on January 25, 2012.
- (4) Appointed as a director of Concordia on March 26, 2012.
- (5) Ms. Klessig is the former CEO of Concordia and provided consulting services to Concordia at a rate of US\$15,000 per month during the three months ended December 31, 2011.

Except as disclosed above, no compensation was paid to directors in their capacity as directors of Concordia, in their capacity as members of a committee of the Board, or as consultants or experts, during Concordia's most recently completed financial year. Directors are also compensated through the grant of stock options.

Incentive Plan Awards

Outstanding Share-Based Awards and Option-Based Awards

The following table sets forth information concerning all awards outstanding under incentive plans of Concordia at the end of the most recently completed financial year, including awards granted before the most recently completed financial year, to each of the directors who are not NEOs: The following table sets forth information concerning all awards outstanding under incentive plans of Concordia at the end of the most recently completed financial year, including awards granted before the most recently completed financial year, to each of the directors who are not NEOs: All dollar amounts in the following table are in Canadian dollars.

Name	Option-based Awards				Share-based Awards		
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$) ⁽¹⁾	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)	Market or payout value of share-based award not paid out or distributed (\$)
Gerard de La Vallée Poussin	76,000	\$0.70	Jan. 13, 2017	-	N/A	N/A	N/A
	200,000	\$0.47	Feb. 24, 2017	-	N/A	N/A	N/A
John Fognani	100,000	\$0.85	June 10, 2015	-	N/A	N/A	N/A
	100,000	\$0.66	Aug. 25, 2016	-	N/A	N/A	N/A
Peter Jones	190,000	\$0.70	Jan. 13, 2017	-	N/A	N/A	N/A
Terry Krepiakovich	200,000	\$1.00	Mar. 31, 2016	-	N/A	N/A	N/A
	50,000	\$0.66	Aug. 25, 2016	-	N/A	N/A	N/A
Pamela Klessig	100,000	\$0.85	June 10, 2015	-	N/A	N/A	N/A
	300,000	\$0.66	Aug. 25, 2016	-	N/A	N/A	N/A
Pierre Lebel	325,000	\$0.27	Sept. 16, 2017	-	N/A	N/A	N/A
Borden R Putman	100,000	\$1.00	Jan. 25, 2016	-	N/A	N/A	N/A
	100,000	\$0.66	Aug. 25, 2016	-	N/A	N/A	N/A

Notes:

- (1) The "value of unexercised in-the-money options" is calculated using the closing price of the common shares of Concordia on the Exchange on September 30, 2012 (Cdn.\$0.27) less the respective exercise prices of the options.
- (2) All of the options held by the above named individuals will vest and must be exercised within 120 days of the closing of the Transactions except for the options held Mr. Krepiakovich.

Incentive Plan Awards – Value Vested or Earned During the Year

The following table sets out the value of all stock options that vested during the financial year ended September 30, 2012 for each of the directors who are not NEOs for the option-based awards, share-based awards and non-equity incentive plan compensation. The following table sets out the value of all stock options that vested during the financial year ended September 30, 2012 for each of the directors who are not NEOs for the option-based awards, share-based awards and non-equity incentive plan compensation.

Name	Option-based awards – Value vested during the year ⁽¹⁾ (\$)	Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
Gerard de La Vallée Poussin	N/A	N/A	N/A
John Fognani	N/A	N/A	N/A
Peter Jones	N/A	N/A	N/A

Name	Option-based awards – Value vested during the year ⁽¹⁾ (\$)	Share-based awards – Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
Terry Krepiakevich	N/A	N/A	N/A
Pamela Klessig	N/A	N/A	N/A
Pierre Lebel	N/A	N/A	N/A
Borden R Putman	N/A	N/A	N/A

Notes:

- (1) The “value vested during the year” is calculated using the closing price of the common shares of Concordia on the Exchange on the vesting dates less the respective exercise prices of the options. None of the unexercised vested options were “in-the-money” on the vesting dates.

Management Contracts

Management functions of Concordia and its subsidiaries are not to any substantial degree performed by those other than by the directors or executive officers of Concordia or its subsidiaries.

Arms Length Transactions

The proposed HPX TechCo RTO is an Arm’s Length Transaction.

Legal Proceedings

Neither Concordia nor its material subsidiaries and material properties are currently subject to any legal proceedings or regulatory actions.

Auditor, Transfer Agents and Registrars

The registrar and transfer agent for Concordia is Computershare Investor Services Inc., at its principal offices at 510 Burrard Street, Vancouver, B.C.

The auditors of Concordia are MacKay LLP, Chartered Accountants located at 1100-1177 West Hastings Street, Vancouver, B.C. V6E 4T5.

Material Contracts

Concordia has not entered into any material contracts, other than contracts entered into in the ordinary course of its business, during the past twelve months.

INFORMATION RELATED TO HPX TECHCO INC.

HPX TechCo is a private, metals-focused exploration company formed under the laws of the British Virgin Islands. HPX TechCo deploys proprietary geophysical technologies to rapidly evaluate buried geological targets. HPX TechCo combines world-class geological and geophysicist expertise, with innovative, ground-breaking technological hardware and software solutions to address the limitations of existing exploration technology. HPX TechCo is indirectly controlled by Robert Friedland.

HPX TechCo's technologies have been developed to facilitate rapid and deep electrical geophysical exploration in areas that have proved extremely difficult using historical technologies. These include high power and high signal specifications, facilitating high signal to noise ratios. This in turn enables accurate inversions to identify prospective targets. Both induced polarization and electromagnetic modes are available, enabling exploration for disseminated and massive sulphides, which would usually require separate transmitters.

HPX TechCo has been exploring for buried mineral discoveries since 2011, working in Namibia, Chile and Australia. In Chile, a recently completed survey demonstrated that HPX TechCo's technology can work in areas with caliche soils, a sedimentary layer of cemented calcium carbonate, generally found in arid or semiarid regions, which renders conventional geophysical exploration ineffective.

INFORMATION CONCERNING NEW CONCORDIA

New Concordia means Concordia after the effective date of the HPX TechCo RTO. The following disclosure respecting New Concordia assumes the completion of the Arrangement and the HPX TechCo RTO described in the Circular.

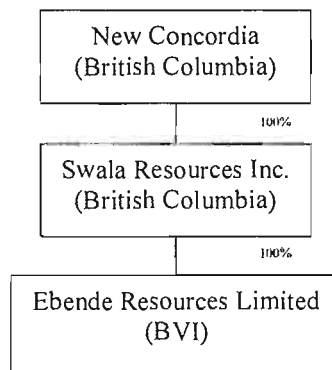
Name and incorporation

New Concordia was formed under the BC Act on March 31, 2006 under the name “Navan Capital Corp.” as a result of the amalgamation of Navan Capital Corp., an Exchange listed corporation, and “Western Uranium Corporation”, a private corporation. Immediately after the amalgamation on March 31, 2006, the amalgamated company changed its name to Western Uranium Corporation. On April 5, 2011, New Concordia changed its name to “Concordia Resource Corp.”

New Concordia proposes to change its name to Kaizen Discovery Inc. In connection with the Transactions and the location of New Concordia’s head and registered offices will change to 654-999 Canada Place, Vancouver, BC, V6C 3E1.

Intercorporate relationships

The following chart shows the material intercorporate relationships of New Concordia following the HPX TechCo RTO:



Stated business objectives.

Following the closing of the HPX TechCo RTO, New Concordia will be named Kaizen Discovery Inc. and will leverage HPX TechCo’s established geological and technical expertise and its innovative technological solutions to advance New Concordia’s diverse portfolio of mineral prospects, including the Ebende Project and the Fairholme Project. New Concordia will also seek to deploy HPX TechCo’s state-of-the-art, proprietary, geophysical technologies to explore prospective underground targets in some of the world’s most prolific mineral-producing regions, where New Concordia can leverage the geophysical technologies to gain a competitive advantage in its exploration initiatives.

Milestones

The following are the principal milestones expected to be achieved by New Concordia in order for New Concordia to advance its business objectives stated above:

Principal Milestone ⁽¹⁾	Time Period to Realize Milestone	New Concordia Estimated Cost of Realization (US\$)
Expected completion of 49% earn-in on Fairholme Project	End of 2013	0 ⁽²⁾
Renewal of licenses and reduction of ground holding as applicable on Ebende Project.	1 st half of 2014	220,000
Completion of 2014 recommended work program on Ebende Project	2014	1,950,000
Completion of geophysical survey on Fairholme Project ⁽³⁾	2 nd half of 2014	525,000
Ongoing project management and business development activities	2014	767,000
TOTAL:		3,462,000

Notes:

- (1) For a detailed description of the work program and detailed cost estimates refer to "Proposed Exploration and Development Activities"
- (2) Earn-in to 49% of the Fairholme Project is for the account of HPX TechCo.
- (3) Proceeding with Stage 1 of the Fairholme work program is dependent on the completion of the earn-in to 49% of the Fairholme Project. Initial phases of work in Stage 1 are budgeted. Proceeding to subsequent phases of exploration within the Stage 1 recommended work program will be dependent on exploration results from the initial activities.

Ebende Project

Following the completion of the HPX TechCo RTO, New Concordia's material property will be the Ebende Project.

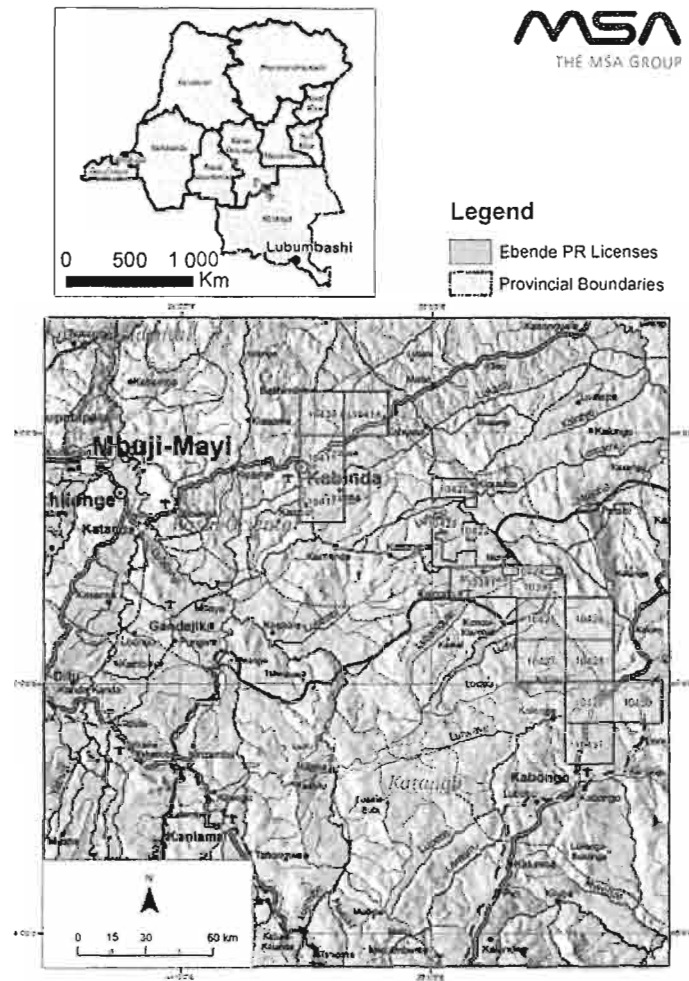
The following summary is derived from the technical report respecting the Ebende Project, entitled "NI 43-101 Independent Technical Report", dated October 16, 2013 (the "**Ebende Report**") and prepared by The MSA Group (Pty) Ltd ("**MSA**"). The Ebende Report has been filed on SEDAR under Concordia's profile at www.sedar.com, and is available for inspection upon request at 654-999 Canada Place, Vancouver, BC V6C 3E1 during normal business hours.

Property Description and Location

The Ebende Project is an early stage exploration project based on a licence holding of approximately 5,400 km² in the Kasai Orientale and Katanga Provinces of the Democratic Republic of Congo ("**DRC**").

The Ebende Project comprises 17 contiguous and near-contiguous "Permis de Recherches" (Exploration Licences; PRs) located in the Eastern Kasai and Katanga Provinces of the DRC. A map of the locality of the permits is shown in the table below.

Locality Map of the Ebende Project



Title

The Ebende Project was originally a joint venture ("JV") between Swala Resources PLC ("Swala") (20%), and HPX TechCo (80%). The JV company is Ebende Resources Limited (BVI) ("Ebende Resources"). The 20% share in the project which is held by Swala is subject to a memorandum of understanding between Swala and Bureau of Geological Consultancy S.A. ("Bugeco"), the terms of which provide for a 50/50 split in Swala's share of the project with Bugeco. In January 2012, Swala was acquired by Concordia.

Concordia, Bugeco and HPX TechCo have an agreement whereby Bugeco and HPX TechCo will vend their stakes in Ebende Resources into Concordia, taking shares as payment, thereby consolidating ownership of the Ebende Project into Concordia. The licences which comprise the Ebende Project are currently held by Ebende Resources.

The current expiry dates range between 26 April 2014 and 24 July 2015. Two renewals are allowed for periods of five years each.

Furthermore, an extension for the original licence expiry dates was granted by the Ministry of Mines for reasons classed as Force Majeure. The lawyers acting on behalf of Ebende Resources requested the Force Majeure because of delays experienced in receiving overflight authorisation for the airborne geophysical survey eventually flown by Ebende Resources in 2012. The delay in the subsequent ground work was several months in duration. As a result of the Force Majeure application, the expiry date of each licence was extended by periods of one year, 7 months and 5 days for ten licences (PR 10390, 10391, 10414, 10415, 10417, 10424, 10425, 10427, 10428 and 10431), and by 7 months and 5 days for the remaining 7 licences (PR 10420, 10421, 10422, 10426, 10429, 10430 and 10438).

These changes are recorded in notices issued by the Ministry of Mines (Arrete Ministeriel numbers 0508 to 0522, 0524 and 0529) and dated 24 August 2013.

The validity of all of the licences has been reviewed by Emery Mukendi Wafwana and Associates, a DRC-based legal firm specialising in mining law, with offices in South Africa and the USA. The opinion given by this legal review is that the licences are in good standing and there are no encumbrances on any of the licences.

Surface rights are owned by the State. Access rights must be negotiated with local inhabitants and village representatives. It is customary to approach local chiefs and to compensate local farmers for crop disturbances due to exploration activities on ground they would otherwise be cultivating. Ebende Resources has been careful to manage the relationship with local inhabitants through employment of local labour where possible, and by maintaining dialogue with the local chiefs.

To maintain the validity of its mineral rights, the holder of a Permis de Recherche ("PR" or exploration licence) must commence exploration within six months, whilst the holder of a Permis d'Exploitation ("PE" or mining licence) must commence development and construction works within three years from the date the title is issued, and pay the surface duty per cadastral square (or 30 second x 30 second square) relating to its title at the Mining Registry. If the holder fails to fulfil any of these obligations, the holder may have its right withdrawn.

A title holder must also comply with specific rules relating to protection of the environment, cultural heritage, health and safety, and construction and planning of infrastructure.

Taxes and Royalties

The mining industry in the DRC is regulated through the Mining Code (enacted by Law No. 007/2002 of 11 July 2002) adopted in 2002 and its ancillary Mining Regulation, adopted in 2003. This core legislation includes environmental norms applicable to mining activities.

The Mining Code provides for all the taxes, charges, royalties and other fees owed to the Treasury by mineral right holders in respect of their mining and exploration activities, to the exclusion of any other form of taxation. However, this principle does not prevent the tax agencies from often claiming additional taxes. The Mining Code provides a certain guarantee of stability in that the existing tax, customs, exchange and other benefits applicable to mining activities remain in effect for 10 years for existing mining title holders in the event that the Mining Code is amended.

A mining royalty is owed from the date of commencement of effective exploitation. The mining royalty is calculated on the value of sales made, less transport, assay, insurance and marketing costs. The rate of the mining royalty is 0.5 per cent for iron or ferrous metals, 2 per cent for non-ferrous metals and 2.5 per cent for precious metals.

A professional tax on benefits at the preferential Mining Code rate of 30 per cent (instead of the 35 per cent corporate tax rate) is levied on the net profits from exploitation determined in accordance with the accounting and tax legislation in force.

A PR holder is liable for the tax on the surface area of properties at the rates of USD 0.02 per hectare for the first year, USD 0.03 for the second year, USD 0.035 for the third year and USD 0.04 for each subsequent year. A PE holder is liable for this tax at USD 0.04 per hectare for the first year, USD 0.06 for the second year, USD 0.07 for the third year and USD 0.08 for subsequent years.

A special surface duty, payable annually to the Mining Registry, is levied on the number of cadastral squares held by a title holder. This duty is meant to cover service and management costs of the Mining Registry and the Ministry of Mines.

For a PR, the annual duty per cadastral square amounts to USD 2.55 for each of the first two years, USD 26.34 for each subsequent year, USD 43.33 for each year of the first renewal period and USD 124.03 for each year of the second renewal period.

For a PE, the annual duty per square is USD 424.78 for an ordinary exploitation permit, USD 679.64 for a PE intended to mine tailings, and USD 195.40 for a small-scale PE.

Mineral title holders are fully exempted from all customs duties and other taxes, regardless of their nature, for exports in relation to the mining project. Remuneration fees for official services on exports are capped at 1% of the export value. However, the cap of 1% is not complied with by the various state agencies involved with export

formalities and the total fees often amount to 2% or more of the export value. This uncertainty is a risk for mining projects in DRC.

Commodities Sought and Mineralized Zones

The commodities being sought at the Ebende Project are Copper (Cu), Nickel (Ni), Platinum Group Element (PGE) and Gold (Au).

No significant mineralization has yet been identified within the Ebende Project.

The drill core produced by Ebende Resources contains occasional chalcopyrite with less frequent bornite and pyrite. Occasional arsenopyrite was also noted. No assays of the core have yet been done.

There are currently no Mineral Resources or Mineral Reserves estimated in the Ebende Project area and there is currently no mining activity on the property.

Permits

The ownership of Mineral Resources is reserved for the State. Private parties may obtain exploration or mining licences relating to one or more specific minerals for which they can apply pursuant to a specific procedure.

The maximum area that can be granted for a PR or PE is 400 km², while the maximum mining area that can be held by one person and his or her affiliated companies is 20,000 km².

The granting of mineral titles is based on a first come, first served principle: the applications for mineral rights for a given area are registered in the chronological order of their filing. Occasionally, the Minister of Mines may submit mining rights relating to a specific deposit to tender.

The area of the PRs is expressed as cadastral squares in the licence documents which is a measure of an approximate square with dimensions of 30 seconds in the north-south and east-west directions. All PRs are defined by coordinates which are multiples of 30 seconds. One cadastral square is approximately equivalent to 0.87 km² within the Ebende Project, but this figure varies slightly with latitude. The total area of licences is approximately 5,400km². For a complete description of the licences (PRs) comprising the Ebende Project, please refer to section 4.2 of the Ebende Report.

The required environmental permits are in place to allow early stage exploration. Good relations with the local community have been maintained by Ebende Resources and previous explorers in the area. This fact was verified by the Qualified Person during site visits to the area.

Environmental Liabilities and Legislation

MSA is not aware of any environmental liabilities related to the Ebende Project. Considering the early stage of this exploration project and the limited extent of historical work, the potential environmental liabilities related to the surface exploration activities are considered low.

In order to carry out work on the ground, the company is required to have completed its Environmental Impact and Remediation Plan (Permis de Attenuation et Rehabilitation, "PAR"). PARs for each of the PRs were prepared by DRC Green-Emec Sprl. The dates of acceptance of the PARs by the Ministry of Mines range between July and September 2010.

Accessibility, Climate, Local Resources, Infrastructure and Physiography

Access

The properties are remote and may be accessed in a good 4x4 vehicle by road from Lubumbashi, which has international airlinks, or Mbuji Mayi, which has domestic airlinks with Lubumbashi and Kinshasa.

The road from Lubumbashi is tarred to a point near Likasi, but from there onwards, with the exception of a short stretch between Mwene Ditu and Mbuji Mayi, it is a gravel road which generally deteriorates northwards. The road trip from Lubumbashi is approximately 1,400 km and takes approximately four days during the dry season. It is likely to take much longer in the wet season. The road trip from Mbuji Mayi is approximately 150 km on a dirt track and the journey into the northernmost properties can usually be completed within one day. The journey from the

north of the Ebende Project area to the south can usually be completed within one day. There is a ferry crossing over the Lomami River at Mani, which runs several times each day.

It is also possible to charter a light aircraft in Lubumbashi, and fly into the airstrip in Kabinda in the north of the Ebende Project. MAF (Mission Aviation Fellowship) operates light aircraft up to the size of a Cessna Grand Caravan (~2 hrs 30 minutes flying time). The airstrip at Kabinda is not currently suitable for larger aircraft. It is approximately 1,500m long at an elevation of 800m. The airstrip at Kabongo, in the south of the project area, is also suitable for use by the MAF Cessna Grand Caravan charter (~2 hrs flying time).

Climate

The climate is tropical with a pronounced wet season between September and April. No data is available from within the project area, but has been obtained from Mbuji Mayi.

Infrastructure

The Ebende Project is currently isolated from public infrastructure. The main local towns marking the northern and southern border of the licences are Kabinda and Kabongo, with the closest population centres being Mbuji Mayi, 100 km to the west of Kabinda and Mwene Ditu, 240 km west of Kabongo. All the population centres in the region are without power, and generators are required. Most of DRC's commercial power is hydroelectric, and there is potential to generate power from major rivers for large infrastructure projects. Water is plentiful as the rivers flow year round.

There is a rail link from Lubumbashi to Mwene Ditu, which then continues northwestwards to Kananga and onwards to a port on the Kasai River at Ilebo. The rail link is used to transport fuel and freight. It is unreliable, but generally runs on an approximately weekly schedule. Most staple food items and domestic supplies such as rice, palm oil, sugar, flour and paraffin are transported across the region by several hundreds of individuals with modified bicycles from the ports on Lake Tanganyika into the interior, and traded in the main towns.

There is also a rail link between Lubumbashi and Kabongo. However, the line is frequently unserviceable and trains are reported to run only every few weeks or even months. The line continues from Kabongo to the port at Kalemie on Lake Tanganyika.

There is very little skilled labour available in DRC. However, the mining areas of Mbuji Mayi in the Eastern Kasai Province, and the Copperbelt in Katanga Province, may provide workers with experience in mining projects. Local labour for unskilled work is plentiful.

There is a well-developed cell phone network, and cell phone coverage is available in the main towns of Kabinda and Kabongo in the north and south of the Ebende Project respectively.

The Ebende Project is still at an early stage and it is premature to consider the location of mining infrastructure such as potential tailings storage areas, potential waste disposal areas, heap leach pad areas, and potential processing plant sites.

Topography, Elevation and Vegetation

The Ebende Project lies at elevations ranging between 610m and 1,150m along a section of the Lomami River, and very close to the major watershed between drainages flowing east and north into the upper Congo River (Lomami River and Lukashi Rivers), and those flowing west and northwest into the Sankuru and lower Kasai Rivers (Lubumbi and Lubilanji Rivers).

The topography is gently undulating with open savannah grassland on the interfluvies and dense riverine forest in the river valleys. A *Julbernardia-Brachystegia* complex dominates the savannah areas, whilst the river valleys contain species such as *Anthocleista vogelli*, *Mitragyna ciliata* and *Phoenix reclinata* (Thieme et al., 2005). The river valleys tend to be quite steeply incised because the rivers have cut into the soft sands and clays that cover most of the area to depths up to 100m, to expose the underlying bedrock. At the head of river valleys, the sand cover is often eroded into prominent steep sided features known as cirques.

History

No formal exploration work is known prior to the work undertaken by Bugeco and its partners from 2004 onwards, during which several barren or poorly diamondiferous kimberlites were reported.

Apart from the current Cu-Ni-PGE-Au exploration target, artisanal diamond diggings were observed along the Lomami River and its tributaries downstream of the Ebende Project area. However, this has not been documented in detail. In addition, the mineral map of DRC reports pyrite occurrences associated with the mafic sequence at the top of the Mbuji Mayi Supergroup (Tervuren, 2005).

No other published information on mineral occurrences within the Ebende Project area is known.

Bugeco/ De Beers JV

Bugeco was granted PRs in the area of what is now the Ebende Project in 2003. Bugeco subsequently entered into an option agreement with De Beers to explore the licences for diamonds. This agreement was superseded by a Heads of Agreement between Bugeco and De Beers which was signed in May 2005. The agreement appointed De Beers as the exclusive operator to conduct kimberlite exploration work over the project area. However, these licences were also valid for Cu, Co, Cr, Ni, PGE, Au, Pb and Zn.

Between 2004 and 2008, De Beers undertook exploration over the properties. A total of 10 kimberlites were found within the Bugeco PRs, but none of these occurs within the current Ebende Project area. The diamond potential of the kimberlites was considered low by De Beers and they decided to exit the JV in mid-2008. Bugeco subsequently relinquished the PRs.

Bugeco/ Umbono JV

In 2007, Bugeco signed an agreement with Umbono Financial Services Pty Ltd. ("**Umbono**") to analyse the fine fraction (<0.5 mm) of stream samples collected by De Beers within the De Beers JV. A total of 948 samples were assayed as part of this programme, of which 146 fall within the current Ebende Project area. For a description of the sample results, please refer to section 6.2 of the Ebende Report.

Ambase/ Swala JV

In 2009, Ambase was granted PRs which included the current Ebende Project PRs in a JV with Swala. Between 2009 and 2011, Ambase did some preliminary geological exploration work over the southern permits, but no work was recorded over the northern permits which now constitute the Ebende Project. In 2011, Ambase withdrew from the JV and returned the northern permits (what is now the Ebende Project) to Swala.

Swala subsequently entered into a JV with HPX TechCo to investigate the magnetic feature identified from the De Beers aeromagnetic survey in 2004. Subsequent work has been undertaken under this JV.

Historical Exploration Expenditures

The table below lists the historical expenditures on the Ebende Project are prior to Ebende Resources Ltd. acquiring the Ebende Project in October, 2011. Note that these expenditures do not all apply exclusively to the currently licence area as the Ebende Project comprises 17 of the 23 licences historically held by Ambase.

Historical Exploration Expenditures			
Year	Exploration Entity	Major Activities	Expenditure
2004		Regional aeromagnetic survey	USD 200,000 ¹
2005	Bugeco/De Beers JV	Stream sampling, discovery drilling	USD 546,040
2006	Bugeco/De Beers JV	Airborne and ground geophysical follow up and discovery drilling	USD 3,988,013
2007	Bugeco/De Beers JV	Airborne EM survey, ground geophysical follow up and discovery drilling	USD 4,080,293

Historical Exploration Expenditures			
Year	Exploration Entity	Major Activities	Expenditure
2008	Bugeco/De Beers JV	Discovery drilling, evaluation drilling	USD 1,961,914
2007	Bugeco/ Umbono JV	Geochemical analysis of stream samples	USD 100,000 ²
2010	Bugeco/Ambase JV	Maintenance of licenses	USD 38,752
2011	Bugeco/Ambase JV	Maintenance of licenses	USD 453,063 ¹
Total expenditure to mid-2011			USD 11,368,075

Notes:

- (1) Note that not all of these expenditures can be regarded as attributable to the Ebende Project because the license holdings at the time of the expenditures were not the same as the current Ebende Project.
- (2) Estimate of airborne survey cost. This is MSA's estimate of the cost of maintaining the licenses and analysing, reporting and interpreting the geochemical assays. No record of actual expenditure is available.
- (3) This figure is inflated by expenditure by Ambase on licenses outside the Ebende Project, but allocated across Ambase's entire licence holding at the time.

Geological Setting

The Ebende Project lies on the eastern margin of the Congo-Kasai Craton (Archaean) in an area largely covered by Lower Cretaceous sands and clays. These comprise part of the sedimentary sequence of the Congo Basin that covers much of the Congo-Kasai Craton and adjacent mobile belts.

The geological target within the Ebende Project is the "Ebende Structure". The Ebende Structure was initially identified as a large, steeply dipping, dyke-like feature during geological mapping undertaken by Belgian geologists in the early part of the twentieth Century. However, its true geometry was only recognised when airborne magnetic surveys were flown by De Beers in 2005 during diamond exploration in the area. Evaluation of kimberlites discovered by De Beers suggested that they are not significantly diamondiferous. However, Ebende Resources has subsequently pursued exploration of the Ebende Structure.

The three dimensional shape of the structure has been elucidated by modelling (2D and 3D inversion modelling) of the magnetic data. An elongate synformal structure has been identified, and is interpreted to comprise basaltic lavas and mafic plutonic rocks which have been emplaced through the Neoproterozoic Mbuji Mayi Supergroup. The Mbuji Mayi Supergroup comprises a lower sequence of shales, and an upper sequence of limestone and dolomite which together form an open syncline which straddles the craton margin. The Ebende Structure is over 200 km long, and up to 30 km across, and extends in a north-northwesterly to northwesterly orientation, along the margin of the Congo-Kasai Craton, within the eastern limb of the Mbuji Mayi Supergroup syncline.

Geochemical stream sampling and grab sampling of outcropping rocks by De Beers also revealed the presence of unusual ultramafic rocks, and geochemical anomalies.

Exploration

In this section, the geophysical surveys, drilling and petrographic analysis of samples, carried out on behalf of Ebende Resources is summarised. No assay samples have yet been collected and the only samples collected to date were for petrographic analysis. Sample bias and sample representivity are therefore not considered by the Qualified Persons to be material at this stage.

Geophysical Surveys

Due to the almost ubiquitous cover of Cretaceous sands and clays, geophysics has been extensively applied in the exploration of the area. De Beers applied geophysical surveys in the search for diamondiferous kimberlites. However, the data generated is also useful for exploration for other commodities. Ebende Resources has flown an additional aeromagnetic survey, which when combined with the 2004 De Beers survey provides almost complete coverage of the entire Ebende Project area. Ebende Resources has also undertaken a ground gravity survey over a small portion of the Ebende Project on licence PR 10422.

Xcalibur Aeromagnetic Surveys

De Beers flew an area which includes the northern licences of the Ebende Project in 2007. Subsequently, the southern licences were flown for Ebende with the same survey parameters. A total of 12,161 line km was flown by Xcalibur for the Ebende survey.

Interpretation of the combined 2004 and 2012 Xcalibur aeromagnetic surveys was undertaken by De Wet (2013). Both 2D magnetic profile modelling (2D modelling), and 3D magnetic amplitude inversion modelling (3D modelling) was performed on the aeromagnetic data (de Wet, 2013). The results suggest the presence of a moderately magnetic intrusion beneath the Ebende Structure. In the north, this feature is interpreted as a possible flat lying sill, which would support the model of a synformal lopolith.

Variations in the Natural Remanent Magnetisation (NRM) of the Ebende Structure suggests that the intrusions formed over an extended period of time, which does not contradict the conceptual model of a Noril'sk style magmatic event.

Ground Geophysical Surveys

Ebende Resources undertook a ground gravity survey over licence PR10422 during the period December 2012 to January 2013. The survey comprised 729 measurement stations arranged on a 200 m x 200 m grid, was intended to help identify areas of possible alteration and massive sulphide mineralisation (which might form gravity highs) and therefore assist in locating boreholes. A number of gravity highs were identified. In the Qualified Person's opinion it is debatable whether gravity would be an effective tool for identifying primary mineralisation, but might be effective in identifying alteration associated with a mineralising event.

Drilling

The Ebende JV drilled five core holes to investigate specific geophysical targets within the main magnetic anomaly to test the model of a mafic/ultramafic sequence.

Petrographic Analysis

Rock samples from three of the five cored holes drilled within licence PR10422 by Ebende Resources were selected for petrographic analysis (Thatcher, 2013). The samples were selected by a geologist as representative examples of different lithologies within the basalt sequence. The core samples were fresh and unweathered. The rocks are all altered basaltic lavas, which confirm that the magnetic feature observed within the Ebende licences is associated with a thick sequence of mafic rocks, including basalts.

Exploration Expenditures

Ebende Resources has spent a total of USD \$2.65 million on its exploration programme during the period 2011 to July 2013. For a detailed description of these expenditures, see "Information Concerning New Concordia – Proposed Exploration and Development Activities - Ebende" in this Schedule "E".

Mineralization

No significant mineralization has yet been identified within the Ebende properties. The drill core produced by Ebende Resources during the current programme contains local chalcopyrite with less common bornite and pyrite. Occasional arsenopyrite was also noted. No assays of the core have yet been done.

Once targets areas have been identified from the airborne geophysics, stream geochemical sampling, and ground gravity surveys, Ebende Resources intends to deploy the Typhoon™ system, a high powered Induced Polarisation geophysical system designed to locate massive sulphide mineralisation at depth.

Drilling

Boreholes drilled within the Ebende Project by Ebende Resources are summarised in the table below.

List of Boreholes drilled within the Ebende Project by Ebende Resources

DRILLED BY	TARGET ¹	METHOD	EOH DEPTH	EOH LITHOLOGY	YEAR	DIP	AZIMUTH	LONGITUDE ¹	LATITUDE ¹
EBENDE RESOURCES	DH_003	CORE	300.4	BASALT	2012	-60	20.0	25.16227	-6.38328
EBENDE RESOURCES	DH_004	CORE	361.8	BASALT	2012	-60	20.0	25.16164	-6.38390
EBENDE RESOURCES	DH_006	CORE	301.3	BASALT	2012	-60	20.0	25.16996	-6.38383
EBENDE RESOURCES	DH_008	CORE	500.2	BASALT	2013	-90	0.0	25.13693	-6.37473
EBENDE RESOURCES	DH_011	CORE	28.3	BASALT	2012	-60	20.0	25.15858	-6.36560

Note:

(1) Lat/Long coordinates are based on the WGS84 datum

Ebende Resources planned a total of 9 holes to investigate portions of the Ebende Structure identified primarily by the airborne magnetic and airborne electromagnetic survey flown by De Beers. The holes were located with the objective of intersecting the Ebende Structure magnetic feature where it is coincident with conductive zones identified by the EM survey, and gravity highs identified by the ground gravity survey in the hope that these would represent conductive massive sulphides within the mafic sequence.

Five holes (out of a planned total of 9) were drilled by E Global Drilling Corp for Ebende Resources between November 2012 and February 2013 using an Energold Series 2 drill rig. The drilling programme experienced breakdowns and logistical challenges, and only three of the holes were completed to their intended depth. A total of 1,492 m was drilled in five holes.

The drill cores are currently stored at a field base in Kabinda.

The drilling and core logging was completed according to set of Standard Operating Procedures (SOPs) prepared especially for the project. The SOPs cover operational control of the drilling, including site preparation, hole siting, depth control, production statistics, core handling, core transport, core logging (lithological, mineralogical and RQD), core recovery, and sampling. To date, the cores have been logged, but the only sampling done to date has been for petrographic purposes. The boreholes were surveyed downhole with an Eztrack survey tool. The borehole collars were preserved with a cement plinth. If the holes were to be incorporated into a Mineral Resource estimate at some time in the future, the borehole collars would have to be surveyed. Their current location is accurate to a few metres, based on hand held GPS.

Sampling and Analysis

The only sample analysis which has been undertaken within the Ebende Project to date is petrographic analysis of drill core samples from the 2012-2013 drilling programme. The sample preparation and analysis is briefly described below.

No assay samples have yet been collected and the certification of the laboratory, security measures, and quality control measures are not considered by the Qualified Persons to be material at this stage.

Petrographic samples were prepared and analysed by Microsearch CC, an independent service provider in Johannesburg (Thatcher, 2013). Thin sections of the rock samples were prepared for analysis with transmitted light using a polarising optical microscope. Individual minerals can be identified on the basis of their appearance and optical properties, which enables the petrologist to identify and classify the rock.

A Struers Discoplan-TS precision cutting and grinding machine was used to prepare the thin sections. The samples were initially cut along a marked line to produce a parallel sided slab about 8 mm thick. This was trimmed using a diamond cut-off wheel to a rectangle of suitable size to fit on to 27 x 46 mm glass slide and was glued on to the heated slide using Struers EpoFix epoxy resin and hardener. The mounted slice was then reduced to close to final thickness (approximately 80 µm) using the grinding module on the Discoplan-TS machine. Final correct thickness (approximately 30 µm) was achieved by hand on a grinding pad with a fine paste prepared from grinding powders of suitable grade. Thickness was checked under a polarising microscope against the interference colours produced as a result of birefringence in common minerals at known thicknesses. The sample number was scribed on to the underside of the glass slide at each end. A glass cover slip was then glued with heated epoxy resin on to the upper surface of the thin slice and a plastic label, with sample number, affixed to one end.

Data Verification

The Qualified Persons reviewed all of the exploration data compiled to date. Reviews included the following:

- Field checking of collar co-ordinates, drill collar elevations and orientations, down-hole survey data, geological and mineralization logging, and assay and density data. No significant errors were noted that could affect any possible future Mineral Resource estimation.
- A visit to Xcalibur to observe the QAQC performed on airborne magnetic data sets.

In the opinion of the Qualified Persons, the data procured for the project to date is considered by the Qualified Persons to be accurate and precise and of a high standard, and has been collected according to strict protocols documented in SOPs. The drilling SOP includes a section on logging and sampling of core, which contains procedures for measuring core density (by the Archimedes Principle) and ensuring quality assurance and quality control (QAQC) on samples for assay should a future assay programme be required.

Mineral Resources and Mineral Reserves

No metallurgical studies have been undertaken to date. There are currently no Mineral Resources or Mineral Reserves estimated in the Ebende Project area and there is currently no mining activity on the property.

Proposed Exploration and Development Activities - Ebende

The Ebende Report recommends an exploration program at Ebende which New Concordia will undertake in 2014 with a combined project budget of approximately US\$2,170,000. The Ebende Project has no known reserves or resources and the proposed program is designed to explore for commercial quantities of base metal and platinum group metals. See "Circular – Risk Factors".

Ebende is expected to have incurred expenditures totalling approximately US \$3.68 million on its exploration programmes by December 31, 2013. Approximately US \$2.65 million of this amount was spent during the period October 2011 to July 2013, which is the period for which these historical expenses are described in the Ebende Report. These expenditures are shown in the following table:

Table			
October 2011 –July 2013 Exploration Expenditure on the Ebende Project (USD)			
Activity/Expense	2011	2012	2013⁽¹⁾
Aeromagnetic Survey		309,589	26,292
Drilling Programme		688,614	458,220
Ground Gravity survey		4,000	72,920
Field Logistics	2,454	106,834	55,806
Licence Fees		184,261	276,226
Overheads	105,630	166,583	196,646
Total	108,084	1,459,881	1,086,110

The location of the Ebende Project structure on the margin of the Archaean Congo-Kasai Craton, and the presence of a thick basalt sequence which was apparently extruded from feeders passing through a carbonate platform are geological features which are comparable to other mineralised continental flood basalt sequences on the cratonic margins.

The Ebende Project is a conceptual exploration project based on the premise that the area shares similar geological features with other mineralised continental flood basalts. The current exploration programme is designed to test the geological model, and to locate such mineralisation, if it exists.

The geological observations and interpretations over the Ebende Project and exploration work undertaken to date to test the various geological interpretations have provided sufficient encouragement to proceed in 2014 with an exploration program recommended by MSA involving further delineation of anomalies through additional geochemical sampling and ground geophysical surveys followed by a core drilling program designed to test anomalies identified. In addition, a detailed geophysical (Typhoon) IP survey is also recommended.

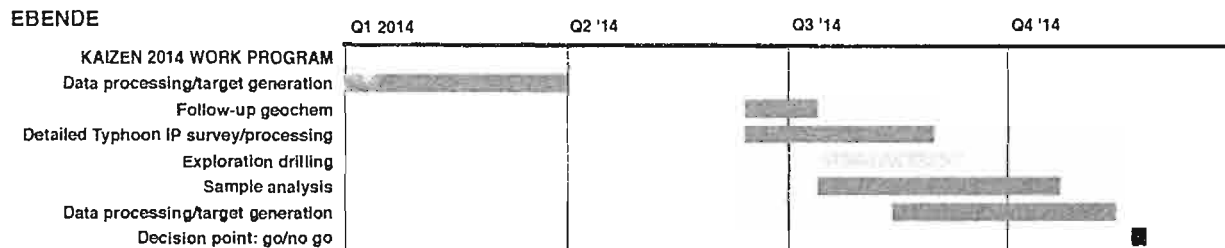
The expected program is intermittent due to the relatively short field season in south-central DRC, where the wet season between October and April impedes progress.

The budget for the proposed 2014 work programme is presented in table below.

Table
2014 Estimated Exploration Expenditure on the Ebende Project (USD)

Activity/Expense	Cost
Licence fees & taxes	220,000
IP Survey (Typhoon)	350,000
Geochemical sampling and geological fieldwork	100,000
Drilling and related expenditures	1,200,000
Field logistics	170,000
Overheads	130,000
Total (US\$)	2,170,000

The anticipated dates of the work to be undertaken under the 2014 work program are provided below.



Fairholme Project

Mr. Barry de Wet, a member of the South African Council for National Scientific Professionals (SACNSP), South Africa, a Qualified Person, as defined under NI 43-101, has reviewed and approved all scientific and technical information in this Circular which relates to the Fairholme Project.

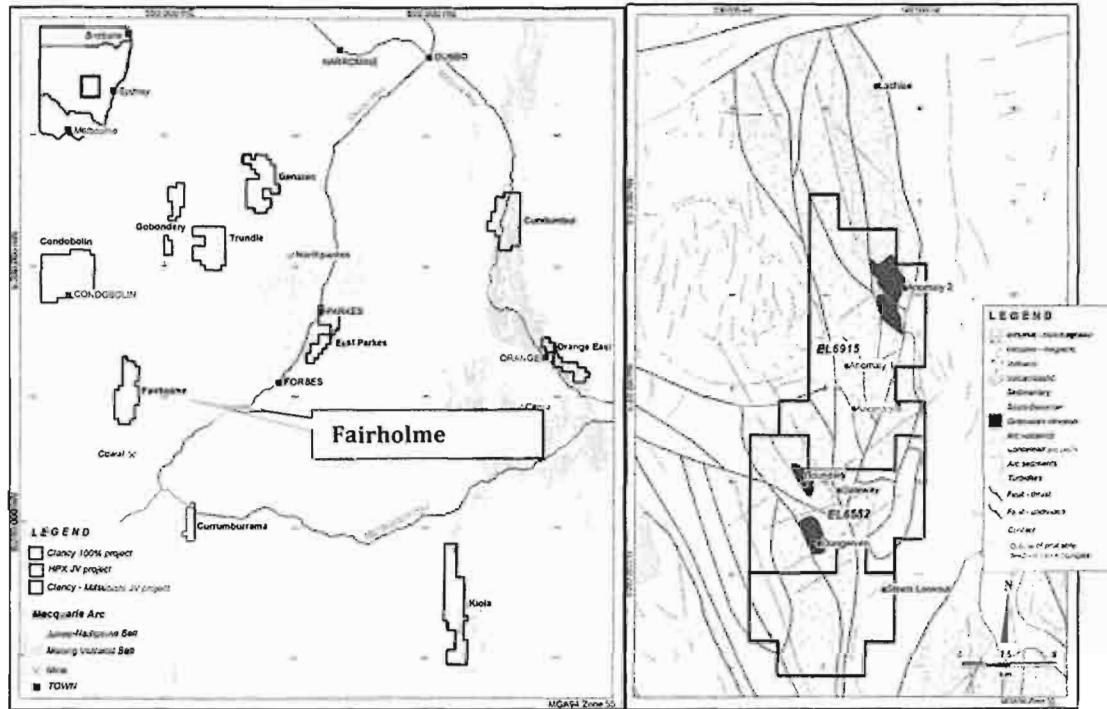
The Fairholme Project, in New South Wales, Australia is not currently a material project for New Concordia. The project is being explored by under the terms of an earn-in agreement between Clancy Exploration Limited (“Clancy”) and HPX TechCo. Under the terms of the earn-in agreement, should HPX TechCo earn into an initial 49%, New Concordia will have the right, but not the obligation, to earn 65% in the project by incurring exploration expenditure of A\$4 million over a 24-month period. Whether New Concordia seeks to earn the 65% will depend on exploration success and be determined by New Concordia in 2014. Should New Concordia proceed, the A\$4 million expenditure would consist of expenditure on exploration work principally aimed at delineating a scoping study. Clancy is managing the exploration activities during the earn-in phase. HPX TechCo is expected to earn-in to 49% by the end of calendar 2013.

Prior to HPX TechCo’s current activities, the last significant exploration work ceased in 2002. The Fairholme Project has no mineral reserves or resources.

Location

The Fairholme Project is one of a number of projects currently owned by the tenement holder, Clancy:

Location of Fairholme Project



The project covers part of the prospective Fairholme Igneous Complex (“FIC”) of the Ordovician Macquarie Arc of NSW, Australia. The project consists of a two Exploration Licences (“ELs”), Fairholme (EL6552) and Manna (EL6915) that are located about 12 km northeast of Burcher and 12 km north of the Cowal gold mine. Most of the area consists of wheat paddocks and minor grazing paddocks. Numerous sealed and unsealed roads and fence lines traverse the area, so access is good. The tenements cover 172 km² and have a total annual expenditure commitment of A\$119,000. An application for the renewal of EL6915 was filed in October, 2013.

Historical Exploration

Various companies have explored the Fairholme area since the 1970s, but Newcrest completed the most recent work prior to Clancy. Newcrest’s exploration program at the Fairholme area ended in 2002 and Newcrest relinquished the area now covered by EL6552 in 2005. A total of 701 aircore holes (55,614 m), 30 reverse circulation (“RC”) holes (4,810 m) and 17 diamond holes (6,575 m) were completed, the majority of which were drilled by Newcrest within the current confines of EL6552 and EL6915. The drill spacing for this work was quite broad (>1 km spacing) leaving scope for further work.

Newcrest considered that the Fairholme licence area (EL6552) was highly prospective for Ordovician porphyry copper-gold and epithermal deposits. They identified three prospects within EL6552 in the 1990s. Porphyry-style alteration and mineralization was intersected by the historical Newcrest drilling with intercepts such as 48 m @ 0.60 g/t Au, 0.16 % Cu, 25 ppm Mo at Boundary and 160 m @ 0.1 % Cu at Dungarvan. Newcrest also completed a ground magnetic survey over the three prospects and conducted petrological and lithochemical studies on drill core and drill chips.

Subsequent to Newcrest, the current tenement holder, Clancy, completed further work on the Fairholme project. This included reprocessing and interpretation of previous magnetic data (aeromagnetic and ground magnetic data); reprocessing of previous geochemical data; re-logging Newcrest core (seven diamond holes totaling 2,355 m); a trial

IP survey; scout aircore drilling; spectral logging of previous drill core; an infill ground magnetic survey; and a project-wide ground gravity survey. Clancy also re-processed the various public domain aeromagnetic datasets that cover the central part Junee-Narromine Volcanic Belt, including the area covered by Fairholme Project. Clancy has not completed any further drilling at the Fairholme Project, although Clancy had planned aircore drilling at the northern target at Manna (EL6915) to follow up a previous Newcrest intersections, but the drilling was abandoned after drilling six holes (620 m) due to the abundance of impenetrable running sands and water.

Clancy also completed one 2D induced polarization (IP) survey line on EL6552 to see whether any response could be received from sulfide-bearing basement rocks. One line was selected to transect a NW-SE trending demagnetized zone between the magnetic high areas of the Boundary and Dungarvan prospects. The electrical current penetrated to only about 100 m with much of the current dissipated at approximately 80 m. Therefore, it was interpreted by Clancy that the current did not penetrate the bedrock deeply enough to determine its character with this survey.

A detailed ground gravity survey was completed in early 2010 in order to help identify cryptic structures and concealed intrusive complexes. A total of 2,274 gravity stations were collected across the project area on a nominal 250 m to 500 m offset grid. All of EL6552 and the central section of EL6915 were covered by the 250 m grid, with the remaining parts of EL6915 covered by the 500 m grid. A large gravity high is evident in the center of the survey, which is interpreted to be the thickest portion of Ordovician Macquarie Arc within the project area.

Geology and Mineralization

The igneous rocks of the FIC show geochemical correlation with the igneous rocks in the well-mineralized Northparkes Igneous Complex. Importantly, the Fairholme intrusive rocks have chemistry that is typical of magmas responsible for the porphyry Cu-Au mineralization in the Cadia Valley deposits (Newcrest) and the Northparkes deposits (Rio Tinto).

There is no Ordovician outcrop within Fairholme. The surface geology is dominated by Quaternary and Tertiary clay and sand, which historic drilling has shown to be 15 m to >100 m deep. It is believed that the fresh Ordovician basement comprises a mixed sequence of basaltic to andesitic volcanic, volcanoclastic and sedimentary rocks that have been intruded by high-K calc-alkaline to shoshonitic intrusive rocks of monzodiorite to granodiorite composition. The Ordovician igneous rocks can be traced with confidence on aeromagnetic and gravity imagery and define the large, north-trending FIC.

The basement geology consists of a N- to NW-trending, fault-bounded domain of Ordovician basaltic to andesitic volcanic and volcanoclastic rocks in the west, and a structurally interleaved domain of Ordovician, Silurian and Devonian units in the east. The main Ordovician units within the project are ungrouped arc volcanics and interpreted arc units beneath Silurian and Devonian units. The latter are confined to the west and east sections of EL6552. Relatively little is known about the basement geology in EL6915.

The Fairholme prospects (EL6552) are all associated with geochemical anomalies, as defined by maximum Ordovician basement copper and gold assays. The size of the anomalies at the 500 ppm Cu level are 2.2 km x 1 km at Dungarvan, 1.2 km x 1 km at Gateway and 1.6 km x 0.6 km at Boundary. Boundary and Gateway have similar size anomalies at the 100 ppb Au level. All three prospects also have anomalous Mo (>20 ppm), with some zones at Boundary and Gateway having >50 ppm Mo. Gateway also has high Zn (>1000 ppm) associated with it.

Historical drilling by Newcrest and subsequent re-logging of core by Clancy shows that there are four main rock types at Boundary, which in order of abundance are: (i) porphyritic vesicular andesitic lava; (ii) epiclastic sandstone; (iii) pyroxene porphyry / pyroxene-hornblende porphyry dykes; and (iv) late dolerite dykes. The andesitic lavas and epiclastic units are interbedded and interpreted to be dipping shallowly to the south at approximately 30 degrees.

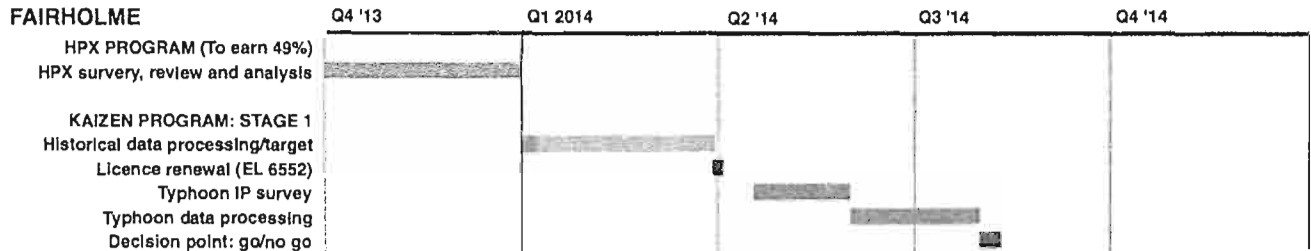
Mineralization at Boundary is confined mainly to pyrite and chalcopyrite filling vesicles within the andesitic lavas. In most cases gold and copper anomalism occurs in association with intense hydrothermal magnetite alteration in the porous vesicular andesite lavas. The mineralization is interpreted to be stratabound within the porous andesitic units, not dissimilar to the way hydrothermal fluids preferentially react with calcareous units in proximity to an intrusive center.

At Dungarvan, intermediate to mafic volcanic and volcanoclastic rocks are intruded by diorite and more mafic intrusive rocks. All rocks at Dungarvan have undergone pervasive propylitic alteration, with an assemblage of epidote, actinolite, calcite, chlorite, leucoxene and magnetite. Fracture fill quartz- carbonate-epidote-chlorite veins are also common. Newcrest concluded that alteration and mineralization at Dungarvan was very similar to Boundary, despite the more mafic composition of the intrusives, and that the extensive alteration and mineralization zones at both prospects were only weakly developed.

In contrast to Boundary and Dungarvan, the geology at Gateway is dominated by sheared metasedimentary rocks, with only minor lava and rare intrusive rocks. The metasedimentary sequence is dominated by sericite-rich argillite, tuffaceous argillite and phyllite with minor laminated bands of carbonate-quartz-sulphide (pyrite-sphalerite-chalcopyrite±galena±tetrahedrite-tennantite). A comparison of mineralogy and geochemistry at Gateway inferred two distinct mineralization assemblages: (i) a Zn-Pb-As±Au sulphide assemblage; and (ii) a Cu±Au assemblage.

Proposed Exploration and Development Activities - Fairholme

HPX TechCo, together with Clancy, commenced exploration at Fairholme only in July 2013. An IP survey covering a 74 km² area using HPX TechCo’s proprietary system was completed in August 2013. Data processing and inversion modeling has been completed by Computational Geosciences Inc in Vancouver. As a result several targets have been defined and follow-up drill testing will commence in the December 2013 quarter. Following the expected earn-in to 49% by end of calendar 2013, and assuming that New Concordia determines in 2014 to proceed to earn in to 65%, the work program at the Fairholme Project will be staged with results at each stage assessed before advancing further. Initially, New Concordia expects that it would spend approximately US\$525,000 on an IP survey and analysis during the 2014 field season. If warranted following those initial results, New Concordia would then proceed to a more advanced exploration program in 2015. The conditional work program is provided in the figure below. To earn 65% New Concordia would have to spend A\$4,000,000 by no later than 24 months after earning in to 49% in the Fairholme Project.



Business Development

New Concordia intends to identify exploration opportunities with which it can leverage the HPX TechCo Technology Cluster to gain favorable earn-in terms. This technology will allow it to rapidly evaluate buried geological targets previously missed. This gives New Concordia a competitive advantage where existing hardware and software solutions have limited the potential of these properties.

HPX TechCo’s geophysical technologies have been developed to facilitate rapid and deep electrical geophysical exploration in areas that have proved extremely difficult using historical technologies. These include high-power and high-signal specifications, facilitating high signal-to-noise ratios. This in turn enables accurate inversions to identify prospective targets. Both induced polarization and electromagnetic modes are available, enabling exploration for disseminated and massive sulphides, which usually would require separate transmitters.

New Concordia further intends to leverage management’s experience in accessing Asian financing sources and capital markets to advance its exploration and business development objectives.

Description of the Securities

A description of the securities to be issued to New Concordia in connection with the Transactions is described under the section entitled “*Information Concerning Concordia – Description of the Securities*”

Pro Forma Consolidated Capitalization

The information in the following table gives effect to the completion of the Transactions and the five (5) to one (1) consolidation.

In addition, upon completion of the Transactions, an aggregate of 1,337,301 Concordia Amended Options will be outstanding, exercisable for an aggregate of 1,337,301 New Concordia Common Shares at prices between Cdn.\$0.60 and Cdn.\$2.62. Of these options, 747,601 are held by persons who will cease to be “Eligible Persons” under New Concordia’s incentive stock option plan upon completion of the Transactions and must be exercised within 120 days of closing of the Transactions.

Designation of Security	Amount authorized or to be authorized	Amount Outstanding after giving effect to the Transaction
Issuance of share capital on RTO to existing Concordia shareholders	17,125,510	17,125,510
Issuance of share capital to existing HPX Assets owners	106,489,000	106,489,000
Common shares issued for the Bugeco acquisition	1,666,667	1,666,667
Total	125,281,180	125,281,180

Fully Diluted Share Capital

The following table sets out the share capital of New Concordia on a fully diluted basis.

Designation of Security	Amount Outstanding after giving effect to the Transaction	Approximate Percentage of Total after giving effect to the Transaction
Common Shares	125,281,180	99%
Options Outstanding	1,337,301	1%

Available Funds and Principal Purposes

Concordia's working capital prior to the Circular consists of a Cdn.\$5 million cash commitment to be contributed into New Concordia on the transaction date. Following the transaction, Concordia's Cdn.\$5 million cash balance will be added to New Concordia treasury. New Concordia's funds should be equal to Cdn.\$10 million in cash plus a Cdn.\$5 million line of credit from HPX TechCo.

New Concordia intends to use these available funds as indicated in the following table (expenditures calculated for the 12-month period following completion of the HPX TechCo RTO).

Use of Funds (Cdn.\$)	
Exploration Activities	
Ebende work program (field costs)	\$2,300,000
Initial Fairholme work program (Stage 1 field costs)	\$550,000 ⁽¹⁾
Project management and business development activities	\$800,000
Total Exploration	\$3,650,000
General Corporate Purposes	
Salaries and wages	\$ 750,000
Administrative and overhead	\$650,000
Working Capital and Contingencies	\$4,950,000
Total Corporate Purpose	\$6,350,000
Total	\$10,000,000

Note:

- (1) Should New Concordia determine to proceed to earn-in 65% in the Fairholme Project, it would be required to spend a total of A\$4 million. The amount above represents the initial exploration work that New Concordia would undertake within the A\$4 million. If warranted following those initial results, New Concordia would then proceed to a more advanced exploration program (including drilling).

Due to the nature of the mining industry, budgets are regularly reviewed with respect to the success of expenditures and other opportunities that become available to New Concordia. Accordingly, while it is currently intended by management of New Concordia that the available funds will be expended as set forth above, actual expenditures may in fact differ from these amounts and allocations.

Dividends

New Concordia does not anticipate paying dividends in the near future. If New Concordia generates earnings in the future, it expects that they will be retained to finance further growth. The board of directors will determine if and when dividends should be declared and paid in the future based on New Concordia's consolidated financial position at the relevant time. There are no contractual restrictions on New Concordia's ability to pay dividends.

Principal Securityholders

Upon completion of the HPX TechCo RTO, the only persons who, to the knowledge of the directors and executive officers of New Concordia, beneficially own, or control or direct, directly or indirectly, voting securities carrying ten percent (10%) or more of the issued and outstanding voting shares of New Concordia are as follows:

Name and Municipality of Residence	Type of Ownership (Record, Beneficially, or Both)	Number of Shares	Percentage of Company's Shares owned as of the date of the Circular	Percentage of Shares Owned after Transaction	Percentage fully Diluted ⁽¹⁾
HPX TechCo Inc. BVI	Direct	106,489,000	0%	85%	84%

Note:

(1) Assuming the exercise of all of the 1,337,301 Concordia Adjusted Options outstanding on completion of the Transactions.

Directors, Officers and Promoters

Other than the retention of Messrs. Flood, Birkenshaw and Krepiakevich as directors and Mr. Mayo as President, all director and officer positions of New Concordia are proposed to be changed in connection with the Transactions. New Concordia has not engaged any promoters.

The following table, among other things, sets forth the name of all the proposed directors and proposed executive officers of New Concordia, their place of residence, their principal occupations and the approximate number of Common Shares beneficially owned, controlled or directed, directly or indirectly, by them.

Name and Municipality of Residence	Proposed Position(s) with New Concordia. If currently a Director or officer, state appointment date.	Principal Occupation or Employment for previous 5 years ⁽¹⁾	Common Shares Beneficially Owned Directly or Indirectly after giving effect to the Transaction ⁽¹⁾	Percentage of Outstanding Common Shares after giving effect to the Transaction
Peter Meredith Vancouver	Proposed Chairman	Deputy Chairman, Ivanhoe Mines Ltd. (now Turquoise Hill Resources Ltd.), May 2006 to April 2012; Chairman of SouthGobi Resources Ltd., October 2009 to September 2012; Chief Executive Officer of SouthGobi Resources Ltd. from June 2007 to October 2009.	0	0%

B. Matthew Horner West Vancouver	Proposed director and CEO	Executive Vice President, Business Development and Legal, Ivanhoe Mines Ltd. (formerly Ivanplats Limited) May 2010 to present. General Counsel to I-Pulse Inc., July 2009 to present and Vice President July 3, 2012 to present. Executive Vice President of GoviEx Uranium Inc. ("GoviEx") September 2009 to present, and General Counsel February 2007 to present.	0	0%
Terry Krepiakovich Vancouver	Director since March 2011; Interim CEO since March 2013; Proposed director	Interim CEO of the Company since March 2013; Independent Financial Advisor from July 1, 2011 to present; Chief Financial Officer of SouthGobi Resources Ltd. from July 2006 to July 2011.	0	0%
David Huberman Vancouver	Proposed director	President of Coda Consulting Corp., 1994 to present. Executive at Gibralt Capital Corp., September 2003 to present.	0	0%
Akiko Levinson Vancouver	Proposed director	President, Gold Canyon Resources Inc., June 1991 to present.	0	0%
Robert Hanson London	Proposed director	Chairman, Hanson Family Holdings, May 2009 to present. Chairman, Strand Hanson Ltd., October 2009 to present. Chairman, Hanson Asset Management, April 2010 to present.	0	0%
R. Edward Flood Monaco	Director since March 2007; Proposed director	CEO of Concordia from December 2010 to February 2013; Chairman of Concordia from March 2007 to March 2013; President of Concordia from December 2010 to November 2011. Chairman and CEO, Central Asian Mining Limited, December 2004 to July 2011.	182,640	0.15%
David Birkenshaw Toronto	Director since November 2012; Proposed director	President and CEO, Birkenshaw & Company Ltd. 1989 to present. CEO of Planet Exploration October 2012 to present.	2,846,900	2.27%

Ali Zamani New York City	Proposed director	July 2012 to present, Principal at SLZ Capital, May 2004 to July 2012, Vice-President at Goldman Sachs.	0	0%
Toby Mayo Vancouver	President Since March 2011; Proposed President	President of Concordia since November 2011, Senior Vice President of Concordia since March 2011. Business Analyst at Concordia, November 2010 to March 2011; Mining and Metals Advisor at Golder Associates Ltd., March 2008 to November 2011.	0	0%
Pierre Massé West Vancouver	Proposed CFO	CFO of GoviEx from February 2011 to present; Vice President, Finance of Ivanhoe Mines Ltd. May 2007 to May 2011.	0	0%
Anthony Abbenante Vancouver	Proposed Executive Vice President, Corporate Development and Legal	Vice President, International Business and Legal Affairs at Global Mining Management Corp from April 2010 to present. Assistant General Counsel to I-Pulse Inc., May 2012 to present and Vice President - Corporate Development, June 2013 to present. Attorney at Mintz, Levin, Cohn, Ferris, Glovsky and Popeo November 2006 to April 2010.	0	0%
Nakaba Chimura Tokyo	Proposed Executive Vice President, Finance for Asia	Manager of Japanese operations of Global Mining Management/ Ivanhoe Capital Corp., October 2008 to present.	0	0%

<p>Mary Vincelli North Vancouver</p>	<p>Proposed Corporate Secretary</p>	<p>Corporate Secretary of Ivanhoe Energy Inc., April 2012 to present. Corporate Secretary of Ivanhoe Mines Ltd. (formerly Ivanplats Limited) May 2012 to present. Assistant Secretary of Ivanhoe Australia Ltd. February 2011 to May 2012. Assistant Corporate Secretary of Ivanhoe Energy Inc May 2007 to April 2012. Assistant Secretary of SouthGobi Resources Ltd. May 2008 to May 2010.</p>	<p>0</p>	<p>0%</p>
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Note:

- (1) The information as to country of residence, principal occupation and number of common shares beneficially owned, or controlled or directed, directly or indirectly, by the nominees is not within the knowledge of the management of Concordia and has been furnished by the respective nominees.

Board Committees of New Concordia

The board of directors of New Concordia is expected to have an Audit Committee, Compensation Committee and a Nominating and Corporate Governance Committee. Each of the Audit Committee, Compensation Committee and Nominating and Corporate Governance Committee of New Concordia is expected to comprise three independent directors of New Concordia as follows:

Audit Committee – Terry Krepiakovich (Chair), David Huberman, and Akiko Levinson.

Compensation Committee – Robert Hanson (Chair), Ali Zamani, and Akiko Levinson.

Nominating and Corporate Governance Committee – David Huberman (Chair), Robert Hanson, and Ali Zamani.

Executive Officers

New Concordia expects to enter into employment agreements with its proposed executive officers. The employment agreements will reflect standard terms and conditions for contracts of this nature including termination and change of control provisions, and non-competition and non-disclosure covenants.

Biographical information of the proposed executive officers of New Concordia during the last five years is summarized below:

B. Matthew Hornor

Proposed Chief Executive Officer

Age: 42

Mr. Hornor is the proposed Chief Executive Officer of New Concordia. He will provide strategic leadership and will be responsible for leading the development and execution of long term strategy with a view to creating and maximizing shareholder value. It is presently expected that Mr. Hornor will be dedicating approximately 50% of his time to New Concordia.

Mr. Hornor has extensive experience in the mining industry where he has participated in the structuring and execution of complex financial transactions and capital raising activities. Mr. Hornor has been Executive Vice-President, Business Development and Legal of Ivanhoe Mines Ltd. since May 2010 and was instrumental in Itochu

Corp.'s approximately US\$280 million investment in Beales Ltd., which controls Ivanhoe Mines Ltd.'s Platreef platinum and nickel project in South Africa.

Mr. Hornor served as Vice President with Ivanhoe Mines Ltd., now Turquoise Hill Resources Ltd., and was based out of Beijing, China. Before joining Turquoise Hill Resources Ltd., Mr. Hornor worked as a Senior Associate with the international law firm, Paul, Hastings, Janofsky & Walker, LLP in Tokyo, Japan, representing Japanese clients in out-bound cross border transactions, and top-tier U.S. investment banks in corporate finance projects and merger and acquisition transactions totaling several billion dollars in the aggregate.

In addition to his present role with Ivanhoe Mines Ltd., Mr. Hornor is General Counsel and Vice President with I-Pulse Inc., a private technology company with worldwide applications in the energy, mining and manufacturing sectors, and Executive Vice President and General Counsel at GoviEx Uranium Inc., a private uranium developer with interests in Niger.

Mr. Hornor is a graduate of the University of Southern California (Bachelor of Arts) and the University of Virginia School of Law (Juris Doctorate). Mr. Hornor received two Japanese Ministry of Education (Mombusho) fellowships and completed graduate and post-graduate work at Tohoku University in Sendai and at Tokyo University in Law and Economics.

Pierre Massé
Proposed Chief Financial Officer
Age: 63

Mr. Massé is the proposed Chief Financial Officer of New Concordia. He will oversee all finance, accounting, forecasting, budgeting, treasury, tax and corporate insurance functions within New Concordia. Mr. Massé will direct all financial activities and advise and assist the Chief Executive Officer in meeting or exceeding the overall financial and strategic objectives of New Concordia. It is presently expected that Mr. Massé will be dedicating approximately 50% of his time to New Concordia.

In the five years previous to this filing, Mr. Massé has held the following positions: Chief Financial Officer of GoviEx Uranium Inc. and Vice President, Finance of Ivanhoe Mines Ltd. (now Turquoise Hill Resources Ltd.), a copper exploration company focused on Mongolia. Both of these companies are still carrying on business and neither is an affiliate of New Concordia.

Mr. Massé has over thirty years of experience in the mining industry, having held senior financial positions with a number of public and private mining and exploration companies. Mr. Massé has been involved with companies with operations all over the world, including Africa.

Mr. Massé has an engineering degree from McGill University and has obtained both the Chartered Accountant and Chartered Financial Analyst designations.

Toby Mayo
Proposed President
Age: 41

It is proposed that Mr. Mayo will continue as President of New Concordia. He will be dedicating 100% of his time to New Concordia.

In the five years previous to this filing, Mr. Mayo has been President, Senior Vice President and a Business Analyst of Concordia and a Mining and Metals Advisor at Golder Associates Ltd. He has over fifteen years of comprehensive and varied experience within the mining and metals space, including work on projects in remote parts of Asia and Africa.

Mr. Mayo has honours degrees in Law from the University of London, and Geology from the University of Edinburgh.

Anthony Abbenante

Proposed Executive Vice President, Corporate Development and Legal

Age: 34

Mr. Abbenante is the proposed Executive Vice President, Corporate Development and Legal of New Concordia. His responsibilities will include the identification and evaluation of new business opportunities for New Concordia, forging new and strengthening existing relationships with institutional investors and joint venture partners, and raising capital to fund the next phase of project development and new acquisitions. It is presently expected that Mr. Abbenante will be dedicating approximately 50% of his time to New Concordia.

In the five years previous to this filing, Mr. Abbenante has held the following positions: Vice President, International Business and Legal Affairs at Global Mining Management Corp. ("GMM"), Assistant General Counsel and Vice President -- Corporate Development with I-Pulse Inc., and Attorney at Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, a US law firm. All of these companies are still carrying on business and GMM is proposed to be party to a cost sharing agreement with New Concordia.

He has a degree in Foreign Affairs from the University of Virginia and a Law degree from American University in Washington, D.C.

Nakaba Chimura

Proposed Executive Vice President, Finance for Asia

Age: 40

Nakaba Chimura is the proposed Executive Vice President, Finance for Asia of New Concordia. He will manage various Asia focused strategic initiatives for New Concordia, assist with access to Asian capital markets and identify potential investment opportunities. It is presently expected that Mr. Chimura will be dedicating approximately 50% of his time to New Concordia.

In the five years previous to this filing, Mr. Chimura is an executive at GGM's Tokyo office, where he assists with financings and project development for companies including Ivanhoe Mines Ltd. and GoviEx Uranium Inc.

He has a Bachelor of Arts degree from Meiji University and a Master of Arts degree from American University in Washington, D.C.

Mary Vincelli

Proposed Corporate Secretary

Age: 52

Mary Vincelli is the proposed Corporate Secretary of New Concordia. Her responsibilities will include ensuring good governance and timely disclosure for New Concordia. It is presently expected that Ms. Vincelli will be dedicating approximately 25% of her time to New Concordia.

In the five years previous to this filing Ms. Vincelli has been the Corporate Secretary or Assistant Corporate Secretary of a number of public companies, including Ivanhoe Energy Inc., Ivanhoe Mines Ltd. and SouthGobi Resources Ltd.

Corporate Cease Trade Orders, Bankruptcies, Penalties or Sanctions

Except as disclosed below, to the best knowledge of New Concordia, no director or officer, as at the date hereof or within the last ten years prior to the date hereof: (a) is or has been a director or officer of any company that was subject to a cease trade order, an order similar to a cease trade order or an order that denied a company access to any exemption under securities legislation that was in effect for a period of more than 30 consecutive days that was issued while the proposed director or officer was acting in the capacity as director or officer of that company; (b) is or has been a director or officer of any company that was subject to a cease trade order, an order similar to a cease trade order or an order that denied a company access to any exemption under securities legislation that was in effect for a period of more than 30 consecutive days that was issued after the proposed director ceased to be a director or

officer of that company and which resulted from an event that occurred while that person was acting in such capacity; (c) is or has been a director or officer of any company that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or (d) is or has become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or became subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold his assets.

David Birkenshaw, was a director of EURO Ressources S.A. (formerly Guyanor Resources S.A.) (“Guyanor”) when Guyanor was the subject of a cease trade order issued on April 5, 2005 for failure to file required records, which cease trade order was rescinded on April 29, 2005.

To the knowledge of New Concordia, no director: (a) has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory; or (b) has been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable security holder in deciding whether to vote for a proposed director.

Certain directors and officers of New Concordia currently, or may in the future, act as directors or officers of other companies and, consequently, it is possible that a conflict may arise between their duties as a director or officer of New Concordia and their duties as a director or officer of any other such company. There is no guarantee that while performing their duties for New Concordia, the directors or officers of New Concordia will not be in situations that could give rise to conflicts of interest. There is no guarantee that these conflicts will be resolved in favour of New Concordia. The proposed directors and officers of New Concordia are aware of the existence of laws governing accountability of directors and officers for corporate opportunity and requiring disclosure by directors and officers of conflicts of interest and the fact that New Concordia will rely upon such laws in respect of any director’s or officer’s conflicts of interest or in respect of any breaches of duty by any of its directors or officers. All such conflicts must be disclosed by such directors or officers, and they will govern themselves in respect thereof to the best of their ability in accordance with the obligations imposed upon them by law.

Other Reporting Issuer Experience

During the past five years the following directors, officers, promoters and other members of management of New Concordia are or have been a director, officer or promoter of other reporting issuers, as follows:

Name	Position	Name of Reporting Issuer	Exchange	Period
Peter Meredith	Director	Peregrine Diamonds Ltd	TSX	March 2013 to present.
	Director	Ivanhoe Energy Inc.	TSX NASDAQ	December 2007 to present.
	Director	Entrée Gold Inc.	TSX NYSE	November 2004 to July 2013.
	Director	Great Canadian Gaming Corporation	TSX	June 2000 to present.
	Deputy Chairman	Ivanhoe Mines Ltd. (now Turquoise Hill Resources Ltd.)	TSX NYSE NASDAQ	May 2006 to April 2012.
	Director	Ivanhoe Mines Ltd. (now Turquoise Hill Resources Ltd.)	TSX NYSE NASDAQ	March 2005 to May 2013.
	Director	SouthGobi Resources Ltd.	TSX HKSE	August 2003 to September 2012

Name	Position	Name of Reporting Issuer	Exchange	Period
	Chairman	SouthGobi Resources Ltd.	TSX HKSE	October 2009 to September 2012
	Chief Executive Officer	SouthGobi Resources Ltd.,	TSX HKSE	June 2007 to October 2009
	Director	Ivanhoe Australia Ltd.	ASX	November 2006 to April 2012
	Director	Ivanhoe Mines Ltd. (formerly Ivanplats Limited)	TSX	May 1998 to present
	Director	Trevali Mining Corporation	TSX	July 2013 to present
B. Matthew Hornor	Senior Vice President – Japan	Ivanhoe Energy Inc.	TSX NASDAQ	October 2009 to present.
	Vice President	Ivanhoe Mines Ltd. (now Turquoise Hill Resources Ltd.)	TSX NYSE NASDAQ	June 2005 to January 2007.
	Executive Vice President, Business Development & Legal	Ivanhoe Mines Ltd. (formerly Ivanplats Limited)	TSX	May 2010 to present.
Terry Krepiakevich	Director	St. Augustine Gold & Copper	TSX	October 2011 to present.
	Director	Alexco Resources Corp.	TSX	June 2009 to present.
	Director	Western Lithium USA Inc.	TSX	March 2011 to present.
	Director	NovaCopper Inc.	TSX	April 2011 to present.
	Chief Financial Officer	South Gobi Resources Ltd.	TSX HKSE	June 2006 to July 2011.
David Birkenshaw	Director	United Hunter Oil & Gas Corp.	TSX-V	December 2012 to February 2013.
	Director	EURO Resources S.A.	NYSE Euronext	June 2004 to September 2010.
	Director	Planet Mining Exploration Inc.	TSX-V	October 2012 to present.
	Senior Officer	King Products Inc.	-	March 2004 to present.
	Director	Lion Energy Corp.	TSX-V	May 2010 to June 2011
	Director	Ecometals Limited	TSX-V Frankfurt	September 2003 to September 2010.
David Huberman	Director	Ivanhoe Mines Ltd. (now Turquoise Hill Resources Ltd.)	TSX NYSE NASDAQ	September 2003 to May 2012
	Chairman	Ivanhoe Mines Ltd. (now Turquoise Hill Resources Ltd.)	TSX NYSE NASDAQ	October 2011 to April 2012
	Director	Trevali Mining Corp.	TSX	October 2012 to present

Akiko Levinson	Director and President	Gold Canyon Resources Inc.	TSX Venture	June 1991 to present
	Director	Jipangu Inc.	Tokyo Stock Exchange	June 2010 to present
	Director	Novo Resources Corp.	CNSX, OTCOX	June 2011 to present
Robert Hanson	Director	South Gobi Resources Ltd.	TSX HK	June 2006 to September 2012.
	Director	Ivanhoe Mines Ltd. (now Turquoise Hill Resources Ltd.)	TSX NYSE	February 2001 to November 2010.
R. Edward Flood	Director	Gabriel Resources Ltd.	TSX	June 2010 to June 2013.
	Director	East Asia Minerals Corporation	TSX-V	February 2012 to present.
	Director	SouthGobi Resources Ltd.	TSX HKSE	August 2003 to September 2012
	Director	Tresoro Mining Corp.	OTCBB	June 2010 to January 2011.
	Director	Ivanhoe Mines Ltd. (now Turquoise Hill Resources Ltd.)	TSX NYSE	July 2003 to September 2012.
Pierre Massé	Vice President, Finance	Ivanhoe Mines Ltd. (now Turquoise Hill Resources Ltd.)	TSX NYSE NASDAQ	May 2007 to May 2011.

Executive Compensation

New Concordia's philosophy, objectives and processes regarding executive compensation for New Concordia's executive officers following the closing of the Transactions shall be consistent in most respects to Concordia's philosophy, objectives and processes prior to the closing of the Transaction. See "*Information Concerning Concordia - Executive Compensation*" section above.

The following table indicates the estimated compensation for the Chief Executive Officer and Chief Financial Officer and the three most highly compensated executive officers of New Concordia for the 12 month period following completion of the Transactions.

It is anticipated that at closing, New Concordia will enter into a services agreement with GMM, a private company which provides management, administration, accounting and other services on a cost recovery basis to HPX TechCo and certain other companies, some of which are wholly or partially owned by Robert Friedland. The services agreement will provide that the services of the individuals identified in the following table will be provided to New Concordia, and that New Concordia will be responsible for paying a pro rata percentage of their salaries in proportion to the amount of time they devote to New Concordia.

The following estimates are based on the amount of time which each of these persons is presently expected to spend on New Concordia and its business. Unless otherwise noted, salaries are payable in Canadian dollars.

Name and principal position	Salary (\$)
Matthew Hornor, CEO	265,000
Pierre Massé, CFO	175,000
Toby Mayo, President	250,000
Anthony Abbenante, Executive Vice President, Corporate Development and Legal	150,000
Nakaba Chimura, Executive Vice President, Finance for Asia	150,000

It is further anticipated that each of the foregoing individuals will enter into an employment agreement directly with New Concordia which will provide for termination and change of control payments to be made to them in certain circumstances. The amounts of such payments and the circumstances in which they will be payable have not been determined as of the date of this Circular.

Indebtedness of Directors and Officers

None of the directors or executive officers of New Concordia were indebted to New Concordia as at 16, 2013.

Investor Relations Arrangements

New Concordia does not have any written or oral agreement or understanding that has been reached with any person to provide any promotional or investor relations services for New Concordia.

Stock Option Plan and Options to Purchase Securities

New Concordia's stock option plan is described under the section "*Information Concerning Concordia – Stock Option Plan*".

Following completion of the HPX TechCo RTO, New Concordia anticipates granting stock options to its directors, officers, and employees, the specific quantum of which is not presently known. It is anticipated that a significant majority of these options will be allocated to New Concordia's senior officers. The stock options will be priced in accordance with New Concordia's Stock Option Plan. On closing with the Transactions, 1,337,301 Concordia Adjusted Options exercisable at prices between Cdn.\$0.60 and Cdn.\$2.62 will be held by directors and officers of Concordia, of which 747,601 such Concordia Adjusted Options will be held by persons who will cease to be eligible persons under New Concordia's Option Plan on completion of the Transactions and so must be exercised within 120 days of such completion.

Escrowed Securities

The Exchange has final discretion as to the number of shares and terms of escrow that may be imposed as a condition of listing. Pursuant to Exchange rules, certain principals of New Concordia, such as directors and senior officers, upon completion of the Arrangement, will be required to comply with the Exchange rules relating to escrow and as a result will be required to enter into an escrow agreement which provides that the New Concordia Common Shares and securities convertible into shares to be issued to such principals may not be sold, assigned, hypothecated, transferred within escrow or otherwise dealt with in any manner without the prior consent of the Exchange.

Under the escrow agreement the Shares will be released from escrow according to different release schedules which depend on whether New Concordia is considered to be a Tier 1 or Tier 2 Issuer and whether the New Concordia Common Shares subject to escrow are determined to be Surplus Securities (as defined by Exchange rules) or Value Securities (as defined by Exchange rules). It is anticipated that New Concordia will meet the Exchange Tier 2 minimum listing requirements at the time the final exchange bulletin is issued (upon completion of the Transactions) and the New Concordia Common Shares held by directors and senior officers are expected to be Surplus Securities.

It is expected that the Shares held by directors and senior officers placed into escrow will be released on the following Schedule:

Tier 2 – Surplus Securities	
Release Dates	Percentage of Total Escrowed Securities to be Released
On the date of the Final Exchange Bulletin	5%
6 months from the date of receipt of Final Exchange Bulletin	5%
12 months from the date of receipt of Final Exchange Bulletin	10%
18 months from the date of receipt of Final Exchange Bulletin	10%
24 months from the date of receipt of Final Exchange Bulletin	15%
30 months from the date of receipt of Final Exchange Bulletin	15%
36 months from the date of receipt of Final Exchange Bulletin	40%
TOTAL	100%

Accordingly, the shareholders listed below will enter into an escrow agreement with Computershare Investor Service Inc. (the “Escrow Agent”) and New Concordia pursuant to which they will deposit the following securities in escrow with the Escrow Agent:

Name and Municipality of Residence of Securityholder	Designation of class	Prior to Giving Effect to the Transaction		After Giving Effect to the Transaction	
		Number of securities held in escrow	Percentage of class	Number of securities to be held in escrow	Percentage of class
HPX TechCo Inc. BVI	Common Shares	Nil	Nil	106,489,000	85%
David Birkenshaw	Common Shares	14,234,500	16.6%	2,846,900	2.27%
R. Edward Flood	Common Shares	913,200	1.07%	182,640	0.15%

Auditor, Transfer Agent and Registrar

There are no changes to New Concordia’s auditors or transfer agent as described above under the section entitled “Information Concerning Concordia– Auditors, Transfer Agent & Registrar”.

Sponsorship and Agent Relationships

Pursuant to the Exchange’s policy manual, the listing of the New Concordia Common Shares following the HPX TechCo RTO requires sponsorship. For this purpose Concordia has engaged Salman Partners Inc., located at 17th Floor, 1095 West Pender, Vancouver, BC, V6E 2M6, as their sponsor.

Experts

Interests of Experts

Concordia has relied on certain tax advice from Koffman Kalef LLP (in Canada) and Dorsey & Whitney LLP (in the US) in relation to the tax treatment of the New Concordia Common Shares following the Arrangement.

Concordia has also relied on the work of Qualified Persons who reviewed and approved the scientific and technical information presented in this Circular which is derived from the Ebende Technical Report the La

Providencia Technical Report, which is available for review under Concordia's profile on SEDAR at www.sedar.com.

To the knowledge of Concordia, as of the date hereof:

- a) None of Dr. Brenda Clarke, Michael Lynn, Dr. David W. Rennie, the Qualified Persons that prepared or contributed to the preparation of the Ebende Technical Report and the La Providencia Technical Report, nor the company listed therein that employs those individuals, hold a beneficial interest in, directly or indirectly, Concordia Shares, or securities convertible into Concordia Shares, equal to or greater than 1% of the issued and outstanding Concordia Shares;
- b) MacKay LLP Chartered Accountants, have advised that they are independent of Concordia within the meaning of the Rules of Professional Conduct of the Institute of Chartered Accountants of British Columbia; and
- c) the partners and associates of Koffman Kalef LLP do not own, directly or indirectly, more than 1% of the issued and outstanding Concordia Shares or securities convertible into Concordia Shares.

Expertised Reports

Hatch Associates (Pty) Ltd. was retained by Concordia to carry out a high-level "fatal flaw" technical review of the Fairholme Project (September, 2013). The report highlighted no fatal flaws.

The Concordia Board engaged Haywood to evaluate the Transactions and to provide the Haywood Opinion. The Haywood Opinion was delivered to the Concordia Board on October 1, 2013. The Haywood Opinion concludes that, based upon and subject to the assumptions, limitations and qualifications set forth therein, as of such date, the consideration to be received by the common shareholders of the Company is fair, from a financial point of view, to the Concordia Shareholders.

MSA Group (Pty) Ltd. was retained by Concordia to complete the Ebende Technical Report. The report's authors Dr. Brendan Morgan Clarke and Mr. Michael David Lynn, both Qualified Persons as defined under NI 43-101.

Roscoe Postle Associates Inc. was retained by Concordia to update their November 2012 Independent Technical Report, the *Technical Report on the Providencia Silver Project, Jujuy Province, Argentina (NI 43-101)*. The report's author, Mr. David W. Rennie, is a Qualified Person as defined under NI 43-101.

Mr. Barry de Wet, a member of the South African Council for National Scientific Professionals (SACNSP), South Africa, a Qualified Person, as defined under NI 43-101, has approved all scientific and technical information in this Circular which relates to the Fairholme Project.

Other Material Facts

Management is not aware of any other business to come before the Meeting other than as set forth in the Notice of Meeting accompanying this Information Circular. If any other business properly comes before the Meeting, it is the intention of the persons named in the Instrument of Proxy to vote the Common Shares represented thereby in accordance with their best judgment on such matter. Management is not aware of any other business to come before the Meeting other than as set forth in the Notice of Meeting accompanying this Information Circular. If any other business properly comes before the Meeting, it is the intention of the persons named in the Instrument of Proxy to vote the Common Shares represented thereby in accordance with their best judgment on such matter.

Board Approval

The contents and the sending of this Information Circular to the Shareholders of Concordia have been approved by the Concordia Board. The contents and the sending of this Information Circular to the Shareholders of Concordia have been approved by the Concordia Board.

FINANCIAL STATEMENT REQUIREMENTS

(As attached)

CONCORDIA RESOURCE CORP.

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE NINE MONTHS ENDED JUNE 30, 2013

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

CONCORDIA RESOURCE CORP.
CONDENSED CONSOLIDATED STATEMENTS OF NET LOSS
(Unaudited – Prepared by Management)
(Expressed in thousands of Canadian Dollars, except per share amounts and shares in thousands)

	Three Months Ended June 30,		Nine Months Ended June 30,	
	2013 \$	2012 \$	2013 \$	2012 \$
EXPENSES				
Depreciation (Note 6)	17	18	50	37
Exploration and evaluation assets write-off, net of recovery (Note 5)	-	(16)	-	571
Exploration expenditures (Note 12)	405	1,821	1,339	6,559
Investor relations	2	17	9	24
Office and miscellaneous (Note 10)	110	168	379	520
Professional fees (Notes 10 and 11)	365	301	922	839
Regulatory and filing fees (Note 10)	2	11	25	80
Salaries and benefits (Notes 10 and 11)	259	304	1,556	1,117
Stock-based compensation (Notes 9 and 11)	14	72	87	548
Travel and conferences	72	137	263	406
	<u>1,246</u>	<u>2,833</u>	<u>4,630</u>	<u>10,701</u>
LOSS BEFORE OTHER ITEMS	<u>(1,246)</u>	<u>(2,833)</u>	<u>(4,630)</u>	<u>(10,701)</u>
OTHER ITEMS				
Gain on dilution of interest in Western Lithium (Note 7)	-	-	23	-
Equity loss in Western Lithium (Note 7)	(264)	(389)	(786)	(1,957)
Write-down of Investment in Western Lithium (Note 7)	-	-	(7,834)	-
Foreign exchange gain/(loss)	22	34	90	(657)
Interest income	44	54	133	178
Other income/(loss)	(3)	21	(2)	80
	<u>(201)</u>	<u>(280)</u>	<u>(8,376)</u>	<u>(2,356)</u>
NET LOSS FOR THE PERIOD	<u>(1,447)</u>	<u>(3,113)</u>	<u>(13,006)</u>	<u>(13,057)</u>
BASIC AND DILUTED LOSS PER SHARE	(0.02)	(0.04)	(0.15)	(0.17)
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING - BASIC AND DILUTED	85,628	85,628	85,628	75,852

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

CONCORDIA RESOURCE CORP.
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
(Unaudited – Prepared by Management)
(Expressed in thousands of Canadian Dollars)

	Three Months Ended June 30,		Nine Months Ended June 30,	
	2013 \$	2012 \$	2013 \$	2012 \$
NET LOSS FOR THE PERIOD	<u>(1,447)</u>	<u>(3,113)</u>	<u>(13,006)</u>	<u>(13,057)</u>
Cumulative translation adjustment	50	(2)	94	(20)
Unrealized loss on marketable securities	<u>(1)</u>	<u>(15)</u>	<u>(20)</u>	<u>(59)</u>
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD	<u>49</u>	<u>(17)</u>	<u>74</u>	<u>(79)</u>
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD	<u>(1,398)</u>	<u>(3,130)</u>	<u>(12,932)</u>	<u>(13,136)</u>

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

CONCORDIA RESOURCE CORP.
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(Unaudited – Prepared by Management)
(Expressed in thousands of Canadian Dollars and shares in thousands)

	Common shares		Warrants	Contributed surplus	Accumulated Other Comprehensive Income/(Loss)		Deficit	Total Shareholders' equity
	Number	Amount	Number		Cumulative translation adjustments	Unrealized loss		
		\$			\$	\$		
Authorized share capital:								
	Unlimited common shares without par value							
	100,000 preferred shares, par value \$1.00							
Balance, September 30, 2011	59,872	73,359	250	7,995	(59)	-	(37,174)	44,121
Stock-based compensation	-	-	-	548	-	-	-	548
Shares issued for Swala acquisition (Note 4)	25,756	12,105	-	-	-	-	-	12,105
Warrants issued for Swala acquisition (Note 4)	-	-	1,504	62	-	-	-	62
Stock options issued for Swala acquisition (Note 4)	-	-	-	600	-	-	-	600
Warrants expired	-	-	(250)	-	-	-	-	-
Contributed surplus of Western Lithium	-	-	-	199	-	-	-	199
Net loss and other comprehensive loss	-	-	-	-	(20)	(59)	(13,057)	(13,136)
Balance, June 30, 2012	85,628	85,464	1,504	9,404	(79)	(59)	(50,231)	44,499
Balance, September 30, 2012	85,628	85,464	1,504	9,471	(119)	(67)	(52,198)	42,551
Stock-based compensation	-	-	-	87	-	-	-	87
Expired warrants	-	-	(1,493)	-	-	-	-	-
Contributed surplus of Western Lithium	-	-	-	58	-	-	-	58
Net loss and other comprehensive income/(loss)	-	-	-	-	94	(20)	(13,006)	(12,932)
Balance, June 30, 2013	85,628	85,464	11	9,616	(25)	(87)	(65,204)	29,764

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

CONCORDIA RESOURCE CORP.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited – Prepared by Management)
(Expressed in thousands of Canadian Dollars)

	For the Nine Months Ended June 30,	
	2013 \$	2012 \$
OPERATING ACTIVITIES		
Loss for the period	(13,006)	(13,057)
Items not affecting cash:		
Depreciation (Note 6)	50	37
Gain on dilution of interest in Western Lithium	(23)	-
Equity loss in Western Lithium	786	1,957
Write-down of investment in Western Lithium	7,834	-
Other loss/(income)	2	(49)
Loss on sale of equipment	-	1
Stock-based compensation	87	548
Unrealized foreign exchange (gain)/loss	(90)	657
Exploration and evaluation assets write-off	-	571
Changes in non-cash working capital items:	202	(225)
Decrease/(increase) in receivables		
Decrease/(increase) in prepaid expenses and deposits	187	(151)
Decrease in accounts payable and accrued liabilities	(280)	186
Net cash used in operating activities	(4,251)	(9,525)
INVESTING ACTIVITIES		
Additions to exploration and evaluation assets (Note 5)	(164)	(2,504)
Cash acquired from Swala	-	1,016
Proceed from equipment sale	-	7
Purchase of capital assets (Note 6)	(50)	(53)
Net cash used in investing activities	(214)	(1,534)
EFFECT OF FOREIGN EXCHANGE ON CASH AND CASH EQUIVALENTS	105	(669)
CHANGE IN CASH AND CASH EQUIVALENTS	(4,360)	(11,728)
CASH AND CASH EQUIVALENTS - BEGINNING OF PERIOD	15,323	29,398
CASH AND CASH EQUIVALENTS - END OF PERIOD	10,963	17,670
CASH AND CASH EQUIVALENTS IS COMPRISED OF:		
Cash	496	1,494
Term deposits	10,467	16,176
	10,963	17,670

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

CONCORDIA RESOURCE CORP.
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED JUNE 30, 2013
(Unaudited – Prepared by Management)
(Expressed in thousands of Canadian Dollars, except per share amounts and shares in thousands)

1. NATURE OF OPERATIONS

Concordia Resource Corp. (“Concordia” or the “Company”) is a Canadian based resource company focused on exploration, acquisition and advancement of exploration and evaluation assets (Note 5). The Company was incorporated under the provisions of the British Columbia Business Corporations Act on February 7, 2000. On April 5, 2011, the Company changed its name from Western Uranium Corporation to Concordia Resource Corp.

The Company’s head office, principal address, and registered and records office is #654-999 Canada Place, Vancouver, British Columbia, Canada, V6C 3E1.

To date, the Company has not generated significant revenues from operations and is considered to be in the exploration stage. The amounts shown as exploration and evaluation assets represent acquisition costs incurred to date and do not necessarily represent present or future values. The underlying value of exploration and evaluation assets are entirely dependent on the existence of economically recoverable reserves, securing and maintaining title and beneficial interest in the properties, the ability of the Company to obtain the necessary financing to complete permitting, development, and future profitable production. The Company considers that it has adequate resources to maintain its core operations for the next 12 months.

2. BASIS OF PREPARATION

These condensed consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) applicable to the preparation of interim financial statements, including IAS 34, Interim Financial Reporting. The condensed consolidated financial statements should be read in conjunction with the annual consolidated financial statements for the year ended September 30, 2012, which have been prepared in accordance with IFRS as issued by the IASB.

These condensed consolidated financial statements were approved for issuance by the Corporation’s Board of Directors on August 28, 2013.

3. SIGNIFICANT ACCOUNTING POLICIES

These condensed consolidated financial statements are expressed in Canadian dollars, the Company’s presentation currency, and have been prepared on a historical cost basis, except for financial instruments that have been measured at fair value. In addition, these condensed consolidated financial statements have been prepared using the accrual basis of accounting. The Company has used the same accounting policies and methods of computation as in the annual consolidated financial statements for the year ended September 30, 2012.

Principles of Consolidation

The condensed consolidated financial statements contained herein include the accounts of Concordia and its wholly-owned USA subsidiary Western Energy Development Corp. (“WEDC”), and its wholly-owned Canadian subsidiaries Meryllion Minerals Corp. (“Meryllion”) and Swala Resources Inc. (“Swala”). All inter-company transactions and balances have been eliminated.

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3. **SIGNIFICANT ACCOUNTING POLICIES** (continued)

Significant Accounting Estimates and Judgments

The preparation of these condensed consolidated financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. These condensed consolidated financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the condensed consolidated financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical Accounting Estimates

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the end of the reporting period, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the determination of environmental obligations, the recoverability of exploration and evaluation assets, and the assumptions used in the determination of the fair value of stock-based compensation.

Critical Accounting Judgments

Critical accounting judgments are accounting policies that have been identified as being complex or involving subjective judgments or assessments, as follows:

- the assessment that there is an objective evidence of impairment in the value of the Investment in Western Lithium;
- the point in time that an economic feasibility study has established the presence of proven and probable reserves;
- deferred tax assets recorded in the condensed consolidated financial statements.
- In accordance with IAS 21 “The Effects of Changes in Foreign Exchange Rates”, management determined that the functional currency of Concordia is the Canadian dollar, the functional currency of the Company’s wholly-owned subsidiaries WEDC and Meryllion is the US dollar, and the functional currency of the Company’s wholly-owned subsidiary Swala is the European Euro as these are the currencies of the primary economic environment in which the companies operate.

Accounting Standards Issued but not yet Applied

Unless otherwise noted, the following revised standards and amendments are effective for annual periods beginning on or after January 1, 2013, with earlier application permitted. The Company has not yet assessed the impact of these standards and amendments or determined whether it will early adopt them, as applicable.

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3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Accounting Standards Issued but not yet Applied (continued)

(i) IFRS 9, Financial Instruments, was issued in November 2009 and addresses classification and measurement of financial assets. It replaces the multiple category and measurement models in IAS 39 for debt instruments with a new mixed measurement model having only two categories: amortized cost and fair value through profit or loss. IFRS 9 also replaces the models for measuring equity instruments. Such instruments are either recognized at fair value through profit or loss or at fair value through other comprehensive income. Where equity instruments are measured at fair value through other comprehensive income, dividends are recognized in profit or loss to the extent that they do not clearly represent a return of investment; however, other gains and losses (including impairments) associated with such instruments remain in accumulated comprehensive income indefinitely.

Requirements for financial liabilities were added to IFRS 9 in October 2010 and they largely carried forward existing requirements in IAS 39, Financial Instruments – Recognition and Measurement, except that fair value changes due to credit risk for liabilities designated at fair value through profit and loss are generally recorded in other comprehensive income. This standard and its consequential amendments are applicable to annual reporting periods beginning on or after January 1, 2015.

(ii) IFRS 10, Consolidated Financial Statements, requires an entity to consolidate an investee when it has power over the investee, is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Under existing IFRS, consolidation is required when an entity has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. IFRS 10 replaces SIC-12, Consolidation—Special Purpose Entities and parts of IAS 27, Consolidated and Separate Financial Statements.

(iii) IFRS 11, Joint Arrangements, requires a venturer to classify its interest in a joint arrangement as a joint venture or joint operation. Joint ventures will be accounted for using the equity method of accounting whereas for a joint operation the venturer will recognize its share of the assets, liabilities, revenue and expenses of the joint operation. Under existing IFRS, entities have the choice to proportionately consolidate or equity account for interests in joint ventures. IFRS 11 supersedes IAS 31, Interests in Joint Ventures, and SIC-13, Jointly Controlled Entities—Non-monetary Contributions by Venturers.

(iv) IFRS 12, Disclosure of Interests in Other Entities, establishes disclosure requirements for interests in other entities, such as subsidiaries, joint arrangements, associates, and unconsolidated structured entities. The standard carries forward existing disclosures and also introduces significant additional disclosure that address the nature of, and risks associated with, an entity's interests in other entities.

(v) IFRS 13, Fair Value Measurement, is a comprehensive standard for fair value measurement and disclosure for use across all IFRS standards. The new standard clarifies that fair value is the price that would be received to sell an asset, or paid to transfer a liability in an orderly transaction between market participants, at the measurement date. Under existing IFRS, guidance on measuring and disclosing fair value is dispersed among the specific standards requiring fair value measurements and does not always reflect a clear measurement basis or consistent disclosures.

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3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Accounting Standards Issued but not yet Applied (continued)

(vi) IAS 19, Employee Benefits, has been amended to make significant changes to the recognition and measurement of defined benefit pension expense and termination benefits and to enhance the disclosure of all employee benefits. The amended standard requires immediate recognition of actuarial gains and losses in other comprehensive income as they arise, without subsequent recycling to net income. Past service cost (which will now include curtailment gains and losses) will no longer be recognized over a service period but instead will be recognized immediately in the period of a plan amendment. Pension benefit cost will be split between (i) the cost of benefits accrued in the current period (service cost) and benefit changes (past-service cost, settlements and curtailments); and (ii) finance expense or income. The finance expense or income component will be calculated based on the net defined benefit asset or liability. A number of other amendments have been made to recognition, measurement and classification including redefining short-term and other long-term benefits, guidance on the treatment taxes related to benefit plans, guidance on risk/cost sharing features, and expanded disclosures.

(vii) There have been amendments to existing standards, including IAS 27, Separate Financial Statements (IAS 27), and IAS 28, Investments in Associates and Joint Ventures (IAS 28). IAS 27 addresses accounting for subsidiaries, jointly controlled entities and associates in non-consolidated financial statements. IAS 28 has been amended to include joint ventures in its scope and to address the changes in IFRS 10 – 13.

(viii) IFRIC 20, Stripping Costs in the Production Phase of a Surface Mine, sets out the accounting for overburden waste removal (stripping) costs in the production phase of a mine. Stripping activity may create two types of benefit: i) inventory produced and ii) improved access to ore. Stripping costs associated with the former should be accounted for as a current production cost in accordance with IAS 2, Inventories. The latter should be accounted for as an addition to or enhancement of an existing asset.

(ix) IAS 32, Financial Instruments: Presentation, this amendment provides clarification on the application of offsetting rules. These amendments are effective for annual periods beginning on or after January 1, 2014.

4. ACQUISITION OF SWALA RESOURCES INC.

On January 13, 2012, the Company completed its acquisition of all of the issued and outstanding securities of Swala pursuant to a court approved plan of arrangement involving Concordia, Swala and the Swala shareholders, optionholders and warrant holders (the “Arrangement”). The Arrangement has been accounted for by Concordia as a purchase of net assets, where the acquired assets and liabilities are measured at fair value and the purchase price is allocated over the group of assets acquired based on their relative fair values. The transaction costs are capitalized as part of the cost.

Pursuant to the term of the Arrangement, each Swala shareholder received 1.9 common shares of Concordia for each share of Swala held resulting in issuance of 25,310 shares of Concordia at \$0.47 per share. Any outstanding Swala options were exercised for Swala shares immediately before the closing of the Arrangement (the “Closing”) on a cashless, in-the-money value basis, using the 1:1.9 share exchange ratio and unexercised options have been cancelled. In addition, the Company issued 446 broker shares. Following Closing and as part of the consideration for the acquisition of Swala, the Company issued options to management, directors and consultants of Swala to acquire an aggregate of 2,222 shares of Concordia, with an exercise price of \$0.70 per share and expiring on January 13, 2017.

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4. ACQUISITION OF SWALA RESOURCES INC. (continued)

Holders of warrants of Swala who had not exercised warrants of Swala prior to the Closing of the Arrangement had their Warrants converted into common share purchase warrants of Concordia in accordance with a warrant exchange ratio of 0.5 Concordia Exchange Warrants for each Warrant held.

The purchase price for the acquisition of Swala was calculated as follows:

Consideration	Amount, \$
Fair value of 25,756 shares	12,105
Fair value of 1,504 warrants (Note 9)	62
Fair value of 2,222 options (Note 9)	600
Promissory note advanced to Swala	2,000
Transaction costs	283
Total purchase price	15,050

The promissory note of \$2,000 was issued prior to the Closing pursuant to the terms of the Arrangement for Swala's working capital purposes. The note bore interest at 2.86% per annum. The principal amount and interest became due in shares of Swala on the Closing. Swala had an option in its sole discretion to repay the amount payable by issuing 1,471 common shares of Swala and 450 common share purchase warrants. Each warrant is exercisable into one share of Swala at an exercise price of \$1.93 for a period of two years.

The following table sets the allocation of the purchase price to the fair value of the assets and liabilities acquired:

Allocation of purchase price	Amount, \$
Cash and cash equivalents	1,025
Accounts receivable	5
Value-added tax receivable	140
Capital assets	369
Exploration and evaluation assets – Kerboulé	14,212
Accounts payable	(701)
Total allocation	15,050

5. EXPLORATION AND EVALUATION ASSETS

For the nine months ended June 30, 2013	Albisu, USA \$	Providencia, Argentina \$	Cerro Amarillo, Argentina \$	Kerboulé, Burkina Faso \$	Total \$
Acquisition costs					
Balance, beginning of period	17	436	126	14,212	14,791
Foreign exchange	1	33	12	-	46
Additions	1	87	76	-	164
Total exploration and evaluation assets	19	556	214	14,212	15,001

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5. EXPLORATION AND EVALUATION ASSETS (continued)

For the year ended September 30, 2012	Albisu, USA \$	Providencia, Argentina \$	La Rioja, Argentina \$	Cerro Amarillo, Argentina \$	Kerboulé, Burkina Faso \$	Total \$
Acquisition costs						
Balance, beginning of year	43	154	582	82	-	861
Foreign exchange adjustment	(1)	(4)	-	(6)	-	(11)
Shares received under option agreement	(65)	-	-	-	-	(65)
Additions	25	286	5	50	14,212	14,578
Recovered/(written-off) during the year	15	-	(587)	-	-	(572)
Total exploration and evaluation assets	17	436	-	126	14,212	14,791

Albisu Claims, USA

The Albisu gold project occurs in northwestern Nevada approximately 35 kilometres west of McDermitt, Nevada. The project area is covered by 118 lode mining claims. In March 2010, the Company entered into an option agreement with Kenai Resources Ltd. (“Kenai”) and received 250 shares of Kenai. Subsequently, Kenai did not proceed with the exploration on the Albisu property and terminated the option agreement.

Providencia, Argentina

In March 2011, amended in March 2013, the Company acquired an option to purchase the Providencia silver-copper prospect located in northwestern Argentina. Under the amended option agreement, the Company has the right to acquire a 100% interest in the property by making the following payments:

- US\$50 – in March 2011 (paid);
- US\$100 – in September 2011 (paid);
- US\$150 – in March 2012 (paid);
- US\$75 – in March 2013 (paid);
- US\$25 – in January 2014;
- US\$50 – in March 2014;
- US\$25 – in August 2014;
- US\$50 – in January 2015;
- US\$200 – in March 2015;
- US\$250 – in March 2016;
- US\$300 – in March 2017.

The exercise fee is US\$950 if less than 50 million ounces of silver resources have been delineated, as defined by a third-party, independent consultant, or US\$1,950 if more than 50 million ounces of silver resources are defined. The property is subject to an NSR of 1.5% with the Company having the option to buy it out for US\$3,000 if less than 50 million ounces of silver resources are defined or US\$2,000 if more than 50 million ounces of silver resources are defined.

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5. EXPLORATION AND EVALUATION ASSETS (continued)

Providencia, Argentina (continued)

Effective June 13, 2012, and amended on May 28, 2013, the Company acquired an option to purchase the Olaroz Chico property. Under the option agreement, the Company has the right to acquire a 100% interest in the property by making the following payments:

- US\$9 – in June 2012 (paid);
- US\$9 – in June 2013 (paid);
- US\$22.5 – in March 2014;
- US\$22.5 – in September 2014;
- US\$45 – in March 2015;
- US\$90 – in March 2016;
- US\$135 – in March 2017;
- US\$180 – in March 2018
- US\$441 – in March 2019.

The property is subject to an NSR of 1% with the Company having the option to buy it out for US\$450.

Effective July 11, 2012, and amended on July 16, 2013, the Company acquired an option to purchase the Cerro Galán, Coyaguaima, Coranzulí, Panizos and Nazarena properties. Under the option agreement, the Company has the right to acquire a 100% interest in the properties by making the following payments:

- US\$10 – in July 2012 (paid);
- US\$5 – in July 2013 (paid);
- US\$5 – in October 2013;
- US\$25 – in July 2014;
- US\$50 – in July 2015;
- US\$75 – in July 2016;
- US\$100 – in July 2017;
- US\$740 – in July 2018.

The properties are subject to an NSR of 1% with the Company having the option to buy it out for US\$500. In addition, there is a work commitment during the term of the agreement of US\$100.

Effective July 13, 2012, and amended on May 28, 2013, the Company acquired an option to purchase the Libertad property north of its La Providencia property. Under the option agreement, the Company has the right to acquire a 100% interest in the property by making the following payments:

- US\$1 – in July 2012 (paid)
- US\$1 – in June 2013 (paid)
- US\$2.5 – in March 2014;
- US\$2.5 – in September 2014
- US\$5 – in March 2015;
- US\$10 – in March 2016;
- US\$15 – in March 2017;

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5. EXPLORATION AND EVALUATION ASSETS (continued)

Providencia, Argentina (continued)

- US\$20 – in March 2018;
- US\$49 – in March 2019

The property is subject to an NSR of 1% with the Company having the option to buy it out for US\$50.

Cerro Amarillo, Argentina

In October 2010, the Company acquired an option to purchase the Cerro Amarillo copper-gold property located in the Malargüe District, in the Province of Mendoza, Argentina. Under the option agreement the Company has the exclusive right to engage in exploration activities on the property before exercising its option to acquire a 100% interest in the property.

The option is exercisable by the Company at any time; however, so long as the exploration program is ongoing, the Company will make payments to the owners of the property, which payments will total US\$700 if the exploration program continues for at least 76 months as follows:

- US\$25 – in October 2010 (paid);
- US\$25 - in February 2011 (paid);
- US\$25 – in August 2011 (paid);
- US\$50 - in January 2012 (paid);
- US\$75 - in January 2013 (paid);
- US\$100 - in January 2014;
- US\$150 - in January 2015;
- US\$250 - in January 2016.

When the option is exercised, the Company will pay a final purchase price of US\$2,500. The owners of the property will also be entitled to a 1% NSR in the event the property is placed into commercial production, which the Company may purchase for US\$3,000.

Kerboulé, Burkina Faso

The property is located on the northern border of Burkina Faso. In April 2009, Swala entered into a joint venture agreement with SearchGold Resources Inc. (“SearchGold”) to “earn-in” a 65% interest in two licenses, the ‘Araé’ and ‘Gassel Manéré’, that are registered in the name of Societe Miniere de Kerboulé (SMK) sarl in Burkina Faso, a company wholly owned by Gazelle Resources Inc. In July 2010, Swala and SearchGold agreed for Swala to acquire 100% of Gazelle Resources Inc., in consideration for Swala shares. In addition, Swala took over SearchGold’s commitment to pay a Net Smelter Royalty (“NSR”) of 3% to Somika (the local Burkina Faso company from whom SearchGold had originally acquired rights to the tenements). Half of this NSR may be acquired for US\$1,500.

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6. CAPITAL ASSETS

	Computers \$	Office \$	Industrial \$	Automotive \$	Total \$
Cost					
As at September 30, 2011	29	28	-	-	57
Additions	-	30	381	177	588
Disposals	(29)	(30)	(205)	(3)	(267)
Foreign exchange	-	(2)	(2)	(7)	(11)
As at September 30, 2012	-	26	174	167	367
Additions	29	2	19	-	50
Foreign exchange	-	5	10	16	31
As at June 30, 2013	29	33	203	183	448

	Computers \$	Office \$	Industrial \$	Automotive \$	Total \$
Accumulated depreciation					
As at September 30, 2011	29	23	-	-	52
Depreciation	-	5	31	19	55
Disposals	(29)	(23)	(19)	-	(71)
As at September 30, 2012	-	5	12	19	36
Depreciation for the period	-	5	23	22	50
As at June 30, 2013	-	10	35	41	86

	Computers \$	Office \$	Industrial \$	Automotive \$	Total \$
Net book value					
As at September 30, 2012	-	21	162	148	331
As at June 30, 2013	29	23	168	142	362

7. INVESTMENT IN WESTERN LITHIUM

On July 16, 2008, the Company completed its statutory plan of arrangement with its then wholly-owned subsidiary, Western Lithium. As part of the Arrangement, the Company's shareholders of record as of June 19, 2008, received one Western Lithium share for every three of the Company's shares held. Accordingly, 19,734 shares in Western Lithium with a fair value of \$9,951 were distributed to shareholders of the Company by way of an in-kind dividend and the Company retained 15,209 shares of Western Lithium with a fair value of \$7,693.

On completion of the Arrangement, the Company no longer controlled Western Lithium and ceased to consolidate it from that date. On May 6, 2009, the Company made an additional investment in Western Lithium by purchasing 3,000 units of Western Lithium, priced at \$0.50 per unit for a total investment of \$1,500. Each unit consisted one share and one share purchase warrant. On October 14, 2009, the Company purchased 1,476 shares of Western Lithium at a price of \$0.95 per share pursuant to a private placement. On March 10, 2011, the Company completed the sale transaction of the royalties and titles constituting substantially all of the Kings Valley mineral property and received in consideration from Western Lithium 5,855 common shares with a fair value of \$1.17 per share. On May 3, 2011, the Company purchased 3,000 common shares of Western Lithium pursuant to the exercise of 3,000 previously issued share purchase warrants at an exercise price of \$0.60 per warrant for a total investment of \$1,800.

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7. **INVESTMENT IN WESTERN LITHIUM** (continued)

The Company accounts for its investment using the equity method. Under the equity method, the Company recognized an equity loss of \$786 in Western Lithium for the period ended June 30, 2013 (2012 - \$1,957). The Company also recorded a \$23 (2012 - \$Nil) gain on dilution of interest in Western Lithium and \$58 (2012 - \$199) of its proportionate share of Western Lithium's contributed surplus for the same period. As at December 31, 2012, the Company wrote-down its investment in Western Lithium by \$7,834 due to a prolonged decline in its market value. Prior to the write-down, the investment in Western Lithium accounting cost was \$0.41 per Western Lithium share held by the Company. The last time Western Lithium's shares traded at or near \$0.41 per share range was in February 2012. The Company has concluded that there has been a prolonged decline in the value of investment in Western Lithium and wrote down the investment to \$0.14 per share which was the December 31, 2012 Toronto Stock Exchange closing market price of Western Lithium's shares.

As at June 30, 2013, the Company owned 28,540 or 27.94% of the issued and outstanding shares of Western Lithium and continues to account for its investment using the equity method. The Company's share transactions with Western Lithium are summarized in the table below:

Investment in Western Lithium	Number of Shares Received	Amount, \$	Amount Paid, \$
As at September 30, 2011	28,540	14,144	4,702
Equity loss	-	(2,315)	-
Share of Western Lithium contributed surplus	-	250	-
As at September 30, 2012	28,540	12,079	4,702
Equity loss	-	(786)	-
Gain on dilution of interest in Western Lithium	-	23	-
Share of Western Lithium contributed surplus	-	58	-
Write-down investment in Western Lithium	-	(7,834)	-
As at June 30, 2013	28,540	3,540	4,702

As at June 30, 2013, the fair value of Western Lithium based on the publicly quoted share price was \$4,566. The following table summarizes the total assets and liabilities of Western Lithium:

	June 30, 2013 \$	September 30, 2012 \$
Total assets	11,127	12,987
Total liabilities	(394)	(292)
Net assets	10,733	12,695
Company's share of net assets of Western Lithium	2,999	3,598

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8. MARKETABLE SECURITIES

	Number of shares	Original cost \$	Adjustment to market value \$	Fair value \$
Kenai Resources Ltd.	250	65	(47)	18
Tigris Uranium Corp.	200	48	(20)	28
September 30, 2012	450	113	(67)	46
Kenai Resources Ltd.	250	65	(55)	10
Tigris Uranium Corp.	200	48	(32)	16
June 30, 2013	450	113	(87)	26

The Company has designated its marketable securities as available for sale financial assets and accordingly, changes in fair value are recorded in other comprehensive income in the period in which they are occurred.

9. STOCK OPTIONS AND WARRANTS

Stock options

The Company has a stock option plan in accordance with the policies on the TSX Venture Exchange whereby, from time to time at the discretion of the board of directors, stock options are granted to directors, officers, employees and service providers. Under the plan the maximum number of shares that may be issued upon exercise of stock options granted shall not exceed 10% of the issued and outstanding common shares of the Company at the time of the grant.

The exercise price of each option is based on the market price of the Company's common stock at the date of the grant less allowable discounts. The options can be granted for a maximum term of five years. The vesting terms are determined at the discretion of the Company's Board of Directors.

A summary of changes to stock options outstanding:

	Number of Options (<i>'000's</i>)	Weighted Average Exercise Price Per Share, \$
Balance, outstanding September 30, 2011	4,908	0.96
Granted	3,219	0.58
Expired	(658)	(1.09)
Cancelled	(251)	(0.80)
Balance, outstanding – September 30, 2012	7,218	0.78
Expired	(532)	(1.25)
Balance, outstanding – June 30, 2013	6,686	0.75

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9. **STOCK OPTIONS AND WARRANTS (continued)**

Stock options (continued)

Stock options outstanding and exercisable as at June 30, 2013, are as follows:

Number of Options Outstanding (<i>'000's</i>)	Number of Options Exercisable (<i>'000's</i>)	Exercise Price per Share, \$	Expiry Date
500	500	0.83	January 21, 2014
100	100	0.90	May 6, 2014
350	350	0.85	June 10, 2015
200	200	0.85	November 8, 2015
1,000	1,000	0.95	December 22, 2015
100	100	1.00	January 25, 2016
150	150	1.10	March 8, 2016
657	657	1.00	March 31, 2016
550	550	0.66	August 25, 2016
2,132	2,132	0.70	January 13, 2017
200	150	0.47	February 24, 2017
747	374	0.27	September 16, 2017
6,686	6,263		

Stock based compensation expense of \$87 (2012 - \$548) was charged to operations and credited to contributed surplus to reflect the fair value of stock options vested during the period ended June 30, 2013. At June 30, 2013, \$12 of the fair value of stock options previously granted but not yet vested remains to be expensed in fiscal 2013 and \$9 in 2014. Annualized volatility was determined solely based on historical volatility.

Warrants

A summary of the changes in the number of the Company warrants during the period ended June 30, 2013, is as follows:

	Number of Warrants, (<i>'000's</i>)	Weighted Average Exercise Price, \$
Balance, September 30, 2011	250	1.00
Issued	1,504	0.87
Expired	(250)	(1.00)
Balance, September 30, 2012	1,504	0.87
Expired	(1,493)	(0.87)
Balance, June 30, 2013	11	0.88

At June 30, 2013, the following warrants were outstanding:

Expiry date	Number of Warrants, (<i>'000's</i>)	Weighted Average Exercise Price \$
August 31, 2013	11	0.88

CONCORDIA RESOURCE CORP.
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
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10. RELATED PARTY TRANSACTIONS

The Company entered into related party transactions with WMM Services Corporation (“WMM”), a private company owned equally by Concordia and Western Lithium. WMM provides administration, accounting and other office services to the Company on a cost-recovery basis.

The Company’s related party transactions are included in the following categories:

	For the nine months ended June 30,	
	2013	2012
	\$	\$
Salaries, benefits, and directors fees	661	468
Office and administration	187	233
Regulatory and filing fees	9	9
Professional fees	13	28
Capital assets	30	-
Total related party transactions	900	738

The liabilities of the Company include the following amounts due to related party:

	As at June 30,	As at September 30,
	2013	2012
	\$	\$
Total due to related party	5	71

The related party transactions incurred during the period were in the normal course of operations and were measured at the exchange value, which represented the amount of consideration established and agreed by the related parties.

11. COMPENSATION OF KEY MANAGEMENT

Effective January 1, 2012, Concordia pays \$25 in annual director fees to each of its independent directors, payable quarterly. Effective February 28, 2013, the Company pays \$60 in annual fee to its Chairman, payable quarterly.

The remuneration of directors and other members of key management included:

	For the nine months ended June 30.	
	2013	2012
	\$	\$
Salaries and bonuses	458	511
Termination benefit included in salaries and benefits	669	-
Director’s fees included in salaries and benefits	117	50
Professional fees	149	77
Benefits paid to director	8	-
Stock-based compensation	73	425
Total key management compensation	1,474	1,063

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11. COMPENSATION OF KEY MANAGEMENT (continued)

The prepaid expenses and deposits of the Company include the following:

	As at June 30, 2013 \$	As at September 30, 2012 \$
Benefits for Director of the Company	5	-

The liabilities of the Company include the following amounts due to Directors and Officer of the Company:

	As at June 30, 2013 \$	As at September 30, 2012 \$
Total liabilities due to Directors and Officer	10	16

12. EXPLORATION EXPENDITURES

For the nine months ended June 30, 2013	Albisu, USA \$	La Rioja, Argentina \$	Cerro Amarillo, Argentina \$	Providencia, Argentina \$	Kerboulé, Burkina Faso \$	General Exploration \$	Total \$
Drilling	-	-	-	-	9	-	9
Geological and other consulting	1	7	68	109	409	210	804
Field expenses and other	1	-	6	7	274	16	304
Sampling	-	-	-	-	61	-	61
Geophysics	-	-	-	-	20	-	20
Transportation and travel	-	-	5	11	33	23	72
Environmental	-	-	-	-	69	-	69
Total exploration expenditures	2	7	79	127	875	249	1,339

For the nine months ended June 30, 2012	Albisu \$	La Rioja, Argentina \$	Cerro Amarillo Argentina \$	Providencia Argentina \$	Baza, Spain \$	Kerboule Burkina Faso, \$	General Exploration \$	Total \$
Drilling	1	-	-	1,647	35	1,587	-	3,270
Geological and other consulting	112	5	211	547	33	410	312	1,630
Field expenses and other	-	-	45	422	104	303	24	898
Sampling	-	-	-	-	32	226	1	259
Geophysics	-	-	8	28	-	93	-	129
Transportation and travel	1	-	65	197	-	71	21	355
Foreign tax	-	-	-	-	18	-	-	18
Total exploration expenditures	114	5	329	2,841	222	2,690	358	6,559

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13. SEGMENTED INFORMATION

The Company operates in one business segment, being the acquisition and exploration of exploration and evaluation assets. The Company is in the exploration stage and, accordingly, has no reportable segment revenues or operating results for the period ended June 30, 2013.

The Company's total assets are segmented geographically as follows:

June 30, 2013						
	Canada \$	United States \$	Argentina \$	Burkina Faso \$	Other \$	Total \$
Current assets	10,991	35	77	387	5	11,495
Capital assets	56	-	-	306	-	362
Investment in Western Lithium	3,540	-	-	-	-	3,540
Exploration and evaluation assets	-	19	770	14,212	-	15,001
	14,587	54	847	14,905	5	30,398

September 30, 2012						
	Canada \$	United States \$	Argentina \$	Burkina Faso \$	Zimbabwe \$	Total \$
Current assets	15,344	117	173	522	108	16,264
Capital assets	31	-	-	300	-	331
Investment in Western Lithium	12,079	-	-	-	-	12,079
Exploration and evaluation assets	-	17	562	14,212	-	14,791
	27,454	134	735	15,034	108	43,465

14. COMMITMENTS

The Company has committed to rent office space in the amount of \$15 per month until September 15, 2013.

Exploration and evaluation assets commitments are disclosed in Note 5.

15. FINANCIAL INSTRUMENTS

Financial instruments recorded at fair value on the condensed consolidated statements of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- i. Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- ii. Level 2 – Inputs other than quoted prices that are observable for assets or liabilities, either directly or indirectly; and
- iii. Level 3 – Input for assets and liabilities that are not based on observable market data.

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15. **FINANCIAL INSTRUMENTS** (continued)

The fair value hierarchy requires the use of observable market inputs whenever such inputs exist. A financial instrument is classified to the lowest level of the hierarchy for which a significant input has been considered in measuring fair value.

Financial instruments measured at fair value on the condensed consolidated statement of financial position are summarized in levels of fair value hierarchy as follows:

June 30, 2013	Level 1 \$	Level 2 \$	Level 3 \$
Assets			
Marketable securities	26	-	-

September 30, 2012	Level 1 \$	Level 2 \$	Level 3 \$
Assets			
Marketable securities	46	-	-

Financial Instruments Risk Exposure

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 principal risks to which the Company is exposed are described below:

Credit Risk

Credit risk is the risk of loss associated with counterparty's inability to fulfill its payment obligations. Financial instruments that potentially subject the Company to a concentration of credit risk consist primarily of cash, cash equivalents and receivables. The Company's maximum exposure to credit risk for cash and cash equivalents is the amount disclosed in the consolidated statement of financial position. The Company limits its exposure to credit loss by placing its cash with major financial institutions and invests only in short-term obligations that are guaranteed by the Canadian government or by Canadian chartered banks.

The Company's receivables consist of goods and service tax (GST) due from the Federal Government of Canada and other miscellaneous receivables. The Company's value-added tax receivable of \$315 is pending clearance from the Burkina Faso tax authority. The Company's prepaid expenses and deposits consist of miscellaneous prepaid expenses and deposits that are subject to normal industry credit risk.

Management believes that the credit risk concentration with respect to financial instruments included in cash, cash equivalents and receivables is minimal.

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15. **FINANCIAL INSTRUMENTS** (continued)

Financial Instruments Risk Exposure (continued)

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to evaluate current and expected liquidity requirements under both normal and stressed conditions to ensure that it maintains sufficient reserves of cash and cash equivalents to meet its liquidity requirements in the short and long term. As the industry in which the Company operates is very capital intensive, the majority of the Company's spending is related to its capital programs. The Company prepares annual budgets, which are regularly monitored and updated as considered necessary.

As at June 30, 2013, the Company had cash and cash equivalents balance of \$10,963 (September 30, 2012 - \$15,323) to settle current liabilities of \$634 (September 30, 2012 - \$914). All of the Company's financial liabilities are classified as current and are anticipated to mature within the next fiscal period. The Company intends to settle these with funds from its positive working capital position.

Market Risk

Market risk incorporates a range of risks. Movement in risk factors, such as market price risk and currency risk, affect the fair values of financial assets and liabilities. The Company is exposed to these risks as the ability of the Company to develop or market its properties and the future profitability of the Company is related to the market price of certain minerals.

i) **Foreign Currency Risk**

The Company's current assets and liabilities are denominated in Canadian dollars and other currencies as follows:

	June 30, 2013						
	CDN\$	US\$	Euros	CFA Franc	Argentinean pesos	Other	Total \$
Cash and cash equivalents	10,816	23	5	63	56	-	10,963
Receivables	26	3	-	315	-	4	348
Prepaid expenses and deposits	115	34	-	9	-	-	158
Marketable securities	26	-	-	-	-	-	26
Accounts payables and accrued liabilities	(139)	(40)	(39)	(373)	(24)	(19)	(634)
Net exposure	10,844	20	(34)	14	32	(15)	10,861

CONCORDIA RESOURCE CORP.
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED JUNE 30, 2013
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15. FINANCIAL INSTRUMENTS (continued)

Financial Instruments Risk Exposure (continued)

i) Foreign Currency Risk (continued)

	September 30, 2012						
	CDN\$	US\$	Euros	CFA Franc	Argentinean pesos	Other	Total \$
Cash and cash equivalents	13,740	1,504	34	28	17	-	15,323
Receivables	19	39	1	490	1	-	550
Prepaid expenses and deposits	145	39	2	3	156	-	345
Marketable securities	46	-	-	-	-	-	46
Accounts payables and accrued liabilities	(101)	(151)	(51)	(525)	(15)	(71)	(914)
Net exposure	13,849	1,431	(14)	(4)	159	(71)	15,350

US dollar amounts have been translated at a value of CDN\$1.0518 for US\$1.00 (September 30, 2012 - CDN\$0.9832 for US\$1.00). Amounts in Euros have been translated at a value of CDN\$1.3676 for 1 Euro (September 30, 2012 – 1.26), amounts in Argentine Pesos have been translated at a value of CDN\$0.1952 for 1 Peso (September 30, 2012 – 0.2095), amounts in CFA franc have been translated at a value of CDN\$0.0021 for 1 CFA franc (September 30, 2012 – 0.001928). Impact of fluctuations in currencies is not considered material.

ii) Price Risk

The Company is exposed to price risk with respect to commodity prices. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices to determine the appropriate course of action to be taken by the Company.

iii) Interest Rate Risk

The Company is exposed to interest rate risk to the extent that the cash and cash equivalents maintained at the financial institutions is subject to a floating rate of interest. If the interest rate on the Company's cash maintained in the financial institutions decreased by 0.1%, the Company's loss would have increased by approximately \$11. The interest rate risk on cash and cash equivalents is not considered significant.

16. CAPITAL DISCLOSURE

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the exploration and development of its mineral properties and to maintain a flexible capital structure. The capital structure of the Company consists of equity attributable to common shareholders, comprised of issued capital, contributed surplus, and accumulated other comprehensive loss and deficit. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets.

CONCORDIA RESOURCE CORP.
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
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(Unaudited – Prepared by Management)
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16. CAPITAL DISCLOSURE (continued)

The properties in which the Company currently has an interest are in the exploration stage. In order to carry out the planned exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts as needed and if available. The Company was not subject to externally imposed capital requirements during the period ended June 30, 2013.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There were no changes in the Company's approach to capital management during the period ended June 30, 2013.

CONCORDIA RESOURCE CORP.

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2012

(Expressed in Canadian Dollars)

Independent Auditor's Report

To the Shareholders of Concordia Resource Corp.

We have audited the accompanying consolidated financial statements of Concordia Resource Corp. and its subsidiaries, which comprise the consolidated statements of financial position as at September 30, 2012, September 30, 2011, and October 1, 2010, and the consolidated statements of net loss, comprehensive loss, changes in equity and cash flows for the years ended September 30, 2012 and September 30, 2011, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Concordia Resource Corp. and its subsidiaries as at September 30, 2012, September 30, 2011, and October 1, 2010 and its financial performance and its cash flows for the years ended September 30, 2012 and September 30, 2011 in accordance with International Financial Reporting Standards.

"MacKay LLP"

**Chartered Accountants
Vancouver, British Columbia
January 28, 2013**

CONCORDIA RESOURCE CORP.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Expressed in thousands of Canadian Dollars)

	September 30, 2012 \$	September 30, 2011 \$ (Note 19)	October 1, 2010 \$ (Note 19)
CURRENT ASSETS			
Cash and cash equivalents	15,323	29,398	40,040
Receivables	60	178	31
Value-added tax receivable	490	-	-
Marketable securities (Note 7)	46	-	-
Prepaid expenses and deposits	<u>345</u>	<u>183</u>	<u>32</u>
	16,264	29,759	40,103
NON CURRENT ASSETS			
Exploration and evaluation assets (Note 5)	14,791	861	6,089
Capital assets (Note 6)	331	5	7
Investment in Western Lithium (Note 8)	<u>12,079</u>	<u>14,144</u>	<u>7,749</u>
	<u>27,201</u>	<u>15,010</u>	<u>13,845</u>
	43,465	44,769	53,948
CURRENT LIABILITIES			
Accounts payable and accrued liabilities (Note 10)	<u>914</u>	<u>648</u>	<u>129</u>
SHARE CAPITAL	85,464	73,359	73,359
CONTRIBUTED SURPLUS	9,471	7,995	5,896
ACCUMULATED OTHER COMPREHENSIVE LOSS	(186)	(59)	-
DEFICIT	<u>(52,198)</u>	<u>(37,174)</u>	<u>(25,436)</u>
SHAREHOLDERS' EQUITY	<u>42,551</u>	<u>44,121</u>	<u>53,819</u>
	43,465	44,769	53,948

Nature of operations (Note 1)
Commitments (Notes 5 and 14)
Subsequent event (Note 20)

Approved for issuance on January 25, 2013.

On behalf of the Board:

"Terry Krepiakovich" Director *"John Fognani"* Director

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

CONCORDIA RESOURCE CORP.
CONSOLIDATED STATEMENTS OF NET LOSS

(Expressed in thousands of Canadian Dollars, except per share amounts and shares in thousands)

	For the years ended September 30,	
	2012 \$	2011 \$ (Note 19)
EXPENSES		
Depreciation	55	2
Exploration expenditures (Note 10 and 12)	7,203	2,516
Exploration and evaluation assets written-off, net of recovery (Note 5)	572	1,321
Investor relations	30	134
Office and miscellaneous (Note 10)	686	461
Professional fees (Note 10)	1,085	955
Regulatory and filing fees (Note 10)	81	26
Salaries and benefits (Note 10)	1,474	1,847
Stock-based compensation (Note 9)	564	1,762
Travel and conferences	515	413
	<u>12,265</u>	<u>9,437</u>
LOSS BEFORE OTHER ITEMS	<u>(12,265)</u>	<u>(9,437)</u>
OTHER ITEMS		
Gain on dilution of interest in Western Lithium (Note 8)	-	760
Equity loss in Western Lithium (Note 8)	(2,315)	(3,352)
Foreign exchange loss	(724)	(19)
Loss on sale of capital assets	(59)	-
Interest income	237	269
Other income	102	41
	<u>(2,759)</u>	<u>(2,301)</u>
NET LOSS FOR THE YEAR	<u>(15,024)</u>	<u>(11,738)</u>
BASIC AND DILUTED LOSS PER SHARE	<u>(0.19)</u>	<u>(0.20)</u>
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING - BASIC AND DILUTED	<u>78,309</u>	<u>59,872</u>

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

CONCORDIA RESOURCE CORP.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
(Expressed in thousands of Canadian Dollars)

	<u>For the years ended September 30,</u>	
	2012 \$	2011 \$ (Note 19)
NET LOSS FOR THE YEAR	<u>(15,024)</u>	<u>(11,738)</u>
Cumulative translation adjustment	(60)	(59)
Unrealized losses on marketable securities	<u>(67)</u>	<u>-</u>
OTHER COMPREHENSIVE LOSS ("OCL") FOR THE YEAR	<u>(127)</u>	<u>(59)</u>
TOTAL COMPREHENSIVE LOSS FOR THE YEAR	<u>(15,151)</u>	<u>(11,797)</u>

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

CONCORDIA RESOURCE CORP.
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(Expressed in thousands of Canadian Dollars and shares in thousands)

	Common shares		Warrants	Contributed surplus	Accumulated OCL		Deficit	Total Shareholders' equity
	Number	Amount	Number		Cumulative translation adjustments	Unrealized loss		
		\$		\$	\$	\$	\$	\$
Authorized share capital:								
Unlimited common shares without par value								
100,000 preferred shares, par value \$1.00								
Balance, October 1, 2010 (Note 19)	59,872	73,359	250	5,896	-	-	(25,436)	53,819
Stock-based compensation	-	-	-	1,762	-	-	-	1,762
Contributed surplus of Western Lithium	-	-	-	337	-	-	-	337
Net loss and OCL	-	-	-	-	(59)	-	(11,738)	(11,797)
Balance, September 30, 2011 (Note 19)	59,872	73,359	250	7,995	(59)	-	(37,174)	44,121
Balance, September 30, 2011 (Note 19)	59,872	73,359	250	7,995	(59)	-	(37,174)	44,121
Stock-based compensation	-	-	-	564	-	-	-	564
Shares issued for Swala acquisition (Note 4)	25,756	12,105	-	-	-	-	-	12,105
Warrants issued for Swala acquisition (Note 4)	-	-	1,504	62	-	-	-	62
Stock options issued for Swala acquisition (Note 4)	-	-	-	600	-	-	-	600
Warrants expired	-	-	(250)	-	-	-	-	-
Contributed surplus of Western Lithium	-	-	-	250	-	-	-	250
Net loss and OCL	-	-	-	-	(60)	(67)	(15,024)	(15,151)
Balance, September 30, 2012	85,628	85,464	1,504	9,471	(119)	(67)	(52,198)	42,551

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

CONCORDIA RESOURCE CORP.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in thousands of Canadian Dollars)

	For the years ended September 30,	
	2012 \$	2011 \$ (Note 19)
OPERATING ACTIVITIES		
Loss for the year	(15,024)	(11,738)
Items not affecting cash:		
Depreciation	55	2
Gain on dilution of interest in Western Lithium	-	(760)
Equity loss in Western Lithium	2,315	3,352
Other income	(48)	-
Foreign exchange loss	723	20
Loss on sale of capital assets	59	-
Stock-based compensation	564	1,762
Exploration and evaluation assets written-off, net of recovery	572	1,321
Changes in non-cash working capital items:		
Increase in receivables	(227)	(147)
Increase in prepaid expenses and deposits	(162)	(151)
(Increase)/decrease in accounts payable and accrued liabilities	(435)	519
Net cash used in operating activities	(11,608)	(5,820)
INVESTING ACTIVITIES		
Cash acquired from Swala (Note 4)	1,025	-
Promissory note issued to Swala (Note 4)	(2,000)	-
Additions to exploration and evaluation assets	(649)	(2,965)
Purchase of capital assets	(219)	-
Proceeds from sale of capital assets	100	-
Investment in Western Lithium	-	(1,800)
Net cash used in investing activities	(1,743)	(4,765)
EFFECT OF FOREIGN EXCHANGE ON CASH AND CASH EQUIVALENTS	(724)	(57)
CHANGE IN CASH AND CASH EQUIVALENTS	(14,075)	(10,642)
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	29,398	40,040
CASH AND CASH EQUIVALENTS - END OF YEAR	15,323	29,398
CASH AND CASH EQUIVALENTS IS COMPRISED OF:		
Cash	600	2,365
Term deposits	14,723	27,033
	15,323	29,398

Supplemental cash flow information (Note 13)

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

CONCORDIA RESOURCE CORP.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 2012 AND 2011
(Expressed in thousands of Canadian Dollars, except per share amounts and shares in thousands)

1. NATURE OF OPERATIONS

Concordia Resource Corp. (“Concordia” or the “Company”) is a Canadian based resource company focused on exploration, acquisition and advancement of exploration and evaluation assets (Note 5). The Company was incorporated under the provisions of the British Columbia Business Corporations Act on February 7, 2000. On April 5, 2011, the Company changed its name from Western Uranium Corporation to Concordia Resource Corp.

The Company’s head office, principal address, and registered and records office is #654-999 Canada Place, Vancouver, British Columbia, Canada, V6C 3E1.

To date, the Company has not generated significant revenues from operations and is considered to be in the exploration stage. The amounts shown as exploration and evaluation assets represent acquisition costs incurred to date and do not necessarily represent present or future values. The underlying value of exploration and evaluation assets are entirely dependent on the existence of economically recoverable reserves, securing and maintaining title and beneficial interest in the properties, the ability of the Company to obtain the necessary financing to complete permitting, development, and future profitable production. The Company considers that it has adequate resources to maintain its core operations for the next 12 months.

2. BASIS OF PREPARATION AND ADOPTION OF IFRS

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”), as issued by the International Accounting Standards Board (“IASB”). These are the Company’s first annual consolidated financial statements prepared in accordance with IFRS and IFRS 1 “First-time Adoption of International Financial Reporting Standards” (“IFRS 1”) has been applied. Note 19 discloses the impact of the transition to IFRS on the Company’s reported consolidated statement of financial position and the consolidated statement of comprehensive loss, including the nature and effect of significant changes in accounting policies from those used in the Company’s consolidated financial statements for the year ended September 30, 2011 prepared under previous Canadian GAAP.

These consolidated financial statements were authorized for issue by the Board of Directors on January 25, 2013.

3. SIGNIFICANT ACCOUNTING POLICIES

These consolidated financial statements are expressed in Canadian dollars, the Company’s presentation currency, and have been prepared on a historical cost basis, except for financial instruments that have been measured at fair value. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information. The accounting policies set out in this note have been applied consistently to all years presented in these consolidated financial statements as if the policies have always been in effect subject to certain IFRS transition elections described in Note 19.

The significant accounting policies used in the preparation of these consolidated financial statements are described below.

CONCORDIA RESOURCE CORP.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 2012 AND 2011
(Expressed in thousands of Canadian Dollars, except per share amounts and shares in thousands)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Principles of Consolidation

The consolidated financial statements contained herein include the accounts of Concordia and its wholly-owned USA subsidiary Western Energy Development Corp. (“WEDC”), and its wholly-owned Canadian subsidiaries Meryllion Minerals Corp. (“Meryllion”) and Swala Resource Inc. (“Swala”). All inter-company transactions and balances have been eliminated.

Significant Accounting Estimates and Judgments

The preparation of these consolidated financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. These consolidated financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the consolidated financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical Accounting Estimates

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the end of the reporting period, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the determination of environmental obligations, the recoverability of exploration and evaluation assets, and the assumptions used in the determination of the fair value of stock-based compensation.

Critical Accounting Judgments

Critical accounting judgments are accounting policies that have been identified as being complex or involving subjective judgments or assessments, as follows:

- the assessment that there is no loss event which resulted in an objective evidence of impairment in the value of the Investment in Western Lithium, including the evaluation of Western Lithium’s plan to develop its commercial clay business;
- the point in time that an economic feasibility study has established the presence of proven and probable reserves;
- accounting for the Swala acquisition as an asset purchase;
- deferred tax assets recorded in the consolidated financial statements.

In accordance with IAS 21 “The Effects of Changes in Foreign Exchange Rates”, management determined that the functional currency of Concordia is the Canadian dollar, the functional currency of the Company’s wholly-owned subsidiaries WEDC and Meryllion is US dollars, and the functional currency of the Company’s wholly-owned subsidiary Swala is European Euro as these are the currencies of the primary economic environment in which the companies operate.

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3. SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

Foreign Currency Translation

Functional and presentation currency

Items included in the financial statements of each of the group's entities are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The consolidated financial statements are presented in Canadian Dollars. Although the Company's functional currency is Canadian dollars, the functional currency of WEDC and Meryllion is US Dollars, and the functional currency of Swala is European Euro.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign currency monetary items are translated at the period-end exchange rate. Non-monetary items measured at historical cost continued to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items or on settlement of monetary items are recognized in profit or loss in the consolidated statement of comprehensive loss in the period in which they arise.

Exchange differences arising on the translation of non-monetary items are recognized in other comprehensive income (loss) in the consolidated statement of comprehensive loss to the extent that gains and losses arising on those non-monetary items are also recognized in other comprehensive income (loss). Where the non-monetary gain or loss is recognized in profit or loss, the exchange component is also recognized in profit or loss.

Parent and Subsidiary Companies

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

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

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

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3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Cash and Cash Equivalents

Cash and cash equivalents consist of cash held with banks and highly liquid short-term investments which can be withdrawn at any time, which, in the opinion of management, are subject to an insignificant risk of changes in value. As at September 30, 2012, the Company's cash equivalents are invested in term deposits with the annual interest rates in the range of 0.35% to 1.55% (September 30, 2011 – 0.35% to 1.55%).

Exploration and Evaluation Assets

Exploration expenditures are expensed as incurred until an economic feasibility study has established the presence of proven and probable reserves and development of the project has commenced, at which time exploration and development expenditures incurred on the property thereafter are capitalized.

Costs relating to the acquisition and claim maintenance of mineral properties, including option payments and annual fees to maintain the property in good standing, are capitalized and deferred by property until the project to which they relate is sold, abandoned, impaired or placed into production. After recognition, the Company uses the cost model for exploration and evaluation assets.

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

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

Impairment of Long-lived Assets

Capital assets are assessed for impairment at each reporting date. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units). These are typically individual mines or development projects.

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

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3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Income Taxes

Income tax expense comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity. Current tax 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 is recorded using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Temporary differences are not provided for the initial recognition of assets or liabilities that affect neither accounting or taxable loss, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the statement of financial position date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. To the extent that the Company does not consider it probable that a deferred tax asset will be recovered, the deferred tax asset is not recorded.

Financial Instruments

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets are derecognized when the rights to receive cash flows from the assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

All of the Company's financial instruments are classified into one of three categories: loans and receivables, available for sale financial assets, or other financial liabilities. All financial instruments are measured in the consolidated statement of financial position at fair value initially. Subsequent measurement and changes in fair value will depend on their initial classification. Loans and receivables and other financial liabilities are measured at amortized cost.

The Company does not use derivative instruments or hedges to manage risks. Transaction costs related to all financial instruments will be expensed in the period incurred.

Cash and cash equivalents and receivables have been designated as loans and receivables. Cash and cash equivalents and receivables are included in current assets due to their short term nature.

The Company's marketable securities are classified as available for sale and fair value is determined using market closing price at the consolidated statement of financial position date with any temporary unrealized gains or losses recognized in other comprehensive income.

Accounts payable and accrued liabilities have been designated as other financial liabilities and are included in current liabilities due to their short-term nature.

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

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3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Loss per Share

Basic earnings (loss) per share is computed by dividing net loss attributable to shareholders of the Company by the weighted average number of common shares outstanding during the reporting period.

The diluted loss per share calculation is based on the weighted average number of common shares outstanding during the period, plus the effects of dilutive common share equivalents. This method requires that the dilutive effect of outstanding options and warrants issued should be calculated using the treasury stock method. This method assumes that all common share equivalents have been exercised at the beginning of the period (or at the time of issuance, if later), and that the funds obtained thereby were used to purchase common shares of the Company at the average trading price of the common shares during the period, but only if dilutive.

Stock - Based Compensation

The Company grants stock options to buy common shares of the Company to directors, officers, employees and service providers. The fair value of stock options granted by the Company is treated as compensation costs in accordance with IFRS 2 - Share-based Payments. These costs are charged to the consolidated statement of comprehensive loss over the stock option vesting period. The Company's allocation of share-based payments is consistent with its treatment of other types of compensation for each recipient.

Each tranche in an award is considered a separate award with its own vesting period and grant date fair value. Fair value of each tranche is measured at the date of grant using the Black-Scholes option pricing model. Compensation expense is recognized over the tranche's vesting period based on the number of awards expected to vest, by increasing contributed surplus. The number of awards expected to vest is reviewed at least annually, with any impact being recognized immediately.

Where equity instruments are granted to non-employees, they are recorded at the fair value of the goods or services received in the consolidated statement of comprehensive loss/income, 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. The fair value of stock options granted to non-employees is re-measured at the earlier of each financial reporting or vesting date, and any adjustment is charged or credited to operations upon re-measurement.

Share Capital

Common shares are classified as equity. Incremental costs directly attributable to the issuance of shares are recognized as a deduction from equity.

Capital Assets

Computer, office, and industrial and automotive equipment are recorded at cost less accumulated depreciation calculated using the declining balance method at the 20% annual rate.

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3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Valuation of Equity Units Issued in Private Placements

The Company has adopted a residual value method with respect to the measurement of shares and warrants issued as private placement units. The residual value method first allocates value to the more easily measurable component based on fair value and then the residual value, if any, to the less easily measurable component.

The fair value of the common shares issued in the private placements was determined to be the more easily measurable component and were valued at their fair value, as determined by the closing quoted bid price on the announcement date. The balance, if any, was allocated to the attached warrants. The value attributed to the warrants is recorded as contributed surplus. If the warrants are exercised, the value attributable to the warrants is transferred to share capital.

Investment in Associate

An associate is an entity over which the Company has the right to exercise significant influence, but not control, over financial and operating policies. The investment in associate is accounted for using the equity method of accounting. Under the equity method, the investment is initially recorded at cost and subsequently adjusted for the post-acquisition changes in the Company's share of net assets of the associate, after adjustment to align the accounting policies with those of the Company. The Company's net earnings or loss reflects the Company's share of the net earnings or loss after tax of the associate.

The Company determines at each financial position date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Company calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognizes the amount in the share of earnings of an associate in the consolidated statement of net and comprehensive loss.

The Company ceases to use the equity method of accounting on the date from which it no longer has significant influence over the associate, or when the investment becomes held for sale.

Losses of an associate in excess of the Company's equity interest in that associate are recognized only to the extent that the Company has incurred legal or constructive obligations or made payments on behalf of the associate.

Related Party Transactions

Related party transactions are measured at exchange value.

Accounting Standards Issued but not yet Applied

Unless otherwise noted, the following revised standards and amendments are effective for annual periods beginning on or after January 1, 2013, with earlier application permitted. Except for IFRS 7, the Company has not yet assessed the impact of these standards and amendments or determined whether it will early adopt them.

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3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Accounting Standards Issued but not yet Applied (continued)

(i) IFRS 7, Financial Instruments: Disclosures - Offsetting of Financial Assets and Liabilities, was amended by the IASB in October 2010 and provides guidance on identifying transfers of financial assets and continuing involvement in transferred assets for disclosure purposes. The amendments introduce new disclosure requirements for transfers of financial assets including disclosures for financial assets that are not derecognized in their entirety, and for financial assets that are derecognized in their entirety but for which continuing involvement is retained. The amendments to IFRS 7 are effective for the Company's annual periods beginning on July 1, 2012.

(ii) IFRS 9, Financial Instruments, was issued in November 2009 and addresses classification and measurement of financial assets. It replaces the multiple category and measurement models in IAS 39 for debt instruments with a new mixed measurement model having only two categories: amortized cost and fair value through profit or loss. IFRS 9 also replaces the models for measuring equity instruments. Such instruments are either recognized at fair value through profit or loss or at fair value through other comprehensive income. Where equity instruments are measured at fair value through other comprehensive income, dividends are recognized in profit or loss to the extent that they do not clearly represent a return of investment; however, other gains and losses (including impairments) associated with such instruments remain in accumulated comprehensive income indefinitely.

Requirements for financial liabilities were added to IFRS 9 in October 2010 and they largely carried forward existing requirements in IAS 39, Financial Instruments – Recognition and Measurement, except that fair value changes due to credit risk for liabilities designated at fair value through profit and loss are generally recorded in other comprehensive income. This standard and its consequential amendments are applicable to annual reporting periods beginning on or after January 1, 2015.

(iii) IFRS 10, Consolidated Financial Statements, requires an entity to consolidate an investee when it has power over the investee, is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Under existing IFRS, consolidation is required when an entity has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. IFRS 10 replaces SIC-12, Consolidation—Special Purpose Entities and parts of IAS 27, Consolidated and Separate Financial Statements.

(iv) IFRS 11, Joint Arrangements, requires a venturer to classify its interest in a joint arrangement as a joint venture or joint operation. Joint ventures will be accounted for using the equity method of accounting whereas for a joint operation the venturer will recognize its share of the assets, liabilities, revenue and expenses of the joint operation. Under existing IFRS, entities have the choice to proportionately consolidate or equity account for interests in joint ventures. IFRS 11 supersedes IAS 31, Interests in Joint Ventures, and SIC-13, Jointly Controlled Entities—Non-monetary Contributions by Venturers.

(v) IFRS 12, Disclosure of Interests in Other Entities, establishes disclosure requirements for interests in other entities, such as subsidiaries, joint arrangements, associates, and unconsolidated structured entities. The standard carries forward existing disclosures and also introduces significant additional disclosure that address the nature of, and risks associated with, an entity's interests in other entities.

(vi) IFRS 13, Fair Value Measurement, is a comprehensive standard for fair value measurement and disclosure for use across all IFRS standards. The new standard clarifies that fair value is the price that would be received to sell an asset, or paid to transfer a liability in an orderly transaction between market participants, at the measurement date. Under existing IFRS, guidance on measuring and disclosing fair value is dispersed among the specific standards requiring fair value measurements and does not always reflect a clear measurement basis or consistent disclosures.

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3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Accounting Standards Issued but not yet Applied (continued)

(vii) IAS 19, Employee Benefits, has been amended to make significant changes to the recognition and measurement of defined benefit pension expense and termination benefits and to enhance the disclosure of all employee benefits. The amended standard requires immediate recognition of actuarial gains and losses in other comprehensive income as they arise, without subsequent recycling to net income. Past service cost (which will now include curtailment gains and losses) will no longer be recognized over a service period but instead will be recognized immediately in the period of a plan amendment. Pension benefit cost will be split between (i) the cost of benefits accrued in the current period (service cost) and benefit changes (past-service cost, settlements and curtailments); and (ii) finance expense or income. The finance expense or income component will be calculated based on the net defined benefit asset or liability. A number of other amendments have been made to recognition, measurement and classification including redefining short-term and other long-term benefits, guidance on the treatment taxes related to benefit plans, guidance on risk/cost sharing features, and expanded disclosures.

(viii) IAS 1, Presentation of Financial Statements, has been amended to require entities to separate items presented in OCI into two groups, based on whether or not items may be reclassified into profit or loss in the future. Entities that choose to present OCI items before tax will be required to show the amount of tax related to the two groups separately. The amendment is effective for annual periods beginning on or after July 1, 2012, with earlier application permitted.

(ix) There have been amendments to existing standards, including IAS 27, Separate Financial Statements (IAS 27), and IAS 28, Investments in Associates and Joint Ventures (IAS 28). IAS 27 addresses accounting for subsidiaries, jointly controlled entities and associates in non-consolidated financial statements. IAS 28 has been amended to include joint ventures in its scope and to address the changes in IFRS 10 – 13.

(x) IFRIC 20, Stripping Costs in the Production Phase of a Surface Mine, sets out the accounting for overburden waste removal (stripping) costs in the production phase of a mine. Stripping activity may create two types of benefit: i) inventory produced and ii) improved access to ore. Stripping costs associated with the former should be accounted for as a current production cost in accordance with IAS 2, Inventories. The latter should be accounted for as an addition to or enhancement of an existing asset.

(xi) IAS 12, Income Taxes, was amended to introduce an exception to the existing principle for the measurement of deferred tax assets or liabilities arising on investment property measured at fair value. As a result of the amendment, there is a rebuttable presumption that the carrying amount of the investment property will be recovered through sale when considering the expected manner or recovery or settlement. SIC 21, Income Taxes - Recovery of Revalued Non-Depreciable Assets, will no longer apply to investment properties carried at fair value. The amendment also incorporates into IAS 12 the remaining guidance previously contained in SIC 21, which is withdrawn. The amendment is effective for annual periods beginning on or after January 1, 2012, with earlier application permitted.

(xii) IAS 32, Financial Instruments: Presentation, this amendment provides clarification on the application of offsetting rules. These amendments are effective for annual periods beginning on or after January 1, 2014.

4. ACQUISITION OF SWALA RESOURCES INC.

On January 13, 2012, the Company completed its acquisition of all of the issued and outstanding securities of Swala pursuant to a court approved plan of arrangement involving Concordia, Swala and the Swala shareholders, optionholders and warrant holders (the "Arrangement"). The Arrangement has been accounted for by Concordia as a purchase of net assets, where the acquired assets and liabilities are measured at fair value and the purchase price is allocated over the group of assets acquired based on their relative fair values. The transaction costs are capitalized as part of the cost.

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4. ACQUISITION OF SWALA RESOURCES INC. (continued)

Pursuant to the term of the Arrangement, each Swala shareholder received 1.9 common shares of Concordia for each share of Swala held resulting in issuance of 25,310 shares of Concordia at \$0.47 per share. Any outstanding Swala options were exercised for Swala shares immediately before the closing of the Arrangement (the "Closing") on a cashless, in-the-money value basis, using the 1:1.9 share exchange ratio and unexercised options have been cancelled. In addition, the Company issued 446 broker shares.

Following Closing and as part of the consideration for the acquisition of Swala, the Company issued options to management, directors and consultants of Swala to acquire an aggregate of 2,222 shares of Concordia, with an exercise price of \$0.70 per share and expiring on January 13, 2017.

Holders of warrants of Swala who had not exercised warrants of Swala prior to the Closing of the Arrangement had their Warrants converted into common share purchase warrants of Concordia in accordance with a warrant exchange ratio of 0.5 Concordia Exchange Warrants for each Warrant held.

The purchase price for the acquisition of Swala was calculated as follows:

Consideration	Amount, \$
Fair value of 25,756 shares	12,105
Fair value of 1,504 warrants (Note 9)	62
Fair value of 2,222 options (Note 9)	600
Promissory note advanced to Swala	2,000
Transaction costs	283
Total purchase price	15,050

The promissory note of \$2,000 was issued prior to the Closing pursuant to the terms of the Arrangement for Swala's working capital purposes. The note bore interest at 2.86% per annum. The principal amount and interest became due in shares of Swala on the Closing. Swala had an option in its sole discretion to repay the amount payable by issuing 1,471 common shares of Swala and 450 common share purchase warrants. Each warrant is exercisable into one share of Swala at an exercise price of \$1.93 for a period of two years.

The following table sets the allocation of the purchase price to the fair value of the assets and liabilities acquired:

Allocation of purchase price	Amount, \$
Cash and cash equivalents	1,025
Accounts receivable	5
Value-added tax receivable	140
Capital assets	369
Exploration and evaluation assets – Kerboulé	14,212
Accounts payable	(701)
Total allocation	15,050

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5. EXPLORATION AND EVALUATION ASSETS

For the year ended September 30, 2012	Albisu, USA \$	Providencia, Argentina \$	La Rioja, Argentina \$	Cerro Amarillo, Argentina \$	Kerboulé, Burkina Faso \$	Total \$
Acquisition costs						
Balance, beginning of year	43	154	582	82	-	861
Foreign exchange adjustment	(1)	(4)	-	(6)	-	(11)
Shares received under option agreement	(65)	-	-	-	-	(65)
Additions	25	286	5	50	14,212	14,578
Recovered/(written-off) during the year	15	-	(587)	-	-	(572)
Total exploration and evaluation assets	17	436	-	126	14,212	14,791

For the year ended September 30, 2011	Thelon Basin, Canada \$	Kings Valley USA, \$	Treeline, USA \$	Baza, Spain \$	Providencia, Argentina \$	Cerro Amarillo, Argentina \$	La Rioja, Argentina \$	Albisu, USA \$	Total \$
Acquisition costs									
Balance, beginning of year	1,253	3,787	350	118	-	-	581	-	6,089
Foreign exchange	-	(23)	(16)	-	10	5	-	2	(22)
Additions	9	2,575	-	118	144	77	1	41	2,965
Disposition of property	-	(6,850)	-	-	-	-	-	-	(6,850)
Recovered/(written-off) during the year	(1,262)	511	(334)	(236)	-	-	-	-	(1,321)
Total exploration and evaluation assets	-	-	-	-	154	82	582	43	861

Kerboulé, Burkina Faso

The property is located on the northern border of Burkina Faso. In April 2009, Swala (note 4) entered into a joint venture agreement with SearchGold Resources Inc. ("SearchGold") to "earn-in" a 65% interest in two licenses, the 'Araé' and 'Gassel Manéré', that are registered in the name of Societe Miniere de Kerboulé (SMK) sarl in Burkina Faso, a company wholly owned by Gazelle Resources Inc. In July 2010, Swala and SearchGold agreed for Swala to acquire 100% of Gazelle Resources Inc., in consideration for Swala shares. In addition, Swala took over SearchGold's commitment to pay a Net Smelter Royalty ("NSR") of 3% to Somika (the local Burkina Faso company from whom SearchGold had originally acquired rights to the tenements). Half of this NSR may be acquired for US\$1,500.

Providencia, Jujuy, Argentina

In March 2011, the Company acquired an option to purchase the Providencia silver-copper prospect located in northwestern Argentina. Under the option agreement, the Company has the right to acquire a 100% interest in the property by making the following payments:

- US\$50 - an initial payment (paid)
- US\$100 - in September 2011 (paid);
- US\$150 - in March 2012 (paid);
- US\$200 - in March 2013;
- US\$250 - in March 2014;
- US\$300 - in March 2015.

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5. EXPLORATION AND EVALUATION ASSETS (continued)

Providencia, Jujuy, Argentina (continued)

The exercise fee is US\$950 if less than 50 million ounces of silver resources have been delineated, as defined by a third-party, independent consultant, or US\$1,950 if more than 50 million ounces of silver resources are defined. The property is subject to an NSR of 1.5% with the Company having the option to buy it out for US\$3,000 if less than 50 million ounces of silver resources are defined or US\$2,000 if more than 50 million ounces of silver resources are defined.

Effective June 13, 2012, the Company acquired an option to purchase the Olaroz Chico property. Under the option agreement, the Company has the right to acquire a 100% interest in the property by making the following payments:

- US\$9 - an initial payment (paid)
- US\$45 - in June 2013;
- US\$90 - in June 2014;
- US\$135 - in June 2015;
- US\$180 - in June 2016;
- US\$441 - in June 2017.

The property is subject to an NSR of 1% with the Company's having the option to buy it out for US\$450.

Effective July 11, 2012, the Company acquired an option to purchase the Cerro Galán, Coyaguaima, Coranzulí, Panizos and Nazarena properties. Under the option agreement, the Company has the right to acquire a 100% interest in the property by making the following payments:

- US\$10 - an initial payment (paid)
- US\$25 - in July 2013;
- US\$50 - in July 2014;
- US\$75 - in July 2015;
- US\$100 - in July 2016;
- US\$740 - in July 2017.

The property is subject to an NSR of 1% with the Company's having the option to buy it out for US\$500. In addition, there is a work commitment in the first year of US\$100.

Effective July 13, 2012, the Company acquired an option to purchase the Libertad property north of its La Providencia property. Under the option agreement, the Company has the right to acquire a 100% interest in the properties by making the following payments:

- US\$1 - an initial payment (paid)
- US\$5 - in July 2013;
- US\$10 - in July 2014;
- US\$15 - in July 2015;
- US\$20 - in July 2016;
- US\$49 - in July 2017.

The property is subject to an NSR of 1% with the Company's having the option to buy it out for US\$50.

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5. EXPLORATION AND EVALUATION ASSETS (continued)

Cerro Amarillo, Cajon Grande, Argentina

In October 2010, the Company acquired an option to purchase the Cerro Amarillo-Cajon Grande copper-gold property located in the Malargüe District, in the Province of Mendoza, Argentina. Under the option agreement the Company has the exclusive right to engage in exploration activities on the property before exercising its option to acquire a 100% interest in the property.

The option is exercisable by the Company at any time; however, so long as the exploration program is ongoing, the Company will make payments to the owners of the property, which payments will total US\$700 if the exploration program continues for at least 76 months as follows:

- US\$25 - an initial payment (paid);
- US\$25 - in February 2011 (paid);
- US\$25 - in August 2011 (paid);
- US\$50 - in January 2012 (paid);
- US\$75 - in January 2013 (Note 20);
- US\$100 - in January 2014;
- US\$150 - in January 2015;
- US\$250 - in January 2016.

When the option is exercised, the Company will pay a final purchase price of US\$2,500. The owners of the property will also be entitled to a 1% NSR in the event the property is placed into commercial production, which the Company may purchase for US\$3,000.

Albisu Claims, Nevada, USA

The Albisu gold project occurs in northwestern Nevada approximately 35 kilometres west of McDermitt, Nevada. The project area is covered by 118 lode mining claims. In March 2010, the Company entered into an option agreement with Kenai Resources Ltd. ("Kenai") and received 250 shares of Kenai. Subsequently, Kenai did not proceed with the exploration on the Albisu property and terminated the option agreement.

Option Agreement with Western Lithium prior to the Sale of Kings Valley Claims

The Company entered into a mining lease and option to purchase agreement (the "Lease Agreement") with Western Lithium, through their subsidiaries, Western Lithium USA (100% owned by Western Lithium) and WEDC (100% owned by Concordia), pursuant to which the Company granted to Western Lithium the exclusive right to explore for lithium bearing minerals and clay on the Kings Valley Property (the "Exploration Right").

The Lease Agreement has a term of 30 years that is renewable subject to Western Lithium fulfilling terms required under the lease agreement.

In consideration for the Exploration Right, Western Lithium must pay to the Company US\$25 (paid), US\$50 (paid) on the first anniversary of the effective date of the Lease Agreement, US\$75 (second anniversary paid) on each of the second through fourth anniversaries of the effective date of the Lease Agreement, US\$100 on each of the fifth through tenth anniversaries of the effective date of the Lease Agreement, US\$150 on each of the eleventh through twentieth anniversaries of the effective date of the Lease Agreement and US\$200 on each of the twenty-first through thirtieth anniversaries of the effective date of the Lease Agreement, for total payments of US\$4,400. These payments are applied against any royalty payments. Western Lithium has agreed to pay to the Company a Net Smelter Returns Royalty of 1.5% and a Net Profits Royalty equal to 3.5%.

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5. EXPLORATION AND EVALUATION ASSETS (continued)

Termination of the Strategic Alliance Agreement with Cameco Global

In February 2011, the Company concluded and terminated the Strategic Alliance Agreement (the "Agreement") entered into on August 29, 2007, between the Company and Cameco Global Exploration II Ltd. ("Cameco Global"). Under the terms of the Termination Agreement, the Company paid to Cameco Global \$2,500. In addition, WEDC, a wholly-owned subsidiary of the Company, have agreed to grant Cameco Global a production royalty equal to twenty percent (20%) of the gross revenues derived from the sale of uranium products taken from certain unpatented mining claims and other property interests owned or leased by WEDC. These properties were previously covered by the terms of the Agreement.

Sale of Kings Valley Claims to Western Lithium

In March 2011, Concordia and Western Lithium completed the purchase and sale transaction of the royalties and titles constituting substantially all (excluding Albusu claims) of the Kings Valley mineral property for \$6,850, paid through the issue to Concordia of 5,855 common shares of Western Lithium with a fair value of \$1.17 per share. As a result of the transaction, all of the claims were transferred out of WEDC to Western Lithium and the previous lease and royalty arrangements were eliminated between the two companies, including a Net Smelter Return of 1.5% and Net Profits Royalty of 3.5% on any lithium and related byproducts.

Western Lithium assumed a 20% royalty to Cameco Global solely in respect of uranium and other commitments in respect to the option agreements on the property as follows:

- Mining Option Agreement with Uravada on certain mining claims for US\$50 annual payment in advance net smelter return royalty payments;
- Mining Option Agreement to acquire four mining claims for US\$2 per year in advance net smelter return royalty payments;
- 20-year renewable mining lease on two claims for US\$10 per year in advance net smelter return royalty payments.

Treeline Claims, New Mexico, USA

In March 2005, the Company purchased a leasehold interest in property located in New Mexico for \$92 (US\$75) and purchased data on the surrounding ground for \$6 (US\$5). During the year ended September 30, 2005 and 2006, the Company staked and filed a number of federal lode mining claims, with the Bureau of Land Management, on this property. In August 2011, the Company entered into an agreement with Tigris Uranium Corp. ("Tigris") to sell the Treeline property and received 200 common shares of Tigris.

La Rioja, Argentina

In February 2010, the Company entered into an agreement with the HB Syndicate to acquire 7 exploration concessions ("cateos") located in the La Rioja Province of Argentina. In addition, the agreement extends to any other uranium properties identified by the HB Syndicate within Argentina over the next two years that, with Company's agreement, merit acquisition. The terms of this acquisition are: payment of US\$100 (paid), 500 units of the Company (issued; a unit consisted of one common share and one-half warrant) and a 2% NSR, which with respect to the property, the Company will have the option to purchase any or all of the NSR at a price of US\$1,000 per percentage interest. The Company issued 500 units with an estimated fair value of \$0.88 per unit for total consideration of \$440.

The Company has decided not to continue with the exploration work on the La Rioja property based on the exploration results and wrote-off acquisition costs of \$587 in Q2 2012.

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6. CAPITAL ASSETS

	Computers \$	Office \$	Industrial \$	Automotive \$	Total \$
Cost					
As at October 1, 2010 and September 30, 2011	29	28	-	-	57
Additions	-	30	381	177	588
Disposals	(29)	(30)	(205)	(3)	(267)
Foreign exchange	-	(2)	(2)	(7)	(11)
As at September 30, 2012	-	26	174	167	367

	Computers \$	Office \$	Industrial \$	Automotive \$	Total \$
Accumulated depreciation					
As at October 1, 2010	28	22	-	-	50
Depreciation	1	1	-	-	2
As at September 30, 2011	29	23	-	-	52
Depreciation	-	5	31	19	55
Disposals	(29)	(23)	(19)	-	(71)
As at September 30, 2012	-	5	12	19	36

	Computers \$	Office \$	Industrial \$	Automotive \$	Total \$
Net book value					
As at October 1, 2010	1	6	-	-	7
As at September 30, 2011	-	5	-	-	5
As at September 30, 2012	-	21	162	148	331

7. MARKETABLE SECURITIES

September 30, 2012				
	Number of shares	Original cost \$	Adjustment to market value \$	Fair value \$
Kenai Resources Ltd.	250	65	(47)	18
Tigris Uranium Corp.	200	48	(20)	28
	450	113	(67)	46

The Company has designated its marketable securities as available for sale financial assets and accordingly, changes in fair value are recorded in other comprehensive income in the period in which they are occurred.

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8. INVESTMENT IN WESTERN LITHIUM

On July 16, 2008, the Company completed its statutory plan of arrangement with its then wholly-owned subsidiary, Western Lithium. As part of the Arrangement, the Company's shareholders of record as of June 19, 2008, received one Western Lithium share for every three of the Company's shares held. Accordingly, 19,734 shares in Western Lithium with a fair value of \$9,951 were distributed to shareholders of the Company by way of an in-kind dividend and the Company retained 15,209 shares of Western Lithium with a fair value of \$7,693.

On completion of the Arrangement, the Company no longer controlled Western Lithium and ceased to consolidate it from that date. On May 6, 2009, the Company made an additional investment in Western Lithium by purchasing 3,000 units of Western Lithium, priced at \$0.50 per unit for a total investment of \$1,500. Each unit consisted one share and one share purchase warrant. On October 14, 2009, the Company purchased 1,476 shares of Western Lithium at a price of \$0.95 per share pursuant to a private placement. On March 10, 2011, the Company completed the sale transaction of the royalties and titles constituting substantially all of the Kings Valley mineral property and received in consideration from Western Lithium 5,855 common shares with a fair value of \$1.17 per share. On May 3, 2011, the Company purchased 3,000 common shares of Western Lithium pursuant to the exercise of 3,000 previously issued share purchase warrants at an exercise price of \$0.60 per warrant for a total investment of \$1,800.

The Company accounts for its investment using the equity method. Under the equity method, the Company recognized an equity loss of \$2,315 in Western Lithium for the year ended September 30, 2012 (2011 - \$3,352). The Company also recorded a \$Nil (2011 - \$760) gain on dilution of interest in Western Lithium and \$250 (2011 - \$337) of its proportionate share of Western Lithium's contributed surplus for the same period.

As at September 30, 2012, the Company owned 28,540 or 28.34% of the issued and outstanding shares of Western Lithium and continues to account for its investment using the equity method. The Company's share transactions with Western Lithium are summarized in the table below:

Investment in Western Lithium	Number of Shares Received	Amount, \$	Amount Paid, \$
As at October 1, 2010	19,685	7,749	2,902
Shares received for Kings Valley royalties and property claims	5,855	6,850	-
Warrants exercise	3,000	1,800	1,800
Equity loss	-	(3,352)	-
Share of Western Lithium contributed surplus	-	337	-
Gain on dilution	-	760	-
As at September 30, 2011 (Note 19)	28,540	14,144	4,702
Equity loss	-	(2,315)	-
Share of Western Lithium contributed surplus	-	250	-
As at September 30, 2012	28,540	12,079	4,702

As at September 30, 2012, the fair value of Western Lithium based on the publicly quoted share price was \$5,137. The following table summarizes the total assets and liabilities of Western Lithium:

	September 30, 2012 \$	September 30, 2011 \$
Total assets	12,987	21,319
Total liabilities	(292)	(686)
Net assets	12,695	20,633
Company's share of net assets of Western Lithium	3,598	5,847

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9. STOCK OPTIONS AND WARRANTS

Stock options

The Company has a stock option plan in accordance with the policies on the TSX Venture Exchange whereby, from time to time at the discretion of the board of directors, stock options are granted to directors, officers, employees and service providers. Under the plan the maximum number of shares that may be issued upon exercise of stock options granted shall not exceed 10% of the issued and outstanding common shares of the Company at the time of the grant.

The exercise price of each option is based on the market price of the Company's common stock at the date of the grant less allowable discounts. The options can be granted for a maximum term of five years. The vesting terms are determined at the discretion of the Company's Board of Directors.

A summary of changes to stock options outstanding:

	Number of Options ('000's)	Weighted Average Exercise Price Per Share, \$
Balance, outstanding September 30, 2010	2,635	1.22
Granted	3,198	0.92
Cancelled	(313)	(2.77)
Expired	(612)	(0.92)
Balance, outstanding – September 30, 2011	4,908	0.96
Granted	3,219	0.58
Expired	(658)	(1.09)
Cancelled	(251)	(0.80)
Balance, outstanding – September 30, 2012	7,218	0.78

During the year ended September 30, 2012, the Company granted a total of 997 stock options to its directors and employees and issued 2,222 stock options pursuant to the terms of the Arrangement between the Company and Swala shareholders. The fair value of stock options granted are estimated on the dates of grants using the Black-Scholes Option Pricing Model with the following assumptions used for the grants made during the period:

	January 3, 2012	January 13, 2012	February 24, 2012	September 16, 2012
Number of options granted	50	2,222	200	747
Exercise price per share	\$0.44	\$0.70	\$0.47	\$0.27
Risk-free interest rate	1.21%	1.16%	1.29%	1.41%
Expected life	5 years	5 years	5 years	5 years
Annualized volatility	74%	81%	69%	66%
Dividend rate	0.00%	0.00%	0.00%	0.00%
Fair value per stock option granted	\$0.27	\$0.27	\$0.27	\$0.15
Total fair value of stock options granted	\$14	\$600	\$54	\$112

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9. STOCK OPTIONS AND WARRANTS (continued)

Stock options (continued)

During the year ended September 30, 2011, the Company granted a total of 3,198 stock options to its directors, employees and consultants.

The fair value of stock options granted are estimated on the dates of grants using the Black-Scholes Option Pricing Model with the following assumptions used for the grants made during the year:

	November 8, 2010	December 22, 2010	January 25, 2011	February 18, 2011	March 8, 2011	March 31, 2011	August 25, 2011
Number of options granted ('000's)	200	1,000	100	200	150	848	700
Exercise price per share	\$0.85	\$0.95	\$1.00	\$1.17	\$1.10	\$1.00	\$0.66
Risk-free interest rate	2.10%	2.42%	2.30%	2.49%	2.48%	2.44%	1.37%
Expected life	5 years	5 years	5 years	5 years	5 years	5 years	5 years
Annualized volatility	105%	109%	107%	107%	107%	109%	73%
Dividend rate	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Fair value per stock option granted	\$0.66	\$0.75	\$0.78	\$0.91	\$0.86	\$0.79	\$0.40
Total fair value of stock options granted	\$132	\$750	\$78	\$182	\$129	\$670	\$280

Stock options outstanding and exercisable as at September 30, 2012, are as follows:

Number of Options Outstanding ('000's)	Number of Options Exercisable ('000's)	Exercise Price per Share, \$	Expiry Date
19	19	1.00	December 27, 2012 ¹
300	300	1.49	October 26, 2012 ¹
50	50	0.85	October 26, 2012 ¹
113	113	1.00	November 28, 2012 ¹
50	50	0.85	November 28, 2012 ¹
500	500	0.83	January 21, 2014
100	100	0.90	May 6, 2014
350	350	0.85	June 10, 2015
200	200	0.85	November 8, 2015
1,000	1,000	0.95	December 22, 2015
100	100	1.00	January 25, 2016
150	150	1.10	March 8, 2016
657	657	1.00	March 31, 2016
550	413	0.66	August 25, 2016
2,132	2,132	0.70	January 13, 2017
200	100	0.47	February 24, 2017
747	187	0.27	September 16, 2017
7,218	6,421		

¹ Options expired unexercised subsequent to year end.

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9. STOCK OPTIONS AND WARRANTS (continued)

Stock options (continued)

Stock based compensation expense of \$564 (2011 - \$1,762) was charged to operations, \$600 (2011 - \$Nil) was charged to Swala acquisition costs and the total was credited to contributed surplus to reflect the fair value of stock options vested during the year ended September 30, 2012. At September 30, 2012, \$99 of the fair value of stock options previously granted but not yet vested remains to be expensed in fiscal 2013 and \$9 in 2014. Annualized volatility was determined solely based on historical volatility.

Warrants

A summary of the changes in the number of the Company warrants during the year ended September 30, 2012, is as follows:

	Number of Warrants, ('000's)	Weighted Average Exercise Price, \$
Balance, October 1, 2010 and September 30, 2011	250	1.00
Issued	1,504	0.87
Expired	(250)	(1.00)
Balance, September 30, 2012	1,504	0.87

During the year ended September 30, 2012, the Company issued a total of 1,504 common shares purchase warrants to the Swala warrant holders. The fair value of common shares purchase warrants are estimated on the dates of issuance using the Black-Scholes Option Pricing Model with the following assumptions used:

	January 13, 2012	January 13, 2012	January 13, 2012	January 13, 2012	January 13, 2012	January 13, 2012	January 13, 2012
Number of warrants issued	502	1	46	286	606	52	11
Exercise price per warrant	\$0.88	\$0.61	\$0.88	\$0.88	\$0.88	\$0.61	\$0.88
Risk-free interest rate	0.97%	0.97%	0.97%	0.97%	0.97%	0.97%	0.97%
Expected life	0.9 year	0.9 year	0.9 year	0.9 year	1 year	0.9 year	1.6 years
Annualized volatility	71%	71%	71%	71%	71%	71%	61%
Dividend rate	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Fair value per warrant issued	\$0.04	\$0.08	\$0.04	\$0.04	\$0.04	\$0.08	\$0.06
Total fair value of warrants issued	\$20	\$0.1	\$2	\$11	\$24	\$4	\$1

Total fair value of share purchase warrants issued of \$62 was charged to Swala acquisition costs and credited to contributed surplus.

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9. STOCK OPTIONS AND WARRANTS (continued)

Warrants (continued)

At September 30, 2012, the following warrants were outstanding:

Expiry date	Number of Warrants	Weighted Average Exercise Price \$
December 9, 2012	502	0.88 ¹
December 9, 2012	1	0.61 ¹
December 20, 2012	46	0.88 ¹
December 22, 2012	286	0.88 ¹
December 31, 2012	606	0.88 ¹
December 3, 2012	52	0.61 ¹
August 31, 2013	11	0.88
	1,504	

¹ Warrants expired unexercised subsequent to year end.

10. RELATED PARTY TRANSACTIONS

The Company entered into related party transactions with WMM Services Corporation ("WMM"), a private company owned equally by Concordia and Western Lithium. WMM provides administration, accounting and other office services to the Company on a cost-recovery basis.

The Company's related party transactions are included in the following categories:

	For the years ended September 30,	
	2012	2011
	\$	\$
Salaries, benefits, and directors fees	644	329
Office and miscellaneous	298	168
Regulatory and filing fees	9	-
Professional fees	36	-
Exploration expenditures	-	-
Total related party transactions	987	497

The liabilities of the Company include the following amounts due to related party:

	As at September 30,	As at September 30,	As at October 1,
	2012	2011	2010
	\$	\$	\$
Total due to related party	71	9	-

The related party transactions incurred during the period were in the normal course of operations and were measured at the exchange value, which represented the amount of consideration established and agreed by the related parties.

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11. COMPENSATION OF KEY MANAGEMENT

Effective January 1, 2012, Concordia pays \$25 in annual director fees to its independent directors, payable quarterly. The Company also paid consulting fees to a director for management services and severance payment and consulting fees to a director and former officer of the Company.

The remuneration of directors and other members of key management included:

	For the years ended September 30,	
	2012	2011
	\$	\$
Salaries and bonuses	667	619
Director's fees	82	-
Termination benefits	-	608
Consulting fees	108	123
Consulting fees allocated to exploration expenditures	-	66
Stock-based compensation vested during the period	494	1,279
Total key management compensation	1,351	2,695

The prepaid expenses and deposits of the Company include the following:

	As at September 30,	As at September 30,	As at October 1,
	2012	2011	2010
	\$	\$	\$
Directors of the Company	-	15	-

The liabilities of the Company include the following amounts due to Directors of the Company:

	As at September 30,	As at September 30,	As at October 1,
	2012	2011	2010
	\$	\$	\$
Total liabilities due to Directors	16	-	4

12. EXPLORATION EXPENDITURES

For the year ended September 30, 2012	Albisu, USA \$	Baza, Spain \$	La Rioja, Argentina \$	Cerro Amarillo, Argentina \$	Providencia, Argentina \$	Kerboulé, Burkina Faso \$	General Exploration \$	Total \$
Drilling	1	35	-	-	1,650	1,587	-	3,273
Geological and other consulting	113	33	5	236	614	473	476	1,955
Field expenses and other	-	115	-	45	442	303	123	1,028
Sampling	-	32	-	-	-	298	35	365
Geophysics	-	-	-	8	28	94	-	130
Transportation and travel	1	-	-	65	219	80	69	434
Foreign tax	-	1	-	-	-	-	-	18
Total exploration expenditures	120	233	5	354	2,953	2,815	703	7,268

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12. EXPLORATION EXPENDITURES (continued)

For the year ended September 30, 2011	Kings Valley, USA \$	Treeline, USA \$	Providencia Argentina \$	Baza, Spain \$	La Rioja, Argentina \$	Cerro Amarillo, Argentina \$	Albisu \$	General Exploration	Total \$
Drilling	2	-	392	551	-	-	211	-	1,156
Geological and other consulting	40	38	208	381	14	44	42	40	807
Field expenses and other	10	-	184	15	1	-	11	-	221
Sampling	18	-	-	115	-	-	-	-	133
Transportation and travel	-	-	125	27	3	2	-	-	157
Foreign tax	-	-	-	42	-	-	-	-	42
Total exploration expenditures	70	38	909	1,131	18	46	264	40	2,516

13. SUPPLEMENTAL CASH FLOW INFORMATION

A summary of non-cash investing and operating activities is provided below:

	For the year ended September 30,	
	2012 \$	2011 \$
Common shares issued for Swala acquisition (Note 4)	12,105	-
Fair value of stock options and warrants issued for Swala acquisition (Note 4)	662	-
Equipment acquired from Swala (Note 4)	369	-
Shares received under option agreements or on disposition of exploration and evaluation assets	113	6,850
Taxes paid	-	-
Interest paid or received	-	-

14. COMMITMENTS

The Company has committed to rent office space in the amount of \$15 per month until October 31, 2013, with an option to renew this agreement on or before August 1, 2013. The rental agreement can be cancelled by either party at any time provided a three-month notice.

Exploration and evaluation assets commitments disclosed in Note 5.

15. SEGMENTED INFORMATION

The Company operates in one business segment, being the acquisition and exploration of exploration and evaluation assets. The Company is in the exploration stage and, accordingly, has no reportable segment revenues or operating results for the year ended September 30, 2012.

The Company's total assets are segmented geographically as follows:

	September 30, 2012					Total \$
	Canada \$	United States \$	Argentina \$	Burkina Faso \$	Zimbabwe \$	
Current assets	15,344	117	173	522	108	16,264
Capital assets	31	-	-	300	-	331
Investment in Western Lithium	12,079	-	-	-	-	12,079
Exploration and evaluation assets	-	17	562	14,212	-	14,791
	27,454	134	735	15,034	108	43,465

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15. SEGMENTED INFORMATION (continued)

	September 30, 2011			
	Canada \$	United States \$	Argentina \$	Total \$
Current assets	29,213	491	55	29,759
Capital assts	-	5	-	5
Investment in Western Lithium	14,144	-	-	14,144
Exploration and evaluation assets	-	43	818	861
	43,357	539	873	44,769

16. FINANCIAL INSTRUMENTS

Financial instruments recorded at fair value on the consolidated statements of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- i. Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- ii. Level 2 – Inputs other than quoted prices that are observable for assets or liabilities, either directly or indirectly; and
- iii. Level 3 – Input for assets and liabilities that are not based on observable market data.

The fair value hierarchy requires the use of observable market inputs whenever such inputs exist. A financial instrument is classified to the lowest level of the hierarchy for which a significant input has been considered in measuring fair value.

Financial instruments measured at fair value on the consolidated statement of financial position are summarized in levels of fair value hierarchy as follows:

September 30, 2012	Level 1 \$	Level 2 \$	Level 3 \$
Assets			
Marketable securities	46	-	-

There were no financial instruments measured at fair value as on September 30, 2011 or October 1, 2010.

Financial Instruments Risk Exposure

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 principal risks to which the Company is exposed are described below:

Credit Risk

Credit risk is the risk of loss associated with counterparty's inability to fulfill its payment obligations. Financial instruments that potentially subject the Company to a concentration of credit risk consist primarily of cash, cash equivalents and receivables. The Company's maximum exposure to credit risk for cash and cash equivalents is the amount disclosed in the consolidated statement of financial position. The Company limits its exposure to credit loss by placing its cash with major financial institutions and invests only in short-term obligations that are guaranteed by the Canadian government or by Canadian chartered banks.

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16. FINANCIAL INSTRUMENTS (continued)

Credit Risk (continued)

The Company's receivables consist of harmonized sales tax (HST) due from the Federal Government of Canada and other miscellaneous receivables. The Company's value-added tax receivable of \$490 is pending clearance from the Burkina Faso tax authority. The Company's prepaid expenses and deposits consist of miscellaneous prepaid expenses and deposits that are subject to normal industry credit risk.

Management believes that the credit risk concentration with respect to financial instruments included in cash, cash equivalents and receivables is minimal.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to evaluate current and expected liquidity requirements under both normal and stressed conditions to ensure that it maintains sufficient reserves of cash and cash equivalents to meet its liquidity requirements in the short and long term. As the industry in which the Company operates is very capital intensive, the majority of the Company's spending is related to its capital programs. The Company prepares annual budgets, which are regularly monitored and updated as considered necessary.

As at September 30, 2012, the Company had cash and cash equivalents balance of \$15,323 (September 30, 2011 - \$29,398) to settle current liabilities of \$914 (September 30, 2011 - \$648). All of the Company's financial liabilities are classified as current and are anticipated to mature within the next fiscal period. The Company intends to settle these with funds from its positive working capital position.

Market Risk

Market risk incorporates a range of risks. Movement in risk factors, such as market price risk and currency risk, affect the fair values of financial assets and liabilities. The Company is exposed to these risks as the ability of the Company to develop or market its properties and the future profitability of the Company is related to the market price of certain minerals.

i) Foreign Currency Risk

The Company's current assets and liabilities are denominated in Canadian dollars and other currencies as follows:

	September 30, 2012						
	CDN\$	US\$	Euros	CFA Franc	Argentinean pesos	Other	Total \$
Cash and cash equivalents	13,740	1,504	34	28	17	-	15,323
Receivables	19	39	1	490	1	-	550
Prepaid expenses and deposits	145	39	2	3	156	-	345
Marketable securities	46	-	-	-	-	-	46
Accounts payables and accrued liabilities	(101)	(151)	(51)	(525)	(15)	(71)	(914)
Net exposure	13,849	1,431	(14)	(4)	159	(71)	15,350

CONCORDIA RESOURCE CORP.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 2012 AND 2011

(Expressed in thousands of Canadian Dollars, except per share amounts and shares in thousands)

16. FINANCIAL INSTRUMENTS (continued)

i) Foreign Currency Risk *(continued)*

	September 30, 2011					Total \$
	CDN\$	US\$	Euros	Argentinean pesos	Other	
Cash and cash equivalents	18,421	10,399	554	24	-	29,398
Receivables	21	33	101	23	-	178
Prepaid expenses and deposits	92	50	28	6	7	183
Accounts payables and accrued liabilities	(114)	(140)	(184)	(210)	-	(648)
Net exposure	18,420	10,342	499	(157)	7	29,111

US dollar amounts have been translated at a value of CDN\$0.9832 for US\$1.00 (September 30, 2011 - CDN\$1.0482 for US\$1.00). Amounts in Euros have been translated at a value of CDN\$1.26 for 1 Euro (September 30, 2011 - 1.3971), amounts in Argentine Pesos have been translated at a value of CDN\$0.2095 for 1 Peso (September 30, 2011 - 0.2370), amounts in CFA franc have been translated at a value of CDN\$0.001928 for 1 CFA franc. If the US dollar appreciates by 1% in relation to the Canadian dollar, the Company's net income would increase by approximately \$14. Impact of fluctuations in other currencies is not considered material.

ii) Price Risk

The Company is exposed to price risk with respect to commodity prices. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices to determine the appropriate course of action to be taken by the Company.

iii) Interest Rate Risk

The Company is exposed to interest rate risk to the extent that the cash and cash equivalents maintained at the financial institutions is subject to a floating rate of interest. If the interest rate on the Company's cash maintained in the financial institutions decreased by 0.1%, the Company's loss would have increased by approximately \$15. The interest rate risk on cash and cash equivalents is not considered significant.

17. INCOME TAXES

A reconciliation of income taxes at Canadian statutory rates with reported taxes is as follows:

	Year Ended September 30, 2012 \$	Year Ended September 30, 2011 \$
Loss for the year	(15,024)	(11,738)
Expected income tax recovery	(3,812)	(3,169)
Items not deductible for income tax purposes	287	476
Change in tax rates and other	177	971
Unrecognized tax assets	3,348	1,722
Deferred income tax (expense)/ recovery	-	-

CONCORDIA RESOURCE CORP.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 2012 AND 2011
(Expressed in thousands of Canadian Dollars, except per share amounts and shares in thousands)

17. INCOME TAXES (continued)

The significant components of the Company's deferred income tax assets and liabilities are as follows:

	September 30, 2012 \$	September 30, 2011 \$	October 1, 2010 \$
Exploration and evaluation assets	1,371	2,981	1,512
Financing costs	-	-	92
Operating loss carryforward	8,179	3,639	4,808
Other	1,430	1,270	37
Equity investment	(28)	(286)	(568)
Total unrecognized deferred tax assets	10,952	7,604	5,881

The Company has Canadian non-capital loss carryforwards of \$7,390 (2011 - \$4,614) that are available to reduce taxable income in Canada. These losses expire between 2016 and 2032.

The Company has US net operations loss carryforwards of US\$13,210 (2011 - \$12,753) that are available to reduce taxable income in US. These losses expire between 2025 and 2032.

The Company has Argentinean non-capital loss carryforwards of ARS15,949 (2011 - ARS769) that are available to reduce taxable income in Argentina. These losses expire between 2016 and 2017.

In addition, the Company has capital loss carryforwards in Canada of \$2,809 (2011 - \$2,577) with no expiry date and in the US of US\$2,906 (2011 - US\$2,906) that expire in 2016. The capital losses can only be utilized to offset capital gains.

18. CAPITAL DISCLOSURE

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the exploration and development of its mineral properties and to maintain a flexible capital structure. The capital structure of the Company consists of equity attributable to common shareholders, comprised of issued capital, contributed surplus, accumulated other comprehensive loss and deficit. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets.

The properties in which the Company currently has an interest are in the exploration stage. In order to carry out the planned exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts as needed and if available. The Company was not subject to externally imposed capital requirements during the year ended September 30, 2012.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There were no changes in the Company's approach to capital management during the year ended September 30, 2012.

CONCORDIA RESOURCE CORP.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 2012 AND 2011

(Expressed in thousands of Canadian Dollars, except per share amounts and shares in thousands)

19. TRANSITION TO IFRS

The Company's IFRS accounting policies are presented in Note 3 and have been applied in preparing the consolidated financial statements for the year ended September 30, 2012, the comparative information, and the opening statement of financial position at the date of transition.

a) First-time adoption exemptions applied

- IFRS1 *First-time Adoption of International Financial Reporting Standards*, which governs the first-time adoption of IFRS, in general requires accounting policies to be applied retrospectively to determine the opening consolidated statement of financial position at the Company's transition date of October 1, 2010, and allows certain exemptions on the transition to IFRS. The elections the Company has decided to apply and that are considered significant to the Company include:
- IFRS 1 encourages, but does not require, first-time adopters to apply IFRS 2 -- Share-based Payments to equity instruments that were granted on or before November 7, 2002, or equity instruments that were granted subsequent to November 7, 2002, and vested before the later of the date of transition to IFRS and January 1, 2005. The Company has elected not to apply IFRS 2 to awards that vested prior to October 1, 2010, its date of transition to IFRS, which have been accounted for in accordance with Canadian GAAP.
- The Company elected to take the IFRS 1 exemption to deem cumulative translation adjustments ("CTA") to be zero at the date of transition to IFRS. Hence all existing CTA balances and the impact of the following adjustments as of October 1, 2010, were recorded against the brought forward deficit.
- IFRS 1 allows that a first-time adopter may elect not to apply IFRS 3 Business Combinations (IFRS 3) retrospectively to business combinations prior to the date of transition avoiding the requirement to restate prior business combinations. The Company has elected to apply IFRS 3 to business combinations that occur on or after October 1, 2010, of which there were none.
- The Company may elect among two options when measuring the value of its assets under IFRS. It may elect, on an asset by asset basis, to use either historical cost as measured under retrospective application of IFRS or fair value of an assets at the opening consolidated statement of financial position date. The Company has elected to use historical cost for its assets.

b) Reconciliations of Assets, Liabilities and Shareholders' Equity

Reconciliations between the Canadian GAAP and IFRS consolidated statement of financial position at September 30, 2011, and October 1, 2010, is provided.

CONCORDIA RESOURCE CORP.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 2012 AND 2011

(Expressed in thousands of Canadian Dollars, except per share amounts and shares in thousands)

19. **TRANSITION TO IFRS** (continued)

b) **Reconciliations of Assets, Liabilities and Shareholders' Equity** (continued)

	September 30, 2011		
	Canadian GAAP, \$	Effect of Transition to IFRS, \$	IFRS, \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	29,398	-	29,398
Receivables	178	-	178
Prepaid expenses and deposits	183	-	183
	29,759	-	29,759
NON-CURRENT ASSETS			
Exploration and evaluation assets	2,159	(1,298)	861
Equipment	10	(5)	5
Investment in Western Lithium	14,541	(397)	14,144
	46,469	(1,700)	44,769
LIABILITIES			
CURRENT LIABILITIES			
Accounts payable and accrued liabilities	648	-	648
SHAREHOLDERS' EQUITY			
Share capital	72,495	864	73,359
Contributed surplus	7,995	-	7,995
Accumulated other comprehensive loss	(160)	101	(59)
Deficit	(34,509)	(2,665)	(37,174)
	45,821	(1,700)	44,121
	46,469	(1,700)	44,769

CONCORDIA RESOURCE CORP.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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19. **TRANSITION TO IFRS** (continued)

b) **Reconciliations of Assets, Liabilities and Shareholders' Equity** (continued)

October 1, 2010			
	Canadian GAAP \$	Effect of Transition to IFRS, \$	IFRS \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	40,040	-	40,040
Receivables	31	-	31
Prepaid expenses and deposits	32	-	32
	40,103	-	40,103
NON-CURRENT ASSETS			
Exploration and evaluation assets	16,955	(10,866)	6,089
Equipment	12	(5)	7
Investment in Western Lithium	5,975	1,774	7,749
	22,942	(9,097)	13,845
	63,045	(9,097)	53,948
LIABILITIES			
CURRENT LIABILITIES			
Accounts payable and accrued liabilities	129	-	129
FUTURE INCOME TAX LIABILITY			
	1,386	(1,386)	-
	1,515	(1,386)	129
SHAREHOLDERS' EQUITY			
Share capital	72,495	864	73,359
Contributed surplus	5,759	137	5,896
Accumulated other comprehensive loss	(160)	160	-
Deficit	(16,564)	(8,872)	(25,436)
	61,530	(7,711)	53,819
	63,045	(9,097)	53,948

In preparing its opening IFRS consolidated statement of financial position, the Company has adjusted amounts reported previously in accordance with Canadian GAAP, its previous basis of accounting. An explanation of how the transition to IFRS has affected the reported consolidated statement of loss and comprehensive loss and the consolidated statement of financial position is set out in the following tables and accompanying notes.

CONCORDIA RESOURCE CORP.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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19. **TRANSITION TO IFRS** (continued)

c) **Reconciliation of total comprehensive loss**

A reconciliation of total comprehensive loss as previously reported under Canadian GAAP to IFRS is as follows:

Total comprehensive loss	Notes	Year ended September 30, 2011 \$
As reported under Canadian GAAP		(17,945)
Change in exploration expenditures policy	e(i)	9,590
Gain on dilution of interest in Western Lithium	e(iv)	(332)
Equity loss in Western Lithium	e(iv)	(1,839)
Future income tax recovery	e(ii)	(1,249)
Foreign currency translation	e(iii)	(22)
As reported under IFRS		(11,797)

d) **Reconciliation of shareholders' equity**

A reconciliation of shareholders' equity as previously reported under Canadian GAAP to IFRS is as follows:

Shareholders' equity	Notes	September 30, 2011 \$	October 1, 2010 \$
As reported under Canadian GAAP		45,821	61,530
Change in exploration expenditures policy	e(i)	(1,315)	(10,494)
Change in share capital	e(ii)	864	864
Change in contributed surplus	e(ii)	-	137
Change in future income tax recovery	e(ii)	(1,249)	1,386
Change in opening deficit	e(ii)	385	(1,001)
Change in accumulated other comprehensive loss	e(iii)	101	160
Foreign currency translation	e(iii)	(89)	(537)
Change in accounting for Western Lithium Plan of Arrangement	e(iv)	7,613	7,613
Change in gain on dilution of interest in Western Lithium	e(iv)	(3,495)	(3,163)
Change in equity loss in Western Lithium	e(iv)	(4,515)	(2,676)
As reported under IFRS		44,121	53,819

e) **Explanation of primary differences between Canadian GAAP and IFRS**

(i) **Exploration expenditures**

Under Canadian GAAP, the Company's policy was to capitalize and defer exploration costs related to specific properties until the project to which they relate is sold, abandoned, impaired or placed into production.

Under IFRS the Company's policy is to expense exploration costs as incurred until an economic feasibility study has established the presence of proven and probable reserves at which time exploration expenditures incurred on the property are thereafter capitalised. Costs relating to the acquisition and claim maintenance of mineral properties (including option payments and annual fees to maintain the property in good standing) will continue to be capitalized and deferred.

CONCORDIA RESOURCE CORP.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 2012 AND 2011

(Expressed in thousands of Canadian Dollars, except per share amounts and shares in thousands)

19. TRANSITION TO IFRS (continued)

e) Explanation of primary differences between Canadian GAAP and IFRS (continued)

(i) Exploration expenditures (continued)

As a result, the Company recorded an adjustment to increase the accumulated deficit as at October 1, 2010, by \$10,494, to reflect the expensing of previously capitalized exploration expenditures and reduced exploration and evaluation assets by this amount.

The net loss for the year ended September 30, 2011, has been decreased by \$9,590. Under Canadian GAAP, in Q2 2011, the Company wrote off previously capitalized properties expenditures for the Kings Valley and Thelon Basin properties and in Q4 2011 the Company wrote off Treeline and Baza properties and recognized a loss of \$13,387 while under IFRS, the Company wrote off only the acquisition costs capitalized.

The net impact as at September 30, 2011, was an increase in deficit of \$1,315 and a decrease in exploration and evaluation assets by the same amount.

(ii) Deferred taxes

Under Canadian GAAP, deferred income taxes were recognized following the acquisition of various assets. Under IFRS (IAS21.22(b)) deferred income taxes are not recognized on temporary differences that arise from transactions other than a business combination that at the time of the transaction affected neither the taxable nor accounting profit or loss. As a result of this, an increase to contributed surplus and a corresponding increase to opening deficit of \$137 have been made on transition to IFRS.

In 2006, the Company issued 2,789 of flow-through shares and under Canadian GAAP recognized a future income tax liability of \$864 and booked it to share capital. For IFRS purposes the deferred income tax liability is booked to profit or loss resulting in an increase to deficit and share capital of \$864 on transition date.

Under IFRS the Company expensed exploration expenses that had previously been capitalized. As result, the deferred income tax liability and opening deficit is reduced at October 1, 2010, by \$1,608.

Under Canadian GAAP, the value attributed to the investment in WLC at the time of loss of control was the cost of the WLC shares. Under IFRS, upon loss of control of the subsidiary the retained interest is re-measured to its fair value at the date control is lost. The gain on disposal comprises the fair value attributed to the portion disposed. The increase in the value of the investment and the subsequent IFRS adjustments due to the equity accounting for the investment, including dilution gain and losses resulted in an additional deferred income tax liability under IFRS and an increase to deficit of \$222 booked under IFRS at transition date.

(iii) Functional currency

Under Canadian GAAP, the Company determined whether a subsidiary was an integrated operation or a self-sustaining entity which determined the method of translation into the presentation currency of the Group. IFRS requires that an entity determine the functional currency of each subsidiary individually, prior to consolidation into the Group's presentation currency.

CONCORDIA RESOURCE CORP.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 2012 AND 2011
(Expressed in thousands of Canadian Dollars, except per share amounts and shares in thousands)

19. **TRANSITION TO IFRS** (continued)

e) **Explanation of primary differences between Canadian GAAP and IFRS** (continued)

(iii) **Functional currency** (continued)

The Company determined that WEDC and Meryllion, which had been classified as being integrated operations under Canadian GAAP, had a functional currency other than the Canadian Dollar. Financial statements were translated under Canadian GAAP using the temporal method (whereby monetary assets and liabilities are translated at the current rate and non-monetary assets and liabilities at historic exchange rates with gains or losses being charged to income). The functional currency of these subsidiaries has been determined to be US dollars. The presentation currency of the Company is Canadian Dollars.

Under IFRS, the financial statements of WEDC and Meryllion denominated in their respective functional currencies are translated into Canadian dollars using the current rate method (whereby all assets and liabilities are translated using the reporting date exchange rates with any gains or losses being recorded in equity). Historical rates have been used for the translation of equity.

The net impact as at September 30, 2011, was a decrease in equipment of \$5, increase in mineral properties of \$17, increase in deficit of \$89 and an increase in cumulative translation adjustment of \$101.

As at October 1, 2010, the net impact was a decrease in equipment of \$5, decrease in mineral properties of \$372, increase in deficit of \$537 and increase in cumulative translation adjustment of \$160.

(iv) **Investment in Western Lithium**

As the investment in Western Lithium is accounted for using the equity method, the change in Western Lithium accounting policy for the exploration and evaluation expenses will reduce the value of the investment, as well as the gain/loss on dilution, as these costs were previously deferred by Western Lithium under Canadian GAAP.

As part of the Arrangement, the Company's shareholders of record as of June 19, 2008, received one Western Lithium share for every three Company's shares held. Accordingly, 19,734 shares in Western Lithium were distributed to shareholders of the Company by way of an in-kind-dividend. Under Canadian GAAP, the dividend-in-kind is considered to be a non-monetary capital transaction and was accounted for as a reduction in capital at a book value of \$82. IFRS 17 requires that, when accounting for a distribution of a non-cash asset, the distribution is measured at the fair value of the asset in question. The difference between the fair value of the asset and its book value is subsequently recognized in profit or loss when the distribution is settled.

As at September 30, 2011, the net impact was a decrease in the investment in Western Lithium of \$397 (2010 - increase of \$1,774), an increase in the equity loss in Western Lithium of \$1,838 (2010 - \$2,676), a decrease in the gain on dilution of interest in Western Lithium of \$332 (2010 - \$3,163) and decrease in opening deficit of \$7,613 (2010 - \$7,613).

CONCORDIA RESOURCE CORP.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 2012 AND 2011
(Expressed in thousands of Canadian Dollars, except per share amounts and shares in thousands)

19. TRANSITION TO IFRS (continued)

e) **Explanation of primary differences between Canadian GAAP and IFRS (continued)**

(v) **Cash flows**

The changes made to the consolidated statements of financial position and consolidated statements of comprehensive loss have resulted in reclassifications of various amounts in the consolidated statements of cash flows. Net cash used in operating activities for the year ended September 30, 2011 increased by \$2,128 and net cash used in investing activities decreased by \$2,128.

20. SUBSEQUENT EVENT

Subsequent to the year end the Company paid US\$75 under Cerro Amarillo-Cajon Grande option agreement.

CERTIFICATE OF NEW CONCORDIA

Dated: October 16, 2013

Each of the undersigned hereby certifies that the foregoing document constitutes full, true and plain disclosure of all material facts relating to the securities of New Concordia assuming completion of the HPX TechCo RTO.

"B. Matthew Hornor"

"Pierre Massé"

B. Matthew Hornor
Chief Executive Officer

Pierre Massé
Chief Financial Officer

On Behalf of the Board of Directors

"Ed Flood"

"Terry Krepiakevich"

Ed Flood
Director

Terry Krepiakevich
Director

CERTIFICATE OF THE SPONSOR

Dated: October 16, 2013

The undersigned hereby certifies, on behalf of Salman Partners Inc., that to the best of our information and belief, the foregoing constitutes full, true and plain disclosure of all material facts relating to Concordia assuming the completion of the HPX TechCo RTO.

SALMAN PARTNERS INC.

"Terry Salman"

Terry Salman
President & CEO

Schedule "F"
Meryllion Financial Statements and Management Discussion and Analysis

MERYLLION BUSINESS

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE NINE MONTHS ENDED JUNE 30, 2013 AND
YEARS ENDED SEPTEMBER 30, 2012 AND 2011

(Expressed in Canadian Dollars)

Independent Auditor's Report

**To the Directors of
Meryllion Resource Corporation**

We have audited the accompanying consolidated financial statements of Meryllion Business and its subsidiaries, which comprise the consolidated statements of financial position as at September 30, 2012 and September 30, 2011, and the consolidated statements of comprehensive loss, changes in equity and cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Meryllion Business and its subsidiaries as at September 30, 2012 and September 30, 2011 and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

"MacKay LLP"

**Chartered Accountants
Vancouver, British Columbia
October 16, 2013**

MERYLLION BUSINESS
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Expressed in thousands of Canadian Dollars)

	June 30, 2013 \$ (unaudited)	September 30, 2012 \$ (audited)	September 30, 2011 \$ (audited)
CURRENT ASSETS			
Cash	65	21	51
Receivables	1	2	24
Deposits	<u>15</u>	<u>155</u>	<u>6</u>
	81	178	81
NON CURRENT ASSET			
Exploration and evaluation assets (Note 5)	<u>770</u>	<u>562</u>	<u>236</u>
	851	740	317
CURRENT LIABILITY			
Accounts payable and accrued liabilities	<u>61</u>	<u>34</u>	<u>233</u>
CONTRIBUTED SURPLUS (Note 4)	9,545	8,286	2,389
ACCUMULATED OTHER COMPREHENSIVE INCOME	62	13	16
DEFICIT	<u>(8,817)</u>	<u>(7,593)</u>	<u>(2,321)</u>
SHAREHOLDERS' EQUITY	<u>790</u>	<u>706</u>	<u>84</u>
	851	740	317

Approved on behalf of the Board:

"Terry Krepiakovich" Director "Gregory Shenton" Director

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

MERYLLION BUSINESS
CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
(Expressed in thousands of Canadian Dollars, except per share amounts, and shares in thousands)

	For the nine months ended June 30, (unaudited)		For the years ended September 30, (audited)	
	2013 \$	2012 \$	2012 \$	2011 \$
EXPENSES				
Exploration expenditures (Note 6)	207	3,201	3,350	987
Investor relations	3	7	9	30
Office and miscellaneous	119	263	325	171
Professional fees (Note 7)	348	319	405	332
Regulatory and filing fees	8	14	15	4
Salaries and benefits (Note 7)	481	204	425	132
Stock-based compensation (Note 7)	22	267	273	438
Travel and conferences	71	174	218	187
	<u>1,259</u>	<u>4,449</u>	<u>5,020</u>	<u>2,281</u>
LOSS BEFORE OTHER ITEMS	<u>(1,259)</u>	<u>(4,449)</u>	<u>(5,020)</u>	<u>(2,281)</u>
OTHER ITEMS				
Other loss	(3)	-	-	-
Foreign exchange gain/(loss)	38	(241)	(252)	(40)
	<u>35</u>	<u>(241)</u>	<u>(252)</u>	<u>(40)</u>
NET LOSS FOR THE PERIOD	<u>(1,224)</u>	<u>(4,690)</u>	<u>(5,272)</u>	<u>(2,321)</u>
OTHER COMPREHENSIVE INCOME/(LOSS)				
Unrealized gain/(loss) on translation to reporting currency	49	22	(3)	16
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD	<u>(1,175)</u>	<u>(4,668)</u>	<u>(5,275)</u>	<u>(2,305)</u>
LOSS PER SHARE – BASIC AND DILUTED	<u>(0.07)</u>	<u>(0.31)</u>	<u>(0.34)</u>	<u>(0.19)</u>
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING – BASIC AND DILUTED				
	17,126	15,170	15,662	11,974

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

MERYLLION BUSINESS
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(Expressed in thousands of Canadian Dollars)

	Contributed surplus	Accumulated other comprehensive income/(loss)-currency translation adjustment	Deficit	Total shareholders' equity
	\$	\$	\$	\$
Balance, October 1, 2010	-	-	-	-
Contribution from Concordia (Note 4)	2,389	-	-	2,389
Net (loss) and other comprehensive income	-	16	(2,321)	(2,305)
Balance, September 30, 2011	2,389	16	(2,321)	84
Contribution from Concordia (Note 4)	5,126	-	-	5,126
Net (loss) and other comprehensive income	-	22	(4,690)	(4,668)
Balance, June 30, 2012	7,515	38	(7,011)	542
Contribution from Concordia (Note 4)	771	-	-	771
Net loss and other comprehensive loss	-	(25)	(582)	(607)
Balance, September 30, 2012	8,286	13	(7,593)	706
Contribution from Concordia (Note 4)	1,259	-	-	1,259
Net (loss) and other comprehensive income	-	49	(1,224)	(1,175)
Balance, June 30, 2013	9,545	62	(8,817)	790

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

MERYLLION BUSINESS
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in thousands of Canadian Dollars)

	For the nine months ended June 30, (Unaudited)		For the years ended September 30, (Audited)	
	2013 \$	2012 \$	2012 \$	2011 \$
OPERATING ACTIVITIES				
Loss for the period	(1,224)	(4,690)	(5,272)	(2,321)
Items not affecting cash:				
Foreign exchange (gain)/loss	(38)	241	252	40
Stock-based compensation	22	267	273	438
Other loss	3	-	-	-
Changes in non-cash working capital items:				
Decrease/(increase) in receivables	1	19	22	(24)
Decrease/(increase) in deposits	140	(156)	(149)	(6)
(Decrease)/increase in accounts payable and accrued liabilities	27	(96)	(199)	233
Net cash used in operating activities	<u>(1,069)</u>	<u>(4,415)</u>	<u>(5,073)</u>	<u>(1,640)</u>
INVESTING ACTIVITY				
Additions to exploration and evaluation assets	<u>(163)</u>	<u>(207)</u>	<u>(336)</u>	<u>(221)</u>
Net cash used in investing activity	<u>(163)</u>	<u>(207)</u>	<u>(336)</u>	<u>(221)</u>
FINANCING ACTIVITIES				
Advances from Concordia Resource Corp.	540	4,290	4,752	1,549
Funding provided by Concordia Resource Corp. ⁽¹⁾	<u>697</u>	<u>569</u>	<u>872</u>	<u>402</u>
Net cash acquired from financing activities	<u>1,237</u>	<u>4,859</u>	<u>5,624</u>	<u>1,951</u>
EFFECT OF FOREIGN EXCHANGE ON CASH	<u>39</u>	<u>(217)</u>	<u>(245)</u>	<u>(39)</u>
CHANGE IN CASH	44	20	(30)	51
CASH - BEGINNING OF PERIOD	<u>21</u>	<u>51</u>	<u>51</u>	<u>-</u>
CASH - END OF PERIOD	<u>65</u>	<u>71</u>	<u>21</u>	<u>51</u>

⁽¹⁾ Funding provided by Concordia Resource Corp. ("Concordia") representing the allocation of general and administrative expenses of Concordia under the continuity of interests basis of accounting described in note 2 and have been provided as funding sources and uses of cash of Meryllion Business.

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

MERYLLION BUSINESS
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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1. NATURE OF OPERATIONS

Meryllion Business (the “Business” or the “Company”) is a Canadian based resource company focused on exploration, acquisition and advancement of exploration and evaluation assets (Note 5).

The Company’s head office, principal address, and registered and records office is #1100-355 Burrard Street, Vancouver, British Columbia, Canada, V6C 2G8.

To date, the Company has not generated revenues from operations and is considered to be in the exploration stage. The amounts shown as exploration and evaluation assets represent acquisition costs incurred to date and do not necessarily represent present or future values. The underlying value of exploration and evaluation assets are entirely dependent on the existence of economically recoverable reserves, securing and maintaining title and beneficial interest in the properties, the ability of the Company to obtain the necessary financing to complete permitting, development, and future profitable production. The Company considers that it has adequate resources to maintain its core operations for the next 12 months. Subsequent to the period end, the Company received \$4,740 cash from Concordia according to the spin-out transaction, subject to post-closing adjustments.

2. BASIS OF PREPARATION

The consolidated financial results for the years ended September 30, 2012 and 2011 have been audited and prepared in accordance with International Financial Reporting Standards (“IFRS”), as issued by the International Accounting Standards Board (“IASB”). The financial results for the nine months ended June 30, 2013 and 2012 are unaudited and have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting.

Concordia Resource Corp. (“Concordia”) announced the proposed spin-out of its Providencia and Cerro Amarillo exploration properties located in Argentina held by Concordia’s wholly-owned subsidiary Meryllion Minerals Corp., and approximately \$4,740 in cash (Note 13), subject to closing adjustments, into Meryllion Resources Corporation (“Meryllion”), a wholly owned subsidiary of Concordia, which was incorporated on July 25, 2013 under the Business Corporations Act of British Columbia. Upon conclusion of the transactions, Meryllion will issue 17,126 common shares to Concordia, which will be distributed to Concordia shareholders. The transaction is expected to close in December 2013. Application will also be made to list the shares of Meryllion on the TSX Venture Exchange. The spin-out transaction will be completed pursuant to a plan of arrangement (the “Arrangement”) and will be subject to regulatory approval and approval by not less than two-thirds of the votes casted at a special meeting of the shareholders of Concordia that will be called upon.

Meryllion Business financial statements reflect the consolidated financial position, statements of comprehensive loss, changes in equity and cash flows of the related Argentine exploration business of Concordia and Meryllion Minerals Corp. The statement of comprehensive loss for the nine months ended June 30, 2013 include \$719 (September 30, 2012 - \$1,145, September 30, 2011 - \$840) allocation of Concordia’s general and administrative expenses. The allocation of general and administrative expenses was calculated on the basis of the ratio of expenditures incurred on the Providencia and Cerro Amarillo properties as compared to the expenditures incurred on all of Concordia’s properties during the periods.

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2. BASIS OF PREPARATION (continued)

Management cautions readers of these financial statements, that the allocation of expenses may not be indicative of the actual expenses that would have been incurred had the Company been operating as a separate, stand-alone public company for the periods presented and do not reflect the Company's consolidated results of operations, financial position and cash flows had the Company been a stand-alone public company during the periods presented. The results of operations are not necessarily indicative of the operating results of future years.

These consolidated financial statements were authorized for issue by the Board of Directors on October 16, 2013.

3. SIGNIFICANT ACCOUNTING POLICIES

These consolidated financial statements are expressed in Canadian dollars, the Company's presentation currency and have been prepared on a historical cost basis, except for financial instruments that have been measured at fair value. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information. The accounting policies set out in this note have been applied consistently to all periods presented in these consolidated financial statements as if the policies have always been in effect.

The significant accounting policies used in the preparation of these consolidated financial statements are described below.

Principles of Consolidation

The consolidated financial statements contained herein include the allocation of Concordia's general and administrative expenses (Note 2) and accounts of Concordia's wholly-owned Canadian subsidiary Meryllion Minerals Corp. and its wholly-owned Argentinian subsidiary Meryllion Argentina SA (together the "Group"). All inter-company transactions and balances have been eliminated.

Significant Accounting Estimates and Judgments

The preparation of these consolidated financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. These consolidated financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the consolidated financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical Accounting Estimates

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the end of the reporting period, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the determination of environmental obligations, the recoverability of exploration and evaluation assets, the assumptions used in the determination of the fair value of stock-based compensation, and the assumptions used to allocate Concordia's general and administrative expenses.

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3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Critical Accounting Judgments

Critical accounting judgments are accounting policies that have been identified as being complex or involving subjective judgments or assessments, as follows:

- the point in time that an economic feasibility study has established the presence of proven and probable reserves;
- deferred tax assets recorded in the consolidated financial statements.
- In accordance with IAS 21 “The Effects of Changes in Foreign Exchange Rates”, management determined that the functional currency of Meryllion Business is the Canadian dollar, the functional currency of the Company’s wholly-owned subsidiaries Meryllion Minerals Corp. and Meryllion Argentina SA (Argentina) is the US dollar, as they are the currencies of the primary economic environments in which the companies operate.

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.

Foreign Currency Translation

Functional and presentation currency

Items included in the financial statements of each of the Group’s entities are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The consolidated financial statements are presented in Canadian Dollars. The Company’s functional currency is the Canadian dollar and its wholly-owned subsidiaries’ functional currency is the US dollar.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign currency monetary items are translated at the period-end exchange rate. Non-monetary items measured at historical cost continued to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items or on settlement of monetary items are recognized in profit or loss in the consolidated statement of comprehensive loss in the period in which they arise.

Exchange differences arising on the translation of non-monetary items are recognized in other comprehensive income (loss) in the consolidated statement of comprehensive loss to the extent that gains and losses arising on those non-monetary items are also recognized in other comprehensive income (loss). Where the non-monetary gain or loss is recognized in profit or loss, the exchange component is also recognized in profit or loss.

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3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Foreign Currency Translation (continued)

Parent and Subsidiary Companies

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

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

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

Exploration and Evaluation Assets

Exploration expenditures are expensed as incurred until an economic feasibility study has established the presence of proven and probable reserves and development of the project has commenced, at which time exploration and development expenditures incurred on the property thereafter are capitalized.

Costs relating to the acquisition and claim maintenance of mineral properties, including option payments and annual fees to maintain the property in good standing, are capitalized and deferred by property until the project to which they relate is sold, abandoned, impaired or placed into production. After recognition, the Company uses the cost model for exploration and evaluation assets.

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

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

Loss per share

Basic loss per share is calculated using the weighted average number of shares outstanding during the period. The shareholders of Concordia will receive one common share of Meryllion for one common share of Concordia. Prior to the completion of the spin-out transaction, Concordia will consolidate its shares on a 5:1 basis. Accordingly, the weighted average number of shares used is one-fifth of the weighted average number of shares of Concordia for the respective periods.

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.

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3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Income Taxes

Income tax expense comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity. Current tax 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 is recorded using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Temporary differences are not provided for the initial recognition of assets or liabilities that affect neither accounting or taxable loss, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the statement of financial position date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. To the extent that the Company does not consider it probable that a deferred tax asset will be recovered, the deferred tax asset is not recorded.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash held with banks and highly liquid deposits which are subject to an insignificant risk of change in value.

Financial Instruments

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets are derecognized when the rights to receive cash flows from the assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

All of the Company's financial instruments are classified into one of two categories: loans and receivables and other financial liabilities. All financial instruments are measured in the consolidated statement of financial position at fair value initially. Subsequent measurement and changes in fair value will depend on their initial classification. Loans and receivables and other financial liabilities are measured at amortized cost.

The Company does not use derivative instruments or hedges to manage risks. Transaction costs related to all financial instruments will be expensed in the period incurred.

Cash and receivables have been designated as loans and receivables. Cash and receivables are included in current assets due to their short term nature.

Accounts payable and accrued liabilities have been designated as other financial liabilities and are included in current liabilities due to their short-term nature.

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

Related Party Transactions

Related party transactions are measured at exchange value.

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3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Accounting Standards Issued but not yet Applied

Unless otherwise noted, the following revised standards and amendments are effective for annual periods beginning on or after January 1, 2013, with earlier application permitted. The Company has not yet assessed the impact of these standards and amendments. The Company has determined not to early adopt them.

(i) IFRS 9, Financial Instruments, was issued in November 2009 and addresses classification and measurement of financial assets. It replaces the multiple category and measurement models in IAS 39 for debt instruments with a new mixed measurement model having only two categories: amortized cost and fair value through profit or loss. IFRS 9 also replaces the models for measuring equity instruments. Such instruments are either recognized at fair value through profit or loss or at fair value through other comprehensive income. Where equity instruments are measured at fair value through other comprehensive income, dividends are recognized in profit or loss to the extent that they do not clearly represent a return of investment; however, other gains and losses (including impairments) associated with such instruments remain in accumulated comprehensive income indefinitely.

Requirements for financial liabilities were added to IFRS 9 in October 2010 and they largely carried forward existing requirements in IAS 39, Financial Instruments – Recognition and Measurement, except that fair value changes due to credit risk for liabilities designated at fair value through profit and loss are generally recorded in other comprehensive income. This standard and its consequential amendments are applicable to annual reporting periods beginning on or after January 1, 2015.

(ii) IFRS 10, Consolidated Financial Statements, requires an entity to consolidate an investee when it has power over the investee, is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Under existing IFRS, consolidation is required when an entity has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. IFRS 10 replaces SIC-12, Consolidation—Special Purpose Entities and parts of IAS 27, Consolidated and Separate Financial Statements.

(iii) IFRS 11, Joint Arrangements, requires a venturer to classify its interest in a joint arrangement as a joint venture or joint operation. Joint ventures will be accounted for using the equity method of accounting whereas for a joint operation the venturer will recognize its share of the assets, liabilities, revenue and expenses of the joint operation. Under existing IFRS, entities have the choice to proportionately consolidate or equity account for interests in joint ventures. IFRS 11 supersedes IAS 31, Interests in Joint Ventures, and SIC-13, Jointly Controlled Entities—Non-monetary Contributions by Venturers.

(iv) IFRS 12, Disclosure of Interests in Other Entities, establishes disclosure requirements for interests in other entities, such as subsidiaries, joint arrangements, associates, and unconsolidated structured entities. The standard carries forward existing disclosures and also introduces significant additional disclosure that address the nature of, and risks associated with, an entity's interests in other entities.

(v) IFRS 13, Fair Value Measurement, is a comprehensive standard for fair value measurement and disclosure for use across all IFRS standards. The new standard clarifies that fair value is the price that would be received to sell an asset, or paid to transfer a liability in an orderly transaction between market participants, at the measurement date. Under existing IFRS, guidance on measuring and disclosing fair value is dispersed among the specific standards requiring fair value measurements and does not always reflect a clear measurement basis or consistent disclosures.

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3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Accounting Standards Issued but not yet Applied (continued)

(vi) IAS 19, Employee Benefits, has been amended to make significant changes to the recognition and measurement of defined benefit pension expense and termination benefits and to enhance the disclosure of all employee benefits. The amended standard requires immediate recognition of actuarial gains and losses in other comprehensive income as they arise, without subsequent recycling to net income. Past service cost (which will now include curtailment gains and losses) will no longer be recognized over a service period but instead will be recognized immediately in the period of a plan amendment. Pension benefit cost will be split between (i) the cost of benefits accrued in the current period (service cost) and benefit changes (past-service cost, settlements and curtailments); and (ii) finance expense or income. The finance expense or income component will be calculated based on the net defined benefit asset or liability. A number of other amendments have been made to recognition, measurement and classification including redefining short-term and other long-term benefits, guidance on the treatment taxes related to benefit plans, guidance on risk/cost sharing features, and expanded disclosures.

(vii) There have been amendments to existing standards, including IAS 27, Separate Financial Statements (IAS 27), and IAS 28, Investments in Associates and Joint Ventures (IAS 28). IAS 27 addresses accounting for subsidiaries, jointly controlled entities and associates in non-consolidated financial statements. IAS 28 has been amended to include joint ventures in its scope and to address the changes in IFRS 10 – 13.

(viii) IFRIC 20, Stripping Costs in the Production Phase of a Surface Mine, sets out the accounting for overburden waste removal (stripping) costs in the production phase of a mine. Stripping activity may create two types of benefit: i) inventory produced and ii) improved access to ore. Stripping costs associated with the former should be accounted for as a current production cost in accordance with IAS 2, Inventories. The latter should be accounted for as an addition to or enhancement of an existing asset.

(ix) IAS 32, Financial Instruments: Presentation, this amendment provides clarification on the application of offsetting rules. These amendments are effective for annual periods beginning on or after January 1, 2014.

4. CONTRIBUTION FROM CONCORDIA RESOURCE CORP.

Contributed surplus for the nine months ended June 30, 2013 and years ended September 30, 2012 and 2011 consists of the amounts of contributions from Concordia representing the allocation of general and administrative expenses and cash advances.

	Funding provided by Concordia \$	Stock-based compensation \$	Total \$
Balance as at September 30, 2010			
Funding provided by Concordia	402	438	840
Advances from Concordia	1,549	-	1,549
Balance as at September 30, 2011	1,951	438	2,389
Funding provided by Concordia	872	273	1,145
Advances from Concordia	4,752	-	4,752
Balance as at September 30, 2012	7,575	711	8,286
Funding provided by Concordia	697	22	719
Advances from Concordia	540	-	540
Balance as at June 30, 2013	8,812	733	9,545

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5. EXPLORATION AND EVALUATION ASSETS

For the nine months ended June 30, 2013	Providencia, Argentina \$	Cerro Amarillo, Argentina \$	Total \$
Acquisition costs			
Balance, beginning of period	436	126	562
Additions	87	76	163
Foreign exchange	33	12	45
Total exploration and evaluation assets	556	214	770

For the year ended September 30, 2012	Providencia, Argentina \$	Cerro Amarillo, Argentina \$	Total \$
Acquisition costs			
Balance, beginning of year	154	82	236
Additions	286	50	336
Foreign exchange	(4)	(6)	(10)
Total exploration and evaluation assets	436	126	562

For the year ended September 30, 2011	Providencia, Argentina \$	Cerro Amarillo, Argentina \$	Total \$
Acquisition costs			
Balance, beginning of year	-	-	-
Additions	144	77	221
Foreign exchange	10	5	15
Total exploration and evaluation assets	154	82	236

Providencia, Jujuy, Argentina

In March 2011, amended in March 2013, the Company acquired an option to purchase the Providencia silver-copper prospect located in northwestern Argentina. Under the amended option agreement, the Company has the right to acquire a 100% interest in the property by making the following payments:

- US\$50 -- in March 2011 (paid);
- US\$100 -- in September 2011 (paid);
- US\$150 - in March 2012 (paid);
- US\$75 -- in March 2013 (paid);
- US\$25 -- in January 2014;
- US\$50 -- in March 2014;
- US\$25 -- in August 2014;
- US\$50 -- in January 2015;
- US\$200 -- in March 2015;
- US\$250 -- in March 2016;
- US\$300 -- in March 2017.

The exercise fee is US\$950 if less than 50 million ounces of silver resources have been delineated, as defined by a third-party, independent consultant, or US\$1,950 if more than 50 million ounces of silver resources are defined. The property is subject to an NSR of 1.5% with the Company having the option to buy it out for US\$3,000 if less than 50 million ounces of silver resources are defined or US\$2,000 if more than 50 million ounces of silver resources are defined.

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5. EXPLORATION AND EVALUATION ASSETS (continued)

Providencia, Jujuy, Argentina (continued)

Effective June 13, 2012, and amended on May 28, 2013, the Company acquired an option to purchase the Olaroz Chico property. Under the option agreement, the Company has the right to acquire a 100% interest in the property by making the following payments:

- US\$9 – in June 2012 (paid);
- US\$9 – in June 2013 (paid);
- US\$22.5 – in March 2014;
- US\$22.5 – in September 2014;
- US\$45 – in March 2015;
- US\$90 – in March 2016;
- US\$135 – in March 2017;
- US\$180 – in March 2018
- US\$441 – in March 2019.

The property is subject to an NSR of 1% with the Company having the option to buy it out for US\$450.

Effective July 11, 2012, and amended on July 16, 2013, the Company acquired an option to purchase the Cerro Galán, Coyaguaima, Coranzulí, Panizos and Nazarena properties. Under the option agreement, the Company has the right to acquire a 100% interest in the properties by making the following payments:

- US\$10 – in July 2012 (paid);
- US\$5 – in July 2013 (paid in July 2013);
- US\$5 – in October 2013 (paid in October 2013);
- US\$25 – in July 2014;
- US\$50 – in July 2015;
- US\$75 – in July 2016;
- US\$100 – in July 2017;
- US\$740 – in July 2018.

The properties are subject to an NSR of 1% with the Company having the option to buy it out for US\$500. In addition, there is a work commitment during the term of the agreement of US\$100.

Effective July 13, 2012, and amended on May 28, 2013, the Company acquired an option to purchase the Libertad property north of its La Providencia property. Under the option agreement, the Company has the right to acquire a 100% interest in the property by making the following payments:

- US\$1 – in July 2012 (paid)
- US\$1 – in June 2013 (paid)
- US\$2.5 – in March 2014;
- US\$2.5 – in September 2014
- US\$5 – in March 2015;
- US\$10 – in March 2016;
- US\$15 – in March 2017;
- US\$20 – in March 2018;
- US\$49 – in March 2019

The property is subject to an NSR of 1% with the Company having the option to buy it out for US\$50.

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5. EXPLORATION AND EVALUATION ASSETS (continued)

Cerro Amarillo, Argentina

In October 2010, the Company acquired an option to purchase the Cerro Amarillo copper-gold property located in the Malargüe District, in the Province of Mendoza, Argentina. Under the option agreement the Company has the exclusive right to engage in exploration activities on the property before exercising its option to acquire a 100% interest in the property.

The option is exercisable by the Company at any time; however, so long as the exploration program is ongoing, the Company will make payments to the owners of the property, which payments will total US\$700 if the exploration program continues for at least 76 months as follows:

- US\$25 – in October 2010 (paid);
- US\$25 - in February 2011 (paid);
- US\$25 – in August 2011 (paid);
- US\$50 - in January 2012 (paid);
- US\$75 - in January 2013 (paid);
- US\$100 - in January 2014;
- US\$150 - in January 2015;
- US\$250 - in January 2016.

When the option is exercised, the Company will pay a final purchase price of US\$2,500. The owners of the property will also be entitled to a 1% NSR in the event the property is placed into commercial production, which the Company may purchase for US\$3,000.

6. EXPLORATION EXPENDITURES

For the nine months ended June 30, 2013	Providencia Argentina \$	Cerro Amarillo, Argentina \$	General Exploration \$	Total \$
Geological and other consulting	109	68	1	178
Field expenses and other	7	6	-	13
Transportation and travel	11	5	-	16
Total exploration expenditures	127	79	1	207

For the year ended September 30, 2012	Providencia Argentina \$	Cerro Amarillo, Argentina \$	General Exploration \$	Total \$
Drilling	1,650	-	-	1,650
Geological and other consulting	614	236	43	893
Field expenses and other	442	45	-	487
Geophysics	28	8	-	36
Transportation and travel	219	65	-	284
Total exploration expenditures	2,953	354	43	3,350

For the year ended September 30, 2011	Providencia Argentina \$	Cerro Amarillo, Argentina \$	General Exploration \$	Total \$
Drilling	392	-	-	392
Geological and other consulting	208	44	32	284
Field expenses and other	184	-	-	184
Transportation and travel	125	2	-	127
Total exploration expenditures	909	46	32	987

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7. COMPENSATION OF KEY MANAGEMENT

Compensation of key management consist of the amounts of contributions from Concordia representing the allocation of salaries, directors' fees, consulting fees and stock- based compensation of key management personal.

The remuneration of directors and other members of key management included:

	For the nine months ended June 30,	For the years ended September 30,	
	2013 \$	2012 \$	2011 \$
Salaries and benefits	122	260	113
Director's fees, included in salaries and benefits	29	20	-
Benefits paid to director, included in salaries and benefits	1	-	-
Termination benefit included in salaries and benefits	259	-	-
Consulting fees, included in professional fees	16	-	7
Stock-based compensation vested during the period	18	240	382
Total key management compensation	445	520	502

8. INCOME TAXES

The provision for income taxes differs from the amount calculated using the Canadian federal and provincial statutory income tax rates of 25.38% (2011 – 27%) as follows:

	Year Ended September 30, 2012 \$	Year Ended September 30, 2011 \$
Expected tax expense/(recovery)	(1,338)	(627)
Items not deductible for income tax purposes	444	227
Higher rate in foreign jurisdiction	(387)	(94)
Other	42	(17)
Deferred income tax benefits not recognized	1,239	511
Deferred income tax (expense)/ recovery	-	-

As at September 30, 2012 and 2011, no deferred tax assets are recognized on the following temporary differences as it is not probable that sufficient future taxable profit will be available to realize such assets:

	As at September 30, 2012 \$	As at September 30, 2011 \$
Tax losses carryforwards	1,751	512
Unrecognized deferred tax assets	1,751	512

The Company has Canadian non-capital loss carryforwards of \$409 (2011 - \$300) that are available to reduce taxable income in Canada. These losses expire between 2031 and 2032.

The Company has Argentinean loss carryforwards of \$4,800 (2011 – \$1,208) that are available to reduce taxable income in Argentina. These losses expire between 2016 and 2017.

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9. COMMITMENTS

Exploration and evaluation assets commitments are disclosed in Note 5.

10. SEGMENTED INFORMATION

The Company operates in one business segment, being the acquisition and exploration of exploration and evaluation assets. The Company is in the exploration stage and, accordingly, has no reportable segment revenues or operating results for the nine months ended June 30, 2013 and years ended September 30, 2012 and September 30, 2011. Substantially all assets of the Business are located in Argentina.

11. FINANCIAL INSTRUMENTS

Financial instruments recorded at fair value on the consolidated statements of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- i. Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- ii. Level 2 – Inputs other than quoted prices that are observable for assets or liabilities, either directly or indirectly; and
- iii. Level 3 – Input for assets and liabilities that are not based on observable market data.

The fair value hierarchy requires the use of observable market inputs whenever such inputs exist. A financial instrument is classified to the lowest level of the hierarchy for which a significant input has been considered in measuring fair value.

There were no financial instruments measured at fair value as at June 30, 2013, September 30, 2012, and September 30, 2011.

Financial Instruments Risk Exposure

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 principal risks to which the Company is exposed are described below:

Credit Risk

Credit risk is the risk of loss associated with counterparty's inability to fulfill its payment obligations. Financial instruments that potentially subject the Company to a concentration of credit risk consist primarily of cash and receivables. The Company's maximum exposure to credit risk for cash and receivables is the amounts disclosed in the consolidated statements of financial position. The Company limits its exposure to credit loss by placing its cash with major financial institutions.

The Company's receivables consist of harmonized sales tax (HST) due from the Federal Government of Canada and other miscellaneous receivables. The Company's deposits consist of a deposit held at Central Bank of Argentina.

Management believes that the credit risk concentration with respect to financial instruments included in cash and receivables is minimal.

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11. FINANCIAL INSTRUMENTS (continued)

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to evaluate current and expected liquidity requirements under both normal and stressed conditions to ensure that it maintains sufficient reserves of cash and cash equivalents to meet its liquidity requirements in the short and long term. As the industry in which the Company operates is very capital intensive, the majority of the Company's spending is related to its capital programs. The Company prepares annual budgets, which are regularly monitored and updated as considered necessary.

As at June 30, 2013, the Company had cash balance of \$65 (September 30, 2012 - \$21, September 30, 2011 - \$51) to settle current liabilities of \$61 (September 30, 2012 - \$34, September 30, 2011 - \$233). All of the Company's financial liabilities are classified as current and are anticipated to mature within the next fiscal period.

Subsequent to the period end, the Company received \$4,740 cash from Concordia according to the spin-out transaction.

Market Risk

Market risk incorporates a range of risks. Movement in risk factors, such as market price risk and currency risk, affect the fair values of financial assets and liabilities. The Company is exposed to these risks as the ability of the Company to develop or market its properties and the future profitability of the Company is related to the market price of certain minerals.

i) Foreign Currency Risk

The Company's current assets and liabilities are denominated in Canadian dollars, US dollars and Argentinian pesos as follows:

Nine months ended June 30, 2013	CDN\$	US\$	Argentinean pesos	Total \$
Cash	3	6	56	65
Receivables	1	-	-	1
Deposits	-	15	-	15
Accounts payables and accrued liabilities	-	(37)	(24)	(61)
Net exposure	4	(16)	32	20

Year ended September 30, 2012	CDN\$	US\$	Argentinean pesos	Total \$
Cash and cash equivalents	2	7	12	21
Receivables	1	-	1	2
Deposits	-	155	-	155
Accounts payables and accrued liabilities	-	(19)	(15)	(34)
Net exposure	3	(143)	(2)	144

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11. FINANCIAL INSTRUMENTS (continued)

Market Risk (continued)

Year ended September 30, 2011	CDN\$	US\$	Argentinean pesos	Total \$
Cash and cash equivalents	9	17	25	51
Receivables	-	-	24	24
Prepaid expenses and deposits	-	6	-	6
Accounts payables and accrued liabilities	-	(19)	(214)	(233)
Net exposure	9	4	(165)	(152)

US dollar amounts have been translated at a value of CDN\$1.01518 for US\$1.00 (September 30, 2012 - CDN\$0.9832 for US\$1.00, September 30, 2011 - CDN\$1.0482 for US\$1.00). Amounts in Argentine Pesos have been translated at a value of CDN\$0.1952 for 1 Peso (September 30, 2012 - CDN\$0.2095 for 1 Peso, September 30, 2011 - CDN\$0.2370 for 1 Peso).

ii) Price Risk

The Company is exposed to price risk with respect to commodity prices. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices to determine the appropriate course of action to be taken by the Company.

iii) Interest Rate Risk

The Company is exposed to interest rate risk to the extent that the cash maintained at the financial institutions is subject to a floating rate of interest. The interest rate risk on cash is not considered significant.

12. CAPITAL DISCLOSURE

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the exploration and development of its mineral properties and to maintain a flexible capital structure. The capital structure of the Company consists of contribution from Concordia Resource Corp., accumulated other comprehensive loss - currency translation adjustment and deficit.

The properties in which the Company currently has an interest are in the exploration stage. In order to carry out the planned exploration and pay for administrative costs, the Company will raise additional amounts as needed and if available.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There were no changes in the Company's approach to capital management during the nine months ended June 30, 2013 and year ended September 30, 2012.

13. SUBSEQUENT EVENTS

Subsequent to June 30, 2013 the Company:

- entered into a Definitive Corporate Structure and Administration Agreement (the "Agreement") with Fitzcarraldo Ventures Inc. and Willem Fuchter (combined the "FVI"), whereby FVI agreed to relinquish its right under the previous agreement to 10% equity interest in the Company upon listing on the TSX Venture Exchange. In exchange, the Company granted FVI 1% net smelter returns royalty on Providencia and Cerro Amarillo properties;
- received \$4,740 cash from Concordia, subject to post-closing adjustments, according to the spin-out transaction. (Note 2).

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Background

Concordia Resource Corp. ("Concordia") announced the proposed spin-out of its Providencia and Cerro Amarillo exploration properties located in Argentina held by Concordia's wholly-owned subsidiary Meryllion Minerals Corporation, and approximately \$4,740 in cash, subject to closing adjustments, into Meryllion Resources Corporation ("Meryllion"), a wholly owned subsidiary of Concordia, which was incorporated on July 25, 2013 under the Business Corporations Act of British Columbia. Upon conclusion of the transactions, Meryllion will issue 17,126 common shares (100% of its equity) to Concordia, which will be distributed to Concordia shareholders. The transaction is expected to close in December 2013. Application has also been made to list the shares of Meryllion on the TSX Venture Exchange. The spin-out transaction will be completed pursuant to a plan of arrangement (the "Arrangement") and will be subject to regulatory approval and approval by not less than two-thirds of the votes casted at a special meeting of the shareholders of Concordia that will be called.

The consolidated financial statements of Meryllion Business include the allocation of Concordia's general and administrative expenses and the accounts of Concordia's wholly-owned Canadian subsidiaries Meryllion Resources Corporation, Meryllion Minerals Corp. and its wholly-owned Argentinian subsidiary Meryllion Argentina SA (together the "Meryllion Business" or the "Company"). The Meryllion Business financial statements reflect the consolidated financial position, statements of comprehensive loss, changes in equity and cash flows of the related Argentine exploration business of Concordia and Meryllion Minerals Corporation.

This Management's Discussion and Analysis ("MD&A"), prepared as of October 16, 2013, should be read in conjunction with the consolidated financial statements and the notes thereto of Meryllion Business for the nine months ended June 30, 2013 and years ended September 30, 2012 and 2011 ("financial statements"). The consolidated financial results for the years ended September 30, 2012 and 2011 have been audited in accordance with Canadian audit standards and prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB"). The financial results for the nine months ended June 30, 2013 and other quarterly results presented in this report are unaudited and have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting. Refer to Notes 2 and 3 of the consolidated financial statements for disclosure of the Company's significant accounting policies.

Company Overview

Meryllion Business is a Canadian based resource company focused on exploration, acquisition and advancement of exploration and evaluation assets. The Company's head office, principal address, and registered and records office is #1100-355 Burrard Street, Vancouver, British Columbia, Canada, V6C 2G8.

Additional information relating to the Company is available on SEDAR at www.sedar.com.

All amounts are expressed in thousands of Canadian dollars, unless otherwise stated. All weight and linear amounts are presented as is and are not in thousands.

Significant Events

For the Nine Months Ended June 30, 2013 and to the Date of this Report

In October 2013, the Company received \$4,740 cash from Concordia according to the spin-out transaction described above. The amount of cash transferred from Concordia is subject to post-closing adjustments.

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Significant Events (continued)

For the Nine Months Ended June 30, 2013 and to the Date of this Report (continued)

On October 1, 2013 the Company entered into a Definitive Corporate Structure and Administration Agreement (the "Agreement") with Fitzcarraldo Ventures Inc. and Willem Fuchter (combined the "FVI"), whereby FVI agreed to relinquish its right under the previous agreement for a 10% equity interest in the Company upon listing on the TSX Venture Exchange. In exchange, the Company granted FVI a 1% net smelter returns royalty on Providencia and Cerro Amarillo properties. The Company has a right until September 30, 2018 to buy half of the royalty (i.e. 0.5%) for US\$500.

In August 2013, Meryllion held meetings with the federal and provincial mining authorities as well as officials of the city of Malargüe who have all expressed their support for the advancement of exploration on Cerro Amarillo project. The report from the Department of Water Affairs has been completed and all reports are currently being assessed by the Department of Mining.

In May, June and July 2013, various option agreements at the Providencia project were amended allowing the Company longer exploration time periods.

In late 2012, the owners of Cerro Amarillo property applied for an additional and contiguous 2,500 hectares directly to the south of the original property and included this area in the original agreement by signing an addendum to the option agreement.

Fiscal Year Ended September 30, 2012

On August 30, 2012, the Company announced a resource estimate from the Providencia Project as prepared by independent consultants RPA Inc. ("RPA") of Vancouver, Canada.

On May 14, 2012, the Company announced the completion of its initial field campaign at its Cerro Amarillo copper-molybdenum-gold porphyry project in Argentina, with strong indications of large copper-molybdenum-gold potential.

On March 2, 2012, the Company announced the results of its first-stage drilling program at the Providencia silver property in northwestern Argentina, where highlights included 4 meters of mineralization at a grade of 3,112 g/t silver (DPR-0004); 1,788 g/t over 7 meters ("m") (DPR-005) and 60.2 g/t over 44 m (DPR-033). The drilling program targeted near surface sediment-hosted silver mineralization within the historic pit area of the former producing La Providencia Mine, with the aim of delineating an initial resource in line with National Instrument 43-101 guidelines. A total of 3,589.4 meters of core were drilled in 39 holes. The program has confirmed that mineralization continues under the mined areas and peripheral to the pits, extending for up to 150 m down-dip to the east, 600 m along strike and has been intersected over down-hole thicknesses averaging some 17 m (above 25 g/t Ag). Mineralization is open to the north and at depth.

The Providencia Option Agreement between Meryllion Argentina SA and Humberto Julio Cánepa dated March 4, 2011 regarding the Providencia and M. Tola mineral titles, was amended in March 2012. These properties form part of the Providencia Project comprising four mineral titles: La Providencia, M. Tola, M. Olaroz Chico and Libertad. An additional two separate exploration-with-option-to-purchase agreements were signed effective June 6, 2012, with respect to M. Olaroz Chico and effective July 13, 2012, with respect to Libertad titles. In addition, an exploration-with-option-to-purchase agreement was signed effective July 11, 2012, for the Cerro Galán, Coyaguaima, Coranzulí, Panizos, and Nazarena properties, which are situated in the district (that also hosts Silver Standard's Pirquitas Ag-Sn mine) but are not contiguous to the Providencia property.

The drilling program at Providencia was completed in early February 2012, and some 4,519 m were drilled in 41 holes. The drilling not only provided the basis for the preliminary estimate but has indicated the potential to expand these resources significantly between the pits by further drilling and extending it along a well mineralized structure trending north-west from the two northerly pits. In addition, there are further targets on the property.

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Significant Events (continued)

Fiscal Year Ended September 30, 2011

On September 2, 2011, Meryllion Argentina SA received authorization from the Directorate of Mines – Province of Jujuy to proceed with drilling at the Providencia project.

In March 2011, the Company acquired an option to purchase the Providencia silver-copper prospect located in the Jujuy province of northwestern Argentina.

On October 26, 2010, Concordia announced that it has established a new corporate entity to conduct exploration activities in South America. Concordia's board of directors approved management's recommendation that the Company no longer focus exclusively on uranium exploration in Canada and the United States. Given that mandate, Meryllion Argentina SA was created to undertake exploration programs in, and to acquire an interest in, South American properties, with an emphasis on Argentina, Brazil and Peru. The new subsidiary, Meryllion Argentina SA is headed up by Willem Fuchter, PhD PGeo, a geologist with worldwide experience in gold and base metal exploration. Dr. Fuchter will head up the exploration effort with the support of a technical team headquartered in Buenos Aires. Concordia has agreed to fund the Company with the goal of developing a "property of merit" that will qualify for a TSX Venture Exchange listing. Concordia has agreed that immediately prior to the TSX Venture Exchange listing the management team of Meryllion Argentina SA will own 10% of the listed company with Concordia holding the remaining 90%, not including any interim equity financing. This agreement was amended on October 1, 2013 as disclosed above.

On September 30, 2010, Meryllion entered into an exploration and option agreement to purchase Cerro Amarillo property located in the Malargüe District, in the Province of Mendoza, Argentina. Under the agreement, Meryllion has the exclusive right to engage in exploration activities on the Cerro Amarillo Property for up to 52 months (revised to 76 months in January 2012) before exercising its option to acquire a 100% interest in the property.

Trends and Outlook

The market conditions are expected to remain difficult for all of the resource companies in the near term. Meryllion Business is an exploration company with a focus on South America and has a highly qualified team of professionals engaged in the search for resources. The Company's goal is to discover and develop mineral projects that can significantly add value. We have set realistic targets for each of the projects under development and will make decisions to progress the properties based entirely on the results generated and the perceived risks and evaluated expense of going to the next phase.

Resource Properties

Through the Company's wholly-owned subsidiary, Meryllion Argentina SA, the Company has mineral exploration concessions in Argentina. A description of each of the properties is provided as follows:

Providencia, Argentina

The Providencia Ag-Cu property is located in the Puna region of northwestern Argentina, and comprises mineral concessions situated at 4,200 m above sea level and some 260 km by good road from San Salvador de Jujuy, the capital of the Jujuy Province. The focus on the property has been the mineralization of the La Providencia silver deposit which was discovered in 1969 and produced some five million ounces of silver between 1986 and 1997. More recently, the Company –through its Argentine subsidiary, Meryllion Argentina SA completed a 4,500 m diamond drilling program and contracted independent consultants Roscoe Postle Associates Inc ("RPA") of Vancouver Canada to prepare a resource estimate.

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Resource Properties (continued)

Providencia (continued)

The Providencia property comprises four mineral titles: La Providencia, M. Tola, M. Olaroz Chico and Libertad. Under the terms of the option agreement on La Providencia and M. Tola entered into in March 2011 and amended in March 2013, MAS has the right to acquire a 100% interest in these titles by making an initial payment of US\$50 (paid) with additional escalating option payments amounting to US\$1,225 (US\$375 paid) paid over the 72 months. The exercise fee is US\$950 if less than 50 million ounces of resources have been delineated (as defined by a third-party, independent consultant), or US\$1,950 if more than 50 million ounces of silver are defined.

The property is subject to a 1.5% NSR of which the Company can buy out for US\$3,000 if less than 50 million ounces of silver resources are defined, or for US\$2,000 if more than 50 million ounces of silver resources are defined. The Company, in addition, is committed to exploration expenditures of US\$50 and US\$100 in the first and second years respectively (fulfilled).

Two separate exploration-with-option-to-purchase agreements were signed effective June 13, 2012, and amended in May 2013, with respect to M. Olaroz Chico, and effective July 13, 2012, and amended in May 2013, with respect to Libertad titles. These agreements require that MAS make payments of US\$1,060 (US\$18 paid) over 81 months in order to earn a 100% interest in the properties. In addition, a 1% NSR royalty is due with an option to buy out the NSR royalty for US\$500.

In addition to the core properties of 5,000 hectares, a further exploration-with-option-to-purchase agreement was signed effective July 11, 2012, and amended in July 2013, for some 9,500 hectares spread over the Cerro Galán, Coyaguaima, Coranzulí, Panizos, and Nazarena properties, which are situated in the district (that also hosts Silver Standard's Pirquitas Ag-Sn mine) but are not contiguous to the Providencia property. This agreement stipulates a series of annual option payments amounting to US\$270 (US\$15 paid) over 72 months as well as a final purchase price of US\$740 in order to earn a 100% interest in the properties. These titles are also subject to a NSR royalty of 1% which can be purchased for US\$500. There is an additional work commitment of US\$100 over the term of the agreement (72 months). In 2011, the Company also applied for two exploration concessions ("cateos") amounting to 15,500 hectares to the south of the core properties of Providencia.

The focus of the project is the La Providencia silver deposit which was discovered in 1969 and which between 1986 and 1997 produced some five million ounces of silver from ore grading >250 g/t Ag. Mineralization is hosted by a gently dipping, poorly consolidated, green conglomerate unit floored and capped by pink mudstones and white sandstones respectively. Compilation of previous exploration data as well as confirmation mapping and sampling have indicated the presence of a number of mineralized lenses largely within the conglomerate unit, but also in the white sandstone immediately above a set of steeply dipping structures.

The most extensive of these lenses, the Main Lens, is located in the central part of the Upper Conglomerate, and was the primary target of previous mining. Four shallow open pits were developed – the North, Central, South, and West Pits, and mineralization in this lens is open along strike to both the north and south, as well as down-dip to the east within the gently dipping Upper Conglomerate. Additional mineralization has been intersected by previous drilling in conglomerate units located below the pink mudstone, and the objective of the Company's drill program, which was started in late August 2011, was to extend known resources in the near surface environment as well as to test for mineralization at depth with a view arriving at a compliant resource statement.

The drilling was undertaken by Major Perforaciones SA, the Argentine subsidiary of Major Drilling Group International Inc. ("Major"). Major mobilized a UDR200D which is capable of drilling at both "H" and "P" diameters. Because of the poorly consolidated nature of the conglomerates, triple tube core barrels were utilized, and recovery was further enhanced with the addition of bentonite and bio-degradable organic polymers to the drilling fluids.

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Resource Properties (continued)

Providencia (continued)

The program was completed in early February 2012, and some 4,519 m were drilled in 41 holes. Core samples were sent to the accredited facilities of ALS Minerals in Mendoza, Argentina for sample preparation and analysis. Sample shipment was facilitated by an arrangement between ALS Minerals and Andesmar, an Argentine-wide bussing and transport company, which includes formally established chain-of-custody protocols. At the lab, the total sample was crushed and a 1kg portion split-off and pulverized.

From this, Ag was analyzed by a fire assay fusion and gravimetric analysis finish procedure ("FA") on a 50 g nominal sample weight, and an additional 33 elements were analyzed for using inductively coupled atomic emission spectroscopy (ICP-AES) after four acid digestion to dissolve most minerals. Any ICP-AES analytical result for Cu, Pb, or Zn exceeding 10,000 ppm, was re-analyzed by FA procedures on a 30g charge. Quality assurance and quality control ("QA/QC") samples were included with the core samples, and this data has been reviewed by Analytical Solutions Ltd ("ASL") of Toronto, Canada.

The program has confirmed that mineralization continues under the mined areas and peripheral to the pits, extending for up to 150 m down-dip to the east, 600 m along strike and has been intersected over down-hole thicknesses averaging some 17 m (above 25 g/t Ag). Mineralization is open to the north and at depth. Significant highlights of the program to date are shown below.

Hole	From (m)	To (m)	Interval (m)	Silver (g/t)
DPR-001	0	19	19	76.5
<i>Including</i>	5	16	11	101.7
DPR-002	0	18	18	85.3
<i>Including</i>	0	14	14	102.2
DPR-003	0	18	18	73.3
<i>Including</i>	0	12	12	100.0
DPR-004	18	27	9	818.9
<i>Including</i>	22	27	5	1,435.6
DPR-005	19	26	7	1,788.2
<i>Including</i>	22	26	4	3,111.5
DPR-014	31	51	20	54.6
<i>Including</i>	32	35	3	152.7
DPR-015	27	44	17	60.2
<i>Including</i>	27	31	4	159.0
DPR-016	24	31	7	284.1
<i>Including</i>	27	30	3	519.0
DPR-017	19	23	4	131.8
DPR-018	0	3	3	182.0
DPR-019	3	26	23	85.2
<i>Including</i>	15	21	6	200.9
DPR-024	15	22	7	99.9
<i>Including</i>	18	21	3	203.5
DPR-026	0	4	4	92.3
DPR-027	9	31	22	85.1
<i>Including</i>	15	30	15	100.6

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Resource Properties (continued)

Providencia (continued)

DPR-028	13	52	39	51.1
<i>Including</i>	<i>13</i>	<i>19</i>	<i>6</i>	<i>105.7</i>
<i>Including</i>	<i>21</i>	<i>24</i>	<i>3</i>	<i>111.7</i>
DPR-033	0	44	44	60.2
<i>Including</i>	<i>9</i>	<i>21</i>	<i>12</i>	<i>104.2</i>
<i>Including</i>	<i>32</i>	<i>38</i>	<i>6</i>	<i>104.1</i>
DPR-034	40	59	19	91.8
<i>Including</i>	<i>48</i>	<i>53</i>	<i>5</i>	<i>200.4</i>
DPR-035	48	55	7	81.6
<i>Including</i>	<i>49</i>	<i>52</i>	<i>3</i>	<i>127.1</i>
DPR-039	149	183	34	59.7
<i>Including</i>	<i>168</i>	<i>174</i>	<i>6</i>	<i>107.5</i>

The Company retained RPA to review and report on the results of the drilling program. RPA prepared a preliminary National Instrument 43-101 compliant resource estimate for an in-pit and underground resource of 5.4 million ounces of silver in the Inferred category as shown below.

**Inferred Mineral Resources - Providencia Project
as at August 31, 2012**

	Cut-Off (g/t Ag)	Tonnes	Ag (g/t)	Cu (%)	Ag (oz)	Cu (lb)
In Pit	40	981,000	155	0.074	4,900,000	72,400
U/G	150	32,900	504	0.249	533,000	8,180
Total		1,014,000	166	0.080	5,430,000	80,600

Notes:

1. CIM definitions were followed for Mineral Resources.
2. Mineral Resources are estimated at the cut-off grades of 40 g/t Ag for open pit and 150 g/t Ag for underground.
3. Mineral Resources are estimated using a long-term silver price of US\$27 per ounce.
4. A nominal minimum mining width of 3 m was used.
5. Bulk density is 2.40 t/m³.
6. Numbers may not add due to rounding.

The estimate was prepared in accordance with NI 43-101 as well as CIM Definition Standards for Mineral Resources and Mineral Reserves (2010), and was based on 41 drill holes completed during the Company's recent first stage drilling program (press release March 2, 2012) as well as the 26 holes undertaken by Cardero Resource Corp. in 2003 and 2004. Holes were drilled every 50 m along fences 50 m apart. The estimate was prepared from interpreted cross- and longitudinal-sections from which wireframe models of the geology and mineralization were developed. These formed the basis for a block model on which pit shells were subsequently superimposed.

A more detailed account of the Company's exploration activities on the Providencia property can be found in the technical report entitled "Technical Report on the Providencia Silver Project, Jujuy Province, Argentina NI 43-101" dated October 8, 2013 (the "Technical Report") and prepared by David W. Rennie, PEng of RPA. This Technical Report is available on the Concordia's SEDAR profile at www.sedar.com.

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Resource Properties (continued)

Providencia (continued)

The drilling not only provided the basis for the preliminary estimate but has indicated the potential to expand these resources significantly between the pits by further drilling and extend it along a well mineralized structure trending NW from the two northerly pits. In addition, there are further targets on the property. As a consequence, the Company is planning on conducting additional surface exploration with a view of outlining additional drill targets prior to implementing a second stage drilling program designed to increase and upgrade the known resources on the property.

Cerro Amarillo

The Company acquired an option to purchase the 16,500 hectare Cerro Amarillo copper-gold property located in the Malargüe District, in the Province of Mendoza, Argentina.

Cerro Amarillo is a copper-gold-molybdenum porphyry prospect, and lies at the southern end of the highly productive late Miocene – Pliocene magmatic arc that hosts the El Teniente and Los Bronces porphyry deposits in Chile. The property comprises some 16,500 hectares and contains three porphyry occurrences (Cerro Amarillo, Cajon Grande, and C4) and an additional four color/alteration anomalies (C2, C3, Dead Cow, and South Anomaly). The three porphyry occurrences lie in a northeast-trending corridor with Cerro Amarillo in the northeast, Cajon Grande in the center, and C4 in the southwest of the 14 km x 11 km property.

Under the option agreement on Cerro Amarillo, entered into in October 2010, the Company has the exclusive right to engage in exploration activities on the properties for up to 52 months before exercising its option to acquire a 100% interest in the properties. The option is exercisable by the Company at any time, however, so long as the exploration program is ongoing, the Company will make payments to the owners of the property, which payments will total US\$525 (US\$200 paid) if the exploration program continues for at least 40 months. In early 2012, an extension of the option for an additional two years was negotiated for further payments of US\$175. When the option is exercised, the Company will pay a final purchase price of US\$2,500. The owners of the property will also be entitled to a 1% NSR in the event the properties are placed into commercial production, which the Company may purchase for US\$3,000. Later in 2012, the owners applied for an additional and contiguous 2,500 hectares directly to the south of the original property and included this area in the original agreement by signing an addendum to the option agreement.

The Company's recently completed 2012 austral summer campaign of detailed mapping and rock sampling within this corridor has outlined three fertile systems with strong indications of large copper-molybdenum-gold potential, and has led to the development of a drill proposal for a first stage drill program at Cerro Amarillo and Cajon Grande mineral occurrences.

The Cerro Amarillo occurrence in the northeast contains a classical porphyry-style mineralized system that includes stockwork, disseminated, breccias, skarn, and vein-types of mineralization. These types of mineralization are zoned with a central porphyry plug containing abundant quartz-magnetite vein stockworks together with disseminated chalcopyrite. This plug is surrounded by mineralized hydrothermal breccias with abundant pyrite which may result in an excellent supergene trap for leached copper and gold. Skarn mineralization occurs in almost perfect ring at the intersection of the vertical cylinder of breccias and the shallow-dipping calcareous sedimentary sequence. At the current level of erosion, almost the entire ring is exposed. Sparse peripheral veins of containing barite, hematite, galena, and sphalerite occur out to a radius of approximately one kilometer. The unique level of exposure of this system would allow the core stockwork-disseminated mineralization, the supergene breccias, and the skarns to be extracted in a single open-pit with a very low stripping ratio.

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Resource Properties (continued)

Cerro Amarillo (continued)

At Cajon Grande, the porphyry intrusions also exhibit copper-gold-molybdenum mineralization and associated hydrothermal alteration. The alteration includes an early stage potassic (quartz biotite) event with associated copper mineralization. This was immediately followed by an intense stockwork veining and associated sodic-calcic (actinolite albite ± sericite) alteration stage. Most of the copper seems to be associated with this event which is also strongly associated with the appearance of magnetite. In addition, low-temperature, sub epithermal, barite siderite sulphide veins occur distal to the porphyry system.

The C4 system in the southwest of the property has the potential to host a very large zone of mineralized porphyry and breccia. There is extensive hydrothermal alteration developed over a six kilometer strike. This alteration includes zones of quartz pyrite with argillic overprinting developed over a strike of at least two kilometers, and extending beyond that into shears and peripheral breccia zones.

Magnetite, magnetite-actinolite, and specular hematite veins, stockworks and breccias occur below this main phyllic zone, and the alteration can be interpreted as a lower sodic-calcic alteration phase, with a possible elongate core of potassic alteration which has not been exposed at surface, telescoped upwards into the strongly developed phyllic zone.

Previous sampling undertaken at the Cerro Amarillo occurrence by BHP in 1998 returned results ranging up to 1.47% Cu, 0.98 g/t Au, and 550 ppm Mo, while an isolated outcrop of dacite dyke returned a value of 57 g/t Au. The Company's confirmation sampling returned values ranging up to 0.78% Cu and 0.89 g/t Au. At Cajon Grande, historic values from a sampling campaign in 2008 ranged up to 4.35% Cu, 4.23 g/t Au and 1500 g/t Ag while Concordia's samples returned values of 1.51% Cu, 2.41 g/t Au, 765 g/t Ag, and 334 ppm Mo. In addition, samples from epithermal veins of barite-siderite-sulphide distal to the intrusion contained up to 8.21% Cu, 2.48 g/t Au and 100 g/t Ag. The C4 sampling gave values up to 0.20% Cu, 170 ppm Mo and 0.15 g/t Au.

Not only has the mapping and sampling indicated the fertility of the systems, but it has also indicated that each system has a large scale footprint indicating large-tonnage Cu-Mo-Au potential. Moreover, Cerro Amarillo's geological similarity to the world class El Teniente and Los Bronces deposits as well as its the location within the extension of the same Neogene magmatic arc are positive indications for future exploration success. As a consequence, further mapping and sampling of the four additionally identified anomalies has been proposed prior to the execution of a first stage target testing drill program for which Meryllion is currently in the process of obtaining the necessary permits and permissions. Towards this end, environmental reports and glaciological studies have been submitted to the Departments of Mining and Environmental Protection for evaluation. Additional sectorial reports from the Department of Water Affairs as well as the Municipality of Malargüe were requested and the meetings have been held with the federal and provincial mining authorities as well as officials of Malargüe who have all expressed their support for the project. The report from the Department of Water Affairs has been completed and all reports are currently being assessed by the Department of Mining.

Qualified Person

Dr. Willem Fuchter P.Geol, CEO of Meryllion Minerals Corp., a qualified person for the purposes of NI 43-101 and has supervised the preparation of the scientific and technical information in this MD&A.

Selected Annual Financial Information

The Meryllion Business financial results reflect the consolidated financial position, statements of comprehensive loss, changes in equity and cash flows of the related Argentine exploration business of Concordia and Meryllion Minerals Corp. The statement of comprehensive loss for the year ended September 30, 2012 include a \$1,145 (September 30, 2011 - \$840) allocation of Concordia's general and administrative expenses. The allocation of general and administrative expenses was calculated on the basis of the ratio of expenditures incurred on the Providencia and Cerro Amarillo properties as compared to the expenditures incurred on all of Concordia's properties during the periods.

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Selected Annual Financial Information (continued)

Management cautions readers of this report, that the allocation of expenses may not be indicative of the actual expenses that would have been incurred had the Company been operating as a separate, stand-alone public company for the periods presented and do not reflect the Company's consolidated results of operations, financial position and cash flows had the Company been a stand-alone public company during the periods presented. The results of operations are not necessarily indicative of the operating results of future years.

The following table provides a brief summary of the Company's financial operations for the past three years. For more detailed information, refer to the audited consolidated financial statements.

	Year ended September 30,		
	2012 \$	2011 \$	2010 ¹ \$
Total assets	740	317	N/A
Exploration and evaluation assets	562	236	N/A
Working capital	144	(152)	N/A
Total comprehensive loss	(5,275)	(2,305)	N/A
Basic and diluted loss per share	(0.34)	(0.19)	N/A

(1) Meryllion Business operations started in fiscal 2011 and therefore 2010 financial results are not applicable.

Total assets increased mainly due to the increase in exploration and evaluation assets and increase in deposits during 2012. Deposits of \$155 were mainly from the drilling program on Providencia. Exploration and evaluation assets increased due to the option payments made on Providencia and Cerro Amarillo properties and a finder's payment of \$100K on Providencia.

The fluctuation in working capital over the year is due to the timing of payments for accounts payables and large balances in deposits during 2012.

The increase in total comprehensive loss during 2012 is mainly due to the exploration expenditures for the drilling at Providencia.

Summary of Selected Quarterly Results (unaudited)

	2013			2012				2011
	Q3 \$	Q2 \$	Q1 \$	Q4 \$	Q3 \$	Q2 \$	Q1 \$	Q4 \$
Total assets	851	844	752	740	678	649	410	317
Exploration and evaluation assets	770	733	569	562	440	431	236	236
Expenses	(283)	(674)	(302)	(571)	(751)	(1,164)	(2,534)	(1,365)
Net loss	(260)	(663)	(301)	(582)	(752)	(1,242)	(2,696)	(1,394)
Total comprehensive loss	(233)	(647)	(295)	(607)	(740)	(1,244)	(2,684)	(1,374)
Basic and diluted loss per share	(0.02)	(0.04)	(0.01)	(0.03)	(0.04)	(0.07)	(0.22)	(0.11)

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

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Summary of Selected Quarterly Results (unaudited) (continued)

Total assets and exploration and evaluation assets increased over the eight quarters mainly due to the option payments made on the Providencia and Cerro Amarillo properties. Expenses and Net loss were higher during the last quarter of 2011 and the first three quarters of 2012 mainly due to the exploration expenses for the drilling program on Providencia and surface exploration on Cerro Amarillo.

Results of Operations – Nine Months Ended June 30, 2013

For the nine months ended June 30, 2013, the Company reported a total comprehensive loss of \$1,175 compared to a total comprehensive loss of \$4,668 for the nine months ended June 30, 2012, of which \$1,259 (2012 - \$4,449) can be attributed to expenses, \$35 (2012 – loss of \$241) to other items, and \$49 (2012 = \$22) to unrealized gain on translation to reporting currency. Expenses were significantly lower during the 2013 period due to the completion of drilling on Providencia in 2012 and no significant exploration programs undertaken in 2013.

Results of Operations – Years ended September 30, 2012 and 2011

For the year ended September 30, 2012, the Company reported a total comprehensive loss of \$5,275 compared to a total comprehensive loss of \$2,305 for the year ended September 30, 2011, of which \$5,020 (2011 - \$2,281) can be attributed to expenses, \$252 (2011 – \$40) to foreign exchange losses, and \$3 (2011 = gain of \$16) to unrealized gain/(losses) on translation to reporting currency.

2012 exploration expenditures of \$3,350 (2011 - \$987) were significantly higher due to the drilling at Providencia and increase in exploration at Cerro Amarillo. The fluctuation in other line items in the expenses category were mainly due to the allocation of Concordia's expenses based on the ratio of expenditures incurred on the Providencia and Cerro Amarillo properties as compared to the expenditures incurred on all of Concordia's properties during the periods.

Liquidity and Capital Resources

Cash Flow Highlights

	Nine Months Ended June 30,	
	2013	2012
	\$	\$
Cash used in operating activities	(1,069)	(4,415)
Cash used in investing activities	(163)	(207)
Cash acquired from financing activities	1,237	4,859
Effect of exchange rate changes on cash	39	(217)
Change in cash	44	20
Cash - beginning of period	21	51
Cash - end of period	65	71

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Liquidity and Capital Resources (continued)

Cash Flow Highlights	Years Ended September 30,	
	2012	2011
	\$	\$
Cash used in operating activities	(5,073)	(1,640)
Cash used in investing activities	(336)	(221)
Cash acquired from financing activities	5,624	1,951
Effect of exchange rate changes on cash	(245)	(39)
Change in cash	(30)	51
Cash - beginning of period	51	-
Cash - end of period	21	51

At June 30, 2013, the Company had cash of \$65 and working capital of \$20 compared to cash of \$21 and working capital of \$144 on September 30, 2012. In October 2013, the Company received \$4,740 cash, subject to post-closing adjustments, from Concordia according to the spin-out transaction. Since inception, the Company has relied on the funding provided by Concordia. Upon completion of the spin out, Concordia's funding will no longer be available to the Company.

The Company anticipates that post-closing of the spin-out transaction with Concordia, it will have sufficient cash to finance its operations for at least 12 months from the date of approval of this report. The Company will be relying on further equity financing as the most likely source of funds for the advancement of one of the Company's exploration assets to a resource delineation or feasibility stage.

Except as disclosed, the Company does not know of any trends, demand, commitments, events or uncertainties that will result in, or that are reasonably likely to result in, its liquidity either materially increasing or decreasing at present or in the foreseeable future. Material increases or decreases in liquidity are substantially determined by the success or failure of the exploration programs.

The Company is not now nor expects in the future to be engaged in currency hedging to offset any risk of currency fluctuations.

Operating Cash Flow

Cash used in operating activities during the nine months ended June 30, 2013, was \$1,069 compared to \$4,415 used during the period ended June 30, 2012. The decrease in operating cash expenditures was primarily due to a decrease in exploration activities in Argentina.

Cash used in operating activities during the year ended September 30, 2012, was \$5,073 compared to \$1,640 used during 2011. The increase in operating cash expenditures was primarily due to the increased exploration activities in Argentina during 2011.

Investing Activities

Investing activities required cash of \$163 during the nine months ended June 30, 2013, compared to \$207 used during the period ended June 30, 2012. The cash used in investing activities during the periods was primarily due to the properties options payments in Argentina.

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Investing Activities (continued)

Investing activities required cash of \$336 during the year ended September 30, 2012, compared to \$221 used during 2011. The cash used in investing activities during 2012 and 2011 was primarily due to the options payments and finder's fees paid for properties in Argentina.

Financing Activities

Financing activities were solely funded by Concordia and resulted in cash of \$1,237 acquired during the nine months ended June 30, 2013, compared to \$4,859 acquired during the period ended June 30, 2012.

Financing activities generated cash of \$5,624 during the year ended September 30, 2012, compared to \$1,951 acquired during 2011.

Commitments

The Company does not have significant commitments, other than property commitments disclosed elsewhere in this report.

Related Party Transactions

The Company did not have any related party transactions, other than those described in the compensation of key management as follows.

Compensation of Key Management

Compensation of key management consist of the amounts of contributions from Concordia representing the allocation of salaries, directors' fees, consulting fees and stock- based compensation of Concordia's key management personal.

The remuneration of directors and other members of key management included:

	For the nine months ended June 30,	For the years ended September 30,	
	2013	2012	2011
	\$	\$	\$
Salaries and benefits	122	260	113
Director's fees, included in salaries and benefits	29	20	-
Benefits paid to director, included in salaries and benefits	1	-	-
Termination benefit included in salaries and benefits	259	-	-
Consulting fees, included in professional fees	16	-	7
Stock-based compensation vested during the period	18	240	382
Total key management compensation	445	520	502

Off-balance Sheet Arrangements

The Company has no off-balance sheet arrangements other than those disclosed under resource properties.

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Share Data Information

As at the date of this MD&A, there is 1 (this number is not in thousands) common share, Nil stock options and Nil warrants outstanding. Upon conclusion of the spin-out transaction, 17,126 common shares will be issued and distributed to shareholders of Concordia.

Financial Instruments

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets are derecognized when the rights to receive cash flows from the assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

All of the Company's financial instruments are classified into one of two categories: loans and receivables or other financial liabilities. All financial instruments are measured in the statement of financial position at fair value initially. Subsequent measurement and changes in fair value will depend on their initial classification. Loans and receivables and other financial liabilities are measured at amortized cost.

Cash and receivables have been designated as loans and receivables. Cash and receivables are included in current assets due to their short term nature.

Accounts payable and accrued liabilities have been designated as other financial liabilities and are include in current liabilities due to their short-term nature.

	June 30, 2013 \$	September 30, 2012 \$	September 30, 2011 \$
Financial assets			
Loans-and -receivables			
Cash	65	21	51
Receivables	1	2	24
Total financial assets	66	23	75
Financial liabilities			
Other-financial-liabilities			
Accounts payable and accrued liabilities	61	34	233
Total financial liabilities	61	34	233

Additional financial instruments disclosure is contained in Note 11 of the Company's consolidated financial statements for the nine months ended June 30, 2013 and years ended September 30, 2012 and 2011.

Risk and Uncertainties

The Company's operations and results are subject to a number of different risks at any given time. These factors, include but are not limited to disclosure regarding exploration, additional financing, project delay, titles to properties, price fluctuations and share price volatility, operating hazards, insurable risks and limitations of insurance, management, foreign country and regulatory requirements, currency fluctuations and environmental regulations risks. Exploration for mineral resources involves a high degree of risk. The cost of conducting programs may be substantial and the likelihood of success is difficult to assess. The Company seeks to counter this risk as far as possible by selecting exploration areas on the basis of their recognized geological potential to host economic deposits.

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Risk and Uncertainties (continued)

A summary of the Company's financial instruments risk exposure is provided in Note 11 of the Company's consolidated financial statements for the nine months ended June 30, 2013 and years ended September 30, 2012 and 2011.

The following are additional risk factors which the Company's management believes are most important in the context of the Company's business. It should be noted that this list is not exhaustive and that other risk factors may apply.

The Company's exploration and mining activities will be in Argentina and will be subject to the risks of political and economic instability associated with this country

Argentina has, from time to time, experienced economic or political instability. The Company may be materially adversely affected by risks associated with conducting exploration and mining activities in Argentina, including: political instability and violence; war and civil disturbance; acts of terrorism; expropriation or nationalization; inequitable treatment of non-domiciled companies; changing fiscal regimes; fluctuations in currency exchange rates; high rates of inflation; underdeveloped industrial and economic infrastructure; and unenforceability of contractual rights.

Argentinean regulators have broad authority to shut down and/or levy fines against operations that do not comply with regulations or standards. In addition, factors such as those listed above, the Company's mineral exploration and potential future mining activities in Argentina may also be affected in varying degrees by government regulations with respect to restrictions on production, price controls, foreign exchange controls, export controls, taxes, royalties, environmental legislation and mine safety. Regardless of the economic viability of the Company's interest in its properties, and despite being beyond the Company's control, such factors may prevent or restrict mining of some or all of any deposits which the Company may find on the its properties.

In May 2012, the government of Argentina re-nationalized Yacimientos Petrolíferos Fiscales ("YPF"), the country's largest oil and gas company. There can be no assurance that the government of Argentina will not nationalize other businesses operating in the country, including the business of the Company.

Provincial governments of Argentina have considerable authority over exploration and mining in their province and there are Argentinean provinces where the provincial government has taken an anti-mining stance by passing laws to curtail or ban mining in those provinces. The current provincial government of Jujuy Province, where the Providencia Project is situated, is supportive of the exploration and mining industry, however such situation may change in the future.

Argentina has, in the past, and is currently enduring a period of high inflation which could increase the Company's operating costs relating to work carried out on its properties. The Company will also purchase certain supplies and retain the services of various companies in Argentina to meet its future business plans. It may be difficult to find or hire qualified people in the mining industry who are situated in Argentina or to obtain all of the necessary services or expertise in Argentina or to conduct operations on its projects at reasonable rates. If qualified people and services or expertise cannot be obtained in Argentina, the Company may need to seek and obtain those services from people located outside of Argentina which will require work permits and compliance with applicable laws and could result in delays and higher costs to the Company to conduct its operations in Argentina. In addition, Argentina's status as a developing country may make it more difficult for the Company to obtain any required financing for its projects. If a dispute arises regarding the Company's interest to its properties, the Company cannot rely on Canadian legal standards in defending or advancing its interests.

As a result, the Company will be subject to various increased economic, political, operational and other risks, any one or more of which could have a material adverse effect on its business, financial condition, and results of operations or prospects.

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Risk and Uncertainties (continued)

The development and success of the Providencia project will be largely dependent on the future price of silver, copper and other metals

Metal price volatility may affect the future production, profitability, and financial condition of the Company. Metal prices are subject to significant fluctuation and are affected by a number of factors which are beyond the control of the Company. Such factors include, but are not limited to, interest rates, exchange rates, inflation or deflation, global supply and demand, and political economic conditions of major metal consuming countries throughout the world. The price of silver, copper, and other metals has fluctuated widely in recent years, and future material price declines could cause development of, and commercial production from, the Projects to be impracticable or uneconomic.

The metals market also tends to move in cycles. Periods of high demand, increasing profits and high capacity utilization lead to additional capacity through expansion of existing mines and investment in new mines which results in increased production. This growth increases supply until the market is saturated, leading to declining prices and declining capacity utilization until the cycle repeats. This cyclical nature in prices can result in supply/demand imbalances and pressures on mineral prices and profit margins which could have a material adverse effect on the Company's business, financial condition, results of operations or prospects.

Depending on the price of silver, copper, and other metals, projected cash flow from planned mining operations may not be sufficient and the Company could be forced to discontinue development and may lose its interest in, or may be forced to sell, one or more of the mining properties. Future production from the Company's mining properties will be dependent on metal prices that are adequate to make these properties economically viable. Furthermore, future mine plans using significantly lower metal prices could result in material write-downs of the Company's investment in mining properties.

In addition to adversely affecting the Company's Mineral Resource Estimate for the Providencia project and any future Mineral Reserve estimates and its financial condition, declining commodity prices can impact operations by requiring a reassessment of the feasibility of a particular project. Such a reassessment may be the result of a management decision or may be required under financing arrangements related to a particular project. If such a reassessment determines that any of the Company's projects are not economically viable, then operations may cease and such projects may never be developed. Even if the projects are ultimately determined to be economically viable, the need to conduct such a reassessment may cause substantial delays or may interrupt operations until the reassessment can be completed. The occurrence of any of the foregoing could have a material adverse effect on the Company's business, financial condition, results of operations or prospects.

Meryllion will need substantial additional financing in the future and cannot assure that such financing will be available

To meet its operating costs and to finance its respective future acquisition, exploration, development and operating costs, the Company will require financing from external sources, including from the sale of equity and debt securities, the sale of an interest in one or more of its mineral projects, entering into joint ventures or seeking other means to meet its financing requirements. There can be no assurance that additional funding will be available to the Company or, if available, that such funding will be offered on terms acceptable to the Company. If additional financing is raised through the issuance of equity or convertible debt securities, control of the Company may change and the interests of shareholders in the net assets of the respective company may be diluted. If unable to secure financing on acceptable terms, the Company may have to cancel or postpone certain of its planned exploration and development activities and may not be able to take advantage of acquisition opportunities. If the Company is unable to complete minimum work obligations on its exploration concessions, the concessions could be relinquished under applicable exploration concession agreements. The failure of the Company to obtain additional financing would have a material adverse effect on its business, financial condition, results of operations or prospects.

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Risk and Uncertainties (continued)

The volatility of the capital markets may affect the Company's access to and cost of capital

Securities markets throughout the world are cyclical and, over time, tend to undergo high levels of price and volume volatility, and the market price of securities of many companies, particularly those in the resource sector, can experience wide fluctuations which are not necessarily related to the operating performance, underlying asset values or prospects of such companies. Increased levels of volatility and resulting market turmoil may adversely impact the Company and its share price. If either the Company is required to access credit markets to carry out their respective development objectives, the state of domestic and international credit markets and other financial systems could affect their respective access to, and cost of, capital. If these credit markets were significantly disrupted, as they were in 2007 and 2008, such disruptions could make it more difficult for the Company to obtain, or increase its cost of obtaining capital and financing for its operations. Such capital may not be available on terms acceptable to the Company or at all, which may have a material adverse impact on its business, financial condition, results of operations or prospects.

Currency fluctuations may affect the costs that the Company incur in its operations

The Company's reporting currency is the Canadian dollar. Any future equity financing activities are expected to be completed in Canadian dollars while a significant portion of operating expenses for the Company will be incurred in Argentine pesos, among other foreign currencies. From time to time, the Company may be required to borrow funds and incur expenditures that are denominated in a foreign currency. In addition, in the event that the Company successfully develops an operating mine, it expects to sell some or all of its products to foreign markets. Metals are sold throughout the world, based principally on a U.S. dollar price, but, a significant portion of the Company's operating expenses are incurred in non-U.S. dollar currencies. The appreciation of the Argentinean peso, the U.S. dollar or any other foreign currency with which the Company operates against the Canadian dollar would increase its cost of operations, which could have a material adverse effect on its business, financial conditions, results of operations and prospects.

Exploration Risk

In addition to the Providencia project, the Company will engage in the potential acquisition and exploration of other resource properties, an inherently risky business, and there is no assurance that economic mineral deposits will ever be discovered, or if discovered, subsequently put into production. Most exploration activities do not result in the discovery of commercially mineable deposits.

Early Stage of Development

The predecessor entity of the Company, Concordia, conducted mineral exploration activities for a relatively short period. There is limited financial, operational and other information available with which to evaluate the prospects of the Company. There can be no assurance that the Company's operations will be profitable in the future or will generate sufficient cash flow to satisfy its working capital requirements.

The Company's prospects depend on its ability to attract and retain qualified personnel

Recruiting and retaining qualified personnel will be critical to the Company's success. The number of persons skilled in the acquisition, exploration and development of mining properties is limited and competition for such persons is intense. The Company believes that it will have the necessary personnel to meet its corporate objectives but, as its business activities grow, it will require additional key financial, administrative, mining and public relations personnel as well as additional staff on the operations side. Although the Company believes that it will be successful in attracting and retaining qualified personnel, there can be no assurance of such success.

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Risk and Uncertainties (continued)

Future mining operations and exploration activities are subject to laws and regulations relating to the protection and remediation of the environment

The Company's future mining operations and exploration activities are and will be subject to laws and regulations relating to the protection and remediation of the environment. Environmental legislation provides for restrictions and prohibitions on spills, releases or emissions of various substances produced in association with certain mining industry operations, such as seepage from tailings disposal areas, which would result in environmental pollution. These laws, regulations and the governmental policies for implementation of such laws and regulations are constantly changing and are generally becoming more restrictive. The costs associated with compliance with these laws and regulations are substantial and possible future laws and regulations and changes to existing laws and regulations (including the imposition of higher taxes and mining royalties) could cause additional expense or capital expenditure, or result in restrictions or delays in the Company's development plans.

The Company cannot give any assurance that, notwithstanding its precautions, breaches of environmental laws, whether inadvertent or not, or environmental pollution will not occur. In the event of any such breach, it is possible that the respective regulatory authority can suspend the rights of the Company, as applicable, to develop its mineral interests.

A breach of environmental laws and regulations may allow governmental authorities and third parties, who have an interest in any future mining operations or the consequences of mining operations, to bring lawsuits based upon damages to property and injury to persons resulting from the environmental impact of the Company's potential future operations which could lead to the imposition of substantial fines, penalties or other civil or criminal sanctions and could have a material adverse effect on the Company's business, financial condition, results of operations or prospects.

If the Company's environmental compliance obligations were to vary as a result of changes to legislation, or if certain assumptions the Company makes to estimate liabilities are incorrect, or if unanticipated conditions were to arise in their respective future mining operations, the respective company's expenses and other obligations could increase, which could have a material adverse effect on the respective company's business, financial condition, results of operations or prospects.

As a participant in the resource extraction industry, the Company may face opposition from local and international groups

There is an increasing level of public concern relating to the effects of mining production on its surroundings, communities, and environment. Certain non-governmental organizations, public interest groups and reporting organizations ("NGOs"), who oppose globalization and resource development and who may not be bound to codes of ethical reporting, can be vocal critics of the mining industry. In addition, there have been many instances in which local community groups have opposed resource extraction activities, which have resulted in disruption and delays to the relevant operation. While the Company will seek to operate in a socially responsible manner, NGOs or local community organizations could direct adverse publicity and/or disrupt its operations in respect of one or more properties, regardless of the Company's successful compliance with social and environmental best practices, due to political factors, activities of unrelated third parties on lands in which the Company has an interest or operates. Any such actions and the resulting media coverage could have an adverse effect on the reputation and financial condition of the Company, as applicable, or its relationships with the communities in which it operates, which could have a material adverse effect on the Company's business, financial condition, results of operations or prospects.

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Risk and Uncertainties (continued)

The costs of complying with applicable laws and governmental regulations may have an adverse impact on the Company's business

The Company's operations and exploration activities will be subject to laws and regulations governing various matters. These include laws and regulations relating to repatriation of capital and exchange controls, taxation, labour standards and occupational health and safety and historic and cultural preservation.

Amendments to current laws, regulations and permits governing operations and activities of mining companies, or the more stringent enforcement thereof, could have a material adverse effect on the Company's business, financial condition, results of operations or prospects by increasing exploration expenses, future capital expenditures or future production costs or by reducing the future level of production, or cause the abandonment of or delays in the development of the Providencia Project.

The Company's insurance coverage may not cover all of its potential losses, liabilities and damages related to its business and certain risks are uninsured or uninsurable

The Company's business will be subject to a number of risks and hazards (as further described herein). Although the Company will maintain insurance to protect against certain risks in such amounts as it considers to be reasonable, such insurance will not cover all the potential risks associated with its activities, including any future mining operations. The Company may also be unable to maintain insurance to cover its risks at economically feasible premiums, or at all. Insurance coverage may not continue to be available or may not be adequate to cover any resulting liability. Moreover, insurance against risks such as environmental pollution or other hazards as a result of exploration or production may not be available to the Company on acceptable terms. The Company might also become subject to liability for pollution or other hazards which it is not currently insured against and/or in the future may not insure against because of premium costs or other reasons. Losses from these events may cause the Company to incur significant costs which could have a material adverse effect on the the Company's business, financial condition, results of operations or prospects.

Mining is inherently dangerous and subject to factors or events beyond the Company's control

The Company's business, and any future development or mining operations, will involve various types of risks and hazards typical of companies engaged in the mining industry. These risks will affect the exploration, development and refurbishment activities of the Company, and will affect its business to an even larger extent once commercial mining operations, if any, commence. Such risks include, but are not limited to: (i) industrial accidents; (ii) unusual or unexpected rock formations; (iii) structural cave-ins or slides and pitfall, ground or slope failures and accidental release of water from surface storage facilities; (iv) fire, flooding and earthquakes; (v) rock bursts; (vi) metals losses; (vii) periodic interruptions due to inclement or hazardous weather conditions; (viii) environmental hazards; (ix) discharge of pollutants or hazardous materials; (x) failure of processing and mechanical equipment and other performance problems; (xi) geotechnical risks, including the stability of the underground hanging walls and unusual and unexpected geological conditions; (xii) unanticipated variations in grade and other geological problems, water, surface or underground conditions; (xiii) labour disputes or slowdowns; (xiv) work force health issues as a result of working conditions; and (xv) force majeure events, or other unfavorable operating conditions.

These risks, conditions and events could result in: (i) damage to, or destruction of, the value of, the Providencia project or its facilities; (ii) personal injury or death; (iii) environmental damage to the Providencia project or the properties of others; (iv) delays or prohibitions on mining or the transportation of minerals; (v) monetary losses; and (vi) potential legal liability. Any of the foregoing could have a material adverse effect the Company's business, financial condition, results of operation or prospects.

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Risk and Uncertainties (continued)

Directors and officers may be subject to conflicts of interest

Certain directors and officers of the Company are or may become associated with other mining and/or mineral exploration and development companies which may give rise to conflicts of interest. Directors who have a material interest in any person who is a party to a material contract or a proposed material contract with the company with which they serve are required, subject to certain exceptions, to disclose that interest and generally abstain from voting on any resolution to approve such a contract. In addition, directors and officers are required to act honestly and in good faith with a view to the best interests of their respective company. Some of the directors and officers have either other full-time employment or other business or time restrictions placed on them and accordingly, the Company will not be the only business enterprise of these directors and officers. Further, any failure of the directors or officers of the Company to address these conflicts in an appropriate manner, or to allocate opportunities that they become aware of to the Company, could have a material adverse effect on the Company's business, financial condition, results of operations or prospects.

Competition in the mining industry may adversely affect the Company

The mining industry is intensely competitive. The Company will compete with other mining companies, many of which have greater resources and experience. Competition in the mining industry is primarily for: (i) properties which can be developed and can produce economically; (ii) the technical expertise to find, develop, and operate such properties; (iii) labour to operate the properties; and (iv) capital to fund such properties. Such competition may result in the Company being unable to acquire desired properties, to recruit or retain qualified employees or to acquire the capital necessary to fund their respective operations and develop their respective properties. The Company's inability to compete with other mining companies for these resources could have a material adverse effect on the Company's business, financial condition, results of operations or prospects.

Critical Accounting Estimates

Critical accounting estimates are accounting policies that have been identified as being complex or involving subjective judgments or assessments, as follows:

- the point in time that an economic feasibility study has established the presence of proven and probable reserves;
- allocation of expenses from Concordia;
- deferred tax assets not recorded in the consolidated financial statements.

In accordance with IAS 21 "The Effects of Changes in Foreign Exchange Rates", management determined that the functional currency of Meryllion is the Canadian dollar, the functional currency of the Company's wholly-owned subsidiaries Meryllion Minerals Corp. and Meryllion Argentina SA is US dollars as these are the currencies of the primary economic environment in which the companies operate.

Functional and Presentation Currency

Items included in the financial statements of each of the group's entities are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The consolidated financial statements are presented in Canadian dollars, while subsidiaries have either Canadian Dollar or US Dollar functional currencies.

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Key Accounting Policies

Provisions for Close Down and Restoration and for Environmental Cleanup Costs

Close down and restoration costs include dismantling and demolition of infrastructure and the removal of residual materials and remediation of disturbed areas. Estimated close down and restoration costs are provided for in the accounting period when the obligation arising from the related disturbance occurs, based on the net present value of estimated future costs. The cost estimates are updated during the life of the operation to reflect known development, such as revisions to cost estimates and to the estimated lives of the operations, and are subject to formal reviews at regular intervals.

The initial closure provision together with changes resulting from changes in estimated cash flows or discount rates are capitalized within property, plant and equipment. These costs are then depreciated over the lives of the asset to which they relate, typically using the units of production method. The amortization or unwinding of the discount applied in establishing the net present value of provisions is charged to the income statement as a financing cost. Provision is made for the estimated present value of the costs of environmental cleanup obligations outstanding at the balance sheet date. These costs are charged to the income statement as an operating cost. As at June 30, 2013, the Company does not have any material provisions for the close down and restoration and for environmental cleanup costs.

Exploration and Evaluation Assets

Exploration expenditures are expensed as incurred until an economic feasibility study has established the presence of proven and probable reserves, at which time development expenditures incurred on the property thereafter are capitalized. Costs relating to the acquisition and claim maintenance of mineral properties (including option payments and annual fees to maintain the property in good standing) are capitalized and deferred by property until the project to which they relate is sold, abandoned, impaired or placed into production.

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

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

Impairment of Long-lived Assets

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

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

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Key Accounting Policies (continued)

Income Taxes

Income tax expense comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity. Current tax 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 is recorded using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Temporary differences are not provided for the initial recognition of assets or liabilities that affect neither accounting nor taxable loss differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. To the extent that the Company does not consider it probable that a deferred tax asset will be recovered, it provides a valuation allowance against that excess.

Stock - Based Compensation

The Company may grant stock options to buy common shares of the Company to directors, officers, employees and service providers. The fair value of stock options granted by the Company is treated as compensation costs in accordance with IFRS 2 - Share-based Payments. These costs are charged to the statement of loss or, if appropriate, are capitalized to exploration and evaluation assets over the stock option vesting period. The Company's allocation of share-based payments is consistent with its treatment of other types of compensation for each recipient.

Each tranche in an award is considered a separate award with its own vesting period and grant date fair value. Fair value of each tranche is measured at the date of grant using the Black-Scholes option pricing model. Compensation expense is recognized over the tranche's vesting period based on the number of awards expected to vest, by increasing contributed surplus. The number of awards expected to vest is reviewed at least annually, with any impact being recognized immediately.

Where equity instruments are granted to non-employees, they are recorded at the fair value of the goods or services received in the consolidated statement of comprehensive loss/income, 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. The fair value of stock options granted to non-employees is re-measured at the earlier of each financial reporting or vesting date, and any adjustment is charged or credited to operations upon re-measurement.

Valuation of Equity Units Issued in Private Placements

The Company has adopted a residual value method with respect to the measurement of shares and warrants issued as private placement units. The residual value method first allocates value to the more easily measurable component based on fair value and then the residual value, if any, to the less easily measurable component. The fair value of the common shares issued in the private placements was determined to be the more easily measurable component and were valued at their fair value, as determined by the closing quoted bid price on the announcement date. The balance, if any, was allocated to the attached warrants. The value attributed to the warrants is recorded as contributed surplus. If the warrants are exercised, the value attributable to the warrants is transferred to share capital.

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Key Accounting Policies (continued)

Foreign Currency Transactions

Transactions and Balances

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

Exchange differences arising on the translation of non-monetary items are recognized in other comprehensive income (loss) in the consolidated statement of comprehensive loss to the extent that gains and losses arising on those non-monetary items are also recognized in other comprehensive income (loss). Where the non-monetary gain or loss is recognized in profit or loss, the exchange component is also recognized in profit or loss.

Parent and Subsidiary Companies

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

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

Exchange differences are transferred directly to the consolidated statement of comprehensive loss and are reported as a separate component of shareholders' equity titled "Cumulative Translation Adjustment". These differences are recognized in the profit or loss in the period in which the operation is disposed of.

Investor Relations

Terry Krepiakovich, CEO, President and Director, coordinates investor relations' activities.

Change in Directors and Management

The Company appointed the following individuals as directors and officers:

David Birkenshaw, Executive Chairman and Director;
Terry Krepiakovich, CEO, President and Director;
John Fognani, Director;
Borden Putnam, Director;
Gregory Shenton, Director; and
Eduard Epshtein, CFO.

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Forward Looking Statements

Certain of the statements made and information contained herein is "forward-looking information" within the meaning of the British Columbia Securities Act. These statements relate to future events or the Company's future performance. All statements, other than statements of historical fact, may be forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "plan", "continue", "estimate", "expect", "may", "will", "project", "predict", "propose", "potential", "targeting", "intend", "could", "might", "should", "believe" and similar expressions. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. The Company believes that the expectations reflected in those forward-looking statements are reasonable but no assurance can be given that these expectations will prove to be correct and such forward-looking statements included in this MD&A should not be unduly relied upon by investors as actual results may vary. These statements speak only as of the date of this MD&A and are expressly qualified, in their entirety, by this cautionary statement.

In particular, this MD&A contains forward-looking statements, pertaining to the following: capital expenditure programs, development of resources, treatment under governmental and taxation regimes, expectations regarding the Company's ability to raise capital, expenditures to be made by the Company on its properties and work plans to be conducted by the Company. With respect to forward-looking statements listed above and contained in the MD&A, the Company has made assumptions regarding, among other things:

- uncertainties relating to receiving mining and exploration permits in Argentina;
- the impact of increasing competition in gold, silver and copper business;
- unpredictable changes to the market prices for gold, silver and copper;
- exploration and developments costs for its properties;
- availability of additional financing or joint-venture partners;
- anticipated results of exploration activities;
- the Company's ability to obtain additional financing on satisfactory terms.

The Company's actual results could differ materially from those anticipated in these forward-looking statements as a result of the risk factors set forth below and elsewhere in this MD&A, volatility in the market price for minerals; uncertainties associated with estimating resources; geological, technical, drilling and processing problems; liabilities and risks, including environmental liabilities and risks, inherent in mineral exploration; fluctuations in currencies and interest rates; incorrect assessments of the value of acquisitions; unanticipated results of exploration activities; competition for, amongst other things, capital, undeveloped lands and skilled personnel; lack of availability of additional financing and/or joint venture partners and unpredictable weather conditions.

Investors should not place undue reliance on forward-looking statements as the plans, intentions or expectations upon which they are based might not occur. Readers are cautioned that the foregoing lists of factors are not exhaustive. The forward-looking statements contained in this MD&A are expressly qualified by this cautionary statement. The Company does not undertake any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, unless required by law.

Schedule "G"
Unaudited Pro Forma Statement of Financial Position for New Concordia

Concordia Resources Corp. and HPX Assets

Pro Forma Consolidated Statement of Financial Position

Pursuant to a Share Purchase Agreement as at June 30, 2013

Expressed in thousands of Canadian dollars, unless otherwise stated

1. Basis of presentation

The unaudited pro-forma Statement of Financial Position should be read in conjunction with the audited consolidated financial statements for the year ended September 30, 2012, and the unaudited condensed interim consolidated financial statements for the nine months ended June 30, 2013, of Concordia Resources Corp. ("Concordia" or the "Company").

In the opinion of management, the pro-forma consolidated Statement of Financial Positions presented include all of the adjustments and assumptions, contained in Notes 2 to 4, necessary for fair presentation. The pro-forma unaudited consolidated Statement of Financial Positions are presented as though the transaction occurred at June 30, 2013, with pro-forma adjustments for any significant transactions.

This pro-forma Statement of Financial Position of New Concordia, (which represents the combination of HPX Assets ("HPX") and post-spinout Concordia), has been prepared for inclusion in the Information Circular of the Company dated October 16, 2013. Pursuant to the HPX Asset Purchase Agreement (the "Asset Purchase Agreement") between the Company and HPX dated October 1, 2013, the Company is expected to acquire all of HPX in exchange for New Concordia common shares, totaling approximately 85% of the issued and outstanding New Concordia's common shares.

The HPX assets acquired by the Company include i) \$5 million in cash subject to certain post-closing adjustments; ii) an 80% interest in Ebende Resources, the holder of the Ebende Rights and certain other mineral exploration assets; iii) assignment of the Fairholme Option Agreement; iv) a \$5 million line of credit and v) access to the preferential rights to a proprietary mineral exploration technology.

The HPX Asset Purchase Agreement (the "Transaction") provides for certain pre-conditions including:

- a) A Plan of Arrangement resulting in the Company consolidating its common shares on a five (5) to one (1) basis,
- b) The Company's transfer of Meryllion net assets to Meryllion Resources Corp, a wholly-owned subsidiary of the Company,
- c) The spin-out of all the Company's equity interest in Meryllion Resources Corp. to the Company's shareholders,
- d) The Company increasing its ownership interest in Ebende Resources from 10% to 20%, for a cash consideration of \$750,000 and the issuance of 1,666,667 post-consolidation common shares of the Company.

After the Transaction effective date, Meryllion Resources Corp. will exist as a separate Exchange listed mineral exploration and development company, with a general focus on South America and a particular focus on Argentina.

For purposes of this pro-forma Statement of Financial Position, it is assumed that there are no tax consequences and no income tax effect is being recorded.

According to IFRS 3 accounting standards, reverse take-over accounting is applicable to the Transaction as HPX is deemed to be acquiring entity. Also according to same rules, Concordia and HPX do not meet the definition of a business so the accounting for the Transaction is being treated as an asset acquisition. Consequently no pro-forma income statements are been presented.

Concordia Resources Corp. and HPX Assets

Pro Forma Consolidated Statement of Financial Position

Pursuant to a Share Purchase Agreement as at June 30, 2013

Expressed in thousands of Canadian dollars, unless otherwise stated

1. Basis of presentation (continued)

The unaudited pro-forma Statement of Financial Position has been prepared by management using accounting policies consistent with International Financial Reporting Standards ("IFRS") as prescribed by the International Accounting Standards Board ("IASB").

This unaudited pro-forma Statement of Financial Position is presented for illustrative purposes and is not intended to reflect the financial position that would have occurred if the events reflected therein had been in effect at the Transaction date.

2. Pro-forma transactions and adjustments

The following adjustments have been reflected in the Company's unaudited pro-forma Statement of Financial Position:

(a) To record estimated costs of the transaction of \$1,500,000, with an offset to accounts payable. These transactions are one-time and include legal, accounting fairness opinion fees and employment termination provisions. The transaction costs will be recorded when they are incurred and may differ from the estimate,

(b) To remove the consolidated assets and liabilities transferred from the Company to Meryllion Minerals Corporation at book value,

(c) To record the Company's acquisition of Ebende 10% ownership interest,

(d) To reflect the estimated fair market value of the Company's net assets, after spin-out,

(e) The legal acquisition of HPX by the Company is expected to be accounted for as a reverse takeover transaction. The adjustment reflects the reduction in the Company's equity resulting from HPX \$5.2 million acquisition of the Company's net assets.

The following is a summary of the adjustments:

(a) Accounts payable		(1,500)
Deficit	1,500	
Estimated costs to complete the Transaction		
(b) Cash and cash equivalents		(3,661)
Receivables		(1)
Prepaid expenses and deposits		(16)
Exploration and evaluation assets		(769)
Investment in Western Lithium		(3,540)
Accounts payable and accrued liabilities	61	
Contributed surplus	7,926	
	<u>7,987</u>	<u>(7,987)</u>

to record the spin out of net assets to Meryllion Resources Corp.

Concordia Resources Corp. and HPX Assets

Pro Forma Consolidated Statement of Financial Position

Pursuant to a Share Purchase Agreement as at June 30, 2013

Expressed in thousands of Canadian dollars, unless otherwise stated

2. Pro-forma transactions and adjustments (continued)

Summary of Adjustment (continued)

(c) Cash		(750)
Mineral property acquisition	1,258	
Share capital		(508)
	1,258	(1,258)

Acquisition of the Bugeco mineral property interest

(d) Mineral property interest		(13,490)
Capital assets		(362)
Deficit	13,852	
	13,852	(13,852)

To adjust Concordia fixed assets to their fair market value

(e) Share capital	78,978	
Accumulated Other Comprehensive Loss		(112)
Contributed surplus	1,690	
Deficit		(80,556)
	80,668	(80,668)

To record the reverse takeover elimination of Concordia equity

(f) Contributed surplus	2,608	
Share capital		2,608

To capitalize into share capital the contributed surplus contributed by HPX Asset

3. Share Capital

Concordia's share capital after the completion of the Transaction and the 5 to 1 consolidation as if the Transaction had occurred at June 30, 2013, is as follows:

Concordia's share capital after the completion of the Transaction and the 5 to 1 consolidation as if the Transaction had occurred at June 30, 2013, is as follows:

	Number of shares	Cdn\$ (000)
HPX Assets - Share Capital - opening	-	-
Shares issuance		
Issuance of share capital on RTO to existing Concordia shareholders	17,125,510	6,486
Common shares issued for the Bugeco acquisition	1,666,667	508
Issuance of share capital to existing HPX Assets owners	106,489,003	7,797
Common Shares issued, Concordia Resources Corp., after the completion of the Asset Purchase Agreement	125,281,180	14,791

Concordia Resources Corp. and HPX Assets

Pro Forma Consolidated Statement of Financial Position

Pursuant to a Share Purchase Agreement as at June 30, 2013

Expressed in thousands of Canadian dollars, unless otherwise stated

4. Income taxes

No value has been ascribed to any acquired tax losses carried forward obtained by HPX as part of the Transaction, as HPX is an exploration company and has no source of revenue, and it is not known whether sufficient future taxable profits will be available to utilize these losses prior to expiry.

The effective tax rate applicable to the consolidated operations will be 26%.

Schedule "H"
Dissent Rights Under the British Columbia Business Corporations Act

Definitions and application

237(1) In this Division:

"dissenter" means a shareholder who, being entitled to do so, sends written notice of dissent when and as required by section 242;

"notice shares" means, in relation to a notice of dissent, the shares in respect of which dissent is being exercised under the notice of dissent;

"payout value" means,

- a) in the case of a dissent in respect of a resolution, the fair value that the notice shares had immediately before the passing of the resolution,
- b) in the case of a dissent in respect of an arrangement approved by a court order made under section 291 (2) (c) that permits dissent, the fair value that the notice shares had immediately before the passing of the resolution adopting the arrangement,
- c) in the case of a dissent in respect of a matter approved or authorized by any other court order that permits dissent, the fair value that the notice shares had at the time specified by the court order, or
- d) in the case of a dissent in respect of a community contribution company, the value of the notice shares set out in the regulations

excluding any appreciation or depreciation in anticipation of the corporate action approved or authorized by the resolution or court order unless exclusion would be inequitable.

(2) This Division applies to any right of dissent exercisable by a shareholder except to the extent that

- a) the court orders otherwise, or
- b) in the case of a right of dissent authorized by a resolution referred to in section 238 (1)(g), the court orders otherwise or the resolution provides otherwise.

Right to dissent

238(1) A shareholder of a company, whether or not the shareholder's shares carry the right to vote, is entitled to dissent as follows:

- a) under section 260, in respect of a resolution to alter the articles
 - (i) to alter restrictions on the powers of the company or on the business the company is permitted to carry on; or
 - (ii) without limiting subparagraph (i), in the case of a community contribution company, to alter any of the company's community purposes within the meaning of section 51.91;
 - b) under section 272, in respect of a resolution to adopt an amalgamation agreement;
 - c) under section 287, in respect of a resolution to approve an amalgamation under Division 4 of Part 9;
 - d) in respect of a resolution to approve an arrangement, the terms of which arrangement permit dissent;
 - e) under section 301 (5), in respect of a resolution to authorize or ratify the sale, lease or other disposition of all or substantially all of the company's undertaking;
 - f) under section 309, in respect of a resolution to authorize the continuation of the company into a jurisdiction other than British Columbia;
 - g) in respect of any other resolution, if dissent is authorized by the resolution;
 - h) in respect of any court order that permits dissent.
- (2) A shareholder wishing to dissent must

- a) prepare a separate notice of dissent under section 242 for
 - (i) the shareholder, if the shareholder is dissenting on the shareholder's own behalf, and
 - (ii) each other person who beneficially owns shares registered in the shareholder's name and on whose behalf the shareholder is dissenting,
 - b) identify in each notice of dissent, in accordance with section 242 (4), the person on whose behalf dissent is being exercised in that notice of dissent, and
 - c) dissent with respect to all of the shares, registered in the shareholder's name, of which the person identified under paragraph (b) of this subsection is the beneficial owner.
- (3) Without limiting subsection (2), a person who wishes to have dissent exercised with respect to shares of which the person is the beneficial owner must
- a) dissent with respect to all of the shares, if any, of which the person is both the registered owner and the beneficial owner, and
 - b) cause each shareholder who is a registered owner of any other shares of which the person is the beneficial owner to dissent with respect to all of those shares.

Waiver of right to dissent

239(1) A shareholder may not waive generally a right to dissent but may, in writing, waive the right to dissent with respect to a particular corporate action.

(2) A shareholder wishing to waive a right of dissent with respect to a particular corporate action must

- a) provide to the company a separate waiver for
 - (i) the shareholder, if the shareholder is providing a waiver on the shareholder's own behalf, and
 - (ii) each other person who beneficially owns shares registered in the shareholder's name and on whose behalf the shareholder is providing a waiver, and
- b) identify in each waiver the person on whose behalf the waiver is made.

(3) If a shareholder waives a right of dissent with respect to a particular corporate action and indicates in the waiver that the right to dissent is being waived on the shareholder's own behalf, the shareholder's right to dissent with respect to the particular corporate action terminates in respect of the shares of which the shareholder is both the registered owner and the beneficial owner, and this Division ceases to apply to

- a) the shareholder in respect of the shares of which the shareholder is both the registered owner and the beneficial owner, and
- b) any other shareholders, who are registered owners of shares beneficially owned by the first mentioned shareholder, in respect of the shares that are beneficially owned by the first mentioned shareholder.

(4) If a shareholder waives a right of dissent with respect to a particular corporate action and indicates in the waiver that the right to dissent is being waived on behalf of a specified person who beneficially owns shares registered in the name of the shareholder, the right of shareholders who are registered owners of shares beneficially owned by that specified person to dissent on behalf of that specified person with respect to the particular corporate action terminates and this Division ceases to apply to those shareholders in respect of the shares that are beneficially owned by that specified person.

Notice of resolution

240(1) If a resolution in respect of which a shareholder is entitled to dissent is to be considered at a meeting of shareholders, the company must, at least the prescribed number of days before the date of the proposed meeting, send to each of its shareholders, whether or not their shares carry the right to vote,

- a) a copy of the proposed resolution, and
- b) a notice of the meeting that specifies the date of the meeting, and contains a statement advising of the right to send a notice of dissent.

(2) If a resolution in respect of which a shareholder is entitled to dissent is to be passed as a consent resolution of shareholders or as a resolution of directors and the earliest date on which that resolution can be passed is specified in the resolution or in the statement referred to in paragraph (b), the company may, at least 21 days before that specified date, send to each of its shareholders, whether or not their shares carry the right to vote,

- a) a copy of the proposed resolution, and
- b) a statement advising of the right to send a notice of dissent.

(3) If a resolution in respect of which a shareholder is entitled to dissent was or is to be passed as a resolution of shareholders without the company complying with subsection (1) or (2), or was or is to be passed as a directors' resolution without the company complying with subsection (2), the company must, before or within 14 days after the passing of the resolution, send to each of its shareholders who has not, on behalf of every person who beneficially owns shares registered in the name of the shareholder, consented to the resolution or voted in favour of the resolution, whether or not their shares carry the right to vote,

- a) a copy of the resolution,
- b) a statement advising of the right to send a notice of dissent, and
- c) if the resolution has passed, notification of that fact and the date on which it was passed.

(4) Nothing in subsection (1), (2) or (3) gives a shareholder a right to vote in a meeting at which, or on a resolution on which, the shareholder would not otherwise be entitled to vote.

Notice of court orders

241 If a court order provides for a right of dissent, the company must, not later than 14 days after the date on which the company receives a copy of the entered order, send to each shareholder who is entitled to exercise that right of dissent

- a) a copy of the entered order, and
- b) a statement advising of the right to send a notice of dissent.

Notice of dissent

242(1) A shareholder intending to dissent in respect of a resolution referred to in section 238 (1) (a), (b), (c), (d), (e) or (f) must,

- a) if the company has complied with section 240 (1) or (2), send written notice of dissent to the company at least 2 days before the date on which the resolution is to be passed or can be passed, as the case may be,
- b) if the company has complied with section 240 (3), send written notice of dissent to the company not more than 14 days after receiving the records referred to in that section, or
- c) if the company has not complied with section 240 (1), (2) or (3), send written notice of dissent to the company not more than 14 days after the later of
 - (i) the date on which the shareholder learns that the resolution was passed, and
 - (ii) the date on which the shareholder learns that the shareholder is entitled to dissent.

(2) A shareholder intending to dissent in respect of a resolution referred to in section 238 (1) (g) must send written notice of dissent to the company

- a) on or before the date specified by the resolution or in the statement referred to in section 240 (2) (b) or (3) (b) as the last date by which notice of dissent must be sent, or
- b) if the resolution or statement does not specify a date, in accordance with subsection (1) of this section.

(3) A shareholder intending to dissent under section 238 (1) (h) in respect of a court order that permits dissent must send written notice of dissent to the company

- a) within the number of days, specified by the court order, after the shareholder receives the records referred to in section 241, or
- b) if the court order does not specify the number of days referred to in paragraph (a) of this subsection, within 14 days after the shareholder receives the records referred to in section 241.

(4) A notice of dissent sent under this section must set out the number, and the class and series, if applicable, of the notice shares, and must set out whichever of the following is applicable:

- a) if the notice shares constitute all of the shares of which the shareholder is both the registered owner and beneficial owner and the shareholder owns no other shares of the company as beneficial owner, a statement to that effect;
- b) if the notice shares constitute all of the shares of which the shareholder is both the registered owner and beneficial owner but the shareholder owns other shares of the company as beneficial owner, a statement to that effect and
 - (i) the names of the registered owners of those other shares,
 - (ii) the number, and the class and series, if applicable, of those other shares that are held by each of those registered owners, and
 - (iii) a statement that notices of dissent are being, or have been, sent in respect of all of those other shares;
- c) if dissent is being exercised by the shareholder on behalf of a beneficial owner who is not the dissenting shareholder, a statement to that effect and
 - (i) the name and address of the beneficial owner, and
 - (ii) a statement that the shareholder is dissenting in relation to all of the shares beneficially owned by the beneficial owner that are registered in the shareholder's name.

(5) The right of a shareholder to dissent on behalf of a beneficial owner of shares, including the shareholder, terminates and this Division ceases to apply to the shareholder in respect of that beneficial owner if subsections (1) to (4) of this section, as those subsections pertain to that beneficial owner, are not complied with.

Notice of intention to proceed

243(1) A company that receives a notice of dissent under section 242 from a dissenter must,

- a) if the company intends to act on the authority of the resolution or court order in respect of which the notice of dissent was sent, send a notice to the dissenter promptly after the later of
 - (i) the date on which the company forms the intention to proceed, and
 - (ii) the date on which the notice of dissent was received, or
 - b) if the company has acted on the authority of that resolution or court order, promptly send a notice to the dissenter.
- (2) A notice sent under subsection (1) (a) or (b) of this section must
- a) be dated not earlier than the date on which the notice is sent,
 - b) state that the company intends to act, or has acted, as the case may be, on the authority of the resolution or court order, and
 - c) advise the dissenter of the manner in which dissent is to be completed under section 244.

Completion of dissent

244(1) A dissenter who receives a notice under section 243 must, if the dissenter wishes to proceed with the dissent, send to the company or its transfer agent for the notice shares, within one month after the date of the notice,

- a) a written statement that the dissenter requires the company to purchase all of the notice shares,
- b) the certificates, if any, representing the notice shares, and
- c) if section 242 (4) (c) applies, a written statement that complies with subsection (2) of this section.

(2) The written statement referred to in subsection (1) (c) must

- a) be signed by the beneficial owner on whose behalf dissent is being exercised, and

- b) set out whether or not the beneficial owner is the beneficial owner of other shares of the company and, if so, set out
 - (i) the names of the registered owners of those other shares,
 - (ii) the number, and the class and series, if applicable, of those other shares that are held by each of those registered owners, and
 - (iii) that dissent is being exercised in respect of all of those other shares. (3) After the dissenter has complied with subsection (1),
 - c) the dissenter is deemed to have sold to the company the notice shares, and
 - d) the company is deemed to have purchased those shares, and must comply with section 245, whether or not it is authorized to do so by, and despite any restriction in, its memorandum or articles.
- (4) Unless the court orders otherwise, if the dissenter fails to comply with subsection (1) of this section in relation to notice shares, the right of the dissenter to dissent with respect to those notice shares terminates and this Division, other than section 247, ceases to apply to the dissenter with respect to those notice shares.
- (5) Unless the court orders otherwise, if a person on whose behalf dissent is being exercised in relation to a particular corporate action fails to ensure that every shareholder who is a registered owner of any of the shares beneficially owned by that person complies with subsection (1) of this section, the right of shareholders who are registered owners of shares beneficially owned by that person to dissent on behalf of that person with respect to that corporate action terminates and this Division, other than section 247, ceases to apply to those shareholders in respect of the shares that are beneficially owned by that person.
- (6) A dissenter who has complied with subsection (1) of this section may not vote, or exercise or assert any rights of a shareholder, in respect of the notice shares, other than under this Division.

Payment for notice shares

245(1) A company and a dissenter who has complied with section 244 (1) may agree on the amount of the payout value of the notice shares and, in that event, the company must

- a) promptly pay that amount to the dissenter, or
 - b) if subsection (5) of this section applies, promptly send a notice to the dissenter that the company is unable lawfully to pay dissenters for their shares.
- (2) A dissenter who has not entered into an agreement with the company under subsection (1) or the company may apply to the court and the court may
- a) determine the payout value of the notice shares of those dissenters who have not entered into an agreement with the company under subsection (1), or order that the payout value of those notice shares be established by arbitration or by reference to the registrar, or a referee, of the court,
 - b) join in the application each dissenter, other than a dissenter who has entered into an agreement with the company under subsection (1), who has complied with section 244 (1), and
 - c) make consequential orders and give directions it considers appropriate.
- (3) Promptly after a determination of the payout value for notice shares has been made under subsection (2) (a) of this section, the company must
- a) pay to each dissenter who has complied with section 244 (1) in relation to those notice shares, other than a dissenter who has entered into an agreement with the company under subsection (1) of this section, the payout value applicable to that dissenter's notice shares, or
 - b) if subsection (5) applies, promptly send a notice to the dissenter that the company is unable lawfully to pay dissenters for their shares.
- (4) If a dissenter receives a notice under subsection (1) (b) or (3) (b),
- a) the dissenter may, within 30 days after receipt, withdraw the dissenter's notice of dissent, in which case the company is deemed to consent to the withdrawal and this Division, other than section 247, ceases to apply to the dissenter with respect to the notice shares, or

b) if the dissenter does not withdraw the notice of dissent in accordance with paragraph (a) of this subsection, the dissenter retains a status as a claimant against the company, to be paid as soon as the company is lawfully able to do so or, in a liquidation, to be ranked subordinate to the rights of creditors of the company but in priority to its shareholders.

(5) A company must not make a payment to a dissenter under this section if there are reasonable grounds for believing that

- a) the company is insolvent, or
- b) the payment would render the company insolvent.

Loss of right to dissent

246 The right of a dissenter to dissent with respect to notice shares terminates and this Division, other than section 247, ceases to apply to the dissenter with respect to those notice shares, if, before payment is made to the dissenter of the full amount of money to which the dissenter is entitled under section 245 in relation to those notice shares, any of the following events occur:

- a) the corporate action approved or authorized, or to be approved or authorized, by the resolution or court order in respect of which the notice of dissent was sent is abandoned;
- b) the resolution in respect of which the notice of dissent was sent does not pass;
- c) the resolution in respect of which the notice of dissent was sent is revoked before the corporate action approved or authorized by that resolution is taken;
- d) the notice of dissent was sent in respect of a resolution adopting an amalgamation agreement and the amalgamation is abandoned or, by the terms of the agreement, will not proceed;
- e) the arrangement in respect of which the notice of dissent was sent is abandoned or by its terms will not proceed;
- f) a court permanently enjoins or sets aside the corporate action approved or authorized by the resolution or court order in respect of which the notice of dissent was sent;
- g) with respect to the notice shares, the dissenter consents to, or votes in favour of, the resolution in respect of which the notice of dissent was sent;
- h) the notice of dissent is withdrawn with the written consent of the company;
- i) the court determines that the dissenter is not entitled to dissent under this Division or that the dissenter is not entitled to dissent with respect to the notice shares under this Division.

Shareholders entitled to return of shares and rights

247 If, under section 244 (4) or (5), 245 (4) (a) or 246, this Division, other than this section, ceases to apply to a dissenter with respect to notice shares,

- a) the company must return to the dissenter each of the applicable share certificates, if any, sent under section 244 (1) (b) or, if those share certificates are unavailable, replacements for those share certificates,
- b) the dissenter regains any ability lost under section 244 (6) to vote, or exercise or assert any rights of a shareholder, in respect of the notice shares, and

the dissenter must return any money that the company paid to the dissenter in respect of the notice shares under, or in purported compliance with, this Division

Schedule "I"
Haywood Fairness Opinion



October 1, 2013

The Board of Directors
Concordia Resource Corp.
Suite 1100 – 355 Burrard St.
Vancouver, BC V6C 2G8

To the Board of Directors:

Haywood Securities Inc. (the “**Advisor**” or “**Haywood Securities**”) understands that Concordia Resource Corp. (the “**Corporation**” and which term shall, to the extent required or appropriate in the context, include the affiliates of the Corporation) has agreed to enter into a series of transactions (the “**Transaction**”), pursuant to which the Corporation will simultaneously (I) consolidate its common shares on a 1 for 5 basis, (II) acquire from HPX TechCo Inc. (“**HPX**”): a) HPX’s 80% interest in the Ebende Project, b) HPX’s contractual joint venture with Clancy Exploration Limited for the Fairholme Project (“**Fairholme Deed of Assumption**” and “**Fairholme Deed of Security**”), c) US\$5,000,000 in cash from HPX, d) a US\$5,000,000 line of credit from HPX (“**Inter-Corporate Loan Agreement**”), and e) non-exclusive rights to the use of HPX’s exploration technologies (the “**HPX Services Agreement**”) in respect of the Corporation’s exploration and development projects and business development initiatives (collectively, the “**HPX Asset Purchase Agreement**”), (III) retain: US\$5,000,000 of the current cash balance of the Corporation, and (IV) spin-out: a) the Corporation’s interests in its Argentinian assets, b) the Corporation’s investment in Western Lithium USA Corp., and c) the remaining cash balance of the Corporation (calculated as the current cash balance of the Corporation less the amount outlined in (III)), into a new publicly listed company (“**SpinCo**”) (collectively, the “**Vend-In Agreement**”), the shares of which will be distributed to the shareholders of the Corporation on a pro-rata basis (the “**Arrangement Agreement**”), in exchange for 106,489,000 post consolidation common shares of the Corporation, as contemplated by the HPX Asset Purchase Agreement between the Corporation and HPX. The Corporation will additionally terminate its Joint Venture Memorandum of Understanding with Bugeco S.A. (“**Bugeco**”), thus returning Bugeco’s interests in the Ebende and Ambase Projects to the Corporation, in exchange for US\$750,000 cash and 1,666,667 post consolidation common shares of the Corporation (the “**Termination and Release Agreement**”), and together with the Fairholme Deed of Assumption, the Fairholme Deed of Security, the Inter-Corporate Loan Agreement, the HPX Services Agreement, the HPX Asset Purchase Agreement, the Vend-In Agreement and the Arrangement Agreement, the “**Transaction Documents**”). The Transaction will be described in detail in a management proxy circular (the “**Circular**”) to be prepared by the Corporation and sent to the shareholders of the Corporation.

The Board of Directors of the Corporation (the “**Board of Directors**”) has engaged Haywood Securities to render an opinion (this “**Fairness Opinion**”) as to the fairness, from a financial point of view, of the consideration to be received by the common shareholders of the Corporation pursuant to the Transaction. Haywood Securities has not prepared a valuation of either the Corporation, HPX, any other party to the Transaction, or any of their respective securities or assets and this Fairness Opinion should not be construed as such.

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Engagement

The Board of Directors initially contacted and formally engaged Haywood Securities regarding various potential advisory assignments in August, 2012. On May 10, 2013, the Corporation formally engaged Haywood Securities in a revised agreement with regards to an advisory assignment involving HPX (the “**Advisory Agreement**”). Under the Advisory Agreement, Haywood Securities agreed to render an opinion to the Board of Directors with respect to the fairness, from a financial point of view, of the consideration to be received by the common shareholders of the Corporation pursuant to the Transaction.

The terms of the Advisory Agreement provide that Haywood Securities is to be paid fees for its services under the Advisory Agreement.

Independence of Haywood Securities

Haywood Securities is not an insider, associate, or affiliate of the Corporation or HPX or any of their respective associates or affiliates. Haywood Securities has not entered into any other agreements or arrangements with the Corporation or HPX or any of their affiliates with respect to any future dealings. Haywood Securities, however, acts as a trader and dealer, both as principal and agent, in major financial markets and, as such, may have had and may in the future have positions in the securities of the Corporation or any of its associates or affiliates and, from time to time, may have executed or may execute transactions on behalf of such companies or clients for which it received or may receive compensation. As an investment dealer, Haywood Securities conducts research on securities and may, in the ordinary course of its business, provide research reports and investment advice to its clients on investment matters, including with respect to the Corporation in conjunction with the Transaction.

Credentials of Haywood Securities

Haywood Securities is one of Canada's leading independent investment dealers with operations in corporate finance, equity sales and trading and investment research. The opinion expressed herein is the opinion of Haywood Securities, and the individuals primarily responsible for preparing this opinion are professionals of Haywood Securities experienced in merger, acquisition, divestiture and fairness opinion matters.

Scope of Review and Approach to Analysis

In connection with rendering the Fairness Opinion, we have reviewed and relied upon, or carried out, among other things, the following:

- (a) reviewed the Fairholme Deed of Assumption, Fairholme Deed of Security, Inter-Corporate Loan Agreement, HPX Services Agreement, HPX Asset Purchase Agreement, Vend-In Agreement, Arrangement Agreement and the Termination and Release Agreement, including the schedules attached thereto, concerning the Transaction, dated as of September 27, 2013;
- (b) reviewed the audited consolidated financial statements of the Corporation for the financial years ended September 30, 2011 and 2012;
- (c) reviewed the Management's Discussion and Analysis of the Corporation for the financial years ended September 30, 2011 and 2012;
- (d) reviewed the unaudited consolidated financial statements of the Corporation for the financial quarters ended December 31, 2012, March 31, 2013, and June 30, 2013;

- (e) reviewed the Management's Discussion and Analysis of the Corporation for the financial quarters ended December 31, 2012, March 31, 2013, and June 30, 2013;
- (f) reviewed the Corporation's Management Information Circular dated February 22, 2012;
- (g) reviewed the Annual Information Form of the Corporation for the financial year ended September 30, 2012;
- (h) reviewed the consolidated financial statements of HPX for the financial years ended December 31, 2011 and 2012;
- (i) reviewed certain internal and external documents, including without limitation, management reports, material contracts and exploration reports, which were prepared and provided by the Corporation;
- (j) conducted discussions with the management of the Corporation concerning the current business plan of HPX, its operations, its financial condition, its future business prospects and potential alternatives to the Transaction;
- (k) conducted discussions with the management of HPX and reviewed public and non-public information and documents of HPX concerning the current business plan of HPX, its operations, its financial condition, and its future business prospects;
- (l) reviewed public and non-public information relating to the business, financial condition and trading history of each of the Corporation and HPX (where applicable) and other select public companies considered relevant;
- (m) reviewed 43-101 compliant technical reports of the Corporation;
- (n) reviewed certain historical financial information and operating data concerning the Corporation and HPX which was provided by the Corporation and HPX as applicable;
- (o) reviewed certain industry and analyst reports and statistics that we deemed relevant for the purposes of our analysis;
- (p) reviewed certain other internal information, prepared for and by the Corporation and HPX; and
- (q) reviewed and considered such other financial, market, technical and industry information, and conducted such other investigations, analyses and discussions (including discussions with senior management of the Corporation and HPX) as we considered relevant and appropriate in the circumstances.

In our assessment, we considered several techniques and used a blended approach to determine our opinion on the Transaction. We based this Fairness Opinion upon a number of quantitative and qualitative factors, which should be considered together as a whole and not independent of one another.

Haywood Securities has not, to the best of its knowledge, been denied access by the Corporation to any information under its control requested by Haywood Securities. Haywood Securities did not meet with the auditors of the Corporation or HPX and has assumed the accuracy and fair presentation of and relied upon the

consolidated financial statements of each of the Corporation and HPX and where applicable, the reports of the auditor thereon.

Assumptions and Limitations

With the approval and agreement of the Board of Directors, we have relied upon and assumed, without assuming responsibility or liability for independent verification, the completeness, accuracy and fair presentation of all financial information, business plans, financial analyses, forecasts and other information, data, advice, opinions and representations obtained by us from public sources, or provided to us by the Corporation or HPX, their respective subsidiaries, directors, officers, associates, affiliates, consultants, advisors and representatives relating to the Corporation, HPX, their respective subsidiaries, associates and affiliates, and to the Transaction. Haywood Securities has relied upon guidance from the Corporation as to the efficacy of the technologies related to the HPX Services Agreement and has not undertaken or engaged any third party to assess or audit the subject technologies. Haywood Securities does not possess the expertise needed to verify the efficacy of or quantify the commercial value of the HPX Services Agreement. We have not been requested to or, subject to the exercise of professional judgment, attempted to verify independently the completeness, accuracy or fair presentation of any such information, data, advice, opinions and representations. We have relied upon the due diligence review of the Corporation and HPX conducted by the Corporation and its consultants and advisors. We have not conducted or been provided with any valuation or appraisal of any assets or liabilities, nor have we evaluated the solvency of the Corporation or HPX, or any of its subsidiaries, under any provincial or federal laws relating to bankruptcy, insolvency or similar matters. In addition, we have not assumed any obligation to conduct any physical inspection of the properties or the facilities of the Corporation, HPX, or their subsidiaries. The Fairness Opinion is conditional upon such completeness, accuracy and fair presentation of all information provided to us.

With respect to any financial analyses, forecasts, projections, estimates and/or budgets provided to Haywood Securities and used in its analyses, Haywood Securities notes that projecting future results of any company is inherently subject to uncertainty. Haywood Securities has assumed, however, that such financial analyses, forecasts, projections, estimates and/or budgets were prepared using the assumptions identified therein and that such assumptions reflect the best currently available estimates and judgments by management as to the expected future results of operations and financial condition of the Corporation and HPX to which such financial analyses, forecasts, projections, estimates and/or budgets relate. We express no view as to such financial analyses, forecasts, projections, estimates and/or budgets or the assumptions on which they were based.

We have also assumed that the Transaction will have the tax consequences described in the Transaction Documents. In preparing the Fairness Opinion, we have made several assumptions, including that all of the assets acquired by the Corporation through the Transaction will be without material financial indebtedness, all required title opinions confirming ownership by HPX and their transferability to the Corporation will be obtained, full and complete, without any deficiencies, all of the conditions required to complete the Transaction will be met and that the disclosure provided in the Circular with respect to the Corporation, HPX, any other party to the Transaction, and their respective subsidiaries and affiliates and the Transaction will be accurate in all material respects.

We have relied as to all legal matters relevant to rendering our opinion upon advice of counsel. We have further assumed that all material governmental, regulatory or other consents and approvals necessary for the consummation of the Transaction will be obtained without any adverse effect on the Corporation, HPX, or any other party to the Transaction or on the contemplated benefits of the Transaction.

The Fairness Opinion is rendered as at the date hereof and on the basis of securities markets, economic and general business and financial conditions prevailing as at the date hereof and the conditions and prospects,

financial and otherwise, of the Corporation as they are reflected in the information provided by the Corporation and as they were represented to us in our discussions with the management of the Corporation. It should be understood that subsequent developments may affect this opinion and that we do not have any obligation to update, revise, or reaffirm this opinion. We are expressing no opinion herein as to the price at which the common shares of the Corporation or SpinCo will trade at any future time. In our analyses and in connection with the preparation of the Fairness Opinion, we made numerous assumptions with respect to industry performance, general business, market and economic conditions and other matters, many of which are beyond the control of Haywood Securities and any party involved in the Transaction. The Fairness Opinion, in taking into consideration the Transaction as a whole, is predicated on the perspective of ascertaining a reasonable prospect for the shareholders of the Corporation to realize equal or greater value for their holdings as compared to the status quo.

We have not been asked to prepare and have not prepared a "formal valuation" of the Corporation (within the meaning of Multilateral Instrument 61-101 *Protection of Minority Security Holders in Special Transactions*), HPX, or any other party to the Transaction, or any of the securities or assets thereof and our opinion should not be construed as a "formal valuation".

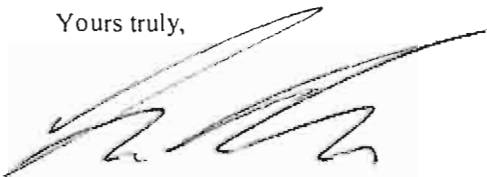
This Fairness Opinion is provided for the use of the Board of Directors of the Corporation only and may not be disclosed, referred or communicated to, or relied upon by, any third party without our prior written approval. Haywood Securities consents to the inclusion of this Fairness Opinion in the Circular. Haywood Securities disclaims any undertaking or obligation to advise any person of any change in any fact or matter affecting the Fairness Opinion which may come or be brought to the attention of Haywood Securities after the date hereof. Without limiting the foregoing, in the event that there is any material change in any fact or matter affecting the Fairness Opinion after the date hereof, Haywood Securities reserves the right to change, modify or withdraw the Fairness Opinion.

Haywood Securities believes that its analyses must be considered as a whole and that selecting portions of the analyses or the factors considered by it, without considering all factors and analyses together, could create a misleading view of the process underlying this Fairness Opinion. The preparation of an opinion is a complex process and is not necessarily susceptible to partial analysis or summary description. Any attempt to do so could lead to undue emphasis on any particular factor or analysis.

Fairness Conclusion

Based upon and subject to the foregoing and such other factors as Haywood Securities considered relevant, as of the date hereof, Haywood Securities is of the opinion that the consideration to be received by the common shareholders of the Corporation pursuant to the Transaction is fair, from a financial point of view, to such shareholders of the Corporation.

Yours truly,



HAYWOOD SECURITIES INC.

Schedule "J"
Interim Order



No. S-137870
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

IN THE MATTER OF SECTION 288 OF THE BUSINESS CORPORATIONS ACT
S.B.C. 2002, CHAPTER 57, AS AMENDED

AND

IN THE MATTER OF A PROPOSED ARRANGEMENT INVOLVING
CONCORDIA RESOURCE CORP.

CONCORDIA RESOURCE CORP.

Petitioner

INTERIM ORDER

BEFORE MASTER McCALLUM) FRIDAY the 25th day
)
) of October, 2013

THIS WITHOUT NOTICE APPLICATION of the Petitioner CONCORDIA RESOURCE CORP. ("Concordia") for an Interim Order pursuant to its Petition filed on October 23, 2013, coming on for hearing at Vancouver, British Columbia, on the 25th day of October, 2013 AND ON HEARING Kevin D. Loo, counsel for the petitioner, AND UPON READING the Petition herein, the Affidavit #1 of Terry Krepiakevich sworn October 23, 2013 and filed herein:

THIS COURT ORDERS THAT:

MEETING

1. Pursuant to Sections 289 and 291 of the *Business Corporation Act*, S.B.C., 2002, c. 57, as amended (the "BCBCA"), Concordia is authorized and directed to call, hold and conduct a special meeting (the "Meeting") of the holders of common shares (the "Shareholders") and the holders of options in Concordia (the "Optionholders", and together with the Shareholders, the "Securityholders") which is scheduled to be held at 10 a.m. (Vancouver time) on November 29, 2013 at 1100-355 Burrard Street, Vancouver, British Columbia to consider and, if determined advisable, pass, with or without variation, a special resolution (the "Arrangement Resolution") authorizing, adopting and approving, with or without variation, a proposed plan of arrangement (the "Arrangement") substantially in the form set out at Schedule "C" to the Circular.

2. The Meeting shall be called, held and conducted in accordance with the BCBCA, the Notice of Meeting and the articles and by-laws of Concordia, subject to the terms of this Interim Order and any further Order of this Court, and the rulings and directions of the Chair of the Meeting, subject to what may be provided hereafter and subject to further order of this court.

3. At the Meeting, Concordia may also transact such other business as is contemplated by the Circular, or as otherwise may be properly brought before the Meeting.

ADJOURNMENT

4. Concordia, if it deems advisable, is specifically authorized to adjourn or postpone the Meeting on one or more occasions, without the necessity of first convening the Meeting or first obtaining any vote of the Securityholders, or any of them, respecting the adjournment or postponement and without the need for approval of the Court. Notice of any such adjournments or postponements shall be given by press release, news release, newspaper advertisement, or by notice sent to the Securityholders by one of the methods specified in paragraph 9 of this Interim Order.

5. The Record Date (as defined in paragraph 7 below) shall not change in respect of adjournments or postponements of the Meeting.

AMENDMENTS

6. Prior to the Meeting, Concordia is authorized to make such amendments, revisions and/or supplements to the Arrangement as it may determine without any additional notice to the Securityholders, and the Arrangement as so amended, revised and supplemented shall be the Arrangement submitted to the Meeting, and the subject of the Arrangement Resolution.

RECORD DATE

7. The record date for determining the Securityholders entitled to receive notice of, attend and vote at the Meeting shall be October 28, 2013 as previously approved by the Board of Directors of Concordia (the "Record Date"), or such other date as the Board of Directors of Concordia may determine and as disclosed to the Securityholders in the manner they see fit.

NOTICE OF MEETING

8. The Circular is hereby deemed to represent sufficient and adequate disclosure, including for the purpose of Section 290(1)(a) of the BCBCA, and the petitioner shall not be required to send to the Securityholders any other or additional statement pursuant to Section 290(1)(a) of the BCBCA. The Circular shall be mailed or delivered in accordance with paragraph 10 of this Order. The Circular shall have the Petition and this Order attached as schedules thereto. Failure or omission to distribute the Circular in accordance with paragraph 9 of this Order as a result of a mistake or of events beyond the control of the petitioner shall not constitute a breach of this Order and shall not invalidate any resolution passed or proceedings taken at the Meeting, but if any such failure of omission is brought to the attention of the petitioner, then the petitioner shall use their best efforts to rectify it by the method and in the time most reasonably practicable in the circumstances.

9. The Notice of Meeting and Circular, the appropriate forms of proxy, and the Notice of Hearing of Petition (collectively, the "Notice Materials") will be sent to each Securityholder in the form as attached as Exhibits "A" to "C" to the Krepiakevich Affidavit, with such deletions, amendments or additions thereto as counsel for the petitioner may advise are necessary or

desirable, provided that such amendments are not inconsistent with the terms of this Interim Order, and the same shall be distributed as follows:

- (a) in the case of registered Securityholders, by prepaid ordinary mail, by expedited parcel post, by email or by facsimile, by courier or by delivery in person, addressed to each such holder at his, her or its address, as shown on the books and records of Concordia as of the Record Date, not later than 21 days before the Meeting;
- (b) in the case of non-registered Securityholders, by providing copies of the materials to intermediaries and registered nominees for sending to non-objecting beneficial owners in accordance with National Instrument 54-101 -- *Communications with Beneficial Owners of Securities of a Reporting Issuer* -- at least three business days prior to the twenty-first day prior to the date of the Meeting; and
- (c) in the case of the directors and auditors of Concordia, by pre-paid mail, by expedited parcel post, by email or by facsimile, by courier, or by delivery in person, addressed to the individual directors and the auditors, not later than 21 days before the Meeting;

and substantial compliance with this paragraph shall constitute good and sufficient notice of the Meeting.

10. Accidental failure of or omission by the petitioner to give notice to any one or more Securityholders or the non-receipt of such notice by one or more Securityholders, or any failure or omission to give such notice as a result of events beyond the reasonable control of the petitioner (including, without limitation, any inability to use postal services), shall not constitute a breach of this Interim Order or, in relation to notice to Securityholders, a defect in the calling of the Meeting, and shall not invalidate any resolution passed or proceeding taken at the Meeting, but if any such failure or omission is brought to the attention of the petitioner then it shall use reasonable best efforts to rectify it by the method and in the time most reasonably practicable in the circumstances.

11. No other form of service of the Notice Materials or any portion thereof need be made or notice given, or other material served in respect of these proceedings or the Meeting, except as may be directed by a further order of this Court.

DEEMED RECEIPT OF NOTICE

12. The Notice Materials shall be deemed, for the purposes of this Order, to have been received:

- (a) in the case of mailing, the third day, Saturdays and holidays excepted, following the date of mailing;
- (b) in the case of delivery in person, upon receipt at the intended recipient's address; and
- (c) in the case of any means of transmitted, recorded or electronic communication, when dispatched or delivered for dispatch.

AMENDMENTS TO MEETING MATERIALS

13. Subject to the articles of Concordia, the petitioner is authorized to make such amendments, revisions and/or supplements to the Notice Materials as it may determine and the Notice Materials, as so amended, revised and/or supplemented, shall be the Notice Materials to be distributed in accordance with paragraph 9 herein.

UPDATING MEETING MATERIALS

14. Notice of any amendments, updates or supplement to any of the information provided in the Notice Materials may be communicated to the Securityholders by press release, news release, newspaper advertisement or by notice sent to the Securityholders by any of the means set forth in paragraph 9 herein, as determined to be the most appropriate method of communication by the Board of Directors of Concordia.

QUORUM AND VOTING

15. The quorum for the Arrangement Resolution shall be the quorum for the approval of a special resolution pursuant to the articles of Concordia.

16. The votes taken at the Meeting shall be taken on the basis of one vote per common share or option, as the case may be, and the vote required to pass the Arrangement Resolution shall be the affirmative vote of at least two-thirds (66-2/3%) of the aggregate votes cast by the Securityholders, voting as a single class, present in person or represented by proxy at the Meeting.

17. In all other respects, the terms, restrictions and conditions of the articles of Concordia will apply in respect of the Meeting.

PERMITTED ATTENDEES

18. The only persons entitled to attend the Meeting shall be the Securityholders as of the Record Date, or their respective proxyholders, the petitioner's directors, officers, auditors, advisors and any other person admitted on the invitation of the Chair or with the consent of the Meeting, and the only persons entitled to be represented and to vote at the Meeting shall be the registered Securityholders as at the close of business on the Record Date, or their respective and duly-appointed proxyholders.

SCRUTINEERS

19. A representative of Concordia's registrar and transfer agent (or any agent thereof) is authorized to act as scrutineer for the Meeting.

SOLICITATION OF PROXIES

20. The petitioner is authorized to use the forms of proxy in connection with the Meeting, in substantially the same form as attached as Exhibit "B" to the Krepiakevich Affidavit and the petitioner may in its sole discretion, but is not required to, waive generally the time limits for

deposit of proxies by the Securityholders if the petitioner deems it reasonable to do so. The petitioner is authorized, at its expense, to solicit proxies, directly and through its officers, directors and employees, and through such agents or representatives as they may retain for the purpose, and by mail or such other forms of personal or electronic communication as it may determine.

21. The procedure for the use of proxies at the Meeting shall be as set out in the Notice Materials.

DISSENT RIGHTS

22. Shareholders who are opposed to the Arrangement may dissent from the approval of the Arrangement Resolution in accordance with the BCBCA and be paid fair value for their Concordia Shares as of the day before the Meeting, on condition that:

- (a) any such Shareholder must not vote any of such shareholder's Concordia Shares in favour of the Arrangement Resolution,
- (b) any such Shareholder must provide Concordia with a written Notice of Dissent in respect of the Arrangement Resolution no later than 48 hours before the Meeting, and
- (c) must otherwise comply with the procedures for dissent set out in the BCBCA at sections 237 to 247 (a copy of which shall be attached to the Circular as Schedule H).

APPLICATION FOR FINAL ORDER

23. Upon the approval, with or without variation, by the Securityholders of the Arrangement, in the manner set forth in this Interim Order, the petitioner may apply to this Court for, *inter alia*, an Order:

- (a) pursuant to BCBCA Section 291(4)(a) approving the Arrangement; and

- (b) pursuant to BCBCA Section 291(4)(c) declaring that the terms and conditions of the Arrangement are fair and reasonable

(collectively, the "Final Order")

and that the hearing of the Final Order will be held on December 3, at 9:45 a.m. (Vancouver time) at the Courthouse at 800 Smithe Street, Vancouver, British Columbia or so soon thereafter as the hearing of the Final Order can be heard or at such other date and time as this Court may direct.

24. The form of Notice of Hearing of Petition is hereby approved as the form of Notice of Proceedings for such approval. Any Securityholder has the right to appear (either in person or by counsel) and make submissions at the hearing of the application for the Final Order.

25. Any Securityholder seeking to appear at the hearing of the application for the Final Order shall:

- (a) complete and file with this Court a Response to Petition, in the form prescribed by the British Columbia Supreme Court Civil Rules; and
- (b) deliver a copy of the filed Response to Petition together with a copy of all materials upon which the Securityholder intends to rely upon at the hearing for the Final Order, to the Petitioner's solicitors at:

NATHANSON, SCHACHTER & THOMPSON LLP
750-900 Howe Street
Vancouver, BC V6Z 2M4

Attention: Kevin D. Loo

- (c) deliver a copy of the filed Response to Petition together with a copy of all materials upon which the Securityholder intends to rely upon at the hearing for the Final Order, to:

GOODMANS LLP
1800 – 355 Burrard Street
Vancouver, BC
V6C 2G8

Attention: Alex Bayer

by or before 4:00 p.m. (Vancouver time) on November 27, 2013.

26. Sending the Notice of Hearing of Petition and this Interim Order in accordance with paragraph 9 of this Order shall constitute good and sufficient service of the within proceedings. No other form of service need be made and no other material need be served on such persons in respect of these proceedings and service of the affidavits in support is dispensed with.

27. The only persons entitled to notice of any further proceedings herein, including any hearing to sanction and approve the Arrangement, and to appear and be heard thereon, shall be the solicitors for the petitioner and any persons who have delivered a Response to Petition in accordance with this Interim Order.

28. In the event the hearing for the Final Order is adjourned, only those persons who have filed and delivered a Response to Petition in accordance with this Order need be served with materials filed in this proceeding and provided with notice of the adjourned hearing date.

PRECEDENCE

29. To the extent of any inconsistency or discrepancy with respect to the matters provided for in this Interim Order between this Interim Order and the terms of any instrument creating, governing or collateral to the common shares, options or warrants of Concordia, or the articles or by-laws of Concordia, this Interim Order shall govern.

EXTRA-TERRITORIAL ASSISTANCE

30. This Court seeks and requests the aid and recognition of any court or any judicial, regulatory or administrative body in any province of Canada and any judicial, regulatory or administrative tribunal or other court constituted pursuant to the Parliament of Canada or the

legislature of any province and any court or any judicial, regulatory or administrative body of the United States or other country to act in aid of and to assist this Honourable Court in carrying out the terms of this Interim Order.

VARIANCE

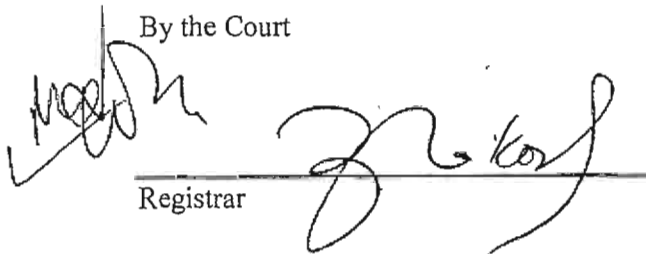
31. The Petitioner or the Securityholders, or any of them, shall be entitled to apply to vary this Interim Order.

THE FOLLOWING PARTIES APPROVE THE FORM OF THIS ORDER AND CONSENT TO EACH OF THE ORDERS, IF ANY, THAT ARE INDICATED ABOVE AS BEING BY CONSENT:



Signature of lawyer for the Petitioner
Kevin D. Loo

By the Court



Registrar

No. S-137870
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA
IN THE MATTER OF SECTION 288 OF THE BUSINESS CORPORATIONS ACT
S.B.C. 2002, CHAPTER 57, AS AMENDED

AND

IN THE MATTER OF A PROPOSED ARRANGEMENT INVOLVING
CONCORDIA RESOURCE CORP.

CONCORDIA RESOURCE CORP.

Petitioner

INTERIM ORDER

NATHANSON SCHACHTER & THOMPSON LLP
Barristers & Solicitors
750 – 900 Howe Street,
Vancouver, B.C. V6Z 2M4
Telephone: (604) 662-8840
Facsimile: (604) 684-1598

Schedule "K"
Notice of Hearing



No. S-137870
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA
IN THE MATTER OF SECTION 288 OF THE BUSINESS CORPORATIONS ACT
S.B.C. 2002, CHAPTER 57, AS AMENDED

AND

IN THE MATTER OF A PROPOSED ARRANGEMENT INVOLVING
CONCORDIA RESOURCE CORP.

CONCORDIA RESOURCE CORP.

Petitioner

NOTICE OF HEARING OF PETITION

To: The common shareholders and option holders of Concordia Resource Corp.

TAKE NOTICE that the Petition herein dated October 23, 2013 will be heard at the Courthouse at 800 Smithe Street, in the City of Vancouver, in the Province of British Columbia, on December 3, 2013 at 9:45 a.m.

1. Date of hearing

- Notice of the hearing will be given to the petition respondents in accordance with the Interim Order of this Court pronounced October 25, 2013.

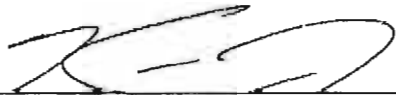
2. Duration of hearing

- The parties have been unable to agree as to how long the hearing will take and
- (a) the time estimate of the petitioner is 30 minutes, and
 - (b) the petition respondents have not given a time estimate.

3. **Jurisdiction**

This matter is not within the jurisdiction of a master.

Date: 25 / OCT / 2013



Signature of
 Petitioner lawyer for petitioner

KEVIN D. LOO

THIS NOTICE OF HEARING is prepared by Kevin D. Loo, of the firm of Nathanson, Schachter & Thompson LLP, Barristers and Solicitors, whose place of business and address for service is Suite 750 – 900 Howe Street, Vancouver, B.C. V6Z 2M4, telephone (604) 662-8840 and whose email address for service is *kloo@nst.bc.ca*.

Schedule "L"
Petition

S-137870



No. _____
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

IN THE MATTER OF SECTION 288 OF THE BUSINESS CORPORATIONS ACT
S.B.C. 2002, CHAPTER 57, AS AMENDED

AND

IN THE MATTER OF A PROPOSED ARRANGEMENT INVOLVING
CONCORDIA RESOURCE CORP.

CONCORDIA RESOURCE CORP.

Petitioner

PETITION TO THE COURT

THIS IS THE PETITION OF CONCORDIA RESOURCE CORP.

c/o Nathanson, Schachter & Thompson LLP
Barristers and Solicitors
750-900 Howe Street
Vancouver, BC V6Z 2M4
Attention: Kevin D. Loo

ON NOTICE TO:

The holders of common shares of Concordia Resource Corp.
and to the holders of options in Concordia Resource Corp.

This proceeding has been started by the petitioner for the relief set out in Part 1 below.

If you intend to respond to this petition, you or your lawyer must

- (a) file a response to petition in Form 67 in the above-named registry of this court within the time for response to petition described below, and
- (b) serve on the petitioner(s)
 - (i) 2 copies of the filed response to petition, and
 - (ii) 2 copies of each filed affidavit on which you intend to rely at the hearing.

Orders, including orders granting the relief claimed, may be made against you, without any further notice to you, if you fail to file the response to petition within the time for response.

TIME FOR RESPONSE TO PETITION

A response to petition must be filed and served on the petitioner(s),

- (a) if you reside anywhere within Canada, within 21 days after the date on which a copy of the filed petition was served on you,
- (b) if you reside in the United States of America, within 35 days after the date on which a copy of the filed petition was served on you,
- (c) if you reside elsewhere, within 49 days after the date on which a copy of the filed petition was served on you, or
- (d) if the time for response has been set by order of the court, within that time.

(1)	The address of the registry is: 800 Smithe Street Vancouver, B.C. V6Z 2E1
(2)	The ADDRESS FOR SERVICE of the petitioner is: Nathanson, Schachter & Thompson LLP Suite 750 – 900 Howe Street Vancouver, B.C. V6Z 2M4 Fax number address for service (if any) of the petitioner (604) 684-1598 E-mail address for service (if any) of the petitioner(s): kloo@nst.bc.ca
(3)	The name and office address of the petitioner's lawyer is: Kevin D. Loo Nathanson, Schachter & Thompson LLP 750 – 900 Howe Street Vancouver, B.C. V6Z 2M4

Part 1: ORDERS SOUGHT

1. The Petitioner ("Concordia") applies to this court pursuant to section 288 of the *Business Corporations Act* (British Columbia), S.B.C. 2002 Ch. 57, and amendments thereto (the "BCBCA") for:
 - (a) an Order (the "Interim Order") in respect of the calling and conduct of a special meeting (the "Meeting") of the holders of common shares (the "Shareholders") and the holders of options in Concordia (the "Optionholders") (together, the "Securityholders") in the form attached as Schedule "A" to this Petition;
 - (b) an Order (the "Final Order") approving the plan of arrangement and its terms and conditions (the "Arrangement") pursuant to section 288 of the BCBCA substantially in the form set forth in the Plan of Arrangement which is attached as Schedule "C" to the draft Notice of Special Meeting of Concordia Resource Corp. to be held on November 29, 2013 and Information Circular (the "Circular"), attached as Exhibit "A" to the Affidavit of Terry Krepiakevich sworn October 23, 2013 and filed herein (the "Krepiakevich Affidavit"), and a declaration that the terms and condition of the Arrangement are fair and reasonable to the Petitioner and to the Securityholders; and
 - (c) such further and other relief as counsel for the Petitioner may advise and the Court may deem just.

Part 2: FACTUAL BASIS

The Petitioner

1. Concordia Resource Corp. ("Concordia" or the "Company") is a natural resource company engaged in the acquisition and exploration of resource properties in the United States, Africa and South America. The Company is listed on the TSX Venture Exchange (stock symbol: CCN) and is a reporting issuer in British Columbia and Alberta. Concordia's corporate and registered and records office is located at Suite 1100, 355 Burrard Street, Vancouver, British Columbia.
2. In this petition, the term "New Concordia" refers to the Company after the effective date of the Arrangement.

Common shares and Options

3. As at the date of the accompanying Notice of Meeting, Concordia's authorized capital consists of an unlimited number of common shares without par value ("Concordia Shares").

4. As of that date, there are issued and outstanding (a) 85,627,550 Concordia Shares, and (b) 6,686,504 options in the common shares of Concordia ("Concordia Options").
5. Each Concordia Share carries the right to one vote. For the purposes of the voting in respect of the Arrangement, each Concordia Option carries one vote for each Concordia Share that would be receivable on the conversion of such security.

Overview of the Arrangement

6. Meryllion Resources Corporation ("Meryllion") is a wholly owned subsidiary of Concordia incorporated under the laws of British Columbia on July 25, 2013.
7. The Plan of Arrangement will see the Company (i) consolidate its common shares on a five for one basis, and (ii) spin-out to the Shareholders all of the Company's interest in Meryllion. After the Plan of Arrangement has become effective, Meryllion will exist as a separate Exchange listed mineral exploration and development company, with a general focus on South America and a particular focus on Argentina.
8. The Arrangement will be effected by the Arrangement Agreement, which provides for the following:
 - (a) *Common Share Consolidation:* All of the issued and outstanding Concordia Shares will be consolidated on a five for one basis;
 - (b) *Reorganization of Capital:* The authorized capital of Concordia and its Notice of Articles will be altered by:
 - (i) Renaming and re-designating all of the issued and unissued Concordia Shares as Class A Shares (the "Class A Shares"); and
 - (ii) Creating an unlimited number of common shares without par value as the New Concordia Common Shares having the right, on liquidation of Concordia, to the return of capital in priority to the Class A Shares, but otherwise with the same rights, privileges and restrictions as the Class A Shares;
 - (c) *Share Exchange:* Pursuant to the capital reorganization described in paragraph (b) above, each issued and outstanding Class A Share, other than those held by dissenting shareholders, will be deemed to be exchanged for one New Concordia Common Share and one Meryllion Share;
 - (d) *Cancellation of Class A Shares:* The Class A Shares, none of which will be allotted and issued once the steps referred to in (b) and (c) are completed, will be cancelled and the authorized capital of Concordia and its Notice of Articles shall be amended by deleting the Class A Shares as a class of shares of Concordia; and

- (e) *Options*: Each Concordia Option, to the extent it has not been exercised as of the share exchange record date (December 2, 2013), will be cancelled and exchanged for one option to purchase New Concordia Common Shares.

Context of the Arrangement

- 9. As a preliminary matter and a condition to the Arrangement, the Company will complete a purchase of minority interests in mineral exploration projects located in the Democratic Republic of the Congo (the "DRC Property Purchase"). The DRC Property Purchase is a separate transaction to, but a condition precedent to the Plan of Arrangement.
- 10. Following completion of the DRC Property Purchase and the Plan of Arrangement, the Company proposes to effect the "HPX RTO", whereby it will issue New Concordia Common Shares to HPX TechCo Inc. ("HPX") at a deemed price of \$0.31 per share, totalling approximately 85% of the issued and outstanding shares of Concordia, in exchange for: i) \$5,000,000 in cash, subject to adjustment; ii) an 80% interest in Ebende Resources Limited, the holder of certain mineral rights in the DRC; iii) an assignment of an option to earn an interest in the Fairholme exploration project in Australia currently held by HPX; iv) a \$5,000,000 HPX Loan; and v) HPX providing Concordia with rights to deploy a proprietary technology worldwide, other than China, pursuant to a services agreement.
- 11. After completing the DRC Property Purchase, the Plan of Arrangement and the HPX RTO (the "Transactions"), New Concordia proposes to change its name to Kaizen Discovery Inc. and will be focused on the exploration and development of its diverse mineral prospects, including Ebende and Fairholme. The Company will also possess a competitive advantage in evaluating and acquiring additional mineral exploration opportunities due to HPX's proprietary technology. New Concordia will remain listed on the TSX Venture Exchange following the HPX RTO.

Termination of the Arrangement Agreement

- 12. Concordia may terminate the Arrangement Agreement at any time before the "Effective Date" – being five business days after the last of the conditions precedent to the completion of the Arrangement have been satisfied or waived. If the Arrangement Agreement is terminated, no party will have any further liability to perform its obligations under the Arrangement Agreement.

Conditions to the Arrangement Becoming Effective

- 13. The Arrangement Agreement also provides that the obligations of the parties to complete the Arrangement are subject to the satisfaction, on or before the Effective Date, of certain conditions precedent, each of which may only be waived by the mutual consent of Concordia and Meryllion. Those conditions include, but are not limited to the following:

- the Interim Order shall have been granted in form and substance satisfactory to Concordia and Meryllion;
- the Arrangement Resolution, without amendment or with amendments acceptable to Concordia and Meryllion, shall have been approved at the Meeting;
- the Final Order shall have been granted in form and substance satisfactory to Concordia and Meryllion;
- all approvals and consents, regulatory or otherwise, which are required in connection with the consummation of the Arrangement shall have been obtained;
- the time period for the exercise of any right to dissent conferred upon the Concordia Shareholders in respect of the Arrangement shall have expired and the Concordia Shareholders shall not have exercised (and not abandoned) such right of dissent with respect to greater than 5% of the number of outstanding Concordia Shares as of the Share Exchange Record Date;
- no injunction, restraining order, cease trading order or order or decree of any governmental or regulatory authority shall have been issued to prohibit or impose material limitations on the Arrangement;
- there shall not exist any prohibition at law against the completion of the Arrangement;
- Concordia shall have satisfied or obtained a waiver from all conditions to the HPX RTO that can be satisfied or waived prior to the Effective Date (excluding the condition that requires the Arrangement to have been made effective as a condition of the HPX RTO);
- all conditions to the DRC Property Purchase shall have been satisfied or waived;
- the common shares of Meryllion shall have been approved for listing on the Exchange; and
- the Arrangement Agreement shall not have been terminated in accordance with the terms thereof.

Treatment of Optionholders

14. Each Concordia Option, to the extent it has not been exercised as of the Share Exchange Record Date, will be cancelled and exchanged for one Concordia Amended Option.
15. The Concordia Amended Option's exercise price will be amended to reflect the spin-out of the Meryllion assets. The exercise price of the Concordia Amended Options will be reduced based on the following formula: the Concordia Option Exercise Price multiplied by 44.8%, and multiplied by 5 to reflect the share consolidation.
16. If necessary, the exercise price of the Concordia Amended Options will be increased to ensure that they fall within the provisions of certain provisions (ss. 7(1.4)) of the Income Tax Act.

Benefits of the Arrangement

17. The Board believes that the Securityholders will benefit under the Arrangement as a result of the following factors, among others:
 - (a) the Transactions will maximize value by reorganizing and simplifying the corporate ownership of Concordia's mineral resource assets;
 - (b) the Transactions offer the opportunity to selectively finance and develop various mineral properties held through separate entities and enhances Concordia's ability to divest specific mineral properties; and
 - (c) the Transactions will enhance the investment diversification of Concordia Shareholders, with ownership positions in two publicly traded companies, each focused on separate geographic areas and mineral targets.

Fairness opinion

18. Haywood Securities Inc. has provided an independent fairness opinion to the Board of Directors of Concordia opining that the consideration to be received by the Shareholders pursuant to the Transactions is fair, from a financial point of view, to those Shareholders. A copy of that fairness opinion is attached as Schedule "I" to the Circular.

Approval and Recommendation of the Concordia Board

19. The Board of Directors of Concordia (the "Concordia Board") has approved the Arrangement, unanimously determined that the Arrangement is fair to the Securityholders and unanimously recommended and authorized the submission of the Arrangement Resolution to the Securityholders and the Court for approval. The Concordia Board has concluded that the Arrangement is in the best interests of Concordia and the Securityholders and recommends that the Securityholders vote in favour of the Arrangement Resolution at the Meeting.
20. In reaching its conclusion, the Concordia Board considered the benefits to Concordia, the Securityholders as well as the financial position, opportunities and the outlook for Concordia. In addition to the matters discussed under "Benefits of the Arrangement" above, the Concordia Board considered the following:
 - (a) the procedures by which the Arrangement will be approved, including the requirement for the approval of 66⅔% of the Securityholders that vote on the Arrangement Resolution and the approval of the Court after a hearing at which the fairness of the Arrangement will be considered;
 - (b) the opportunity for all Securityholders to vote on the Arrangement;

- (c) the opportunity for Concordia Shareholders that are opposed to the Arrangement to dissent from the approval of the Arrangement, subject to compliance with certain conditions, and to be paid fair value of their Concordia Shares;
 - (d) the proposed spin out of Meryllion to Concordia Shareholders and the listing of the Meryllion Shares on the Exchange; and
 - (e) the opportunity for the Optionholders to participate in the Arrangement.
21. As of the Record Date, the directors and officers of Concordia, as a group, beneficially owned or had voting control or direction over 17,163,479 Concordia Shares, and 4,801,000 Concordia Options, resulting in the directors and officers of Concordia controlling an aggregate of approximately 23.8% of the number of Securityholder votes entitled to be cast at the Meeting.

The Meeting and Approvals

22. The Petitioner proposes, in accordance with section 289 of the BCBCA, to call, hold and conduct the Meeting at 10 a.m. on November 29, 2013 to have the Securityholders consider and vote on the Arrangement Resolution.
23. The Board has resolved that the record date for determining the Securityholders entitled to receive notice of, attend and vote at the Meeting will be fixed at October 28, 2013 (the "Record Date").
24. The Meeting will be held in Vancouver.
25. In connection with the Meeting, the Corporation intends to send to each Securityholder a copy of the following material and documentation substantially in the form attached as Exhibits "A" to "C" to the Krepiakevich Affidavit:
- "A" notice of the Meeting and accompanying Circular that includes, among other things:
 - (i) an explanation of the effect of the Arrangement;
 - (ii) the text of the Arrangement Resolution;
 - (iii) the text of the proposed Plan of Arrangement;
 - (iv) a copy of the Interim Order; and
 - (v) a copy of the Notice of Hearing of Petition;
 - "B" the draft form of proxy for the Concordia Shareholders and the Concordia Optionholders; and

- “C” the Notice of Hearing in respect of the hearing of Petition at which the Final Order will be sought.
26. The Circular describes the background leading to the Arrangement, the terms of the Arrangement and the steps the Securityholders may take to vote, and includes the Notice of Hearing of Petition.
 27. The Circular will be sent to each Securityholder not later than 21 days before the Meeting in substantially the same form as attached as Exhibits “A” to “C” to the Krepiakevich Affidavit, and the same shall be distributed as follows:
 - (a) in the case of registered Securityholders, by prepaid ordinary mail, by expedited parcel post, by email or by facsimile, by courier or by delivery in person, addressed to each such holder at his, her or its address, as shown on the books and records of Concordia as of the Record Date;
 - (b) in the case of non-registered Securityholders, by providing multiple copies of the materials to intermediaries and registered nominees in a timely manner; and
 - (c) in the case of the directors and auditors of Concordia, by pre-paid mail, by expedited parcel post, by email or by facsimile, by courier, or by delivery in person, addressed to the individual directors and the auditors.
 28. The Circular will be filed with the provincial and territorial securities commissions on SEDAR, and will be publicly available on SEDAR’s website.
 29. The Interim Order sought by the Petitioner provides that these documents may contain such amendments thereto as the Petitioner (based on the advice of its solicitors) may advise are necessary or desirable, provided that such amendments are not inconsistent with the terms of the Interim Order.

Quorum and Voting

30. It is proposed that the requisite vote at the Meeting to pass the Arrangement Resolution be not less than two-thirds (66-2/3%) of the aggregate votes cast on the resolution by the Securityholders present in person or represented by proxy at the Meeting voting together as a single class and entitled to vote at the Meeting. This approval threshold is consistent with section 11.2 of the Company’s articles, with the definition of “special majority” in the BCBCA and with section 289(1)(a) of the BCBCA.
31. The quorum required at the Meeting shall be in accordance with the Corporation’s articles, which require two shareholders present in person or by proxy.

32. At the Meeting, the Shareholders will also be asked to vote on a resolution approving the HPX RTO. If either the Arrangement Resolution or the resolution in respect of the HPX RTO is not approved, both resolutions will be treated as not approved.

Dissent Rights

33. Concordia Shareholders who are opposed to the Arrangement may, upon compliance with certain conditions, dissent from the approval of the Arrangement Resolution in accordance with the BCBCA and be paid fair value for their Concordia Shares.
34. The Plan of Arrangement and the Interim Order provide that each Concordia Shareholder will have the right to dissent and to have such shareholder's Concordia Shares transferred to Concordia in exchange for a cash payment from Concordia equal to the fair value of such shareholder's Concordia Shares as of the day before the Meeting. In order to validly dissent, any such shareholder must not vote any of such shareholder's Concordia Shares in favour of the Arrangement Resolution, must provide Concordia with a written Notice of Dissent in respect of the Arrangement Resolution no later than 48 hours before the Meeting, and must otherwise comply with the procedures for dissent set out in the BCBCA at sections 237 to 247 (a copy of which shall be attached to the Circular as Schedule "H").

United States Securities Laws

35. The issuance and distribution of securities by Concordia or pursuant to the Arrangement will not be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act") or the securities laws of any state of the United States and will be effected in reliance upon the exemption from registration under the U.S. Securities Act provided by Section 3(a)(10) thereof. Section 3(a)(10) of the U.S. Securities Act exempts from registration a security that is issued in exchange for outstanding securities where the terms and conditions of such issuance and exchange are approved, after a hearing upon the fairness of such terms and conditions at which all persons to whom it is proposed to issue securities in such exchange have the right to appear, by a court or by a governmental authority expressly authorized by law to grant such approval. Accordingly, the Final Order of the Court will, if granted, constitute a basis for the exemption from the registration requirements of the U.S. Securities Act with respect to the exchange and distribution of the securities of Securityholders in connection with the Arrangement.
36. In order to ensure securities issued or made issuable to certain Securityholders pursuant to the Arrangement will be exempt from the registration requirements of the U.S. Securities Act, it is necessary that:
 - (a) prior to the hearing required to approve the Arrangement, the Court is advised of the intention of the parties to rely the exemption from registration provided by Section 3(a)(10) of the U.S. Securities Act for the securities to be issued to Securityholders pursuant to the Arrangement;

- (b) each Securityholder will have the right to appear before the Court so long as a Securityholder enters an appearance within a reasonable time;
 - (c) all the Securityholders are given adequate notice advising them of their rights to attend the hearing of the Court to approve the Arrangement and provide them with sufficient information necessary for them to exercise that right;
 - (d) the Court is required to satisfy itself as to the fairness of the Arrangement to the Securityholders;
 - (e) the Court has determined, prior to approving the final order, that the terms and conditions of the exchanges of securities comprising the Arrangement are fair to the Securityholders; and
 - (f) the order of the Court approving the Arrangement expressly states that the Arrangement is approved by the Court is being fair to the Securityholders.
37. As the completion of the Arrangement involves issuances of securities to Securityholders in the United States of America, the Petitioner hereby gives notice to the Court of the intention of Petitioner and Meryllion to rely on Section 3(a)(10) of the U.S. Securities Act in completing the Arrangement.
38. Securityholders to whom securities will be issued or made issuable under the Arrangement shall receive such securities or reliance on the exemption from the registration requirements of the U.S. Securities Act, contained in Section 3(a)(10) thereof based on the Court's approval of the fairness of the Arrangement.

Interim Order

39. The Petitioner requests that the Interim Order contain the following provisions:
- (a) that the Securityholders will be only persons to whom notice is to be provided to respect of the Arrangement and the Meeting, and shall state the manner in which such notice is to be provided;
 - (b) that the Securityholders as of the Record Date will be only persons who may vote on the Arrangement Resolution at the Meeting;
 - (c) that the Meeting may be adjourned or postponed from time to time by the Petitioner without the need for additional approval of the court;
 - (d) that the record date for the Meeting will not change in respect of adjournments or postponements of the Meeting;
 - (e) that the requisite approval for the Arrangement Resolution will be not less than two-thirds (66-2/3%) of the aggregate votes cast on the resolution by the

Securityholders, present in person or represented by proxy at the Meeting and entitled to vote thereat;

- (f) that, in all other respects, the terms, restrictions and conditions of the articles of Concordia, including quorum requirements in all other matters, will apply in respect of the Meeting;
- (g) that the petitioner is authorized to make such amendments, revisions and/or supplements to the draft Circular as they may determine, and the Circular, as so amended, revised and/or supplemented, shall be the Circular to be distributed in accordance with the Interim Order; and
- (h) that prior to the Meeting, Concordia is authorized to make such amendments, revisions and/or supplements to the Arrangement as it may determine without any additional notice to the Securityholders, and the Arrangement as so amended, revised and supplemented shall be the Arrangement submitted to the Meeting, and the subject of the Arrangement Resolution.

Part 3:LEGAL BASIS

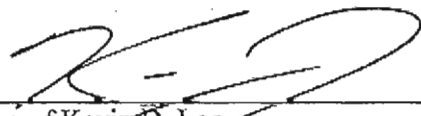
- 1. Rules 4-4, 4-5, 8-1, and 16-1 of the Supreme Court Civil Rules.
- 2. Sections 186 and 288 to 291 of the BCBCA.

Part 4:MATERIAL TO BE RELIED ON

- 1. Affidavit #1 of Terry Krepiakevich made October 23, 2013.

The petitioner estimates that the hearing of the petition will take 30 minutes.

Date: October 23, 2013



Signature of Kevin D. Loo
_ petitioner lawyer for petitioner

To be completed by the court only:

Order made

in the terms requested in paragraphs _____ of Part 1 of this petition

with the following variations and additional terms:

Date: _____

Signature of Judge Master

THIS PETITION TO THE COURT is prepared by Kevin D. Loo, of the firm of Nathanson, Schachter & Thompson LLP, Barristers and Solicitors, whose place of business and address for service is Suite 750 – 900 Howe Street, Vancouver, B.C. V6Z 2M4, telephone (604) 662-8840 and whose fax number for delivery is (604) 684-1598.