

Melkior Resources Inc.

2005 Annual Report

Melkior Resources Inc.

President's Message

Dear Shareholder:

Melkior undertook work on four interesting exploration situations during the 2004-2005 financial year. The Company's poor financial situation prevented the full potential of these properties from being realized. A private placement of \$300,000 was concluded in September 2005 which has permitted Melkior to restart its programs. Melkior has received interest from investors in participating in a future financing anticipated in early 2006.

The Launay property covers more than 50% of the Launay Batholith where previous work has discovered a gold bearing zone. Earlier work carried out by Melkior and others has reported a gold resource on the property which is interesting but which has not been verified by a 43-101 standard. Work carried by Melkior in 2005 consisting of very detailed magnetics has led to the definition of interpreted shear zones which are favourable hosts for additional gold mineralization. The substantially enhanced gold price, now over \$500/ounce increases the value of the Launay property.

No work is presently planned for the Otish diamond properties. Plans could however change rapidly if more positive news is received from Ashton and Soquem at their nearby Renard property.

The wide anomalous intersection of 99.77 metres averaging 0.64% nickel and 0.26% copper drilled by Falconbridge is interesting however Melkior will rely on Falconbridge for exploration guidance on the Ungava property.

It is unfortunate that Melkior's financial situation has not permitted the company to fully finance its Congo activities. Presently the company's properties are in demand from parties from England, South Africa and Australia. Melkior is negotiation to sell its remaining 20% ownership (down from 60%) in SMKK, being a minority partner places Melkior in an unfavourable negotiating position, however, we expect to recover a significant portion of our investment. Strathcona Mineral Services visited the Kbolela property in 2000 and produced a report confirming its potential.

During the coming year, Melkior anticipates that positive developments will be coming from Launay and Congo.

Thank you for your valued support,

(s) Jens E. Hansen
Jens E. Hansen P. Eng
President, Melkior Resources Inc.

Melkior Resources Inc.

Management's Discussion and Analysis

For the year ended August 31, 2005

The following discussion and analysis (the "MD&A") of the financial condition and results of the operations of Melkior Resources Inc. ("Melkior" or "the Company") constitutes management's review of the factors that affected the Company's financial and operating performance for the year ended August 31, 2005, in Canadian dollars. This MD&A should be read in conjunction with the Company's financial statements and related notes as at August 31, 2005.

Further information regarding the Company and its operations are filed electronically on the System for Electronic Document Analysis and Retrieval (SEDAR) in Canada and can be obtained from www.sedar.com.

Nature of activities

Melkior is a development stage company engaged in the acquisition and exploration of mining properties located in Québec (Canada) and Democratic Republic of the Congo (Africa).

Operating Activities

The Company reported a net loss of \$778,990 for the year ended August 31, 2005 ('Fiscal 2005') compared to a net loss of \$716,521 for the year ended August 31, 2004 ('Fiscal 2004'). Total expenses were \$241,235 in Fiscal 2005 compared to \$408,216 in Fiscal 2004 due to the realignment of the activities of the Company following the change of president that occurred in June 2005. Write-off of mining assets totalled \$637,770 in fiscal 2005 versus \$118,685 in fiscal 2004. In Fiscal 2004, there was a \$327,634 write off of an advance to a company that did not repeat in Fiscal 2005.

François C. Desrosiers resigned as president on June 27, 2005. The Board of Directors selected Jens E. Hansen as president on that date and Jocelyn Côté, also a former president, was appointed Secretary. Alan Lee Barker replace François C. Desrosiers on the audit committee .

Investing Activities

The Company spent \$228,672 (\$450,844 in 2004) in deferred exploration expenses for the year ended August 31, 2005.

Launay - Privat

The Company spent \$117,753 (\$137,282 in 2004) on the Launay – Privat property for the year ended August 31, 2005.

The Company holds 117 claims located in the Launay township of Quebec of which 41 claims are subject to a 1% royalty that can be repurchased for a \$1,000,000 cash payment. Those 41 claims were acquired in the previous fiscal year by issuing 1,125,000 common shares for \$88,000 and a \$10,000 cash payment.

The entire property covers more than 4,677 hectares and is located approximately 40 km west of Amos, QC. The property can be reached by highway 111, running between Amos and La Sarre, QC. This highway crosses the property in its southern portion and a number of trails and forestry roads crisscross it.

The local geology is dominated by a contact between the Launay/Privat Batholith and Archean volcano-sedimentary rocks. This heterogeneous felsic batholith shows variable compositions with many granitic injections that are weakly mineralized in pyrite. The gold mineralizations are associated with the contact with the leucocratic granite. This contact is characterized by a strong magnetic anomaly and alteration zones enriched in sodium and potassium with thicknesses exceeding 100 m.

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Management's Discussion and Analysis (Cont'd)

For the year ended August 31, 2005

Two types of mineralization are found on the property:

- a) The Lode type where numerous quartz-carbonate-sulphide veinlets are contained within shear zones, breccias and faults. This type of mineralization is found in Zone "Principale" and in Zone "53"; and
- b) The Disseminated type where gold-bearing pyrite is disseminated in a massive intrusive phase rich in plagioclase (albitite); this type of mineralization is found in Zone "75".

During the year ending August 31, 2004, the Corporation continued its geological work. Two magnetometer geophysical surveys were carried out over a total area of 945 hectares. The first, in the northern part of the property, i.e. the "Principal" and "75" zones, was carried out over known showings following an exploration grid with lines spaced at 100m and 50m. This survey covered 75 linear kilometres and 532 hectares. The second survey, in the southern part of the property, covered 34.5 linear kilometres and 413 hectares.

The gold exploration history of the Launay property suggests a high priority environment meriting more exploration. Melkior intends to undertake a 43-101 standard report on the property in late 2005. The recommendations in this report to be prepared by Geologica Groupe-Conseil Inc., will guide future exploration.

Ungava

The Company spent \$92,843 (\$186,726 in 2004) on the Ungava property for the year ended August 31, 2005.

The Company holds a 49% interest in the Delta-Kenty property located in the Ungava region in Quebec. The property consists of 41 claims totalling 656 hectares and is located 75 km WSW of Donaldson and 35 km west of Falconbridge's Raglan mine. Falconbridge is the operator of the project and hold a 51% interest in the property.

Subject to an agreement dated July 21, 1987, exploration to 1999 done by Melkior, its predecessors and partners totalled \$1,669,805. The mineral resource calculated by Falconbridge measured: 817,600 metric tonnes, 3.05% nickel, 1.26% copper, 0.222 g/t gold, 1.007 g/t platinum and 1.647 g/t palladium.

In 2003-2004, Falconbridge proposed an exploration program which included two drill holes. The cost of the exploration work for 2003 and 2004 was \$595,525 of which Melkior's contribution is \$291,807. The holes encountered wide intersections of anomalous but non-economic nickel value in the context of the remote Ungava location. Falconbridge presented a report on the 2004 program entitled "Summary of 2004 Exploration Program on the Kenty Lake Property" dated January 2005. Hole D04-107 encountered 1% nickel and 0.31% copper over 3.5 metres. Hole D04-108 encountered one section of 12.66m 0.8% nickel, 0.4% copper and another 99.77 metres averaging 0.64% nickel and 0.26% copper. Anomalous platinum and palladium values were also encountered. While the results were highly anomalous, Falconbridge did not in their report recommend further work.

Other properties in Quebec

The company holds 377 claims in the Mont Otish property in Quebec. To complete its acquisition during last fiscal year, the Company issued 100,000 common shares for \$15,000 and paid \$20,000 cash. The claims are subject to a 2% royalty of which 1% can be repurchased for a \$1,000,000 cash payment. Exploration using geophysical and geochemical means for kimberlite indicator minerals has been conducted. Some positive mineral indicators were located however these were not adequate to attract financing. The Company will let the claims expire till May 2006. The property and the deferred exploration expenses were written off as of August 31, 2005 for \$452,728.

The Kimber property and the deferred exploration expenses were written off as of August 31, 2005 for \$55,165.

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Management's Discussion and Analysis (Cont'd)

For the year ended August 31, 2005

The Lite property and the deferred exploration expenses were written off as of August 31, 2005 for \$114,535. The 11 claims were acquired in the previous fiscal year by issuing 500,000 common shares for \$97,500 and a \$10,000 cash payment.

The Company holds 35 claims in the Vauquelin property. The property and its deferred exploration expenses were written off as of August 31, 2005 for \$12,904 since the exploration work for gold has not been successful. Nevertheless, there is considerable activity by others in the area hence the property will be maintained in good standing. The work credit are adequate for 10 years.

The Company holds 30 claims in the Tiblemont property. The property and its deferred exploration expenses were written off as of August 31, 2005 for \$2,396 since the exploration work for gold has not been successful. Nevertheless, the property will be maintained in good standing not to loose the work credits that are adequate for 10 years.

Congo

The Company holds the exploration rights in properties located in Democratic Republic of Congo.

Moreover, the Company holds an interest in the enterprise named Société Minière de Kabolela et de Kipese ("SMKK"). The security of tenure of the Congo properties remains uncertain. From a legal viewpoint which has not been confirmed by Canadian Lawyers, it appears that Melkior still owns 20% of SMKK. SMKK holds two mining concessions in Congo. In the previous fiscal year, the Company wrote off all the advances to SMKK for \$327,634. The Company will have to pay to Trillion International Ltd a net profit interest royalty of 10% from its share of profit of SMKK up to an aggregate maximum amount of \$1,000,000. Financial constraints have prevented Melkior from funding the project. The partners in the project wish to sell the project to obtain a new partner capable of financing mineral development. It is Melkior's position to be cooperative with its partners and recover a portion of its investment.

Jens E. Hansen has travelled to Belgium three times during the last six months of 2005 for discussion with the Congolese partner and potential buyers of this valuable asset. At present, letters of intent are being circulated. It is anticipated that discussions will be completed in early 2006 which should result in an initial payment in the order of \$US150,000 to the Company upon final approval and execution of these documents. This is intended to be followed by future payments related to milestones and production from the Kabolela and Kipese properties.

Ivory Coast

The Company holds an option to acquire a 15% interest in a property located on the Mont Kilahoyo by financing a pre-feasibility study costing up to US \$250,000. The Company can increase its interest to 50% by financing the cost of a feasibility study costing up to US \$10,000,000 and issuing shares valued to US \$2,000,000. The area of Mont Kilahoyo is presently held by rebels unfriendly to the Central government. Melkior has no plans at this stage to pursue work in Ivory Coast. The Company intends to let this option expire.

Financing Activities

In September 2004, the Company completed a private placement for total proceeds of \$151,200 for the issuance of 1,080,000 common shares at a price of \$0.14 per share of which 216,000 are common shares and 864,000 are flow-through common shares. Each common share is issued with one half share purchase warrant. Each whole warrant entitles its holder to purchase one common share of the Company at a price of \$0.18 per share until December 31, 2005. Of the 540,000 warrants issued, 432,000 warrants entitle its holder to purchase flow-through common share.

In August 2005, the Company completed a private placement for total proceeds of \$95,000 for 1,900,000 units at a price of \$0.05 per share. Each unit is composed of one common share and one warrant. Each warrant entitles its holder to purchase one common share of the Company at a price of \$0.10 per share until August 30, 2006. The proceeds of the financing will be used for working capital.

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Management's Discussion and Analysis (Cont'd)

For the year ended August 31, 2005

Finally, 500,000 warrants were exercised for a net proceed of \$75,000 of which \$64,000 were flow-throughs.

Working Capital

The Company has a working capital deficit of \$262,137 of at August 31, 2005 as compared to a deficit of \$196,353 as of August 31, 2004. Management is of the opinion that, subject to continuing to be able to raise equity financing in the future, it will be able to maintain the status of its current exploration obligations and to keep its properties in good standing. Advanced exploration of some of the mineral properties would require substantially more financial resources. In the past, the Company has been able to rely on its ability to raise financing in public or privately negotiated equity offerings. There is no assurance that such financing will be available when required, or under terms that are favourable to the Company. The Company may also elect to advance the exploration and development of mineral properties through joint-venture participation. Management is currently considering its opportunities for further financing at this time.

Selected Annual Information

	Fiscal year ended August 31		
	2005	2004	2003
Gain on disposal of listed shares	\$ 43,015	\$ 14	\$ 29
Net loss	\$ (778,990)	\$ (716,521)	\$ (321,616)
Net Loss per share, basic and diluted	\$ (0.02)	\$ (0.02)	\$ (0.02)

	As at August 31		
	2005	2004	2003
Total assets	\$ 5,434,704	\$ 5,900,375	\$ 5,743,863

Summary of Quarterly Results

For the eight most recent quarters

	August 31 2005	May 31 2005	February 28 2005	November 30 2004
	\$	\$	\$	\$
Gain (loss) on disposal of listed shares	10,088	(480)	4,594	28,813
Net loss for the period	(650,521)	(10,620)	(116,745)	(1,104)
Net loss per share	(0.02)	-	-	-

	August 31 2004	May 31 2004	February 29 2004	November 30 2003
	\$	\$	\$	\$
Gain on disposal of listed shares	3	11	-	-
Net loss for the period	(549,551)	(34,608)	(98,496)	(33,866)
Net loss per share	(0.02)	-	-	-

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Management's Discussion and Analysis (Cont'd)

For the year ended August 31, 2005

Related Party Transactions

During the year ending August 31, 2005, the Company incurred expenses for \$182,587 with directors (or companies controlled by directors), of which \$178,034 were incurred by the former President (or companies controlled by the former president). Those expenses were incurred for exploration expenses, general and administrative expenses, consulting fees, relations with investors and shareholders. As at August 31, 2005, there were accounts payable and accrued liabilities of \$50,213 with its directors or companies controlled by the directors.

Outlook

Melkior has come under new management during the fiscal year.

Launay – Privat

Management intends to review all data gathered during the past year and evaluate the gold exploration potential. The Launay batholith is known to be significantly gold bearing and the Company believes a gold deposit could be discovered on the claims. A budget will be defined following a review of the data.

Ungava

Melkior plans an exploration meeting with Falconbridge to determine if work should be undertaken during the coming year.

Congo

Melkior will continue efforts to sell the rights in Congo to another party.

Other properties

No work is planned.

Subsequent Events

In September 2005, the Company completed a private placement for total proceeds of \$205,000 for 4,100,000 units at a price of \$0.05 per share. Each unit is composed of one common share and one warrant. Each warrant entitles its holder to purchase one common share of the Company at a price of \$0.10 per share until September 20, 2006. The proceeds of the financing will be used for working capital.

In November 2005, 1,700,000 stock options were granted with an exercise price of \$0.10 until November 2010.

Outstanding Share Data

	As of December 9, 2005
	Number
Common shares	42,354,252
Options	3,220,000
Warrants	7,530,000

Off-Balance Sheet Arrangements

During Fiscal 2005, the Company did not set up any off-balance sheet arrangements.

Critical Accounting Estimates

Management is required to make estimates and assumptions in the preparation of financial statements in conformity with generally accepted accounting principles. A description of the Company's significant accounting policies can be found in Note 3 of the Company's financial statements. Key accounting estimates made by management relates to mining assets and deferred exploration costs.

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Management's Discussion and Analysis (Cont'd)

For the year ended August 31, 2005

Changes in Accounting Policies Including Initial Adoption

In September and November 2003, the CICA made amendments to CICA Handbook section 3870 to require that the fair value-based method be applied to awards granted to employees, which previously had not been accounted for at fair value. The change are applicable for years beginning on or after January 1, 2004 but the Company has chosen to early adopt the changes effective August 31, 2003, using the prospective application transitional provision. Thus effective August 31, 2003, all options awarded by the Company are accounted for in the financial statements of the Company. This change in accounting policy had no effects on the financial statements since the Company has not granted any stock options during the years ended August 31, 2005 and 2004.

In March 2004, the CICA issued Emerging Issue Committee Abstract no 146 (EIC-146), Flow-through Shares, which clarifies the date of recognition of the future income tax liability related to renounced income tax deductions. The Company adopted prospectively the new recommendations and now records the tax effect related to renounced deductions on the date that the Company renounces the deductions to investors whereas previously, the tax effect was recorded when the related exploration expenditures were incurred. This change in accounting policy had no effect on the financial statements.

Financial Instruments and Other Instruments

The fair value of the financial instruments of the Company approximates their carrying amounts given that they will mature shortly. Cash and cash equivalents, receivable and others. exploration funds, accounts payable and accrued liabilities along with deposit on shares to be issued do not carry interest. The fair value of the investments is equivalent to the market value based on the closing price.

Disclosure Controls

The Company has established and maintains disclosure controls and procedures over financial reporting. The certifying officers have evaluated the effectiveness of the issuer's disclosure controls and procedures as of August 31, 2005 and have concluded that such procedures are adequate and effective to ensure accurate and complete disclosures in annual filings.

Risk Factors

The following discussion reviews a number of important risks which management believes could impact the Company's business. There are other risks, not identified below, which currently, or may in the future exist in the Company's operating environment.

Exploration and Mining Risks

The business of exploration for minerals and mining involves a high degree of risk. Few properties that are explored are ultimately developed into producing mines. At present, there are no known bodies of commercial ore on the mineral properties of which the Company intends to acquire an interest and the proposed exploration program is an exploratory search for ore. Unusual or unexpected formations, formation pressures, fires, power outages, labour disruptions, flooding, cave-ins, landslides and the inability to obtain suitable or adequate machinery, equipment or labour are other risks involved in the conduct of exploration programs. The Company from time to time augments its internal exploration and operating expertise with due advice from consultants and others as required. The economics of developing gold and other mineral properties is affected by many factors including the cost of operations, variation of the grade of ore mined and fluctuations in the price of any minerals produced. There are no underground or surface plants or equipment on the Company's mineral properties, or any known body of commercial ore. Programs conducted on the Company's mineral property would be an exploratory search for ore.

Titles to Property

While the Company has diligently investigated title to the various properties in which it has interest, and to the best of its knowledge, title to those properties are in good standing, this should not be construed as a guarantee of title. The properties may be subject to prior unregistered agreements or transfer, or native or government land claims, and title may be affected by undetected defects.

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Management's Discussion and Analysis (Cont'd)

For the year ended August 31, 2005

Permits and Licenses

The Company's operations may require licenses and permits from various governmental authorities. There can be no assurance that the Company will be able to obtain all necessary licenses and permits that may be required to carry out exploration, development and mining operations at its projects.

Foreign Country

The Company is subject to risks normally associated with the acquisition, exploration and development of mineral properties in Africa, including, but not limited to, possible economic instability, government actions which may adversely effect the operations of the Company, fluctuations in currency exchange rates, regionally poor infrastructure in some of the more rural areas, the potential for changes in resource development, investment or export policies or political attitude. The Company does not currently take any steps to hedge against currency fluctuations.

Metal Prices

Even if the Company's exploration programs are successful, factors beyond the control of the Company may affect marketability of any minerals discovered. Metal prices have historically fluctuated widely and are affected by numerous factors beyond the Company's control, including international, economic and political trends, expectations for inflation, currency exchange fluctuations, interest rates, global or regional consumption patterns, speculative activities and worldwide production levels. The effect of these factors cannot accurately be predicted.

Competition

The mining industry is intensely competitive in all its phases. The Company competes with many companies possessing greater financial resources and technical facilities than itself for the acquisition of mineral interests as well as for recruitment and retention of qualified employees.

Environmental Regulations

The Company's operations are subject to environmental regulations promulgated by government agencies from time to time. Environmental legislation provides for restrictions and prohibitions of spills, release or emission of various substances produced in association with certain mining industry operations, such as seepage from tailing disposal areas, which could result in environmental pollution. A breach of such legislation may result in imposition of fines and penalties. In addition, certain types of operations require submissions to and approval of environmental impact assessments. Environmental legislation is evolving in a manner, which means stricter standards, and enforcement, fines and penalties for non-compliance are more stringent. Environmental assessments of proposed projects carry a heightened degree of responsibility for companies and directors, officers and employees. The cost of compliance with changes in governmental regulations has a potential to reduce the profitability of operations. The Company intends to fully comply with all environmental regulations.

Conflicts of Interest

Certain directors or proposed directors of the Company are also directors, officers or shareholders of other companies that are similarly engaged in the business of acquiring, developing and exploiting natural resource properties. Such associations may give rise to conflicts of interest from time to time. The directors of the Company are required by law to act honestly and in good faith with a view to the best interests of the Company and to disclose any interest, which they may have in any project or opportunity of the Company. If a conflict of interest arises at a meeting of the board of directors, any director in a conflict will disclose his interest and abstain from voting on such matter. In determining whether or not the Company will participate in any project or opportunity, the directors will primarily consider the degree of risk to which the Company may be exposed and its financial position at that time.

Stage of Development

The Company's properties are in the exploration stage and to date none of them have a proven ore body. The Company does not have a history of earnings or the provision of return on investment, and in future there is no assurance that it will produce revenue, operate profitably or provide a return on investment.

Melkior Resources Inc.

Management's Discussion and Analysis (Cont'd)

For the year ended August 31, 2005

Industry Conditions

Mining and milling operations are subject to government regulations. Operations may be affected in varying degrees by government regulations such as restrictions on production, price controls, tax increases, expropriation of property, pollution controls or changes in conditions under which minerals may be mined, milled or marketed. The marketability of minerals may be affected by numerous factors beyond the control of the Company, such as government regulations. The effect of these factors cannot be accurately determined.

Uninsured Hazards

Hazards such as unusual geological conditions are involved in exploring for and developing mineral deposits. The Company may become subject to liability for pollution or other hazards, which cannot be insured against or against which the Company may elect not to insure because of high premium costs or other reasons. The payment of any such liability could result in the loss of Company assets or the insolvency of the Company.

Future Financing

Completion of future programs may require additional financing, which may dilute the interests of existing shareholders.

Key Employees

Management of the Company rests on a few key officers, the loss of any of whom could have a detrimental effect on its operations.

Canada Customs and Revenue Agency

No assurance can be made that Canada Customs and Revenue Agency will agree with the Company's characterization of expenditures as Canadian exploration expenses or Canadian development expense or the eligibility of such expenses as Canadian exploration expense under the Income Tax Act (Canada).

Forward-Looking Information

This management's discussion and analysis contains forward looking statements reflecting Melkior's objectives, estimates and expectations. These statements are identified by the use of verbs such as "believe", "anticipate", "estimate", and "expect". As well as the use of the future or conditional tense. By their very nature, these types of statements involve risk and uncertainty. Consequently, results could differ materially from the Company's projections or expectations.

December 9, 2005

(s) Jens E. Hansen

Jens E. Hansen

President

Melkior Resources Inc.

Management's Report

The financial statements of Melkior Resources Inc. (the 'Company') and the other financial information included in this annual report are the responsibility of the Company's management and have been examined and approved by its Board of Directors. These financial statements have been prepared by management in accordance with Canadian generally accepted accounting principles and include some amounts that are based on management's best estimates using careful judgment. The selection of accounting principles and methods is management's responsibility.

The Company maintains internal control systems designed to ensure that financial information is relevant and reliable and that assets are safeguarded.

Management recognizes its responsibility for conducting the Company's affairs in a manner to comply with the requirements of applicable laws and established financial standards and principles, and for maintaining proper standards of conduct in its activities.

The Board of Directors supervises the financial statements and other financial information through its audit committee, which is comprised of a majority of non-management directors.

This committee's role is to examine the financial statements and recommend that the Board of Directors approve them, to examine the internal control and information protection systems and all other matters relating to the Company's accounting and finances. In order to do so, the audit committee meets annually with the external auditors, with or without the Company's management, to review their respective audit plans and discuss the results of their examinations. This committee is responsible for recommending the appointment of the external auditors or the renewal of their engagement.

The Company's external auditors, Raymond Chabot Grant Thornton LLP, appointed by the shareholders at the Annual General Meeting, have audited the Company's financial statements and their report indicating the scope of their audit and their opinion on the financial statements is presented below.

December 9, 2005

(s) Jens E. Hansen
Jens E. Hansen
President

Auditor's Report

To the shareholders of
Melkior Resources Inc.

We have audited the balance sheets of Melkior Resources Inc. as at August 31, 2005 and 2004 and the statements of earnings and deficit, deferred exploration expenses and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Company as at August 31, 2005 and 2004 and the results of its operations and its cash flows for the years then ended in accordance with Canadian generally accepted accounting principles.

(s) RAYMOND CHABOT GRANT THORNTON LLP
Chartered Accountants

Val-d'Or
December 9, 2005

Melkior Resources Inc.

(an exploration company)

Balance Sheets

	August 31	
	2005	2004
Assets		
Current assets		
Cash and cash equivalents	\$ -	\$ 300
Receivable and others	19,882	19,097
	<u>19,882</u>	<u>19,397</u>
Exploration funds (Note 4)	84,462	138,291
Investment (market value \$9,600; \$20,700 in 2004)	6,800	15,300
Mining assets (Note 5)		
Mining properties	437,699	721,285
Deferred exploration expenses	4,885,861	5,006,102
	<u>\$ 5,434,704</u>	<u>\$ 5,900,375</u>
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	\$ 194,670	\$ 119,492
Due to a director (60,000 Euro) without interest	87,349	96,258
	<u>282,019</u>	<u>215,750</u>
Deposit on shares to be issued	-	9,500
	<u>282,019</u>	<u>225,250</u>
Shareholders' Equity		
Share capital (Note 6)	24,731,438	24,410,238
Deficit	(19,578,753)	(18,735,113)
	<u>5,152,685</u>	<u>5,675,125</u>
	<u>\$ 5,434,704</u>	<u>\$ 5,900,375</u>

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

(s) Jens E. Hansen
Jens E. Hansen, President and Director

(s) Jocelyn Côté
Jocelyn Côté, Secretary and Director

Melkior Resources Inc.
(an exploration company)
Statement of Earnings and Deficit

	Year ended August 31	
	2005	2004
Expenses		
General and administrative	\$ 42,076	\$ 47,854
Travelling and promotion	28,721	36,074
Investors and shareholders relations	76,113	107,217
Professional and consulting fees	103,234	213,813
Foreign exchange (gain) loss	(8,909)	3,258
	<u>241,235</u>	<u>408,216</u>
Loss before the items noted below	<u>(241,235)</u>	<u>(408,216)</u>
Gain on disposal of investment	43,015	14
Write-off of mining assets	(637,770)	(118,685)
Write-off of advances to an enterprise	-	(327,634)
Loss before income taxes	<u>(835,990)</u>	<u>(854,521)</u>
Recovery of future income taxes (Note 7)	57,000	138,000
Net loss	<u>(778,990)</u>	<u>(716,521)</u>
Deficit, beginning	(18,735,113)	(17,871,308)
Share issue expenses	(64,650)	(147,284)
Deficit, end	<u>\$ (19,578,753)</u>	<u>\$ (18,735,113)</u>
Basic and diluted net loss per share	<u>\$ (0.02)</u>	<u>\$ (0.02)</u>
Weighted average number of outstanding common shares	<u>36,155,677</u>	<u>30,897,914</u>

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

Melkior Resources Inc.

(an exploration company)

Statement of Deferred Exploration Expenses

	Year ended August 31	
	<u>2005</u>	<u>2004</u>
Balance, beginning	\$ 5,006,102	\$ 4,573,116
Additions		
Drilling	1,732	50,679
Geology, geochemistry, geophysics and prospecting	212,006	307,976
Analysis	-	9,798
Line cutting	14,719	24,581
Travelling	215	-
Professional fees	-	5,176
Taxes and permits	-	52,634
	<u>228,672</u>	<u>450,844</u>
Deductions		
Write-off	(348,913)	(16,621)
Tax credits	-	(1,237)
Balance, end	<u>\$ 4,885,861</u>	<u>\$ 5,006,102</u>

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

Melkior Resources Inc.

(an exploration company)

Statement of Cash Flows

	Year ended August 31	
	2005	2004
Operating activities		
Net loss	\$ (778,990)	\$ (716,521)
Non-cash items:		
Gain on disposal of investments	(43,015)	-
Foreign exchange loss (gain)	(8,909)	3,258
Write-off of advances to an enterprise	-	327,634
Write-off of mining assets	637,770	118,685
Recovery of future income taxes	(57,000)	(138,000)
	(250,144)	(404,944)
Changes in non-cash working capital items		
Accounts receivable and others	(785)	(10,074)
Advance on travel expenses	-	17,261
Accounts payable and accrued liabilities	75,178	10,359
	74,393	17,546
Cash flows used in operating activities	<u>(175,751)</u>	<u>(387,398)</u>
Investing activities		
Disposal of investments	51,515	-
Exploration funds	53,829	(69,910)
Additions to mining properties	(5,271)	(30,000)
Deferred exploration expenses	(228,672)	(450,845)
Tax credits	-	1,237
Cash flows used in investing activities	<u>(128,599)</u>	<u>(549,518)</u>
Financing activities		
Issuance of common shares	311,700	936,700
Share issue expenses	(7,650)	(9,284)
Deposit on shares to be issued	-	9,500
Cash flows from financing activities	<u>304,050</u>	<u>936,916</u>
Net changes in cash and cash equivalents	(300)	-
Cash and cash equivalents, beginning	300	300
Cash and cash equivalents, end	<u>\$ -</u>	<u>\$ 300</u>
Additional disclosure on non-cash items		
Issuance of shares for acquisition of mining properties	\$ -	\$ 285,500
Issuance of shares in settlement of a payable	\$ -	\$ 15,000
Variation of subscriptions of shares receivable:		
Common shares	\$ -	\$ (115,000)
Flow-through common shares	\$ -	\$ (120,000)
Future income taxes accounted for in share issue expenses	\$ 57,000	\$ 138,000
Accounts payable on acquisition of mining properties	\$ -	\$ 15,000
Deposit on shares to be issued	\$ (9,500)	\$ -

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

Melkior Resources Inc.

(an exploration company)

Notes to financial statements

As at August 31, 2005 and 2004

1. Governing statutes, nature of operations and going concern assumption

Melkior Resources Inc. (the 'Company'), incorporated under the Canada Business Corporation Act, is a mineral exploration enterprise. In the previous year, the Company changed the date of its financial year-end from August 30 to August 31.

The Company is in the process of exploring and evaluating its mineral properties and projects and has not yet determined whether its properties contain ore reserves that are economically recoverable. The ability of the Company to meet its commitments as they become payable, including the completion of acquisitions of mineral properties and projects, is dependent on the ability of the Company to obtain necessary financing. The recoverability of amounts shown for mineral properties and deferred exploration and development expenses is dependent upon the ability of the Company to obtain necessary financing to complete the acquisition, exploration and development thereof, and upon future profitable production or proceed from the disposal of properties.

The financial statements do not reflect the adjustments to the carrying values of assets and liabilities that would be necessary if the Company was unable to realize its assets or discharge its obligations in anything other than the ordinary course of operations. A portion of the Company's operations is located in Africa and consequently may be subject to a higher level of risk compared to developed countries. Operations, the status of mineral property rights, and the recoverability of investments in Africa can be affected by changing economic, regulatory and political situations.

Although the Company has taken steps to verify title to mineral properties in which it has an interest in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property's titles may be subject to unregistered prior agreements and non-compliance with regulatory requirements.

2. Changes in accounting policies

In September and November 2003, the CICA made amendments to CICA Handbook section 3870 to require that the fair value-based method be applied to awards granted to employees, which previously had not been accounted for at fair value. The changes are applicable for years beginning on or after January 1, 2004 but the Company has chosen to early adopt the changes effective August 31, 2003, using the prospective application transitional provision. Thus effective August 31, 2003, all options awarded by the Company are accounted for in the financial statements of the Company. This change in accounting policy had no effects on the financial statements since the Company has not granted any stock options during the years ended August 31, 2005 and 2004.

In March 2004, the CICA issued Emerging Issue Committee Abstract no 146 (EIC-146), Flow-through Shares, which clarifies the date of recognition of the future income tax liability related to renounced income tax deductions. The Company adopted prospectively the new recommendations and now records the tax effect related to renounced deductions on the date that the Company renounces the deductions to investors whereas previously, the tax effect was recorded when the related exploration expenditures were incurred. This change in accounting policy had no effect on the financial statements.

Melkior Resources Inc.

(an exploration company)

Notes to financial statements

As at August 31, 2005 and 2004

3. Accounting policies

Accounting Estimates

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts recorded in the financial statements and notes to financial statements. Significant estimates include the carrying value of mineral properties and deferred exploration and development expenses. Actual results may differ from those estimates.

Cash and cash equivalents

The Company's policy is to present cash and temporary investments having a term of three months or less from the acquisition date with cash and cash equivalents.

Exploration funds

These funds are restricted in use for exploration expenses pursuant to financing agreements.

Mining properties and deferred exploration expenses

Acquisition cost and exploration expenses relating to a non-producing property are deferred until the mineral property is brought into production or abandoned. If commercial production is achieved, the capitalized costs are amortized over the estimated useful life of the project. Upon abandonment or if the costs to date are determined to be unrecoverable, the accumulated costs are charges to earnings. Government assistance, mining duties credits and other credits related to exploration work are applied against the deferred exploration expenses.

Reclamation obligation

The Company records the fair value of a liability for the estimated costs associated with legal obligations relating to the restoration and closure of its mineral properties.

Foreign currency translation

Monetary assets and liabilities in foreign currency are translated at the exchange rate in effect at the balance sheet date, whereas other assets and liabilities are translated at exchange rates in effect at transaction dates. Revenue and expenses in foreign currency are translated at the average rate in effect during the year, with the exception of amortization of property, plant and equipment, which is translated at the historical rate. Gains and losses are included in the earnings for the year.

Basic or diluted net loss per common shares

Basic net loss per share is calculated over the weighted average number of shares outstanding during the year. The diluted net loss per share, which is calculated using the treasury method, is equal to the basic net loss per share due to the anti-dilution effect of stock options and share purchase warrants outstanding and described in Note 6.

Melkior Resources Inc.

(an exploration company)

Notes to financial statements

As at August 31, 2005 and 2004

3. Accounting policies (Cont'd)

Share Capital

Share Capital issued for non-monetary consideration is generally recorded at the fair market value on the date the shares were issued, or the date the agreement to issue the shares was entered into, as determined by the Board of Directors of the Company, based on the trading price of the shares less applicable discounts. Costs incurred on the issue of share capital are reported in the statement of deficit.

The resource expenditure deductions for income tax purposes related to exploratory and development activities funded by flow-through share arrangements are renounced to investors in accordance with tax legislation. Under the liability method of accounting, considering EIC-146, income taxes related to the temporary differences are recorded on the date that the Company renounces the deductions to investors together with a corresponding charge in the statement of Earnings and deficit.

Stock-Based Compensation Plans

The Company has a stock option plan as described in Note 6. Since August 31, 2003, a compensation expense is recognized when stock options are issued and the counterpart is credited to contributed surplus. Any consideration paid on exercise of stock options and the contributed surplus related to these options are credited to capital stock.

Income taxes

The Company uses the liability method of accounting for income taxes. Under this method, future income tax assets and liabilities are determined according to difference between the carrying amounts and tax bases of assets and liabilities. They are measured by applying substantively enacted tax rates and laws at the date of the financial statements for the years in which the temporary differences are expected to reverse. The Company establishes a valuation allowance against future income tax assets if, based on available information, it is more likely than not that some or all of the future tax assets will not be realized.

Financial instruments

The fair value of the financial instruments of the Company approximates their carrying amounts given that they will mature shortly. Cash and cash equivalents, receivable and others, exploration funds (except the investments), accounts payable and accrued liabilities.

The fair value of the investments is equivalent to the market value based on the closing price.

4. Exploration funds

	<u>2005</u>	<u>2004</u>
	\$	\$
Cash and cash equivalents	84,462	4,270
Investments, at cost (market value \$55,300)	-	28,721
Advances on exploration works, without interest	-	105,300
	<u>84,462</u>	<u>138,291</u>

Melkior Resources Inc.

(an exploration company)

Notes to financial statements

As at August 31, 2005 and 2004

5. Mining assets

<i>Mining properties</i>	August 31 2004	Addition	Write-off	August 31 2005
	\$	\$	\$	\$
Quebec				
<i>Launay - Privat</i>	233,923	3,776	-	237,699
<i>Ungava</i>	200,000	-	-	200,000
<i>Mont Otish</i>	124,860	-	(124,860)	-
<i>Kimber</i>	55,000	-	(55,000)	-
<i>Lite</i>	107,500	-	(107,500)	-
<i>Others</i>	-	1,495	(1,495)	-
	721,283	5,271	(288,855)	437,699
Africa				
<i>Democratic Republic of Congo</i>	1	-	(1)	-
<i>Ivory Coast</i>	1	-	(1)	-
	2	-	(2)	-
	721,285	5,271	(288,857)	437,699

<i>Deferred exploration expenses</i>	August 31 2004	Expenditures	Write-off	August 31 2005
	\$	\$		\$
Quebec				
<i>Launay – Privat</i>	3,634,815	117,753	-	3,752,568
<i>Ungava</i>	1,040,450	92,843	-	1,133,293
<i>Mont Otish</i>	311,288	16,580	(327,868)	-
<i>Kimber</i>	77	88	(165)	-
<i>Lite</i>	6,916	119	(7,035)	-
<i>Others</i>	12,556	1,289	(13,845)	-
	5,006,102	228,672	(348,913)	4,885,861

a) *Launay et Privat*

The Company holds 117 claims located in the Launay township of Quebec of which 41 claims are subject to a 1% royalty that can be repurchased for a \$1,000,000 cash payment. Those 41 claims were acquired in the previous fiscal year by issuing 1,125,000 common shares for \$188,000 and a \$10,000 cash payment.

b) *Ungava*

The Company holds a 49% interest in the Delta-Kenty property located in the Ungava region in Quebec.

Melkior Resources Inc.

(an exploration company)

Notes to financial statements

As at August 31, 2005 and 2004

5. Mining assets (Cont'd)

c) *Mont Otish*

The company holds 377 claims in the Mont Otish property in Quebec. To complete its acquisition during last fiscal year, the Company issued 100,000 common shares for \$15,000 to pay a debt and paid \$20,000 cash. The claims are subject to a 2% royalty of which 1% can be repurchased for a \$1,000,000 cash payment. The Company will let the claims expire till May 2006. The property and the deferred exploration expenses were written off as of August 31, 2005 for \$452,728.

d) *Kimber*

The property and the deferred exploration expenses were written off as of August 31, 2005 for \$55,165.

e) *Lite*

The property and the deferred exploration expenses were written off as of August 31, 2005 for \$114,535. The 11 claims were acquired in the previous fiscal year by issuing 500,000 common shares for \$97,500 and a \$10,000 cash payment.

f) *Other properties in Québec*

The Company holds 65 claims for the Vauquelin and Tiblemont properties for which the expiry dates go up to January 2007. The Vauquelin, Tiblemont and Five Diamond properties and their deferred exploration expenses were written off as of August 31, 2005 for \$12,904, \$2,396 and \$40 respectively.

g) *Democratic Republic of Congo*

The Company holds the exploration rights in properties located in Democratic Republic of Congo. Legal costs and other fees amounting to \$112,875 (150,607 \$ in 2004) have been incurred during the year to consolidate the holding of the Company's interests in these properties. These costs have been expensed.

Moreover, the Company holds an interest in the enterprise named Société Minière de Kabolela et de Kipese ("SMKK"). In the previous fiscal year, the Company wrote off all the advances to SMKK for \$327,634.

The Company will have to pay to Trillion International Ltd a net profit interest royalty of 10% from its share of profit of SMKK up to an aggregate maximum amount of \$1,000,000.

h) *Ivory Coast*

The Company holds an option to acquire a 15% interest in a property located on the Mont Kilahoyo by financing a pre-feasibility study costing up to US \$250,000. The Company can increase its interest to 50% by financing the cost of a feasibility study costing up to US \$10,000,000 and issuing shares valued to US \$2,000,000. The Company has no plans at this stage to pursue work in Ivory Coast.

Melkior Resources Inc.

(an exploration company)

Notes to financial statements

As at August 31, 2005 and 2004

6. Share capital

Authorized:

The Company's authorized share capital consists of an unlimited number of common shares of no par value, voting and participating and an unlimited number of preferred shares with an 8% non-cumulative dividend, redeemable at the request of the Company at paid up capital.

Issued:

Changes in the Company's common share capital were as follows:

	2005		2004	
	Number	Amount	Number	Amount
<i>Balance at beginning</i>	34,774,252	24,410,238	28,239,252	23,408,038
<i>Private placements</i>	2,116,000	125,240	396,000	55,440
<i>Flow-through private placements</i>	864,000	120,960	1,584,000	221,760
<i>Exercise of warrants</i>	73,333	11,000	2,080,000	312,000
<i>Exercise of flow through warrants</i>	426,667	64,000	750,000	112,500
<i>Settlement of a creditor</i>	-	-	100,000	15,000
<i>Acquisition of mining properties (Note 5a & 5e)</i>	-	-	1,625,000	285,500
<i>Balance at end ⁽¹⁾</i>	<u>38,254,252</u>	<u>24,731,438</u>	<u>34,774,252</u>	<u>24,410,238</u>

⁽¹⁾ During the year, the Company issued 600,000 shares for which the proceeds were not received. After August 31, 2005, those shares were returned to treasury and cancelled. These shares are not reflected in the preceding table.

a) *Private placements*

In September 2004, the Company completed a private placement for total proceeds of \$151,200 in cash for the issuance of 1,080,000 common shares at a price of \$0.14 per share of which 216,000 are common shares and 864,000 are flow-through common shares. Each common share is issued with one half share purchase warrant. Each whole warrant entitles its holder to purchase one common share of the Company at a price of \$0.18 per share until December 31, 2005. Of the 540,000 warrants issued, 432,000 warrants entitle its holder to purchase flow-through common share.

In August 2005, the Company completed a private placement for total proceeds of \$95,000 in cash for 1,900,000 units at a price of \$0.05 per unit. Each unit is composed of one common share and one warrant. Each warrant entitles its holder to purchase one common share of the Company at a price of \$0.10 per share until August 30, 2006.

b) *Stock option plan*

On December 13, 2003, the board of directors adopted a new stock option plan. A maximum of 4,500,000 common shares can be issued following the grant of options, considering there were 2,560,000 outstanding options as of December 1, 2003 relating to the previous regimes.

Melkior Resources Inc.

(an exploration company)

Notes to financial statements

As at August 31, 2005 and 2004

6. Share capital (Cont'd)

b) Stock option plan (Cont'd)

A summary of changes of the Company's common share purchase options is presented below:

	2005		2004	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
		\$		\$
<i>Balance at beginning</i>	2,420,000	0.19	2,560,000	0.18
<i>Cancelled</i>	-	-	(140,000)	0.15
<i>Expired</i>	(400,000)	0.57	-	-
<i>Balance at end</i>	<u>2,020,000</u>	0.11	<u>2,420,000</u>	0.19

The following table summarizes information about common share purchase options outstanding and exercisable as at August 31, 2005:

Number of options	Exercise price	Expiry date
	\$	
420,000	0.15	December 13, 2005
600,000	0.10	October 29, 2006
200,000	0.10	December 10, 2006
800,000	0.10	April 9, 2008
<u>2,020,000</u>		

c) Warrants

A summary of changes of the Company's warrants is presented below:

	2005		2004	
	Number of warrants	Weighted average exercise price	Number of warrants	Weighted average exercise price
		\$		\$
<i>Balance at beginning</i>	3,660,000	0.16	6,410,000	0.16
<i>Issued</i>	2,440,000	0.12	990,000	0.18
<i>Exercised</i>	(500,000)	0.15	(2,830,000)	0.15
<i>Expired</i>	(2,170,000)	0.15	(910,000)	0.20
<i>Balance at end</i>	<u>3,430,000</u>	0.14	<u>3,660,000</u>	0.16

Melkior Resources Inc.

(an exploration company)

Notes to financial statements

As at August 31, 2005 and 2004

6. Share capital (Cont'd)

c) Warrants (Cont'd)

Warrants outstanding as at August 31, 2005 are as follows:

Number of warrants	Exercise price \$	Expiry date
990,000	0.18	December 31, 2005 ⁽¹⁾
540,000	0.18	December 31, 2005
1,900,000	0.10	August 30, 2006
<u>3,430,000</u>		

⁽¹⁾ These 990,000 warrants were issued during fiscal 2004 with an original expiry date of December 31, 2004 which has been extended to December 31, 2005.

7. Income taxes

The Company's effective income tax rate differs from the combined federal and provincial income tax rate in Canada. The difference results from the following:

	2005	2004
	\$	\$
Loss before income taxes	<u>(835,990)</u>	<u>(854,521)</u>
Income taxes at the combined federal and provincial tax rate of 31% (31% in 2004)	(259,300)	(265,100)
Share issue expenses deductible	(5,400)	(10,300)
Write-off on mining assets	197,700	36,800
Write-off of advances to an enterprise	-	101,600
Other items non deductible	4,600	1,100
Unrecognized tax benefit	5,400	(2,100)
Income taxes	<u>(57,000)</u>	<u>(138,000)</u>

Future income tax assets and liabilities result from the differences between the carrying amount and the tax basis of the following:

	2005	2004
	\$	\$
Future income tax assets		
Share issue expenses deductible	4,600	7,600
Operating losses carried forward	360,800	452,800
Mineral properties	946,000	838,200
Advances to an enterprise	101,600	101,600
	<u>1,413,000</u>	<u>1,400,200</u>
Less valuation allowance	<u>(1,413,000)</u>	<u>(1,400,200)</u>
	<u>-</u>	<u>-</u>

Melkior Resources Inc.

(an exploration company)

Notes to financial statements

As at August 31, 2005 and 2004

7. Income taxes (Cont'd)

(1) Operating losses available to reduce income taxes in future years are detailed as follows:

2006	140,000
2007	82,000
2008	106,000
2009	117,000
2010	135,000
2014	387,000
2015	204,000
	<u>1,171,000</u>

8. Royalties

The Company has the possibility to receive a 13.5% interest in a royalty of 2% of the gross revenue from ore sales following the sale of its interest in the Souart property. The Company has the right to receive a 1% net smelter return royalty as per a former agreement for the sale of its interest in 17 mining claims being part of the Joubi property, Dubuisson Township.

9. Related party transactions

During the years ending August 31, 2005 and 2004, the Company incurred the following expenses with directors (or companies controlled by directors):

	<u>2005</u>	<u>2004</u>
		\$
Deferred exploration and development expenses	125,586	154,824
General and administrative expenses	18,156	9,916
Consulting fees	15,303	13,094
Investors and shareholders relations	23,542	24,000

As at August 31, 2005, there were accounts payable and accrued liabilities of \$50,213 with its directors or companies controlled by the directors. For fiscal 2005, \$178,034 of the expenses were incurred by the former President (or companies controlled by the former president).

The transactions occurred during the normal course of operations and were measured at the exchange amount, which is the amount established and accepted by the parties.

10. Contingencies

Flow through share financing

The Company is partly financed by issuance of flow-through common shares. However, there are no guarantees that the funds spent by the Company will qualify as Canadian explorations expenses, even if the Company has taken all the necessary measures for this purpose. The refusal of some expenses by the fiscal authorities would have a negative fiscal impact on investors.

Melkior Resources Inc.

(an exploration company)

Notes to financial statements

As at August 31, 2005 and 2004

11. Subsequent events

In September 2005, the Company completed a private placement for total proceeds of \$205,000 for 4,100,000 units at a price of \$0.05 per unit. Each unit is composed of one common share and one warrant. Each warrant entitles its holder to purchase one common share of the Company at a price of \$0.10 per share until September 20, 2006.

In November 2005, 1,700,000 stock options were granted with an exercise price of \$0.10 until November 2010.

12. Comparative figures

Certain comparative figures have been reclassified to conform to the financial statement presentation adopted in the current year.

Melkior Resources Inc.

General Information

Directors

Florent Baril

Boucherville, Quebec

Norman Farrell*

Montreal, Quebec

Jens E. Hansen*

Ottawa, Ontario

Jocelyn Côté

Outremont, Quebec

Alan Lee Barker*

Whitby, Ontario)

**Members of the Audit Committee*

Officers

Florent Baril

Chairman of the Board

Jens E. Hansen

President

Jocelyn Côté

Secretary

Auditors

Raymond Chabot Grant Thornton, LLP

888, 3rd Avenue

Val-d'Or, Quebec

J9P 5E6

Transfer agent and registrar

CIBC Mellon Trust Company

Exchange Listing

TSX Venture Exchange

Symbol: MKR

Head office

1 Place Ville Marie

Suite 4000

Montreal, Quebec

H3B 4M4

Tel.: (613) 721-2919

Fax: (613) 828-7268

Annual meeting

The annual meeting of shareholders will be held:

February 27, 2006 at 11:00 a.m. at Lavery de Billy at 1 Place Ville Marie, suite 4000, Montreal, Quebec.