Melkior Resources Inc.

(an exploration company)

Management's Discussion and Analysis

For the six-month period ended February 29, 2008

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 six-month period ended February 29, 2008. This MD&A should be read in conjunction with the Company's financial statements and related notes for the six-month period ended ended February 29, 2008 with the Company's MD&A included in the 2007 Annual Report.

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 an exploration and development stage company engaged in the acquisition, exploration and development of mining properties located in Quebec and Ontario.

Overall performance

The Company reported a net profit of $292,005 for the six-month period ending February 29, 2008 ("Q2-2008") compared to a net loss of $144,517 in the six-month period ending February 28, 2007 ("Q2-2007").

On November 1, 2007, the Company completed a brokered private placement of 3,636,360 flow-through common shares at a price of $0.33 per flow-through share for gross proceeds of $1,200,000.

The Company undertook exploration work totalling $672,929 in Q2-2008 ($98,994 in Q2-2007), of which $484,532 was done on the Timmins West property located in Ontario. The Company invested $133,031 in Q2-2008 on mining properties mostly for the acquisition of Loveland in Ontario ($156,210 in Q2-2007 mostly for the acquisition of Otish).

On December 18, 2007, the Company has signed a letter of intent for the sale of its Otish Basin uranium interests to Kakanda Resources Corp. Prior to the sale, Melkior was a 50-50 partner with Santoy Resources Ltd. Santoy will retain its interest and become operator of the project. The terms of the letter of intent are as follows:

- Kakanda pays Melkior $500,000 cash (received March 4, 2008);
- Kakanda issues 4,100,000 of its common shares to Melkior (received March 4, 2008). These shares were valued at the market value on the date the letter of intent was signed which is $1,312,000;
- Melkior retains a 100% right to any kimberlite (for diamonds);
- Melkior retains a 1% Net Smelter Return (NSR) royalty on 968 claims owned by Melkior/Santoy;
- Melkior retains a 0.25% NSR on the 13 Marc André claims.

Melkior retains a 100% ownership of approximately 330 Otish area claims being explored for copper and molybdenum. The transaction generated a gain on disposal of mining assets of $1,073,997.

Results of operations

Total expenses are $1,213,489 in Q2-2008 versus $441,598 in Q2-2007. A $672,000 stock-based compensation expense was recorded in Q2-2008 following the grant of 2,800,000 options while in Q2-2007 the stock-based compensation expenses was $258,000 following the grant of 500,000 options.

Professional and consulting fees are $108,473 in Q2-2008 versus $57,224 in Q2-2007 due to increased company activities, additional legal costs following the sale of the Otish properties to Kakanda and management fees charged by a company controlled by the President.

Interest income are $90,937 in Q2-2008 versus $20,081 in Q2-2007 due to an enhanced financial position at $4,240,066 on February 29, 2008 (including cash and cash equivalents, term deposits and exploration funds) compared to $1,830,164 on February 28, 2007. Melkior also earned $17,560 in management fees as the operator of the Otish exploration work done in partnership with Santoy Resources Inc.

Results of operations (cont'd)

As of February 29, 2008, the Company recorded $287,321 for the fair value variation on the 4,100,000 shares of Kakanda included in the taxes and other receivable.

Finally, Melkior recorded a $323,000 recovery of future income taxes in Q2-2008 ($277,000 in Q2-2007) representing the tax impact of the flow-through shares issued.

Investing activities

The Company spent $672,929 in Q2-2008 ($98,994 in Q2-2007) on exploration expenses. The main mining assets of the Company are Launay, Otish, Timmins West, Eldorado Nickel and Ungava.

Timmins West
The Company undertook exploration work totalling $484,532 ($65,864 in Q2-2007) on drilling on the Timmins West property in Q2-2008.

The property is composed of 120 mining claims located in Bristol, Carscallen and Denton Townships in the Timmins area of Ontario.

On February 22, 2006, the Company signed a letter of intent to acquire 100% interest in 63 claims in consideration of $10,000 cash paid in March 2006, 600,000 common shares of the Company issued in April 2006 for $90,000 and a 1.5% net smelter returns royalty in favour of the vendor. In February 2007, the Company acquired for $8,400 in cash a 100% interest in 28 claims in the Cascallen Township, close to its West Timmins gold property at Timmins, Ontario. These 28 claims are subject to a 2% NSR and the Company has the right to buy out 50% of the NSR for $1,000,000. On August 2, 2007, the Company acquired one claim for $20,000 in cash and a 2% NSR and the Company has the right to buy back 50% of the NSR for $1,000,000. The remaining 28 claims of the Timmins West property were acquired through staking.

The property is adjacent to the Destor- Porcupine Fault and 5km west of the Lake Shore Gold Inc gold deposit in Bristol Township. The Destor- Porcupine fault is considered to be a controlling structure for gold mineralization in the 70 million ounce Timmins Gold Camp.

In November 2007, Melkior completed drilling of 2543 metres in 23 holes at Timmins West (NR November 21, 2007). New assay results from summer trenching and sampling have identified a 50 metre long vein located 100 metres north-north east of the last known surface extent of the 1010 vein. The maximum mineralized width of this new zone is one metre and assay results have yielded a maximum value of 467 g/t gold; 10 of the 28 samples taken exceed 28 g/t Au and 19 of the 28 samples exceed 10 g/t Au. Melkior Resources is very pleased to have extended this high grade gold bearing vein system to a total length of 300 metres.

On the January 9, 2008, press release, Melkior announced that drilling on the 1010 Zone has returned 19.80 g/t Au over 3.18 metres (WKD-07-18). This undercuts a surface grab sample obtained 20 m from the drill collar that assayed 125.12 g/t Au over 0.20m. Additionally drilling on the northern extension of the 1010 Zone (WKD-07-17B) has returned 17.14 g/t Au over 1.2 metres. This hole is located 200 metres north of WKD-07-18. Surface grab samples obtained 30 m from the drill collar of WKD-07-17B returned assays up to 467.00 g/t gold.

The assay results from drilling on these zones justify additional drilling which is anticipated in the spring of 2008. Contract negotiations have commenced to secure a drill in the order of 2000 metres of NQ drilling focused on evaluating these gold bearing structures and other areas of potential on the property.

The anticipated exploration cost in Fiscal 2008 for Timmins West is $450,000.

Investing activities (cont'd)

Timmins Eldorado Nickel
The Company undertook exploration work totalling $18,391 on the Timmins Eldorado Nickel property in Q2-2008 (nil in Q2-2007). In June 2007, Melkior staked 243 claims in the Eldorado, Shaw and Thomas townships in the Timmins mining camp. These claims were staked immediately following an announcement by Golden Chalice Resources of a significant nickel discovery in adjacent Langmuir Township. These claims are two kilometres from the Liberty Mines Redstone nickel mine.

The anticipated exploration cost in Fiscal 2008 for Timmins Eldorado Nickel is $300,000.

Timmins - Loveland
On November 2, 2007, the Company signed a letter of intent to acquire 100% interest in the Loveland property in consideration of $4,400 cash and 200,000 common shares of the Company. The shares were issued on January 15, 2008 and were valued at $90,000 with the closing price of the stock exchange on November 2, 2007. The property is located in the Loveland Township in Ontario.

The anticipated exploration cost in Fiscal 2008 for Timmins Loveland is $40,000.

Long Lac - Geraldton
On December 13, 2007, Melkior acquired by staking a 100% interest in 247 claim units (3952 hectares) in the eastern portion of the Beardmore-Geraldton-Long-Lac gold exploration area. Significant exploration success by Kodiak Exploration Ltd and others has attracted renewed interest in this camp which hosts numerous former gold producers.

The claims cover mapped volcanic and sedimentary units located approximately 15km east of Long Lac. An airborne electromagnetic survey conducted by the Ontario Geological Survey of the Geraldton-Long Lac area in 1988 was used as basis for the staking. Geological rock formation contacts, structures and electromagnetic anomalies were covered by the Melkior staking.

Melkior will evaluate previous exploration work and results by others on the newly acquired claims and on adjacent properties in planning a 2008 gold exploration program. An airborne geophysical survey has been contracted at a cost of about $80,000. A summer program of anomaly follow up will be undertaken.

Otish Uranium Exploration:
The Company, in partnership with Santoy Resources Inc. ("Santoy"), has acquired an interest in a total of 1302 map staked claims (64,977ha) in the Otish sedimentary basin of Quebec.

On December 18, 2007, the Company signed a letter of intent for the sale of its 50% interest in the Otish Basin uranium to Kakanda Resources Corp. Santoy will retain its 50% interest and become operator of the project. The terms of the letter of intent are as follows:

- Kakanda pays Melkior $500,000 cash (received March 4, 2008);
- Kakanda issues 4,100,000 of its common shares to Melkior (received March 4, 2008). These shares were valued at the market value on the date the letter of intent was signed which is $1,312,000;
- Melkior retains a 100% right to any kimberlite (for diamonds);
- Melkior retains a 1% Net Smelter Return (NSR) royalty on 968 claims owned by Melkior Santoy;
- Melkior retains a 0.25% NSR on the 13 Marc André claims.

Melkior retains a 100% ownership on the Otish Macleod property of approximately 330 Otish area claims being explored for copper and molybdenum. The transaction generated a gain on disposal of mining assets of $1,073,997.

Melkior undertook exploration work totalling $91,481 on the Otish properties in T2-2008 ($5,234 in T2-2007).

Investing activities (cont'd)

Otish Macleod

In April 2007, the Company acquired a 100% interest on the 330 claims at Macleod Lake in the Otish area at a staking cost of $38,350. These claims surround the copper-molybdenum property of Western Troy Capital Corp. The latter company has been conducting drilling on their copper-molybdenum prospect. They have reported drill intersections of 54.9 metres grading 0.56% copper and 0.11% molybdenum. Melkior previously owned parts of the newly acquired property for its kimberlite exploration potential. The company will evaluate previous data and study the geological environment which is believed to be similar to Western Troy Capital Corp.

Henderson

The Company spent $817 in T2-2007 in exploration on the Henderson property.

On February 5, 2007, Melkior acquired the Henderson property by staking 20 claims covering 400 hectares in the Bancroft district of Ontario. The claims cover a series of uranium occurrences known as the Henderson uranium occurrences. Historically these are described in Ontario Geological Survey Circular 23. Five radioactive dikes were studied by Henderson Uranium Mines Limited. On showing 3 a chip sample over 6ft returned 0.15% U308. Showing 4 is (pre-43-101) historically reported to consist of a 40ft wide sheared and brecciated zone with an exposed length of 150ft. A representative grab sample assayed 0.22% U308. Other samples assayed 0.33% and 0.65% U308.

Jens Hansen prospected the property with Mr. Henderson in the 1960's. Hansen was at that time employed by the Atomic Energy of Canada Limited at the Chalk River nuclear research laboratory. Melkior will offer a 50% interest to Santoy Resources Inc at cost. Santoy and Melkior are 50-50 partners on the Henderson project.

Launay

The Company undertook exploration work totalling $75,131 ($27,081 in Q2-2007) on the Launay property in Q2-2008.

The Company holds 120 claims located in the Launay township of Quebec of which 31 claims are subject to a 1% royalty that can be repurchased for a $1,000,000 cash payment.

The entire property covers more than 4,772 hectares and is located approximately 40 km west of Amos, Quebec. The property can be reached by highway 111, running between Amos and La Sarre, Quebec. This highway crosses the property in its southern portion and a number of trails and forestry roads crisscross it.

The property is underlain by the Launay pluton as well as the eastern part of the Tascherau batholith. Seven (7) gold occurrences have been historically identified on the property. Two of these contain significant gold mineralization contained within N-S structures within a tonalite intrusion which is located at the contact between the Launay pluton and the Taschereau batholith. The host tonalite forms a band 200 to 400 metres wide and approximately 2km long. It is magnetic, altered, sheared, brecciated and locally mineralized with auriferous pyrite.

A near surface resource of 541,000 tonnes grading 0.12 g/t gold was calculated in 1988 (per NI43-101/4.2(2b) a qualified person has not done sufficient work to classify the historical estimate as current mineral resources; Melkior is not treating the historical estimate as current mineral resources and the historical estimate should not be relied upon).

Investing activities (cont'd)

The most important mineralized zones on the Launay property have been reported historically prior to the 43-101 Standard.

1. Principal Zone- a 150 metre long N-S shear averaging 23m wide. Drill intersection by Melkior's predecessor obtained best intersections of 5.09g/t gold over 9.42m and 3.37 g/t gold over 6.8m. (DDHML-86-01, 86-03);
2. Zone 75- consists of auriferous disseminated pyrite over a N-S strike of 400m. The most significant drill intersections are 6.92g/t gold over 12.8m and 9.10g/t gold over 7.0m (DDH 87-92 and MR 00-11) In 1988 a historical resource was estimated.

In March 2006, 1600 sample geochemical survey results of the northern portion of the property were received. The geochemical survey identified six (6) significantly anomalous gold zones to be followed up.

Melkior has engaged Geologica Groupe Conseil to review and evaluate all previous work carried out between 1986 and 2005. The final report is expected shortly.

In August 2006, a five hole 868 metre diamond drilling program and a new soil sampling program were completed. The geologist's report is in progress.

In Fiscal 2007, Melkior did 24km of line cutting. Further assays were done and non 43-101 resources evaluations were performed. Melkior dropped 10 claims that used to have NSR but did claim 13 new claims.

Finally, on April 16, 2007, Melkior agreed to acquire the Launay-Trojan group of claims in the Privat Township, 60 kilometres northeast of Rouyn-Noranda, Québec. Melkior paid the stakers $20,000 cash and issued 200,000 shares valued at $110,000 based on the stock quotation of the day of the agreement. The stakers are entitled to a 2% NSR royalty of which 50% may be purchased by Melkior for $1,000,000.

In Fiscal 2008, Melkior plans to drill 2000 metres with a total budget of $450,000 on the Launay property. The objective is to update the old data and to increase the gold resources.

Ungava

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 35 km WSW of the Raglan mine of Xstrata Nickel (formally Falconbridge Ltd). Xstrata Nickel 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 (per NI43-101/4.2(2b) a qualified person has not done sufficient work to classify the historical estimate as current mineral resources; Melkior is not treating the historical estimate as current mineral resources and the historical estimate should not be relied upon). The mineral resource calculated by Xstrata Nickel measured: 817,600 metric tones, 3.05% nickel, 1.26% copper, 0.222 g/t gold, 1.007 g/t platinum and 1.647 g/t palladium. This estimate is currently being re-calculated using the same method as is being used at Raglan.

Investing activities (cont'd)

In 2004 the partners carried out ground geophysics operated by Falconbridge (now Xstrata Nickel) over the D4, D5, D6, D8, D9 and D10 occurrences. The 2004 program included the drilling of two holes totalling 473 metres. The holes were located approximately 500 metres apart on conductors on the D-4 occurrence. Drill hole D-04-107 targeted an electromagnetic anomaly. It intersected 1.0% nickel and 0.31% copper over 3.5m (28m to 31.5m). Drill hole D-04-108 targeted another electromagnetic anomaly, it intersected 99.77m (45.12m to 144.89m) averaging 0.65% Ni and 0.26% Cu including 12.66m (49.34m to 62m) grading 0.8% Ni and 0.4% Cu. This represents a new target meriting follow-up. Melkior's share of the cost of the 2004 program operated by Falconbridge was $289,000.

In August 2007, a detailed, 50 metre spacing VTEM airborne geophysical survey was completed on the Delta-Kenty property. The survey was flown in conjunction with Goldbrook Ventures Inc. which owns the claims surrounding the Melkior-Xstrata property.

Recent announcements by Xstrata Nickel of major new investments in exploration and infrastructure could enhance the significance of Melkior's interests in the important Raglan nickel camp. The current detailed airborne geophysical survey is expected to generate additional exploration targets for nickel-copper on the joint venture property. The partnership with Xstrata Nickel is considered positive in this regard. The Delta deposit is one of the higher grade deposits in the Raglan belt. Increasing the tonnage would render this a very attractive target for future mining by an operator in the area. If Xstrata Nickel does not propose an exploration program for 2008, Melkior intends to propose a program with a budget to be determined.

Other properties in Quebec

The Company holds 35 claims in the Vauquelin property and 30 claims in the Tiblemont property. The property and its deferred exploration expenses were written off in Fiscal 2005 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 credits are adequate for 10 years. Together the Vauquelin and Tiblemont properties have approximately $770,000 in excess work credits.

Project Generation

Melkior is examining other grass roots opportunities which could be assigned budgets if these projects are undertaken.

Deferred exploration expenses Q2-2008	**Ungava**	**Launay**	**Otish**	**Timmins West**	**Eldorado**	**Autres**	**Total**
	$	**$**	**$**	**$**		**$**	**$**
Balance, beginning	1,134,915	3,933,257	522,268	360,083	1,189	10,554	5,962,266
Additions							
Drilling	-	55,636	-	373,573	-	-	429,209
Geology – prospecting	-	8,797	(8,139)	28,996	2,560	150	32,364
Geophysics – geochemistry	-	-	179,803	8,730	600	-	189,133
Analysis	-	-	8,504	26,521	-	-	35,025
Line cutting	-	-	-	300	450	-	750
Logistics	-	30	1,370	5,457	-	-	6,857
Travel	-	446	987	26,899	726	3,244	32,302
Options	-	10,222	-	14,056	14,055	-	38,333
Depreciation	-	-	2,748	-	-	-	2,748
	-	75,131	185,273	484,532	18,391	3,394	766,721
Recharge	-	-	(93,792)	-	-	-	(93,792)
	-	75,131	91,481	484,532	18,391	3,394	672,929
Deductions							
Tax credits	-	(1,531)	(26,317)	-	-	-	(27,848)
Disposal	-	-	(558,830)	-	-	-	(558,830)
Balance, end	1,134,915	4,006,857	28,602	844,615	19,580	13,948	6,048,517

Investing activities (cont'd)

Deferred exploration expenses Q2-2007	Ungava	Launay	Timmins Ouest	Otish	Autres	Total
	$	$	$	$		$
Balance, beginning	1,133,819	3,905,396	59,045	-	-	5,098,260
Additions						
Drilling	-	-	-	-	-	-
Geology - prospecting	-	1,625	12,046	4,234	567	18,472
Geophysics - geochemistry	-	16,420	39,426	1,000	-	56,846
Analysis	-	-	-	-	-	-
Line cutting	-	9,036	13,064	-	-	22,100
Travel	-	-	1,328	-	248	1,576
	-	27,081	65,864	5,234	815	98,994
Deductions						
Tax credits	-	(6,769)	-	(1,386)	-	(8,155)
Balance, end	1,133,819	3,925,708	124,909	3,848	815	5,189,099

Financing activities
On November 1, 2007, the Company completed a brokered private placement of 3,030,300 flow-through common shares at a price of $0.33 per flow-through share for gross proceeds of $1,000,000. In consideration for its services, the agent received a cash commission of $80,000 representing 8% of the gross proceeds and 303,030 broker warrants equal to 10% of the number of flow-through sold under the private placement. Each broker warrant shall entitle the Agent to purchase one additional common share of the Company at a price of $0.33 for a period of 24 months from the closing date. The total agent warrant cost amount to $75,758 and this fair value was estimated using the Black-Scholes model with no expected dividend yield, an expected volatility of 92%, a risk-free interest rate of 4.25% and an expected life of options of 2 years. The Company has also raised $200,000 pursuant to a private placement of 606,060 flow-through shares.

In Q2-2008, 100,000 options were exercised for a total proceed of $20,000 (960,000 options for $132,500 in Q2-2007).

Working capital
The Company has a working capital of $5,305,929 as at February 29, 2008 as compared to $4,174,992 as of August 31, 2007. 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.

Summary of quarterly results
For the eight most recent quarters.

	February 29 2008	November 30 2007	August 31 2007	May 31 2007
	$	$	$	$
Net income (loss)	312,385	(20,380)	34,301	(44,820)
Net loss per share	-	-	-	-
Total assets	13,085,953	12,462,015	11,464,686	11,314,149

	Febraury 28 2007	November 30 2006	August 31 2006	May 31 2006
	$	$	$	$
Net loss for the period	(63,524)	(80,993)	(150,104)	(48,240)
Net loss per share	-	-	-	-
Total assets	7,800,841	6,535,286	6,557,720	6,327,806

The recovery of future income taxes are generally recorded in February which would explain the variation between the quarters. In addition, the $1,073,997 gain on disposal of mining assets has contributed in generating a net income for the quarter ended February 29, 2008.

Industry and economic factors affecting the Company's performance
Details of risk factors are outlined in the Company's MD&A included in the 2007 annual report.

Related party transactions
In the normal course of operations:
a) During the period ended February 29, 2008 a company controlled by an officer charged professional fees amounting to $24,315 ($15,284 for the period ended February 28, 2007), management fees amounting to $22,725 ($16,351 for the period ended February 28, 2007) and administrative fees amounting to $18,000 ($9,000 for the period ended February 28, 2007);
b) During the period ended February 29, 2008, a company controlled by an officer charged professional fees of $31,031 ($32,029 for the period ended February 28, 2007); Share issue expense fees for $3,369 were charged for the period ended February 28, 2007;
c) As at February 29, 2008, the balance due to the related parties amounted to $24,647 (February 28, 2007 – $627).

Not in the normal course of business:
d) In November 2007, officers of the Company participated in private placements of flow-through shares for a total consideration of $44,900 ($nil for the period ended February 28, 2007).

These related party transactions were recorded at the exchange value, which is the consideration determined and agreed to by the related parties.

Change in accounting policies
Taking effect in Fiscal 2008, the CICA issued new sections for financial instruments:

- Section 3855, "Financial Instruments – Recognition and Measurement", provides guidance on when a financial instrument must be recognized on the balance sheet and how it must be measured. It also provides guidance on the presentation of gains and losses on financial instruments.
- Section 1530, "Comprehensive Income", requires an entity to recognize certain gains and losses in a separate statement, until such gains and losses are recognized in the statement of income.
- Section 3251, "Equity", establishes standards for the presentation of equity and changes in equity during the reporting fiscal year.
- Section 3861, "Financial Instruments – Disclosure and presentation" deal with the disclosure of financial instruments and non-financial derivatives in the financial statements.

The Company has evaluated that these new sections have no significant impact on the Financial Statements. Cash and cash equivalents, term deposits and exploration funds are classified as held for trading and recorded at their fair value and their change in fair value are included in the statement of operations. Recorded at their amortized cost, taxes and other receivable and due from a partner are classified as loans and receivables, and accounts payable and expense payable are classified as other liabilities.

Financial instruments and other instruments
Financial risk management
The Company is exposed to various financial risks resulting from both its operations and its investments activities. The Company's management manages financial risks. The Company does not enter into financial instrument agreements including derivative financial instruments for speculative purposes.

The Company's main financial risk exposure and its financial risk management policies are as follows:

Interest rate risk
The short-term liquid investments bear interest at a fixed rate and the Company is, therefore, exposed to the risk of changes in fair value resulting from interest rate fluctuations. The Company's other financial assets and liabilities do not comprise any interest rate risk since they do not bear interest.

Credit Risk
The Company is subject to concentrations of credit risk through cash and cash equivalents and term deposits. The Company maintains substantially all of its cash and cash equivalents, term deposits and exploration funds in financial instruments guarantied by major financial institutions in Canada.

Liquidity risk
Liquidity risk management serves to maintain a sufficient amount of cash and cash equivalents and to ensure that the Company has at his disposal sufficient sources of financing such as private placement. The Company establishes cash estimates to ensure it has the necessary funds to fulfill its obligations.

Fair Value
The carrying amounts of taxes and other receivable, due from a partner and accounts payable and accrued liabilities on the balance sheets approximate fair value because of the limited term of these instruments.

Outstanding share data

	As of April 22 2008
	Number
Common shares	77,379,958
Options	5,870,000
Warrants	7,944,530
	91,194,488

Subsequent event
On March 27, 2008, the Company announced that it has agreed to acquire a 50% interest in approximately 100 claims (1500 claim units) or 24000 hectares in the McFauld's Lake "Ring Of Fire" area of Northern Ontario. The property is located approximately 33 kilometres north east of the Double Eagle (Cu, Ni, PGE) discovery by Noront Resources Ltd.

Melkior will pay the claim vendors $350,000 upon regulatory approvals and undertake geophysical surveys of $250,000 during the first year. Melkior will be the operator and will have a first right of refusal to acquire the 50% interest retained by the owners.

Two of the six claim vendors are insiders of Melkior namely Jens Hansen President of Melkior and Norman Farrell a director of Melkior. Jens Hansen via his 75% ownership in Geotest Corp. will receive 34% of the $350,000 purchase price and Norman Farrell will receive 10% of the $350,000 purchase price. These percentages represent the contribution of the insiders to the claim acquisition costs. The share ownership by the insiders of the 50% retained by the owners is 21.25% for Geotest Corp. and 6.25% for Norman Farrell.

Contingencies
Refer to note 7 in the financial statements

Management's responsibility for financial information
Melkior's financial statements are the responsibility of the Corporation's management. The financial statements were prepared by the Company's management in accordance with Canadian generally accepted accounting principles. The financial statements include certain amounts based on the use of estimates and assumptions. Management has established these amounts in a reasonable manner, in order to ensure that the financial statements are presented fairly in all material respects.

Special note regarding forward-looking statements
This Report contains forward-looking statements that are based on beliefs of its management as well as assumptions made by and information currently available to management of the Company. When used in this Report, the words "estimate", "believe", "anticipate", "intend", "expect", "plan", "may", "should", "will", and the negative thereof or other variations thereon or comparable terminology are intended to identify forward-looking statements. Such statements reflect the current views of the Company with respect to future events based on currently available information and are subject to risks and uncertainties that could cause actual results to differ materially from those contemplated in those statements. The statements contained in this Report speak only as of the date hereof. The Company does not undertake any obligation to release publicly any revisions to these statements to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events.

April 22, 2008

(S) Jens E. Hansen	*(S) Ingrid Martin*
Jens E. Hansen	Ingrid Martin
President	Chief Financial Officer