Melkior Resources Inc.

Interim Financial Statements

For the three-month period ended November 30, 2008

The attached financial statements have been prepared by Management of Melkior Resources Inc. and have not been reviewed by an auditor.

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Melkior Resources Inc.
(an exploration company)

Balance Sheets

	November 30 2008	August 31 2008
	(unaudited)	(audited)
	$	$
Assets		
Current assets		
Cash and cash equivalents (Note 3)	1,377,156	1,110,658
Short term investments (Note 4)	2,099,343	3,018,060
Taxes and other receivable	75,350	47,126
Due from partners, without interest	27,886	90,568
Taxes credits receivable	71,995	71,995
Prepaid expenses	13,184	19,978
Listed shares held for trading	102,500	615,000
	3,767,414	4,973,385
Prepaid exploration expenses	-	62,690
Exploration funds (Note 3)	242,332	373,930
Equipments (Note 5)	8,256	9,630
Mining assets (Note 6)		
Mining properties	1,811,540	1,755,750
Deferred exploration expenses	7,938,351	7,496,106
	13,767,893	14,671,491
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	128,711	524,487
Due to a partner	76,804	-
	205,515	524,487
Shareholders' Equity		
Share capital (Note 7)	34,684,977	34,684,977
Contributes surplus (Note 7c)	1,292,596	1,249,429
Deficit	(22,415,195)	(21,787,402)
	13,562,378	14,147,004
	13,767,893	14,671,491

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

Melkior Resources Inc.

(an exploration company)

Statements of Earnings, Comprehensive Income and Deficit

(Unaudited)

	Three-month period ended November 30	
	2008	2007
	$	$
Expenses		
General and administrative	57,438	20,161
Travelling and promotion	604	3,737
Investors and shareholders relations	13,763	12,113
Professional and consulting fees	39,164	32,965
General exploration	7,343	-
Stock-based compensation	12,000	-
Amortization	1,374	257
Fair value variation on financial instruments held for trading	530,154	-
	661,840	69,233
Other income		
Interest income	30,847	41,764
Management fees	3,200	7,089
	34,047	48,853
Net loss and comprehensive loss for the period	(627,793)	(20,380)
Basic and diluted net loss per share	(0.01)	-
Weighted average number of outstanding common shares	84,711,207	73,872,218
Deficit, beginning of period	(21,787,402)	(20,989,814)
Net Loss	(627,793)	(20,380)
Share issue expenses	-	(202,029)
Deficit, end of period	(22,415,195)	(21,212,223)

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

Melkior Resources Inc.
(an exploration company)
Statement of Cash Flows
(Unaudited)

	Three-month period ended November 30	
	2008	2007
	$	$
Operating activities		
Net loss for the period	(627,793)	(20,380)
Non-cash items:		
Stock-based compensation	12,000	-
Amortization	1,374	-
Fair value variation on financial instruments held for trading	530,227	-
Interest accrued on interest income	110,990	-
	26,798	(20,380)
Changes in non-cash working capital items		
Taxes and other receivable	(28,224)	(17,349)
Due from partners	11,372	-
Prepaid expenses	69,484	6,692
Accounts payable and accrued liabilities	25,930	18,616
Due to a partner	10,018	-
	88,580	7,959
Cash flows used in operating activities	115,378	(12,421)
Investing activities		
Purchase of short term investments	(2,100,000)	(800,291)
Disposal of short term investments	2,890,000	-
Exploration funds	131,598	-
Additions to mining properties	(368,596)	(23,925)
Deferred exploration expenses	(401,882)	(404,735)
Cash flows used in investing activities	151,120	(1,228,951)
Financing activities		
Issuance of common shares	-	1,220,000
Share issue expenses	-	(126,271)
Cash flows from financing activities	-	1,093,729
Net changes in cash and cash equivalents	266,498	(147,643)
Cash and cash equivalents, beginning of period	1,110,658	3,790,650
Cash and cash equivalents, end of period	1,377,156	3,643,007

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

1. Basis of presentation and accounting estimates

The financial statements of the Company have been prepared by management in accordance with generally accepted accounting principles in Canada for interim financial statements. These interim financial statements do not include all the note disclosures required for annual financial statements and therefore they should be read in conjunction with the Company's audited financial statements for the year ended August 31, 2008. The accounting policies follow that of the most recently reported audited annual financial statements, except for the change in accounting policies as disclosed in Note 2.

2. Accounting estimates and change in accounting policies

The preparation of interim financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Significant areas where management judgement is applied are mining asset valuations and stock-based compensation. Actual results could differ from management's best estimates as additional information becomes available in the future.

Taking effect September 1, 2008, the Company adopted the following new accounting policies published by the CICA:

- Section 1535, "Capital disclosures", establishes standards for disclosing information about an entity's capital and how it is managed. It describes the disclosure of the entity's objectives, policies and processes for managing capital, the quantitative data about what the entity regards as capital, whether the entity has complied with any capital requirements, and, if it has not complied, the consequences of such non-compliance. Disclosure and presentation requirements pertaining to this section are contained in Note 7d);
- Section 1400, "General Standards of Financial Statement Presentation", requires that management make an assessment of the Company's ability to continue as a going concern over a period which is at least, but not limited to, twelve months from the balance sheet date. The new requirements only address disclosures and have no impact on the Company's financial results.
- Section 3862, "Financial Instruments – Disclosures" and Section 3863 "Financial Instruments – Presentation" describe the required disclosure and presentation for the assessment of the significance of financial instruments for an entity's financial position and performance and of the nature and extent of risks arising from financial instruments to which entity is exposed and how the entity manages those risks. Disclosure and presentation requirements pertaining to this section are contained in Note 10;

Financial instruments – recognition and measurement
All financial instruments are required to be measured at fair value on initial recognition, except for certain related party transactions. Measurement in subsequent periods depends on whether the financial instrument has been classified as held-for-trading, available-for-sale, held-to-maturity, loans and receivables, or other liabilities.

- Financial assets and liabilities classified as held-for-trading are required to be measured at fair value, with gains and losses recognized in net earnings.
- Financial assets classified as held-to-maturity, loans and receivables and financial liabilities (other than those held-for-trading) are required to be measured at amortized cost using the effective interest method of amortization.
- Available-for-sale financial assets are required to be measured at fair value, with unrealized gains and losses recognized in other comprehensive income (loss). Investments in equity instruments classified as available-for-sale that do not have a quoted market price in an active market should be measured at cost.

2. Accounting estimates change in accounting policies (Cont'd)

The Corporation has implemented the following classification:

- Cash and cash equivalents, short term investments and listed shares are classified as held-for-trading.
- Other receivable and due from partners are classified as loans and receivables.
- Payable and accruals as well as due to a partner are classified as other liabilities.

3. Cash and cash equivalents and exploration funds

As of November 30, 2008, cash and cash equivalents and exploration funds include treasury bills of $1,382,758 for which the nominal value is $1,385,000 with effective interest rates between 1.48% and 1.88%, maturing between December 24, 2008 and January 22, 2009. The exploration funds must be spent before December 31, 2008.

	November 30 2008
	$
Cash	236,730
Treasury bills	1,382,758
Less: Exploration funds	(242,332)
Cash and cash equivalents	1,377,156

4. Short term investments

As of November 30, 2008, short term investments include a guaranteed investment certificate from a Canadian financial institution of $2,099,343, cashable at any time without penalties, maturing on November 4, 2009, bearing interest rates of 2.05%.

5. Property, plant and equipment

	Depreciation Rate	Cost	Accumulated depreciation	November 30 2008
		$	$	$
Exploration equipment	Straight line over 3 years	16,500	8,244	8,256

6. Mining assets

Mining properties	August 31 2008	Additions	November 30 2008
	$	$	$
Quebec			
Launay	374,981	9,000	383,981
Ungava	201,800	-	201,800
Otish	39,155	-	39,155
Ontario			
Timmins West	131,837	-	131,837
Eldorado	24,853	-	24,853
Henderson	3,118	-	3,118
Loveland	94,400	-	94,400
Long lac	19,824	-	19,824
Rim Nickel	865,782	46,790	912,572
	1,755,750	55,790	1,811,540

Deferred exploration expenses	August 31 2008	Expendi-tures	Tax credits	November 30 2008
	$	$	$	$
Quebec				
Launay	4,235,839	21,813	-	4,257,652
Ungava	1,134,915	2,975	-	1,137,890
Otish	147,618	35,879	-	183,497
Troilus	-	80,042	-	80,042
Ontario				
Timmins West	1,412,737	81,822	-	1,494,559
Eldorado	85,176	8,342	-	93,518
Henderson	11,254	-	-	11,254
Loveland	1,175	-	-	1,175
Long Lac	73,281	702	-	73,983
Rim Nickel	394,111	210,670	-	604,781
	7,496,106	442,245	-	7,938,351

a) *Troilus*

On October 20, 2008, the Company signed an agreement whereby it has the option to earn a 50% interest in some Troilus properties in Quebec from Beaufield Resources Inc. ("Beaufield") by spending $500,000 on exploration over a three year period. Of the above amount, $250,000 must be spent before June 30, 2009. Beaufield will be the operator. The President of the Company is also the President of Beaufield. The Boards of Directors of both companies have approved this transaction.

7. Share capital (Cont'd)

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

Issued and to be issued:
Changes in the Company's common share capital were as follows:

	Three-month period ended November 30, 2008	
	Number of shares	Amount
		$
Balance at beginning of period	82,815,603	34,134,977
Mining properties	2,500,000	550,000
Balance at end of period	85,315,603	34,684,977

a) Stock option plan

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

	Three-month period ended November 30, 2008	
	Number of options	Weighted average exercise price
		$
Balance at beginning of period	5,870,000	0.31
Granted	300,000	0.10
Balance at end of period	6,170,000	0.30

Stock compensation cost fair value was calculated on options granted using the Black-Scholes option pricing model based on the following assumptions:

Grant date	**November 7 2008**
Optionee	Director
Number of options	300,000
Exercise price	$0.10
Risk free interest	3.82%
Average expected volatility	98%
Expected dividend	-
Expected life (years)	5
Vesting	Immediate
Estimated fair value per option	$0.08
Estimated fair value	$24,000

7. Share capital (Cont'd)

Concerning the November 7, 2008 grant, the stock options were granted to a director who provides consulting services to the Company and therefore 50% of the stock-based compensation cost was capitalized in the deferred exploration expenses.

The following table summarizes information about common share purchase options outstanding and exercisable as at November 30, 2008:

Number of options outstanding	Exercise price	Expiry date
	$	
1,200,000	0.10	November 11, 2010
270,000	0.125	February 9, 2011
200,000	0.20	May 8, 2011
1,400,000	0.30	January 15, 2012
500,000	0.35	October 26, 2012
1,900,000	0.50	December 17, 2012
400,000	0.25	February 25, 2013
300,000	0.10	November 7, 2013
6,170,000		

b) Warrants

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

	Three-month period ended November 30, 2008	
	Number of warrants	Weighted average exercise price
		$
Balance at beginning of period	12,508,885	0.41
Expired	(473,683)	0.52
Balance at end of period	12,035,202	0.40

Warrants outstanding as at November 30, 2008 are as follows:

Number of warrants	Exercise price	Expiry date
	$	
2,903,226	0.25	December 18, 2011 [1)]
1,659,999	0.60	March 13, 2012 [2)]
590,000	0.60	March 27, 2012 [3)]
1,578,947	0.60	May 8, 2012 [4)]
303,030	0.33	November 1, 2009
5,000,000	0.35	June 9, 2013 [5)]
12,035,202		

7. Share capital (Cont'd)

Note:
1) The expiry date was extended from December 18, 2008 to December 18, 2011.
2) The expiry date was extended from September 13, 2008 to March 13, 2012.
3) The expiry date was extended from September 27, 2008 to March 27, 2012.
4) The expiry date was extended from May 8, 2009 to May 8, 2012.
5) The expiry date was extended from June 9, 2009 to June 9, 2013

c) Contributed surplus

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

	Three-month period ended November 30, 2008
	$
Balance at beginning of the period	1,249,429
Stock-based compensation cost (Note 5a)	43,167
Balance at end of period	1,292,596

e) Policies and processes for managing capital

The capital of the Company consists of the items included in shareholders' equity of $13,562,378 as of November 30, 2008 ($14,147,004 as of August 31, 2008). The Company's objectives when managing capital are to safeguard its ability to continue its operations as well as its acquisition and exploration programs. As needed, the Company raises funds through private placements. The Company doesn't use long term debts since it doesn't generate operating revenues. There is no dividend policy. The Company doesn't have any externally imposed capital requirements neither regulatory nor contractual requirements to which it is subject.

8. Related party transactions

In the normal course of operations:

a) For the three-month period ended November 30, 2008 ("Q1-2009'), companies controlled by an officer and director charged:
   i) Professional fees relating to geology amounting to $17,090 ($13,946 for the three-month period ended November 30, 2007 ("Q1-2008")) capitalised in deferred exploration expenses;
   ii) Management fees amounting to $9,460 ($27,938 for Q1-2008) expensed in professional and consulting fees;
   iii) Rent totalling $9,000 ($9,000 for Q1-2008) expensed in general and administrative;
   iv) Medical fees of $2,033 (nil in Q1-2008) expensed in general and administrative.
b) For Q1-2009, a company controlled by an officer charged professional fees of $20,625 ($17,438 for Q1-2008);
c) As at November 30, 2008, the balance due to the related parties amounted to $31,924 (November 30, 2007 – $8,186) and was recorded in accounts payable and accrued liabilities. This amount is subject to the same conditions as those of non related parties.

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

9. Statement of cash flows

	Three-month period ended November 30, 2008	2007
	$	$
Additional information		
Interest cashed	139,706	39,196
Issuance of shares for acquisition of mining properties	-	90,000
Agent warrants granted for raising capital	-	75,785
Tax credits receivable applied against deferred exploration expenses	-	21,056
Additions of mining properties and deferred exploration expenses included in accounts payable and accrued liabilities	30,164	955
Due from partners included in deferred exploration expenses and mining properties	24,416	57,151
Due to a partner included in deferred exploration expenses	66,786	-
Depreciation included in deferred exploration expense	-	1,374
Value of stock options exercised	-	13,000
Stock-based compensation included in deferred exploration expenses	31,167	9,583

10. Financial instruments

The Company is exposed to various financial risks resulting from both its operations and its investments activities. The Company's management monitors 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 investments, exploration funds and part of the cash and cash equivalents 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. Interest rates 1% lower would have increased the fair value of these by $20,256 as of November 30, 2008. 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, short-term investments and exploration funds. The Company maintains substantially all of its cash and cash equivalents, short term investments and exploration funds in financial instruments guaranteed by either a major Canadian financial institution or by the Canadian Government. The maximum credit risk is equivalent to the carrying value. The Company aims at signing partnership agreements with established companies and follows closely their cash position to reduce its credit risk on due from partners.

10. Financial instruments (Cont'd)

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 placements. The Company establishes cash budgets to ensure it has the necessary funds to fulfill its obligations. Being able to obtain new funds allows the Company to pursue its activities and even tough the Company was successful in the past, there is no guarantee that it will succeed in the future.

Market risk
The listed shares held by the Company are exclusively shares from a Venture issuer who's activities are in the mineral exploration field.

Fair Value

The fair value of financial instruments is summarized as follows:

	November 30, 2008	
	Carrying amount	**Fair Value**
	$	**$**
Financial assets		
Held for trading		
Cash and cash equivalents	1,377,156	1,377,156
Short-term investments	2,099,343	2,099,343
Listed shares	102,500	102,500
Exploration funds	242,332	242,332
Loans and receivables		
Taxes and other receivables	75,350	75,350
Due from partners	27,886	27,886
Financial liabilities		
Other liabilities		
Accounts payable and accrued liabilities	128,711	128,711
Due to a partner	76,804	76,804

Fair value estimates are made at the balance sheet date, based on relevant market information and other information about financial instruments.

The fair value of the listed shares held for trading is based on the closing price on the stock market.