Melkior Resources Inc.

Interim Financial Statements

For the three-month period ended November 30, 2009

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

Melkior Resources Inc.
1801, McGill College avenue, Suite 1325, Montréal, Québec, Canada, H3A 2N4
Tel.: (613) 721-2919   Fax: (613) 680-1091

Melkior Resources Inc.

(an exploration company)

Balance Sheets

	November 30 2009 (unaudited) $	August 31 2009 (audited) $
Assets		
Current assets		
Cash and cash equivalents (Note 3)	338,018	585,654
Short term investments (Note 4)	2,784,481	2,781,533
Sales tax receivable	23,173	31,122
Due from partners, without interest, on demand	65,198	60,000
Taxes credits receivable	100,463	94,229
Prepaid expenses	18,180	24,973
Listed shares held for trading	71,750	82,000
	3,401,263	3,659,511
Equipments (Note 5)	2,760	4,134
Mining assets (Note 6)		
Mining properties	1,656,072	1,640,472
Deferred exploration expenses	4,105,511	3,803,409
	9,165,606	9,107,526
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	348,260	159,705
Due to a partner, without interest, on demand	-	2,596
	348,260	162,301
Shareholders' Equity		
Share capital (Note 7)	35,725,352	35,684,352
Contributes surplus (Note 7c)	1,419,096	1,435,096
Deficit	(28,327,102)	(28,174,223)
	8,817,346	8,945,225
	9,165,606	9,107,526

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

Melkior Resources Inc.

(an exploration company)

Statements of Earnings and Comprehensive loss and Deficit

(Unaudited)

	Three-month period ended November 30, 2009	2008
	$	$
Expenses		
General and administrative	48,909	57,438
Travelling and promotion	7,695	604
Investors and shareholders relations	35,484	13,763
Professional and consulting fees	46,020	39,164
General exploration	-	7,343
Stock-based compensation	-	12,000
Amortization	1,374	1,374
Fair value variation on financial instruments held for trading	14,142	530,154
Write-off of mining assets	6,920	-
	160,544	661,840
Other income		
Interest income	6,840	30,847
Project management fees	3,200	3,200
	10,040	34,047
Loss before income taxes	(150,504)	(627,793)
Future income taxes	-	-
Net loss and comprehensive loss	(150,504)	(627,793)
Basic and diluted net loss per share	-	(0.01)
Weighted average number of outstanding common shares	90,174,531	84,711,207
Deficit, beginning of period	(28,174,223)	(21,787,402)
Net loss	(150,504)	(627,793)
Future income taxes related to flow-through shares	-	-
Share issue expenses	(2,375)	-
Deficit, end of period	(28,327,102)	(22,415,195)

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,	
	2009	2008
	$	$
Operating activities		
Net loss for the period	(150,504)	(627,793)
Non-cash items:		
Stock-based compensation	-	12,000
Amortization	1,374	1,374
Fair value variation on financial instruments held for trading	14,142	530,227
Write-off of mining assets	6,920	-
Recovery of future income taxes	-	-
Interest accrued on interest income	21,142	110,990
	(106,926)	26,798
Changes in non-cash working capital items		
Sales tax receivable	7,949	(28,224)
Due from partners	(698)	11,372
Prepaid expenses	6,793	69,484
Accounts payable and accrued liabilities	37,623	25,930
Due to a partner	(296)	10,018
	51,371	88,580
Cash flows used in operating activities	(55,555)	115,378
Investing activities		
Purchase of short term investments	(1,392,982)	(2,100,000)
Disposal of short term investments	1,365,000	2,890,000
Exploration funds	-	131,598
Additions to mining properties	(17,134)	(368,596)
Deferred exploration expenses	(178,565)	(401,882)
Payments received from partners for exploration costs	4,500	-
Taxes credits cashed	4,475	-
Cash flows used in investing activities	(214,706)	151,120
Financing activities		
Issuance of common shares	25,000	-
Share issue expenses	(2,375)	-
Cash flows from financing activities	22,625	-
Net changes in cash and cash equivalents	(247,636)	266,498
Cash and cash equivalents, beginning of period	585,654	1,110,658
Cash and cash equivalents, end of period	338,018	1,377,156

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, 2009. 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.

Future accounting changes
Adoption of International Financial Reporting Standard in Canada
In February 2008, the Canadian Accounting Standards Board ("AcSB") confirmed January 1, 2011 as the changeover date to move financial reporting for Canadian publicly accountable enterprises to the International Financial Reporting Standards ("IFRSs"). The Company will get the training on the IFRS and will elaborate a plan to be ready for the Fiscal year 2012 conversion.

3. Cash and cash equivalents

As of November 30, 2009, cash and cash equivalents include only cash.

4. Short term investments

As of November 30, 2009, short term investments include guaranteed investments from Canadian financial institutions totalling $2,784,481 cashable at any time without penalties, maturing between May 31, 2010 and November 4, 2010 and bearing interest rates between 0.35% and 0.40%.

5. Equipments

	Depreciation Rate	Cost	Accumulated depreciation	November 30, 2009
		$	$	$
Exploration equipment	Straight line over 3 years	16,500	13,740	2,760

6. Mining assets

Mining properties	August 31 2009	Acquisitions	Disposals	November 30 2009
	$	$	$	$
Quebec				
Launay	389,131	100	-	389,231
Mont Otish	32,335	-	-	32,335
Ontario				
Timmins	272,829	15,500	-	288,329
Henderson	5,375	-	-	5,375
Long Lac	19,824	-	-	19,824
Rim Nickel – McFaulds	920,978	-	-	920,978
	1,640,472	15,600	-	1,656,072

Deferred exploration expenses	August 31 2009	Expendi-tures	Tax credits	Write-offs	November 30 2009
	$	$	$		$
Quebec					
Launay	404,989	11,188	(4,789)	-	411,388
Ungava	-	12,840	(5,920)	(6,920)	-
Mont Otish	78,068	-	-	-	78,068
Troilus	394,341	-	-	-	394,341
Ontario					
Timmins	2,185,704	283,548	-	-	2,469,252
Henderson	14,931	-	-	-	14,931
Long Lac	102,461	16,330	-	-	118,791
Rim Nickel - McFaulds	622,915	(4,175)	-	-	618,740
	3,803,409	319,731	(10,709)	(6,920)	4,105,511

a) *Ungava*
Melkior wrote off the property in 2009 for $1,347,833. The data available continues to be analysed, but until an exploration program is approved, the new exploration expenses will be written off.

b) *Timmins – Shaw*
On October 30, 2009, the Company signed an agreement to acquire 100% interest in six mining claims in consideration of $15,500 cash and a net smelter return royalty of which 0.5% can be repurchased for $1,000,000.

7. Share capital

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.

7. Share capital (Cont'd)

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

	Three-month period ended November 30, 2009	
	Number of shares	**Amount**
		$
Balance at beginning of period	90,074,531	35,684,352
Exercise of stock options	100,000	25,000
Value of stock options exercised	-	16,000
Balance at end of period	90,174,531	35,725,352

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, 2009	
	Number of options	**Weighted average exercise price**
		$
Balance at beginning of period	6,470,000	0.31
Granted	225,000	0.30
Exercised	(100,000)	0.25
Balance at end of period	6,595,000	0.31

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

Grant date	**October 21 2009**
Optionee	Investor relation firm
Number of options	225,000
Exercise price	$0.30
Exercise price compared to the market	Higher
Risk free interest	1.51%
Average expected volatility	109%
Expected dividend	-
Expected life (years)	2
Vesting	25% every quarter
Estimated fair value per option	$0.15
Estimated fair value	$33,750

7. Share capital (Cont'd)

The following table summarizes information about common share purchase options outstanding and exercisable as at November 30, 2009:

Number of options outstanding	Number of options exercisable	Exercise price	Expiry date
		$	
1,200,000	1,200,000	0.10	November 11, 2010
270,000	270,000	0.125	February 9, 2011
200,000	200,000	0.20	May 8, 2011
225,000	-	0.30	November 1, 2011
1,400,000	1,400,000	0.30	January 15, 2012
400,000	400,000	0.35	October 26, 2012
1,900,000	1,900,000	0.50	December 17, 2012
300,000	300,000	0.25	February 25, 2013
300,000	300,000	0.10	November 7, 2013
400,000	400,000	0.40	August 7, 2014
6,595,000	6,370,000		

b) Warrants

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

	Three-month period ended November 30, 2009	
	Number of warrants	Weighted average exercise price
		$
Balance at beginning of period	16,944,130	0.39
Expired	(303,030)	0.33
Balance at end of period	16,641,100	0.39

Warrants outstanding as at November 30, 2009 are as follows:

Number of warrants	Exercise price	Expiry date
	$	
4,758,928	0.35	June 30, 2011
150,000	0.25	June 30, 2011
2,903,226	0.25	December 18, 2011 1)
1,659,999	0.60	March 13, 2012 2) 6)
590,000	0.60	March 27, 2012 3) 6)
1,578,947	0.60	May 8, 2012 4)
5,000,000	0.35	June 9, 2013 5)
16,641,100		

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 March 13, 2008 to March 13, 2012.
3) The expiry date was extended from March 27, 2008 to March 27, 2012.
4) The expiry date was extended from May 8, 2008 to May 8, 2012.
5) The expiry date was extended from June 9, 2009 to June 9, 2013
6) These warrants are subject to an accelerated expiry if the volume weighted average price of the common shares is at least $0.80 for any period of 20 consecutive trading days. The Company may then, within five business days of such 20 trading day period, provide notice by press release to the holders of warrants (the "Accelerated Expiry Notice") that the warrants shall terminate on the earlier of the date that is 25 days following the date of the Accelerated Expiry Notice or the warrants expiry date.

c) Contributed surplus

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

	Three-month period ended November 30, 2009
	$
Balance at beginning of the period	1,435,096
Exercise of stock options credited to share capital	(16,000)
Balance at end of period	1,419,096

e) Policies and processes for managing capital

The capital of the Company consists of the items included in shareholders' equity of $8,817,346 as of November 30, 2009 ($8,945,225 as of August 31, 2009). 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, unless the Company closes a flow-through private placement where the funds are restricted in use for exploration expenses.

8. Related party transactions

In the normal course of operations:

a) For the three-month period ended November 30, 2009 ("Q1-2010'), companies controlled by an officer and director charged:
   i) Professional fees relating to geology amounting to $9,120 ($17,090 for the three-month period ended November 30, 2008 ("Q1-2009")) capitalised in deferred exploration expenses;
   ii) Management fees amounting to $13,200 ($9,460 for Q1-2009) expensed in professional and consulting fees;
   iii) Rent totalling $9,000 ($9,000 for Q1-2009) expensed in general and administrative;
b) For Q1-2010, a company controlled by an officer charged professional fees of $24,088 ($25,925 for Q1-2009);

8. Related party transactions (Cont'd)

c) For Q1-2010, $17,680 of exploration work capitalised in deferred exploration expenses and $11,040 of administration work expensed in general and administrative was provided by a Director. The salary of the Director was charged through Beaufield Resources inc. where the president of the Company is also president the Beaufield Resources inc. Starting January 2010, the Company will pay the salary of the Director directly.

d) As at November 30, 2009, the balance due to the related parties amounted to $74,099 (November 30, 2008 – $31,924) 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,	
	2009	**2008**
	$	**$**
Additional information		
Interest cashed	27,982	139,706
Tax credits receivable applied against deferred exploration expenses	10,709	-
Exercise of options credited to share capital on exercise	16,000	-
Additions of mining properties and deferred exploration expenses included in accounts payable and accrued liabilities	250,595	30,164
Due from partners included in deferred exploration expenses and mining properties	14,929	24,416
Due to a partner included in deferred exploration expenses	-	66,786
Stock-based compensation included in deferred exploration expenses	-	31,167

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 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% higher would have decreased the fair value of these by $19,639 as of November 30, 2009. Since the interest rates are lower that 1%, a decrease of interest down to 0% would increase de fair value of these by $6,913 as of November 30, 2009. The Company's other financial assets and liabilities do not comprise any interest rate risk since they do not bear interest.

10. Financial instruments (Cont'd)

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.

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
Market risk is the risk that the fair value of, or future cash flows from, the Company's financial instruments will significantly fluctuate because of changes in market prices. The Company is exposed to market risk in trading its listed shares and unfavourable market conditions could result in the disposal of its listed shares at less than favourable prices.

The listed shares held by the Company are exclusively shares from a Venture issuer who's activities are in the mineral exploration field. Those shares were obtained following the sale of mining assets in the Otish Basin in December 2007 and the original value based on the closing price on the stock market was $1,312,000. As of November 30, 2009, the value of these listed shares is $71,750.

As of November 30, 2009, a 10% decrease (increase) in the closing price on the stock market would result in an estimated increase (decrease) in net after-tax loss of approximately $7,175.

Fair Value
The fair value of the listed shares held for trading is based on the closing price on the stock market. Since this evaluation is based on quoted prices in active markets, it's considered a level 1 in the fair value hierarchy.

10. Financial instruments (Cont'd)

The faire value of financial instruments is summarized as follows:

	November 30, 2009		August 31, 2009	
	Carrying amount	Fair Value	Carrying amount	Fair value
	$	$	$	$
Financial assets				
Held for trading				
Cash and cash equivalents	338 018	338 018	585,654	585,654
Short-term investments	2 784 481	2 784 481	2,781,533	2,781,533
Listed share	71 750	71 750	82,000	82,000
Exploration funds	-	-	-	-
Loans and receivables				
Due from partners	65 197	65 197	60,000	60,000
Financial liabilities				
Other liabilities				
Accounts payable and accrued liabilities	348 260	348 260	159,705	159,705
Due to a partner	-	-	2,596	2,596

11. Subsequent event

a) On December 15 and 17, 2009, the Company closed a private placement of: (i) 9,243,001 units at a price of $0.30 per unit for gross proceeds of $2,772,900 and (ii) 9,959,400 flow-through common shares at a price of $0.33 per flow-through shares for gross proceeds of $3,286,602 for total gross proceeds of $6,059,502 (collectively, the "Private Placement"). Each unit is comprised of one common share and one-half of one warrant. Each whole warrant entitles its holder to purchase one additional common share at a price of $0.40 per common share from the first 12 months and at a price of $0.50 per common share for the subsequent 12 months.

The Company paid to the brokers (i) cash in the amount of $371,666, representing 7 % of the gross proceeds raised by the brokers, and (ii) 1,656,605 broker warrants, representing 10% of the number of units and flow-through shares issued under the brokered portion of the private placement. A total of 690,965 Broker Warrants entitle its holder to purchase one additional common share at a price of $0.30 per common share and 965,640 broker warrants entitle its holder to purchase one additional common share at a price of $0.33 per common share, for a period of 24 months following the Closing Date.

The total broker warrant fair value amount to $298,189 and this fair value was estimated using the Black-Scholes pricing model with no expected dividend yield, an expected volatility of 113%, a risk-free interest rate of 1.32% and an expected life of options of 2 years.

11. Subsequent event (Cont'd)

b) On December 30, 2009, the Company granted 900,000 stock options and their fair value was calculated with the following assumptions:

Grant date	**December 30, 2009**
Optionee	Directors, officer and consultants
Number of options	900,000
Exercise price	$0.36
Exercise price compared to the market	Higher
Risk free interest	2.74%
Average expected volatility	104%
Expected dividend	-
Expected life (years)	5
Vesting	Immediate
Estimated fair value per option	$0.25
Estimated fair value	$225,000

Some stock options were granted to a director and to a consultant involved in exploration work and therefore $37,500 of the stock-based compensation cost was capitalized in the deferred exploration expenses.

c) On November 27, 2009, the Company signed a letter of intent with Bold Venture Inc. ("Bold") whereby Bold can acquire a 10% interest in the Loveland property by undertaking $125,000 of exploration work. The Company is the operator.
Once the 10% interest is earned, Bold can decide not to pursue the exploration. Bold will therefore return its 10% interest to the Company and the Company will have to pay Bold $40,000. At any time, the Company has the right to purchase Bold's 10% interest by paying twice what Bold has spent to that time in cash.