Melkior Resources Inc.

Management's Discussion and Analysis

For the three and six-months ended February 28, 2013

Table of Contents

Management has prepared the following discussion and analysis (MD&A) which constitutes management's review of financial and operating factors affecting Melkior Resources Inc. ("Melkior" or the "Company") for the quarter ended February 28, 2013. This MD&A should be read in conjunction with the Company's financial statements and related notes as at February 28, 2013 and the year ended August 31, 2012. All figures are in Canadian dollars unless otherwise noted.

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 stage company engaged in the acquisition and exploration of mining properties located in Québec and Ontario.

Overall performance

Melkior has working capital of $921,265 as at February 28, 2013 ($1,487,243 as of August 31, 2012) which will allow the Company to undertake its exploration program for at least the next year. In the first two quarters of 2013, the Company did not raise any funds through flow-through private placements ($1,176,500 in Fiscal 2012).

Exploration in the first quarter 2013 totaled $405,119 versus $325,517 in Q2-12. The main exploration expenditures in the first half of 2013 were done on the Carscallen (Timmins) and the Long Lac properties.

Selected interim financial information

	Six-months ending	
	February 28, 2013	**February 29, 2012**
	$	**$**
Income	40,367	4,726
Net loss and comprehensive loss	(871,941)	(223,997)
Net Loss per share, basic and diluted	(0.01)	(0.00)

	February 28, 2013	**August 31, 2012**
	$	**$**
Current assets	981,861	1,698,972
Exploration assets	11,052,736	11,348,099
Total assets	12,034,597	13,047,071
Current liabilities	60,596	211,729
Total shareholders' equity	11,974,001	12,835,342

Results of operations

Total expenses increased to $768,363 in the second quarter 2013 versus $338,353 in Q2-2012, due to the following:

- During Q2-12, the stock-based compensation expense of $75,976 was recorded mainly following the grant of 2,400,000. In Q2-13, the stock-based compensation expense was only $2,100 since the expense was for previous grants were vested in the current quarters. No stock options were issued in the first half of 2013.

- Professional and consulting fees are as follow:

	Q2 – 2013	Q2 - 2012
	$	$
Legal	5,485	16,920
Accounting and audit	112,635	65,821
Consulting	600	7,600
Management	14,550	40,700
Professional and consulting fees	**133,270**	**131,041**

- Salaries and employee benefits expenses decreased to $687 from $12,869. The Company employed a full-time employee in the prior year. Since May 2011, that employee was taken off payroll and placed on a consulting basis with the Company.

- Investor and shareholder relations costs have decreased to $40,820 in Q2-13 from $59,936 in Q2-2012. This is part of a management effort to reduce and control costs in fiscal 2013.

- Interest and other income was $40,367 inQ2-13 versus $4,726 in Q2-12 due primarily to a recovery of bad debt of $29,794.

- The Company incurred $89,721 unfavorable change in value of listed shares ($98,250 favourable in Q2-12). These changes were mainly generated by the 975,000 shares received from Arrowhead Gold Corp., by the 2,000,000 shares and 1,000,000 warrants received from Green Swan Capital Corp. (“Green Swan”), 750,000 shares received from Lakeside Minerals Inc. (“Lakeside”), the 1,000,000 shares received from Northcore Resources Inc. and the 670,000 shares received from Zara Resources Inc. These shares represent revenue from past property sales.

- In the Q2-13, the Company renounced exploration expenditures of $363,278 for a recovery of deferred income taxes of $50,176 compared to renounced exploration expenditures of $114,646 for a recovery of deferred income taxes of $11,380 in Q2-12.

- In Q2-13, the Company realized an impairment loss on its exploration properties of $532,633 compared to $1,297 in Q2-12. This was due to the impairment of the Shaw and Eldorado properties in 2013.

- In Q2-13, the Company realized a loss on the sale of its McFaulds - River Bank property of $104,399. There were no disposals of properties in Q2-12.

Exploration and evaluation expenditures by property

Exploration and evaluation expenses

Q2-2013	Launay	Troilus	Timmins[1]	Eldorado	McFaulds[2]	Others[3]	Total
	$	$	$	$	$	$	$
Balance beginning	608,467	-	6,107,519	389,483	2,965,059	384,350	10,454,878
Additions							
Drilling	23,921	-	238,526	-	-	-	262,447
Geology – prospecting	7,869	-	8,938	-	-	2,900	22,198
Geophysics	-	-	33,623	-	200	400	34,233
Geochemistry	-	-	452	-	1,200	78,690	80,342
Management fees	-	-	-	-	-	-	-
	31,790	-	281,539	-	1,400	81,990	399,210
Options	-	-	8,500	-	-	-	8,500
Recharge	-	-	-	-	-	-	-
	31,790	-	290,039	-	1,400	81,990	407,710
Deductions							
Tax credits	-	-	-	-	-	-	-
Disposal	-	-	-	-	(172,295)	-	(172,295)
Impairment	-	-	(83,284)	(389,483)	-	(100)	(475,538)
Balance, end	640,257	-	6,314,274	-	2,794,164	466,240	10,214,935

Exploration and evaluation expenses

Q2-2012	Launay	Troilus	Timmins[1]	Eldorado	McFaulds[2]	Others[3]	Total
	$	$	$	$	$	$	$
Balance beginning	459,958	394,829	5,550,052	336,649	3,000,669	322,660	10,064,817
Additions							
Drilling	14,206	-	131,888	400	39,743	-	186,237
Geology – prospecting	4,433	-	31,776	1,392	7,000	3,235	47,836
Geophysics geochem.	400	-	850	-	176	55,656	57,082
Line cutting	-	-	-	-	-	-	-
Management fees	-	-	-	-	-	-	-
	19,039	-	164,514	1,792	46,919	58,891	291,155
Options	-	-	31,765	-	2,597	-	34,362
Recharge	-	-	-	-	-	-	-
	19,039	-	196,279	1,792	49,516	58,891	325,517
Deductions							
Tax credits	(7,880)	-	-	-	-	-	(7,880)
Disposal	-	-	-	-	(86,088)	-	(86,088)
Write-off	-	-	-	-	-	(600)	(600)
Balance, end	471,117	394,829	5,746,331	338,441	2,964,097	380,951	10,295,766

Notes:

1) For presentation purposes Carscallen, Big Marsh, Shaw, Fripp and Bristol projects are all grouped together as Timmins due to their geological location.
2) For presentation purposes River Bank, Brokeback and Rim Nickel projects are all grouped together as McFaulds due to their geological location.
3) For presentation purposes Henderson and Long Lac have been classified as other properties.

Jens E. Hansen, P. Eng. and President and Director of Melkior, a qualified person under NI 43-10, has reviewed the following technical disclosure.

Big Marsh
(100% owned – base metals, gold)

Property description

The Big Marsh property covers 14.56 square kilometres for a total of 91 claim units in Carscallen Township. It is located 25 kilometres due west-northwest of the City of Timmins, Ontario and 2 kilometres due north of Melkior's Carscallen Gold property.

The Company purchased a 100% interest in the property. The property is subject to two 2% NSR royalties of which the Company has the right to buy out half (1%) of each of the NSR's for $1,000,000 each.

2007 to 2012 exploration

Exploration work carried out from January 2007 to December 2012 is summarized below.

Big Marsh Project: Exploration work completed by Melkior 2007 to December 2012

Exploration Work	2007	2008	2009	2010	2011	2012
Drilling	-	-	2 diamond drill holes 475 meters	-	-	-
Grab Samples	-	-	-	6 grab samples	-	-
Trenching	-	-	-	-	-	-
Geophysics / Geochemistry	-	-	72 line kilometre ground magnetics survey, 3.7 line kilometre IP survey	160 line kilometre airborne magnetic and electromagnetic survey (VTEM)	-	12.9 line kilometre ground magnetics survey and IP survey

* Proposed summer 2013 program

In early 2009 Melkior completed a 72 line kilometre ground magnetometer survey and 3.7 line kilometre induced polarization (IP) survey. The magnetometer survey mapped a series of north-south dykes of varying magnetic intensity which have been offset by east-west and west-northwest structures interpreted to be faults.

The IP survey showed two anomalies 325 meters apart. The IP anomalies were drilled in the summer of 2009. Two holes were drilled for a total of 475 meters. Both holes penetrated a complicated volcanic stratigraphy consisting of alternating mafic and intermediate units. The volcanic units were cross-cut by several gabbro intrusions and contained 10 to 30 centimeter wide massive pyrite horizons. Neither hole intersected significant gold, copper or zinc values.

In November 2010 Melkior contracted Geotech Ltd. to fly an airborne magnetic and electromagnetic ("EM") survey over the Property. A total of 160 line kilometres were flown and surveyed over the property. A number of interesting EM anomalies were revealed. One of the EM anomalies located in the northwest portion of the property was followed up in the fall of 2012 with IP and magnetometer surveys. The surveys outlined a zone which correlates to a magnetic high unit and moderate IP anomaly with a moderate to strong resistivity high. A drill hole has been designed to test the anomaly.

Recent exploration

The Ministry of Northern Development and Mines ("MNDM") is working towards on-line map staking in Ontario and have implemented a standard whereby claims staked prior to November 2012 are eligible for one year assessment credit for providing Global Positioning System ("GPS") locational data. In March 2013, Melkior ground truthed locational GPS data for the existing property.

Melkior is planning to undertake a $24,000 exploration project on the property in the summer of 2013.

Bristol
(100% owned - gold)

Property description

The Bristol property covers 1.92 square kilometres for a total of 12 claim units in Bristol Township. It is located 25 kilometres due west-northwest of the City of Timmins, Ontario, 5 kilometres due north-northeast of Melkior's Carscallen Gold property and 800 meters due east of the Big Marsh property.

The Company holds a 100% interest in the property. The property was acquired through ground staking in 2009 and there is no NSR attached to the claims.

2009 to 2012 exploration

Exploration work carried out from January 2009 to December 2012 is summarized below.

Bristol Project: Exploration work completed by Melkior 2009 to December 2012

Exploration Work	2009	2010	2011	2012
Drilling	-	-	-	-
Grab Samples	-	43 grab samples	-	-
Trenching	-	-	-	-
Geophysics / Geochemistry	4.9 line kilometre ground magnetics survey	7.0 line kilometre ground magnetics survey, 19.5 line kilometre airborne magnetic and electromagnetic survey (VTEM)	-	-

In May 2009 Melkior completed a 4.9 line kilometre ground magnetic survey and an additional 7 line kilometre ground magnetic survey was completed in May 2010. A 2 day prospecting program undertaken in May 2010 obtained a grab sample taken from a boulder containing 1.5g/t gold.

On August 19, 2009, the Company signed a letter of intent with Northcore Resources Inc. ("Northcore") (previously Big Red Diamond Corporation) whereby Northcore can acquire a 50% interest in the Bristol property. Northcore issued 1,000,000 of its common share to the Company (valued at $60,000 as per the value on the stock exchange of Northcore on August 19, 2009) and will undertake $400,000 of exploration work over a period of 48 months on the claims to earn the 50% interest. The Company is the operator. As at August 31, 2011, $24,458 of work was completed for Northcore on the property.

In November 2010 Melkior contracted Geotech Ltd. to fly an airborne magnetic and electromagnetic ("EM") survey over the Property. A total of 19.5 line kilometres were flown and surveyed over the property.

Recent exploration

The MNDM is working towards on-line map staking in Ontario and have implemented a standard whereby claims staked prior to November 2012 are eligible for one year assessment credit for providing GPS locational data. In March 2013, Melkior ground truthed locational GPS data for the existing property.

No work is planned for this property in 2013.

Carscallen Gold,
Timmins, Ontario
(100% owned)

Property Description

The Carscallen property covers 16.64 square-kilometres for a total of 104 claim units and is located 25 kilometres due west of the City of Timmins, Ontario. Access to the property is excellent, via a series of roads and trails which connect to Highway 101.

The Company holds a 100% interest in the property. Some claims are subject to a 1.5% net smelter return ("NSR") royalty while another group of claims are subject to a 2% NSR of which the company has the right to buyout half (1%) of the NSR for $1,000,000.

Recent Exploration

On December 17, 2012, Melkior released surface channel sample results undertaken on the ZamZam zone and Jowsey zone. The objective was to demonstrate that gold mineralization consistently intersected at the ZamZam zone extends to surface.

Highlights from the 2012 channel sample program are shown in the table below.

Carscallen Gold Project: 2012 channel sample highlights.

ZamZam Zone			
Channel #	**Length (metres)**	**Gold (g/t)**	**Silver (g/t)**
CH-01-2012	**4**	**4.95**	**3.63**
CH-02-2012	3.7	1.96	0.85
CH-03-2012	**4**	**3.41**	**1.95**
CH-04-2012	2	3.28	4.2
CH-05-2012	1.8	0.63	0.49
CH-06-2012	3	1.17	0.73
CH-07-2012	2	0.48	2.9
CH-08-2012	1.4	0.81	0.85
CH-09-2012	1.7	0.6	0.84
CH-10-2012	**4.2**	**5.66**	**2.18**
CH-11-2012	1	2.24	1.5
CH-17-2012	1	0.79	0.8
CH-18-2012	2	1.16	1.1
Jowsey Zone			
Channel #	**Length (metres)**	**Gold (g/t)**	**Silver (g/t)**
CH-12-2012	**1**	**6.43**	**6**
CH-13-2012	1	0.8	0
CH-14-2012	1.7	2	0.47
CH-15-2012	0.9	1.83	1.4
CH-16-2012	2	1.05	1.5

On January 27th, 2013 Melkior announced a planned program for Carscallen that will focus on defining a potential near-surface resource on the ZamZam zone to a depth of on the order of 150 meters. A mineralized envelope has been determined and about half a dozen additional holes will be drilled (about 100 to 150 meters deep) to complete the gaps and provide more complete and accurate data for resource calculation. A sample was prepared and sent to Activation Laboratories Ltd. for metallurgical testing and results are pending.

Due to recent changes in the mining act, effective April 1st 2013, Melkior has contacted Aboriginal groups to begin consultation such that Melkior can obtain exploration permits needed for future drilling programs.

Exploration 2006 to 2012

Carscallen Gold Project: Exploration work completed by Melkior 2006 to February 2013

Exploration Work	2006	2007	2008	2009	2010	2011	2012
Drilling	-	23 diamond drill holes 2,543 meters	48 diamond drill holes 2,846 meters	21 diamond drill holes 4,111.5 meters	37 diamond drill holes 13,578.38 meters	17 diamond drill holes 6,316 meters	7 diamond drill holes 4,182 meters
Grab Samples	87 samples	438 samples	44 samples	-	137 samples	-	-
Trenching / Channel	-	415 meters	-	-	157 channel samples	-	72 channel samples 240 meters
Geophysics / Geochemistry	63.2 line kilometre ground magnetic survey	32.15 line kilometre IP Survey	-	43.8 line kilometre IP survey, 65 kilometre ground magnetic survey, MMI survey (255 samples), B-horizon soil survey (227 samples)	Down-hole IP/Resistivity survey (27 hole pair), 177.2 line kilometre airborne electromagnetic survey (VTEM)	Down-hole IP/Resistivity survey (14 hole pair), 11.1 line kilometre IP survey	-

In 2006 the Company undertook a two week prospecting program that focused on areas of known historical workings such as the 1010 vein, Shenkman trench, and the Jowsey vein. The Wire gold occurrence, which is located on the property, was excluded from the program due to the extensive nature of work conducted in the area in the past. The prospecting campaign coincided with a recently completed 63.2 line kilometre ground magnetometer survey covering the known historical showings and beyond. The magnetometer survey was useful in delineating the contact between the Carlton Lake Pluton and the mafic volcanic. Significant grab sample assays were obtained and a new showing, the Mystery zone, was discovered.

Highlights from the 2006 prospecting campaign are shown in the table below.

Carscallen Gold Project: 2006 grab sample results.

Area	Results
1010 Vein	up to 163 g/t gold
Jowsey Vein	up to 280 g/t gold
Jowsey Vein East	up to 111 g/t gold
Mystery Shear	up to 84 g/t gold
Shenkman Trench	up to 14g/t gold

A 32.15 line kilometre spectral IP/resistivity survey done by JVX Ltd. was completed in February/March 2007. A total of 86 IP anomalies were noted, of which 62 were weak, 19 were moderate and 5 were strong. Strong chargeability anomalies corresponded to the Wire Gold area, proximal to the Jowsey showing, and also helped to define the newly recognized ZamZam/Shenkman trend

In the summer of 2007, Melkior conducted mechanical stripping of chargeability anomalies identified earlier in the year, as well as stripping of known mineralized zones. Stripping was done on the 1010 vein, in the ZamZam/Jowsey area, in the Shenkman/Mystery area and in the Wire Gold area. The highlight was the discovery of the ZamZam zone, which was exposed over a 55 m strike length.

Highlights from the 2007 prospecting campaign are shown in the table below.

Carscallen Gold Project: 2007 grab sample results.

Area	Results
1010 Vein	up to 467 g/t gold
Jowsey Vein	up to 30.06 g/t gold
ZamZam Zone	up to 843.7 g/t gold

In the fall and winter of 2007, a 23-hole drill program, totaling 2,543 meters, was completed. The drill program focused on the 1010 and ZamZam/Jowsey/Shenkman areas, in the Wire Gold area, and on several outlying chargeability anomalies.

Highlights from the 2007 drill program are shown in the table below.

Carscallen Gold Project: 2007 drill highlights

Area	Results
1010 Vein	19.8 g/t Au over 3.18 metres
Shenkman Zone	40.4 g/t Au over 1.0 metre
ZamZam Zone	13.1 g/t Au over 0.85 metres

In 2008 additional trenching was completed on the ZamZam zone, with grab samples attaining values up to 34.9 g/t Au. Also in 2008, Melkior drilled 48 holes for a total of 2846 meters. The majority of the holes were drilled on the 1010 vein, but the ZamZam and Shenkman zones were also tested.

Highlights from the 2008 drill program are shown in the table below.

Carscallen Gold Project: 2008 drill highlights

Area	Results
1010 Vein	8.12 g/t Au over 2.45 meters 60.3 g/t Au over 1.80 meters 5.63 g/t Au over 1.80 meters 7.18 g/t Au over 1.30 meters
Shenkman Zone	55.2 g/t Au over 1.0 meter
ZamZam Zone	12.5 g/t Au over 0.70 meters

In early 2009 41 line kilometres of ground magnetic and 21.8 line kilometre of IP/Resistivity surveys were undertaken. The IP/Resistivity results were used on an ongoing basis to assist with drill hole targeting since the chargeability anomalies correlate well with the mineralized zones. An additional 22 line kilometres of IP/Resistivity was completed in November.

A soil sampling program was carried out in October, 2009. Two 500 g samples were collected at each station; one for Mobile Metal Ions (“MMI”) and one from the B-horizon. A total of 255 samples were collected for MMI and 227 for B-horizon.

Melkior drilled 21 holes totaling 4,111.5 meters in 2009. The 2009 drill program focused on the ZamZam area, following up previous intersections and new IP targets.

Highlights from the 2009 drill program are shown in the table below.

Carscallen Gold Project: 2009 drill highlights.

Drill hole #	From (meters)	To (meters)	Width (meters)	Gold (g/t)
CAR-1-2009	34	34.7	0.7	13
CAR-10-2009	62	63	1	1.31
CAR-12-2009	111.3	112.3	1	4.86
CAR-14-2009	131.25	133	1.75	1.63
CAR-15-2009	53.55	54.25	0.7	2.29
CAR-16-2009	58.5	59.5	1	5.86
CAR-16-2009	79.9	80.8	0.9	56
CAR-17-2009	120.1	120.95	0.85	9.42
CAR-18-2009	181.8	182.4	0.6	15.65
CAR-18-2009	208.75	209.35	0.6	25.3
CAR-19-2009	36.75	39.2	2.45	0.46
CAR-20-2009	80.8	84.5	3.7	3.16
CAR-21-2009	149.9	150.9	1	4.98
CAR-22-2009	126.2	127.7	1.5	11.12
CAR-23-2009	76.25	77.5	1.25	3.41
CAR-24-2009	295.8	296.5	0.7	3.37
CAR-25-2009	175.55	176.2	0.65	0.35
CAR-26-2009	233.45	234.65	1.2	8.73
CAR-27-2009	238.5	239.5	1	4.7

Drilling resumed in January 2010; the first drilling campaign consisted of intermittent drilling from mid-January until the middle of June. The drilling program focused on the ZamZam/Shenkman zone.

Highlights from the 2010 January to June drill program are shown in the table below.

Carscallen Gold Project: 2010 January to June drill highlights.

Drill hole #	From (meters)	To (meters)	Width (meters)	Au g/t
CAR-28-2010	350.85	351.45	0.6	5.1
CAR-29-2010	147.6	148.25	0.65	17.28
CAR-29-2010	223.75	236.15	12.4	0.92
CAR-32-2010	450.5	453	2.5	5.84
CAR-33-2010	356	358.1	2.1	1.12
CAR-33-2010	685	685.8	0.8	4.12
CAR-34-2010	343.55	345.8	2.25	3.26
CAR-35-2010	27.8	30.15	2.35	1.6
CAR-38-2010	570.95	582.35	11.4	0.72
CAR-39-2010	23.45	23.95	0.5	2.67
CAR-40-2010	43.9	44.4	0.5	2.47
CAR-41-2010	191.3	191.8	0.5	4.39
CAR-42-2010	531.65	536	4.35	1.24
CAR-42-2010	562.4	563.65	1.25	16.04
CAR-43-2010	144	157.75	13.75	1.3
CAR-43-2010	150.8	151.3	0.5	31.9
CAR-44-2010	74.8	75.3	0.5	2.69
CAR-45-2010	68.65	69.85	1.2	7.21
CAR-45-2010	182.55	183.75	1.2	52.1
CAR-46-2010	98.85	99.8	0.95	26.1
CAR-47-2010	325.85	331.65	5.8	2.87
CAR-48-2010	264.5	287.15	22.65	0.6
CAR-49-2010	176.2	176.7	0.5	2.8
CAR-50-2010	104.8	110	5.2	0.55
CAR-51-2010	323	334	11	1.79
CAR-52-2010	466	466.5	0.5	1.63
CAR-53-2010	39	39.5	0.5	1.56
CAR-54-2010	157.8	158.4	0.6	3.31
CAR-56-2010	80.35	81.55	1.2	7.65
CAR-56-2010	183.3	184	0.7	21.2
CAR-57-2010	61.1	62	0.9	4.76
CAR-57-2010	188.9	190.5	1.6	28.25

During the summer of 2010 Melkior undertook prospecting and channel sampling on the eastern half of the Carscallen property. 137 grab samples and 157 channel samples were collected.

A down-hole IP/Resistivity was performed by Abitibi Geophysics in July/August 2010. 27 independent pairs of receiver holes were surveyed over the property and modeled in a three dimensional inversion program. The survey delineated a zone of high chargeability located in the northwest part of the ZamZam area and extended below 600 meters. In addition an inferred chargeability occurred below the depth of the majority of the drill holes. When drilling resumed in November two holes were extended and one deep hole were drilled to evaluate the inferred chargeability high but also to provide access for additional down-hole IP that would more accurately locate the chargeability anomaly.

In November 2010, Melkior commissioned a versatile time domain electromagnetic airborne survey over the Carscallen property. Drilling resumed in November. Between the two drill programs in 2010 37 holes were drilled, totaling 13538.38 meters.

Highlights from the 2010 November drill program are shown in the table below.

Carscallen Gold Project: 2010 November drill highlights.

Drill hole #	From (meters)	To (meters)	Width (meters)	Au g/t
CAR-38X-2010	730.8	731.4	0.6	9.95
CAR-38X-2010	737	741.25	4.25	3.75
CAR-42X-2010	709.25	710	0.75	5.35
CAR-42X-2010	761.7	762.3	0.6	7.88
CAR-58-2010	248.25	261.75	13.5	2.64
CAR-59-2010	250	262.4	12.4	3.19
CAR-60-2010	291	305.3	14.3	0.79
CAR-61-2010	272	285.3	13.3	4.84
CAR-62-2010	73.5	74	0.5	22.7
CAR-62-2010	582.7	583.3	0.6	3.57

In January 2011 a second down-hole IP/Resistivity survey was completed by Abitibi Geophysics. 14 independent pairs of receiver holes were surveyed and modeled in a three dimensional inversion program.

Drilling resume in February 2011 and was completed in June 2011. The program comprised 17 holes for a total of 6,316.1 meters. The majority of the drilling concentrated on the ZamZam-Shenkman trend.

Highlights from the 2011 drill program are shown in the table below.

Carscallen Gold Project: 2011 drill highlights.

Drill hole #	From (meters)	To (meters)	Width (meters)	Au (g/t)
CAR-63-2011	155.35	159.5	4.15	0.88
CAR-63-2011	179.25	179.75	0.5	10.15
CAR-64-2011	68	68.5	0.5	1.05
CAR-64-2011	100	100.5	0.5	1.27
CAR-64-2011	167.75	168.75	1	0.69
CAR-65-2011	41.6	42.4	0.8	1.98
CAR-65-2011	165.15	172.4	7.25	4.41
CAR-66-2011	147	155.6	8.6	2.19
Including	155.1	155.6	0.5	23.4
CAR-67-2011	354.15	355	0.85	1.2
CAR-67-2011	376.7	377.2	0.5	1.16
CAR-68-2011	130.1	130.7	0.6	1.44
CAR-68-2011	177.4	177.9	0.5	1.17
CAR-68-2011	215.55	224	8.45	0.34
CAR-68-2011	231	233.3	2.3	0.63
CAR-68-2011	275.4	299.75	24.35	0.66
CAR-68-2011	327.15	336	8.85	1.66
Including	334.85	335.35	0.5	22.7
CAR-68-2011	452.5	460.75	8.25	0.78
CAR-69-2011	119.4	120	0.6	1.99
CAR-69-2011	178.75	179.25	0.5	2.08
CAR-69-2011	376	395	19	0.82
CAR-69-2011	470	470.5	0.5	39.4
CAR-69-2011	508.45	527	18.55	1.94
Including	509.35	510.1	0.75	28.6
CAR-69-2011	638.15	638.75	0.6	7.9
CAR-70-2011	66	70.5	4.5	0.82
CAR-70-2011	138.5	139	0.5	4.11
CAR-70-2011	146.45	147	0.55	1.8
CAR-70-2011	161.5	166	4.5	0.53
CAR-70-2011	230.5	231.5	1	8.16
CAR-70-2011	251.5	252	0.5	0.93
CAR-71-2011	181.4	184.5	3.1	0.79
CAR-71-2011	208.7	209.5	0.8	4.06
CAR-71-2011	231.5	236.5	5	1.27
CAR-71-2011	254	267.25	13.25	5.1
including	254	254.5	0.5	97.3
including	266.7	267.25	0.55	30
CAR-71-2011	306.5	307	0.5	2.11
CAR-71-2011	387.5	388	0.5	13
CAR-72-2011	205.5	206	0.5	8.05
CAR-72-2011	219	219.55	0.55	13.95
CAR-72-2011	244	251.8	7.8	2.99
including	246.15	247	0.85	21.4

CAR-73-2011	292.65	298.7	6.05	0.49
CAR-73-2011	364.5	373.15	8.65	1.26
CAR-76-2011	69.4	72.5	3.1	4
CAR-76-2011	93	105.1	12.1	1.05
CAR-76-2011	221	221.5	0.5	1.44
CAR-76-2011	328.2	329.2	1	2.53
CAR-77-2011	114.6	118.6	4	1
CAR-77-2011	150.25	158.45	8.2	0.76
CAR-78-2011	33	38.3	5.3	0.64
CAR-78-2011	54	61.75	7.75	0.26
CAR-78-2011	82.2	91.25	9.05	1.88
CAR-78-2011	115	115.5	0.5	2.98
CAR-78-2011	318	318.7	0.7	10.65

During 2011 Melkior commissioned a detailed structural study and three dimensional ("3D") model of exploration results on the Carscallen property. The study provided a better understanding on the chronology of deformation and structural control of the mineralization by integrating the different zones/showing of the property as a whole.

In 2012 Melkior drilled 7 holes comprising 4,182 meters. Highlights from the 2012 drill program are shown in the table below.

Carscallen Gold Project: 2012 drill result highlights.

Drill hole #	From (meters)	To (meters)	Width (meters)	Gold (g/t)	Silver (g/t)	Copper (%)
CAR-61X-2012	364	366	2	5.87		
Including	364	365	1	10.75		
CAR-61X-2012	399	409	10	0.27		
CAR-61X-2012	511	514.7	3.7	0.66		
Including	511	512	1	1.02		
And	514	514.7	0.7	1.41		
CAR-61X-2012	538	540.5	2.5	0.7		
Including	540	540.5	0.5	2.11		
CAR-61X-2012	587	588	1	2.41		
CAR-79-2012	377	382	5	1.18		
CAR-79-2012	457.3	481	23.7	1.55		
Including			7.85	3.72		
CAR-79-2012	528	529.35	1.35			3.55
CAR-79-2012	528	538	10	2.54		
CAR-80-2012	437.6	439.5	1.9	7.12		
Including	437.6	438.8	1.2		1.25	
Including	438.2	439.5	1.3			0.73
CAR-80-2012	533	536.7	3.7	51.92		
Including	533.7	535.7	2		6.4	2871 ppm

CAR-80-2012	601.7	603	1.3	5.09		
CAR-80-2012	618	619	1	1.08		
CAR-80-2012	625.65	626.35	0.7	1.98		
CAR-80-2012	642.25	642.75	0.5	5.19		
Including	642.25	642.75	0.5		1.5	2490 ppm
CAR-81-2012	345.85	346.9	1.05	0.73		
CAR-81-2012	416	429	13	0.8		
Including	417	418	1	2.65		
And	428	428.5	0.5	12.95		
CAR-82-2012	522	563.75	41.75	0.41		
Including	532	539	7	1.13		
CAR-83-2012	366	371	5	0.35		
CAR-83-2012	439.1	451.95	12.85	0.3		
CAR-83-2012	451.95	464.85	12.9	1.15		
CAR-83-2012	512	513	1	2		
CAR-83-2012	571.5	572.25	0.75	1.46		
CAR-84-2012	32	33	1	1.67		
CAR-84-2012	101.7	116.7	15	1.46		
Including	101.7	104.5	2.8	6.55		
CAR-84-2012	270	273	3	0.43		
CAR-84-2012	281.25	282	0.75	1.04		
CAR-84-2012	368	370	2	2.55		

Eldorado
(100% owned - nickel)

Property description
The Eldorado property was staked by the Company in 2007 and consists of 195 claim units covering 31.20 square kilometres in Eldorado, Carman, Langmuir and Shaw Townships located approximately 20 kilometres southeast of Timmins. The property is road accessible and adjoins Liberty Mines Inc.

Melkior has not planned any exploration for 2013 and intends to drop the claims as they come due.

Fripp
(100% owned – gold)

Property description

The Fripp property covers 26.40 square kilometres for a total of 165 claim units in Fripp Township. It is located 25 kilometres due south-southwest of the City of Timmins, Ontario.

Melkior staked 16 claim units, 2.56 square kilometres in Fripp Township in July 2007. In 2012 Melkior staked an additional 149 claim units, 23.84 square kilometres. The Company holds a 100% interest on the property and the property is not subject to any NSRs.

2007 to 2012 exploration

Exploration work carried out from July 2007 to December 2012 is summarized below.

Fripp Project: Exploration work completed by Melkior 2007 to December 2012

Exploration Work	2007	2008	2009	2010	2011	2012
Drilling	-	-	-	-	-	-
Grab Samples	-	-	-	70 grab samples	-	-
Trenching	-	-	-	-	-	-
Geophysics / Geochemistry	-	-	32 line kilometre ground magnetic survey	-	-	-

A 32 line kilometre ground magnetic survey was completed in the summer of 2009. The survey outlined a magnetic high unit which lies in close proximity to a regional north-northwest fault that runs through the main Destor Porcupine Fault zone to the north. A follow-up prospecting campaign was undertaken in the summer of 2010. Four grab samples returned copper values of 1.04%, 3.48%, 3.88% and 14.1%, along with anomalous gold.

Recent exploration

The MNDM is working towards on-line map staking in Ontario and have implemented a standard whereby claims staked prior to November 2012 are eligible for one year assessment credit for providing GPS locational data. In March 2013, Melkior ground truthed locational GPS data for portions of the existing property.

Exploration is planned to maintain the claims in good standing.

Henderson
(100% – Uranium, nickel)

Property description

The Henderson property consists of 20 claim units, covering 3.2 square kilometres. On February 5, 2007, the Company acquired the Henderson property by staking claims in the Raglan Township in south-eastern Ontario. The claims were part of the agreement with Santoy Resources Ltd (now called Anthem Resources Inc.) but they opted out of the agreement in 2009.

On August 4, 2009, the Company signed an agreement with First Nickel Inc., (“FNI”) whereby FNI has the right to earn up to 80% on the Henderson property. FNI can earn 50% by spending $60,000 on exploration in the first year. At the 50-50 point the Company will decide whether or not to participate. If the Company doesn’t participate FNI can earn up to 80% by spending an additional $100,000 in the second year. At the 80% point the Company will participate or dilute to a 1.5% NSR Royalty. The Company can continue to explore for uranium independently from the FNI agreement.

During the summer 2010, FNI earned its 50% interest. The Company chose to participate in the exploration over $60,000.

FNI has not yet proposed a budget for 2013.

Launay
(100% owned - gold)

Property description

The Launay property covers 32.67 square kilometres for a total of 83 claims. The property is located 80 kilometres north west of Val-D'Or, Quebec. Certain claims are subject to a 1% Net Smelter Return ("NSR") royalty.

2009 to 2012 exploration

Previous work on the property has identified two gold zones with large tonnage low grade potential. Historical assays reported by the previous operator from drill holes include 6.92g/t gold over 12.8 meters and 9.10g/t gold over 7.0 meters.

In 2009 a prospecting and mapping program was designed to verify the gold surface expression at the Zone 75. Grab samples taken on Zone 75 assayed 13.75g/t, 5.06g/t and 3.08g/t gold.

A 30 line kilometre IP/Resistivity survey was completed in 2010 over the central portion of the property which hosts the known gold zones.

In August 2012, Melkior drilled ten ("10") holes totaling 990 metres drill. Results included intersections of up to 46.35 meters averaging 1.83 grams per tonne (g/t) gold (Au) and 1.14 g/t silver (Ag). Several mineralized zones were encountered near surface and above the 100 meter vertical level. The current program was undertaken in the vicinity of a historical showing on the property called "Zone 75". The objective of the drill program was to gain a new perspective on the historical showing using surface geology.

Highlights from the 2012 drill program are shown in the table below.

Launay Gold Project: 2012 drill results.

Hole number	From (m)	To (m)	Width (m)	Gold (g/t)	Silver (g/t)
LAY-01-2012	37.70	40.35	2.65	1.50	0.68
LAY-01-2012	48.30	51.50	3.20	0.47	-
LAY-01-2012	66.00	70.70	4.70	2.95	4.64
LAY-02-2012	4.20	18.08	13.88	0.31	1.13
LAY-03-2012	7.00	14.00	7.00	0.58	3.29
LAY-03-2012	80.00	94.00	14.00	0.35	1.33
LAY-05-2012	56.00	57.75	1.75	1.92	1.87
LAY-06-2012	2.60	45.90	43.30	0.32	0.95
LAY-07-2012	50.65	77.00	26.35	0.22	-
LAY-08-2012	1.65	48.00	46.35	1.83	1.14
including	36.00	48.00	12.00	4.94	
LAY-08-2012	77.75	90.65	12.90	3.36	1.90
LAY-09-2012	60.60	79.00	18.40	2.49	1.47
LAY-09-2012	92.00	102.00	10.00	0.41	-
LAY-10-2012	57.50	61.65	4.15	1.11	1.37
LAY-10-2012	65.00	66.70	1.70	0.94	2.30
LAY-10-2012	90.20	91.30	1.10	2.60	1.90

On January 28th, 2013 Melkior announced metallurgical testing being undertaken at Launay. Samples were sent to Activation Laboratories Ltd and results are pending.

In 2009 Melkior staked additional claims north of the Launay property. A 2009 prospecting and mapping program of the newly staked claims revealed no mineralization or structures of interest. Melkior did not conduct any further exploration in the area and dropped the claims when they came due in March 2013.

Long Lac

(100% owned – gold copper)

Property description

Both the LL1 and LL3 Long Lac properties cover 14.08 square kilometres for a total of 88 claim units in Laponen Lake and Castlebar Lake Townships. LL1 Long Lac is located 20 kilometres due east-southeast of the town of LongLac, Ontario and LL3 LongLac is 30 kilometres due east. Both properties are accessible year round by paved roads and Highway 11.

Melkior staked the properties in November 2007. The Company holds a 100% interest on the two properties and the properties are not subject to any NSRs.

2008 to 2012 exploration

Exploration work carried out on LL1 and LL3 LongLac from April 2008 to December 2012 is summarized below.

LL1 Project: Exploration work completed by Melkior November 2008 to December 2012

Exploration Work	2007	2008	2009	2010	2011	2012
Drilling	-	-	-	-	-	-
Grab Samples	-	80 grab samples	126 grab samples	56 grab samples	-	-
Trenching	-	-	-	-	-	-
Geophysics / Geochemistry	-	166 line kilometres airborne magnetic and electromagnetic (AeroTem) survey	-	-	14 line kilometres ground magnetic survey, 14 line kilometres IP survey	208 B-Horizon samples, 208 soil hydrocarb on samples

LL3 Project: Exploration work completed by Melkior November 2008 to December 2012

Exploration Work	2007	2008	2009	2010	2011	2012
Drilling	-	-	-	-	-	-
Grab Samples	-	22 grab samples	-	48 grab samples	-	-
Geophysics / Geochemistry	-	234.4 line kilometres airborne magnetic and electromagnetic (AeroTem) survey	-	26.1 line kilometres IP survey	4.2 line kilometres IP survey	294 B-Horizon samples, 294 soil hydrocarbon samples

In April 2008 Melkior contracted Aeroquest Limited to fly a 462.45 line kilometre airborne magnetic and electromagnetic survey. The survey covered both the LL1 and LL3 property. A 7 day prospecting campaign was carried out in October 2008. Two grab samples collected from a banded iron formation injected with a quartz vein on the LL1 property assayed 1.15 g/t and 1.47 g/t gold.

In August 2009, a 10 day mapping and prospecting campaign was undertaken. 134 rock samples were collected, highlighting two areas of interest on the LL1 property. The first area, followed for 20 meters, returned gold values of 3.43 g/t and 2.37 g/t. The gold is hosted in a silicified amphibolite and is associated with high values of arsenic. The second area returned values of 1.47 g/t; 1.15 g/t gold and 4.09 g/t silver in a gold bearing iron formation injected with quartz veins.

In 2010, an IP survey on the LL3 property covering 26.1 line kilometres was completed. The ground program was successful in locating and outlining three good structural zones across the gird. A 17 line kilometre IP and ground magnetometer survey was completed on the LL1 property. A number of conductive trends were outlined by the IP survey and three strong east-west striking magnetic units were located in the magnetometer survey.

In the fall of 2012, a program of geochemical and soil gas hydrocarbon surveying was undertaken. The soil gas hydrocarbon survey identified two strong gold anomalies on the LL1 property. The B-horizon survey detected low level gold and arsenic anomalies on both the LL1 and LL3 properties.

Loveland
(100% owned - or copper nickel)

Property description
The Company holds a 100% interest in the Loveland property located in the Loveland Township. The property consists of 44 claim units and covers 7.04 square kilometres.

On October 26, 2010, the Company signed an agreement to acquire 100% interest in additional mining claims in consideration of $1,000 cash and a 2% NSR royalty of which 1% can be repurchased for $500,000. 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 was the operator. In January 2011, Bold earned its 10% interest in the Loveland property. According to the terms of the contract, Bold decided in February 2011 not to pursue the exploration and returned the 10% interest in the Loveland property to the Company in exchange of a $40,000 payment.

No further exploration work was budgeted, therefore the property was written off in August 2012 for $132,760.

McFaulds
(Rim Nickel East 100%)

East Rim

Property description

Melkior owns 100% interest in 979 claim units or 15,664 hectares in the East Rim Property in the “Ring of Fire” discovery area of North Central Ontario. The property is subject to a 2% NSR royalty half (1%) of which can be repurchased by the Company for $2,000,000.

The property covers a large, significant regional gravity feature. The property is interpreted to be underlain by large volumes of dense mafic or ultramafic rocks of the type that can host significant nickel copper massive sulphide occurrences as demonstrated by the work of Noront Resources Ltd. (“Noront”). East Rim is located approximately 25 kilometres from the chromite discoveries by Noront and Freewest Resources Canada Inc.(now Cliffs Natural Resources) , and 30 kilometres from the nickel discovery by Noront.

Recent exploration

Eight holes totaling 1768.8 metres were drilled in 2011 to test a series of electromagnetic and magnetic anomalies. The eight holes were widely spaced ranging from 3 km up to 12 km apart.

Although Melkior's drill program did not encounter economic mineralization, the eight holes were the first phase of drilling ever conducted by any exploration company on the property and the program provided valuable information to assist Melkior in prioritizing anomalies for a future drill program. Elevated zinc and copper values were detected in holes MMF-02-2011 and MER-01-2011. The values were not in an economic range (~1000 ppm) however the presence of base metals is considered significant for future work. In addition hole MER-01-2011 indicated wide intersections of Scandium (~30 ppm) and Arsenic (> 1000 ppm) due to the presence of arsenopyrite, which could be a good indicator for gold.

The East Rim property is a large area which contains several gravity highs, as well as conductive and magnetic anomalies. The eight holes drilled were scattered and represent a very small proportion of the gravity high that was targeted. A number of areas and targets remain to be tested. Nevertheless, these eight holes provided important information on geology, especially on lithological units (which are hidden by at least ~ 30 metres of Paleozoic rocks) and geochemistry which could be used for future drill programs.

Drilling revealed thick units of mafic volcanic rock (flow breccias and hyaloclastites) which represent favourable porous and permeable units for syn-volcanic and/or syn-tectonic fluid circulation. Locally, such hyaloclastic rocks are pervasively altered into sericite with anomalous Arsenic values (hole MER-01-2011). Sulphides (mainly pyrrhotite, pyrite and locally chalcopyrite) are found in every hole. Such occurrence of sulphides is a crucial ingredient for base metal mineralization. Gabbro was also encountered in hole MMF-02-2011 and MMF-08-2011; this gabbro is associated with a gravity high and could be related to ultramafic rocks, hence the potential for PGE, chromite and possible Ni-Cu. At the district scale, several showings/deposit types occur involving either ultramafic/mafic intrusions or mafic volcanic rocks. The presence of mafic volcanic hyaloclastite locally altered and the gabbro with horizons containing high proportions of sulphides are all favourable elements.

The initial drilling represents one hole per 20 square kilometres. Several holes encountered geological formations that could be indicator of a layered intrusion. If confirmed, this is a highly promising environment.

Broke Back and Riverbank

Property description

On December 17, 2012 the Company announced the execution of a definitive agreement whereby Zara Resources Inc. ("Zara") will acquire 100% of the Riverbank claims ("Riverbank") owned by the Company for the sum of $68,000.

Zara owned an option with Melkior to earn up to a 70% interest in Riverbank and the adjacent Broke Back property by incurring a minimum of $1,600,000 in work expenditures by no later than December 31, 2014. The option was negated and Zara opted to not maintain the Broke Back claim group.

In consideration for 100% of Riverbank, Zara issued 225,000 Common Shares at a deemed price of $0.10 per share, and 455,000 Non Voting Convertible 5% Preference Shares of Zara at a deemed price of $0.10 per share. The Preference Shares annual yield will be payable in common shares of Zara at the prevailing market price, and are convertible at the discretion of Zara into common shares of Zara at the market price at the time of conversion. Riverbank is also subject to a preexisting 2% NSR. Closing of the acquisition occurred on January 23td, 2013 and the claims were transferred to Zara.

Shaw Gold
(100% - gold - nickel)

Property description

The Shaw Gold property covers 9.92 square kilometres for a total of 62 claim units in Shaw Township. It is located 13 kilometres south-east of the City of Timmins. Some claims are subject to two 1% NSR royalty, half (0.5%) of which can be repurchased for $1,000,000. This property is contiguous with Eldorado.

There is no exploration budget planned for 2013 and Melkior intends to drop the claims as they come due.

Ungava Quebec
(49% owned copper-nickel-platinum group)

Property description

Melkior owns 49% of this project with Xstrata Nickel (formally Falconbridge Ltd) holding 51%. In 1999, Falconbridge Ltd reported a resource of 817,000 tonnes 3.05% nickel, 1.26% copper and 2.65g/t platinum-palladium. This is non NI 43-101 compliant and has not been verified by a qualified person. A 2004 drill hole on a new target intersected 99.77 metres 0.64% nickel and 0.26% copper. This is considered highly promising for expanding a resource on the property.

Considering the market conditions that prevailed in fiscal 2009 where it was difficult to finance an exploration program for the Ungava project located in the far north, the Company didn’t expect to do extensive work on the property in the near future and consequently wrote-off the mining property costs and deferred exploration expenses in 2009. The Company does minimal work on the property and continues to write them off for $1,754 in 2012 and $800 in 2011.

Recent exploration

Melkior undertook a detailed evaluation of previous airborne geophysics and related this to drilling. The work was carried out by professional geologists familiar with the Raglan nickel camp. The updated interpretation suggests the strong potential to locate new mineralization zones.

The property remains a significant asset and will be further explored at a later time. Melkior has had communication with Joint Venture partner Xstrata Nickel in this regard.

Other properties in Quebec

The Company owns 35 claims in Vauquelin Township and 30 claims in Tiblemont Township located approximately 50km east of Val-d’Or, Quebec. The properties and their deferred exploration expenses were written off in Fiscal 2005 since the exploration work for gold was not successful. Nevertheless, there is activity by others in the area hence the properties will be maintained in good standing. Together the Vauquelin and Tiblemont properties have approximately $770,000 in excess work credits.

No work is planned for these claims.

The Company holds claims adjoining the McLeod Lake copper molybdenum deposit held by Western Troy Capital Resources and claims northwest from the Otish basin. The claims were written off in 2011 and 2012. No work is planned for this property and will be dropped at the next renewal date.

Financing activities

In Q2-2013, Melkior did not raise any funds through private placements, exercise of share purchase warrants or options. In the prior year, Melkior raised funds through flow through private placements and as a result was required to dedicate these funds to qualified exploration work in Quebec and Ontario.

As a result of past flow through financings, Melkior had to spend $60,518 by December 31, 2012 and a further $452,275 by December 31, 2013. As at February 28, 2013 the Company met its obligation to fulfil the $60,518 in expenditures prior to the December 31 deadline. Of the remaining $452,275 which is required to be spent on qualifying Canadian exploration expenses the Company had spent a total of $302,759 as at February 28, 2013.

Working capital

The Company has a working capital of $921,265 as at February 28, 2013 compared to $1,487,243 as at August 31, 2012. 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. When financing conditions are not optimal, the Company may enter into option agreements or other solutions to continue its activities or may slow its activities until conditions improve.

Summary of quarterly results For the eight most recent quarters

	February 28, 2013	November 30, 2012	August 31, 2012	May 31, 2012
	$	$	$	$
Income	37,367	3,100	4,130	2,650
Net loss for the period	(729,096)	(142,845)	(797,482)	(460,652)
Net loss per share	-	-	(0.01)	-
Total assets	12,034,597	12,806,570	13,047,071	13,219,383

	February 28, 2012	November 30, 2011	August 31, 2011	May 31, 2011
	$	$	$	$
Income	989	3,737	9,946	13,446
Net income (loss) for the period	(28,164)	(195,833)	(194,665)	(333,481)
Net loss per share	-	-	-	-
Total assets	13,735,164	13,177,696	14,273,441	13,733,520

Related party transactions

In the normal course of operations for Q2-13:

a) A company controlled by Jens E. Hansen (president and director) charged:
   i) Professional fees relating to qualified exploration work amounting to $20,798 ($12,800 in Q2-12) and are capitalized in exploration and evaluation expenses;
   ii) Management fees amounting to $16,130 ($41,728 in Q2-12) expensed in professional and consulting fees;

iii) Rent totaling $12,000 ($18,000 in Q2-12) expensed in office expenses;

b) A company controlled by Ingrid Martin (former CFO and secretary) charged professional fees of $39,720 as well as $7,230 of office management fees (professional fees of $43,471 and office management fees of $17,263 expensed in Q2-12);

c) Sabino Di Paola (CFO and Corporate Secretary) charged professional fees of $7,299 (NIL in Q2-12)

d) Nathalie Hansen (director until February 21st, 2013 and exploration manager) charged $8,800 ($19,600 in Q2-12) for professional fees for exploration work which was capitalized in exploration and evaluation expenses during the first two quarter 2013 and $1,000 ($4,400 in Q2-12) of administration work expensed in professional and consulting fees.

Events after the reporting period

On February 21, 2013, the Company moved its head office from Montreal, Quebec to Ottawa, Ontario.

Outstanding share data

	April 19, 2013	**February 28, 2013**
Common shares	119,522,870	119,522,870
Options	6,100,000	6,100,000
Warrants	15,348,999	15,348,999
	140,971,869	**140,971,869**

Stock option plan

The purpose of the Plan is to serve as an incentive for the directors, officers and service providers who will be motivated by the Company's success as well as to promote ownership of common shares of the Company by these people. There is no objective attached to the plan and no relationship to manage the Company's risks.

The Board of Directors has approved the conversion of its rolling stock option plan to a fix stock option plan (the "Plan") and received the TSX Venture approval on January 19, 2011. The reason for this change is to simplify the administration of the Plan and also to incorporate the numerous amendments brought recently to the TSX Venture Exchange's policy relating to stock options. The following are the major changes to the Plan:

- The number of shares to be delivered upon the exercise of all options granted under the plan shall not exceed 10,948,000, being slightly less than 10% of the Company's issued and outstanding shares at the time;
- Unless indicated otherwise by the Board at the time of grant, 1/6 of options granted shall vest every three months from the date of the grant;
- In the event that an optionee ceases to be an eligible person prior to the expiry date of his options, the options shall expire 12 months after the termination date or on the expiry date, whichever comes first (except for persons providing investor relations activities who will remain subject to a 30-day expiry period). In the event of termination with cause, the options of an eligible person shall expire on the date of the notice of termination; and
- Options shall no longer be subject to a 4-month hold period from the date of grant.

The purchase price of the common shares, upon exercise of each option granted under the Plan, shall be a price fixed for such option by the Board of Directors upon grant of each such option, but such price shall not be less than the market price at closing of transactions the day prior to the grant. Each option, unless sooner terminated in accordance with the terms, conditions and limitations thereof, or unless sooner exercised, shall expire on the date determined by the Board of Directors when the option is granted or, failing such determination, not later than upon the fifth anniversary of the grant of the option.

The total number of options granted to any one individual in any 12 month-period, will not exceed 5% of the issued common shares. The total number of options granted to a consultant, in any 12-month period, will not exceed 2% of the issued common shares at the time of grant.

The total number of options granted to persons providing investor relations activities, in any 12-month period, will not exceed 2% of the issued common shares at the time of grant. These options must vest in stages over a 12-month period from the date of grant with no more than 25% of the options vesting in any three-month period.

Off-balance sheet arrangements

During Q2-13, the Company did not set up any off-balance sheet arrangements.

Critical accounting estimates, judgments and assumptions

When preparing the financial statements, management undertakes a number of judgments, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual results are likely to differ from the judgments, estimates and assumptions made by management, and will seldom equal the estimated results. Information about the significant judgments, estimates and assumptions that have the most significant effect on the recognition and measurement of assets, liabilities, income and expenses are discussed below.

Impairment of exploration and evaluation assets
Determining if there are any facts and circumstances indicating impairment loss or reversal of impairment losses is a subjective process involving judgment and a number of estimates and interpretations in many cases.

When an indication of impairment loss or a reversal of an impairment loss exists, the recoverable amount of the individual asset or the cash-generating units must be estimated.

The total write-off of the exploration and evaluation assets amounts to $532,633 for the quarters ended February 28, 2013 ($1,297 Q2-12). No reversal of impairment losses has been recognized for the reporting periods.

Share-based payments
The estimation of share-based payment costs requires the selection of an appropriate valuation model and consideration as to the inputs necessary for the valuation model chosen. The Company has made estimates as to the volatility of its own share, the probable life of share options and warrants granted and the time of exercise of those share options and warrants. The model used by the Company is the Black-Scholes valuation model.

Recognition of deferred income tax assets and measurement of income tax expense
Management continually evaluates the likelihood that its deferred tax assets could be realized. This requires management to assess whether it is probable that sufficient taxable income will exist in the future to utilize these losses within the carry-forward period. By its nature, this assessment requires significant judgment. To date, management has not recognized any deferred tax assets in excess of existing taxable temporary differences expected to reverse within the carry-forward period.

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, labor disruptions, flooding, cave-ins, landslides and the inability to obtain suitable or adequate machinery, equipment or labor 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.

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.

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.

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. Metals 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 employee. The current markets put additional pressure on the availability of contract suppliers, equipment and personnel.

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.

First Nations

First Nations are increasingly making lands and rights claims in respect of existing and prospective resource projects on lands asserted to be First Nation traditional or treaty lands. Should a First Nation make such a claim in respect of Melkior's properties and should such claim be resolved by government or the courts in favor of the First Nation, it could materially adversely affect the business of the Company.

Many of Melkior's contractors and suppliers live and work in the local communities. The Company regularly consults with communities proximal to the Company's exploration activities to advise them of plans and answer any questions they may have about the activities.

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.

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 increase, 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 Company undertakes exploration in areas that are or could be the subject of native land claims. Such claims could delay work or increase exploration costs. 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. Access to future financing is not a certainty. The ongoing international financial crisis could have an impact.

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

Canada Revenue Agency and provincial agencies
No assurance can be made that Canada Revenue Agency or provincial agencies 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) or any provincial equivalent.

Cost Increases
Costs for purchased services are constantly increasing and new regulations can represent an unanticipated cost increase.

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.

April 19, 2013

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

(s) Sabino Di Paola
Sabino Di Paola
CFO and Corporate Secretary