

Melkior Resources Inc.

Management's Discussion and Analysis

For the three and nine months ended May 31,
2014

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Management's Discussion and Analysis

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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 three and nine months ended May 31, 2014. This MD&A should be read in conjunction with the Company's financial statements and related notes as at May 31, 2014 and the August 31, 2013 audited financial statements. 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 a junior exploration company with exploration projects in West Timmins and holds several other exploration properties of which the most important is the 90% owned Launay gold property in West Quebec.

Overall performance

Melkior has working capital of \$440,890 as at May 31, 2014 (\$633,219 as of August 31, 2013) which will allow the Company to undertake its exploration program for at least the 12 months. During fiscal 2014, the Company raised \$170,000 non-flow through and \$40,000 flow in private placements (\$NIL in Fiscal 2013).

On October 16, 2013, the Company closed a non-brokered private placement for aggregate proceeds of \$170,000 consisting of the issuance of 3,400,000 units at a price of \$0.05 per unit. Each unit is comprised of one common share and one common share purchase warrant. Each warrant entitles its holder to purchase one additional common share at a price of \$0.05 until October 16, 2015. The Company paid cash commissions totaling \$4,550 and issued 120,000 broker warrants, valued at \$2,000, using the Black Scholes valuation model, for a total share issue expenses of \$6,550 accounted into the deficit. The broker warrants had the same terms as the placement warrants

On December 23, 2013, the Company closed private placements for aggregate proceeds of \$40,000 consisting of the issuance of 616,667 units at a price of \$0.06 per unit. Each Unit is comprised of one flow-through common share and one common share purchase warrant. Each Unit A warrant entitles its holder to purchase one additional common share at a price of \$0.06 until December 23, 2015.

In conjunction with the private placements, insiders have subscribed for aggregate proceeds of \$12,000. There were no commission paid in relation to the private placement.

On December 23, 2013, the Company's share closed at \$0.02 on the TSX Venture. Of the \$0.04 residual value relating to the Unit, \$0.008 was allocated to the benefit related to warrants for a value of \$5,000 and \$0.032 was allocated to the flow-through shares renunciation for a value of \$19,700 credited to other liabilities. The \$0.008 of the warrants was valued with the Black-Scholes model with the following average assumptions: stock price at date of grant of \$0.02, exercise price at date of grant of \$0.06, weighted risk-free interest rate of 1.13%, projected volatility of 123.11%, predicted average life of warrants of 2 year and no dividend yield. The underlying expected volatility was determined by reference to historical data of the Company's shares on the TSX Venture Exchange over the expected average life of the warrants.

Exploration for the nine months ended May 31, 2014 totaled \$207,533 (2013 - \$467,734). The main exploration expenditures were incurred on the Carscallen (Timmins) property. Melkior's joint venture partner Beaufield Resources Inc. ("Beaufield") incurred exploration expenses of \$334,019 on the Launay property.

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Selected interim financial information

	Three-month period ended		Six-month period ended	
	May 31, 2014	May 31, 2013	May 31, 2014	May 31, 2013
	\$	\$	\$	\$
Operating loss	(566,968)	(559,121)	(726,274)	(1,327,484)
Loss before income taxes	(573,282)	(654,003)	(718,639)	(1,576,119)
Net loss and comprehensive loss for the period	(564,412)	(652,970)	(698,939)	(1,524,910)
Basic and diluted net loss per share	-	(0.01)	-	(0.01)

	May 31, 2014	August 31, 2013
	\$	\$
Current assets	468,310	650,182
Exploration assets	10,517,793	10,806,653
Total assets	10,986,103	11,456,835
Current liabilities	27,420	16,963
Total shareholders' equity	10,958,683	11,439,872

Results of operations

Total expenses decreased by \$601,210 in Q3-2014 compared to Q3-2013, due to the following:

- Professional and consulting fees are as follow:

	Q3-2014	Q3-2013
	\$	\$
Legal	-	7,315
Accounting and audit	48,880	132,183
Consulting	3,634	600
Management	20,829	25,400
Professional and consulting fees	73,343	165,498

Accounting and audit fees is greater in 2013 compared to 2014 based on the difference between actual and accrued audit fees for the 2013 year end audit, as well as a severance payment made to the prior CFO of \$20,000 in 2013. The decrease in management fees and legal fees is due to a cost reduction strategy implemented by management.

- During the three months ended May 31, 2014, the Company incurred \$8,213 unfavorable change in value of listed shares (\$77,315 in 2013).
- Decrease in office expenses and Investors and shareholders relations of \$10,036 and \$8,325 respectively is due to cost cutting strategies implement by management to preserve cash flow.
- Decrease in stock option expense relates to the 600,000 stock options to Bruce Deluce exercisable for a period of 5 years at \$0.10 per share. The stock options have a Black-Scholes value of \$16,000 based on a risk free interest rate of 1.25% and a share price volatility of 164.60%. In 2013, the stock-based compensation expense was 156,110 which related almost entirely to the stock options granted by the Company on April 30, 2012.
- The decrease in write-off of exploration and evaluation assets in Q3-2014 compared to Q3-2013 of \$348,246 was due to management's revaluation of the Company's exploration assets in the current and prior year and decision to discontinue active exploration of second tier properties. In

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2014 the Fripp and Long Lac properties were being discontinued where as in 2013 the Eldorado, Shaw and Brokeback properties.

Exploration and evaluation expenditures by property

May 31, 2014	Launay	Kenty Lake	Timmins ¹	Long Lac	McFaulds	Henderson	Total
	\$	\$	\$	\$	\$	\$	\$
Balance beginning	640,065	-	6,386,206	415,304	2,467,847	55,830	9,965,252
Additions							
Drilling	331,711	-	159,483	-	-	-	491,194
Project consultations	-	-	10,874	-	-	-	10,874
Geology – prospecting	8,688	1,450	11,247	11,203	418	-	33,604
Geophysics	3,700	-	-	88	218	-	4,005
Geochemistry	200	-	500	1,176	-	-	1,876
	344,299	-	180,936	12,467	635	-	541,554
Deductions							
Joint Venture partner expenses	(334,019)	-	-	-	-	-	(334,019)
Write-off	-	(1,450)	-	(427,771)	-	-	(477,569)
Balance, end	650,345	-	6,252,208	-	2,468,482	55,830	9,695,217

August 31, 2013	Launay	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	30,481	251,775	-	-	-	282,256
Geology – prospecting	15,208	38,348	-	-	13,385	66,941
Geophysics	3,700	34,323	-	200	400	38,623
Geochemistry	3,374	29,025	-	2,200	78,690	113,289
	52,763	353,471	-	2,400	92,475	501,109
Stock-based compensation	-	8,500	-	-	-	8,500
	52,763	361,971	-	2,400	92,475	509,609
Deductions						
Tax credits	(21,165)	-	-	-	-	(21,165)
Disposal	-	-	-	(172,295)	-	(172,295)
Write-off	-	(83,284)	(389,483)	(327,317)	(5,691)	(805,775)
Balance, end	640,065	6,386,206	-	2,467,847	471,134	9,965,252

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.

Qualified Person

Technical information contained in this MD&A has been prepared by or under the supervision of Jens E. Hansen, P. Eng. and President and Director of Melkior, who is a "Qualified Person" for the purpose of National Instrument 43-101 Standards of Disclosure for Mineral Projects ("NI 43-101"). He has verified the data comprising such technical information, including sampling, analytical and test data underlying the information or opinions contained herein.

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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.

Claim status for Carscallen

Township/Area	Claim Number	Claim Due Date	Work Required	Total Reserve	Claim Units	Hectares
CARSCALLEN	4227650	2016-Jul-14	\$5,200.00	\$1,105.00	13	208
CARSCALLEN	1213580	2017-Jan-04	\$400.00	\$790,581.00	1	16
CARSCALLEN	4202150	2017-Jun-02	\$400.00	\$18,653.00	1	16
CARSCALLEN	4215559	2017-Jun-11	\$2,400.00	\$510.00	6	96
CARSCALLEN	4215560	2017-Jun-11	\$5,600.00	\$1,190.00	14	224
CARSCALLEN	3019118	2017-Nov-10	\$400.00	\$18,394.00	1	16
CARSCALLEN	3019020	2017-Sep-08	\$4,000.00	\$21,794.00	10	160
CARSCALLEN	3019021	2017-Sep-08	\$4,000.00	\$559,588.00	10	160
CARSCALLEN	3019022	2017-Sep-08	\$3,200.00	\$868,703.00	8	128
CARSCALLEN	3019114	2017-Sep-14	\$2,400.00	\$328,906.00	6	96
CARSCALLEN	3019115	2017-Sep-24	\$4,800.00	\$223,952.00	12	192
CARSCALLEN	3019116	2017-Sep-24	\$800.00	\$6,057.00	2	32
DENTON	4227649	2016-Jul-14	\$1,600.00	\$340.00	4	64
DENTON	4257811	2016-Nov-10	\$400.00	\$0.00	1	16
DENTON	4256427	2016-Nov-19	\$400.00	\$0.00	1	16
DENTON	4257828	2016-Nov-25	\$400.00	\$0.00	1	16
DENTON	3006573	2017-Jul-27	\$400.00	\$4,362.00	1	16
DENTON	4218099	2017-Mar-18	\$1,200.00	\$255.00	3	48
DENTON	4258956	2017-Oct-12	\$2,000.00	\$9,972.00	5	80
DENTON	4259405	2017-Oct-26	\$800.00	\$170.00	2	32
DENTON	4259406	2017-Oct-26	\$800.00	\$3,995.00	2	32

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Exploration activities carried out on Carscallen from 2006 to May 31st, 2014

Carscallen Gold Project: Exploration work completed by Melkior 2006 to February 2014									
Exploration Work	2006	2007	2008	2009	2010	2011	2012	2013	2014
Drilling	-	23 drill holes 2,543 metres	48 drill holes 2,846 metres	21 drill holes 4,111.5 metres	37 drill holes 13,578.38 metres	17 drill holes 6,316 metres	7 drill holes 4,182 metres	15 drill holes 1,535 metres	-
Grab Samples	87 samples	438 samples	44 samples	-	137 samples	-	-	39 samples	-
Trenching / Channel	-	415 metres	-	-	157 channel samples	-	72 channel samples 240 metres	12 channel samples	-
Geophysics / Geochemistry	63.2 line kilometre ground magnetic survey	32.15 line kilometre IP Survey	-	43.8 line kilometer 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	-	-	-
Metallurgical								95% gold recovery with 8.92 g/t Gold head grade (ZamZam)	-

Exploration on Carscallen from February 28th to May 31st, 2014

No field work was carried out on the property during the three months ending in May 31st, 2014. The Company is currently integrating all the data to present a plan for the top part of the ZamZam system, which will provide the lateral and vertical outline of the upper portion of the zone.

On April 9th, 2014, Melkior released channel sample results taken in November 2013. The program was undertaken concurrently with drilling to evaluate the near surface portion of the ZamZam zone to permit a preliminary near surface resource calculation.

ZamZam is the northern portion of the ZamZam-Shenkman-Mystery system of gold bearing veins that have been detected over a distance of approximately 1,000 metres and drilled at 50 to 100 metre spacing to a depth of 400 metres. Approximately 90% of the holes drilled have encountered gold values of greater than 1 g/t and widths of up to 13 metres. Gold occurrences are widespread on the Carscallen property with a total of seven zones discovered to date.

The results from the detailed ZamZam drill program have been announced in earlier news releases (please refer to news releases dated November 28th, 2013 and February 28th, 2014) and have defined a portion of ZamZam measuring 260 metres in length and to a depth of 80 to 115 metres. The holes were spaced at 25 to 30 metres.

The presently announced channel sampling was undertaken to extend the drilled zone to surface. A close spacing of 2 metres between samples was undertaken to understand, in detail, the variation in the grade and width along a portion of the vein or vein systems.

Some of the values encountered in drilling beneath the veins were reported in the following holes: 40.40 g/t over 0.65 metres (CAR-86-2013), 34.06 g/t over 1.50 metres (CAR-87-2013) and 80.50 g/t over 0.55 metres (CAR-88-2013) (please refer to press release dated November 28th, 2013).

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The north-south trending ZamZam zone was sampled by 14 parallel east-west channels spaced at approximately 2 metre intervals over a strike length of 24.70 metres. Table 1 displays the results.

Table #1 – Channel sample results

Channel #	Interval (Metres)*	Gold (g/t)
CH-01-2012	1.00	16.25
CH-02-2012	3.00	2.36
CH-03-2012	1.00	11.10
CH-04-2012	2.00	3.28
CH-20-2013	0.50	55.80
CH-21-2013	0.50	34.50
CH-22-2013	0.60	62.30
CH-23-2013	0.45	79.30
CH-24-2013	0.50	25.60
CH-25-2013	0.50	12.35
CH-26-2013	0.40	20.20
CH-27-2013	0.30	68.40
CH-28-2013	0.60	5.61
CH-29-2013	0.60	7.15

* The intervals are believed to represent true widths.

Big Marsh

(100% owned – gold, base metals)

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. Portions of the property are subject to a 2% NSR royalty of which the Company has the right to buy out half (1%) of the NSR for \$1,000,000 each.

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Claim status for Big Marsh

Township/Area	Claim Number	Claim Due Date	Work Required	Total Reserve	Claim Units	Hectares
CARSCALLEN	4202649	2016-Feb-14	\$3,200.00	\$0.00	8	128
CARSCALLEN	4212369	2015-Feb-28	\$6,400.00	\$0.00	16	256
CARSCALLEN	4212370	2015-Feb-28	\$6,400.00	\$0.00	16	256
CARSCALLEN	4212371	2016-Feb-28	\$6,400.00	\$0.00	16	256
CARSCALLEN	4212372	2016-Feb-28	\$6,000.00	\$10,835.00	15	240
CARSCALLEN	4213967	2015-Jan-25	\$4,800.00	\$411.00	12	192
CARSCALLEN	4213969	2016-Jan-25	\$3,200.00	\$0.00	8	128

Exploration activities carried out on Big Marsh from 2007 to May 31st, 2014

Big Marsh Project: Exploration work completed by Melkior 2007 to February 2014								
Exploration Work	2007	2008	2009	2010	2011	2012	2013	2014
Drilling	-	-	2 diamond drill holes 475 metres	-	-	-	-	-
Grab Samples	-	-	-	6 grab samples	-	-	-	-
Trenching	-	-	-	-	-	-	-	-
Geophysics / Geochemistry	-	-	72 line kilometre ground magnetic survey, 3.7 line kilometre Induced Polarization survey	160 line kilometre airborne magnetic and electromagnetic survey (VTEM)	-	12.9 line kilometre ground magnetic survey and Induced Polarization survey	171 B-Horizon samples, 171 soil hydrocarbon samples	-

Exploration on Big Marsh from February 28th to May 31st, 2014

On October 7th, 2013, Melkior obtained its exploration permit from the Ministry of Northern Development and Mines ("MNDM"), however, no field work was carried out on the Big Marsh Project during the three months ending in May 31st, 2014.

A field program consisting of soil sampling and prospecting is planned for 2014 (\$20,800).

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 metres 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.

On July 11th, 2013, Melkior and Northcore Resources Inc. ("Northcore") modified and extended the option agreement to October 31st, 2016, whereby Northcore can acquire a 50% interest on the property by completing \$200,000 in exploration expenses before October 31st, 2016.

The original option agreement announced on August 19, 2009, required Northcore to undertake \$400,000 in exploration work prior to August 19th, 2013. Northcore issued 1,000,000 of its common share to the

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Company (valued at \$60,000 as per the value on the stock exchange of Northcore on August 19, 2009) in 2009. Melkior is the operator.

Claim status for Bristol

Township/Area	Claim Number	Claim Due Date	Work Required	Total Reserve	Claim Units	Hectares
BRISTOL	4224651	2015-Sep-27	\$1,600	\$175	4	64
BRISTOL	4224652	2015-Oct-04	\$1,600	\$2,751	4	64
BRISTOL	4224653	2015-Oct-04	\$1,600	\$0	4	64

Exploration activities carried out on Bristol from 2009 to May 31st, 2014

Bristol Project: Exploration work completed by Melkior 2009 to February 2014						
Exploration Work	2009	2010	2011	2012	2013	2014
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)	-	-	-	-

Exploration on Bristol from February 28th to May 31st, 2014

On October 7th, 2013, Melkior obtained its exploration permit from the Ministry of Northern Development and Mines ("MNDM"), however, no field work was carried out on the Bristol Project during the three months ending in May 31st, 2014.

No work is planned for 2014.

Fripp

(100% owned – gold)

Property description

The Fripp property covers 1.76 square kilometres for a total of 11 claim units in Price 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 majority of the claims came due in May 2014 and the Company dropped the property. The last remaining claim comes due in September 2014 and it too will be dropped. The Company holds a 100% interest on the property and the property is not subject to any NSRs.

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Claim status for Fripp

Township/Area	Claim Number	Claim Due Date	Work Required	Total Reserve	Claim Units	Hectares
PRICE	4267372	2014-Sep-01	\$4,400	\$0	11	176

Exploration activities carried out on Fripp from 2007 to May 31st, 2014

Fripp Project: Exploration work completed by Melkior 2007 to February 2014								
Exploration Work	2007	2008	2009	2010	2011	2012	2013	2014
Drilling	-	-	-	-	-	-	-	-
Grab Samples	-	-	-	70 grab samples	-	-	-	-
Trenching	-	-	-	-	-	-	-	-
Geophysics / Geochemistry	-	-	32 line kilometres ground magnetic survey	-	-	-	-	-

Exploration on Fripp from February 28th to May 31st, 2014

No exploration work was carried out on the Fripp Project during the three months ending in May 31st, 2014.

The Company has decided to drop the Fripp Project and focus all its resources on the Carscallen and Launay Projects. The claims expire in 2014.

Launay

(90% owned - gold)

Property description

The Launay property covers 55.59 square kilometres for a total of 136 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.

In November 2013, Melkior entered into an option and joint venture agreement on the Launay Gold Project with Beaufield Resources Inc. ("Beaufield"). Under the terms of the agreement, Beaufield can earn an interest of up to 50 per cent in the project by incurring expenditures aggregating \$1.25 million over 5 years, with a minimum \$250,000 of exploration expenditures in the first year. As of May 31st, 2014, Beaufield has earned 10% and Melkior owns 90%.

Claim status for Launay

Area	Claim Number	Claim Due Date	Total Reserves	Work Required	Renewal Fee	Hectares
NTS 32D10	2403041	24/04/2016 23:59	\$0.00	\$1,200.00	\$54.75	55.36
NTS 32D10	2403042	24/04/2016 23:59	\$0.00	\$1,200.00	\$54.75	34.25
NTS 32D10	2403043	24/04/2016 23:59	\$0.00	\$1,200.00	\$54.75	56.91
NTS 32D10	2403044	24/04/2016 23:59	\$0.00	\$1,200.00	\$54.75	56.91
NTS 32D10	2403045	24/04/2016 23:59	\$0.00	\$1,200.00	\$54.75	56.92

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NTS 32D10	2403046	24/04/2016 23:59	\$0.00	\$1,200.00	\$54.75	56.92
NTS 32D10	2403047	24/04/2016 23:59	\$0.00	\$1,200.00	\$54.75	42.87
NTS 32D10	2403048	24/04/2016 23:59	\$0.00	\$1,200.00	\$54.75	56.91
NTS 32D10	2403049	24/04/2016 23:59	\$0.00	\$1,200.00	\$54.75	56.91
NTS 32D10	2403050	24/04/2016 23:59	\$0.00	\$1,200.00	\$54.75	56.91
NTS 32D10	2403051	24/04/2016 23:59	\$0.00	\$1,200.00	\$54.75	56.9
NTS 32D10	2403052	24/04/2016 23:59	\$0.00	\$1,200.00	\$54.75	56.9
NTS 32D10	2403053	24/04/2016 23:59	\$0.00	\$1,200.00	\$54.75	56.9
NTS 32D10	2403054	24/04/2016 23:59	\$0.00	\$1,200.00	\$54.75	56.9
NTS 32D10	2403055	24/04/2016 23:59	\$0.00	\$1,200.00	\$54.75	56.89
NTS 32D10	2403056	24/04/2016 23:59	\$0.00	\$1,200.00	\$54.75	56.89
NTS 32D10	2403057	24/04/2016 23:59	\$0.00	\$1,200.00	\$54.75	56.89
NTS 32D10	2403058	24/04/2016 23:59	\$0.00	\$1,200.00	\$54.75	56.89
NTS 32D10	2403059	24/04/2016 23:59	\$0.00	\$1,200.00	\$54.75	29.81
NTS 32D10	2403060	24/04/2016 23:59	\$0.00	\$1,200.00	\$54.75	56.88
NTS 32D10	2403061	24/04/2016 23:59	\$0.00	\$1,200.00	\$54.75	56.88
NTS 32D10	2403062	24/04/2016 23:59	\$0.00	\$1,200.00	\$54.75	56.88
NTS 32D10	2403063	24/04/2016 23:59	\$0.00	\$1,200.00	\$54.75	56.88
NTS 32D10	2403064	24/04/2016 23:59	\$0.00	\$500.00	\$28.00	12.92
NTS 32D10	2403065	24/04/2016 23:59	\$0.00	\$1,200.00	\$54.75	56.87
NTS 32D10	2403066	24/04/2016 23:59	\$0.00	\$1,200.00	\$54.75	56.87
NTS 32D10	2403067	24/04/2016 23:59	\$0.00	\$1,200.00	\$54.75	56.87
NTS 32D10	2403068	24/04/2016 23:59	\$0.00	\$1,200.00	\$54.75	25.71
NTS 32D10	2403069	24/04/2016 23:59	\$0.00	\$1,200.00	\$54.75	56.86
NTS 32D10	2403070	24/04/2016 23:59	\$0.00	\$1,200.00	\$54.75	56.86
NTS 32D10	2403071	24/04/2016 23:59	\$0.00	\$1,200.00	\$54.75	56.86
NTS 32D10	2403072	24/04/2016 23:59	\$0.00	\$500.00	\$28.00	21.11
NTS 32D10	2403073	24/04/2016 23:59	\$0.00	\$1,200.00	\$54.75	56.85
NTS 32D10	2403074	24/04/2016 23:59	\$0.00	\$1,200.00	\$54.75	56.85
NTS 32D10	2403075	24/04/2016 23:59	\$0.00	\$1,200.00	\$54.75	56.85
NTS 32D10	2403076	24/04/2016 23:59	\$0.00	\$1,200.00	\$54.75	56.85
NTS 32D10	2403077	24/04/2016 23:59	\$0.00	\$1,200.00	\$54.75	56.85
NTS 32D10	2403078	24/04/2016 23:59	\$0.00	\$1,200.00	\$54.75	56.85
NTS 32D10	2403079	24/04/2016 23:59	\$0.00	\$500.00	\$28.00	21.3
NTS 32D10	2403080	24/04/2016 23:59	\$0.00	\$1,200.00	\$54.75	42.48
NTS 32D10	2403081	24/04/2016 23:59	\$0.00	\$1,200.00	\$54.75	42.48
NTS 32D10	2403082	24/04/2016 23:59	\$0.00	\$1,200.00	\$54.75	42.56
NTS 32D10	2403083	24/04/2016 23:59	\$0.00	\$1,200.00	\$54.75	42.56
NTS 32D10	2403084	24/04/2016 23:59	\$0.00	\$1,200.00	\$54.75	42.12
NTS 32D10	2403085	24/04/2016 23:59	\$0.00	\$500.00	\$28.00	2.43
NTS 32D10	2403086	24/04/2016 23:59	\$0.00	\$500.00	\$28.00	3.15

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NTS 32D10	2403087	24/04/2016 23:59	\$0.00	\$500.00	\$28.00	3.14
NTS 32D10	2403088	24/04/2016 23:59	\$0.00	\$500.00	\$28.00	3.13
NTS 32D10	2403089	24/04/2016 23:59	\$0.00	\$500.00	\$28.00	3.13
NTS 32D10	2403090	24/04/2016 23:59	\$0.00	\$500.00	\$28.00	3
NTS 32D10	2403763	11/05/2016 23:59	\$0.00	\$500.00	\$28.00	24.97
NTS 32D10	2403764	11/05/2016 23:59	\$0.00	\$500.00	\$28.00	14.96
NTS 32D10	2403765	11/05/2016 23:59	\$0.00	\$500.00	\$28.00	14.98
NTS 32D10	4118561	28/10/2016 23:59	\$0.00	\$2,500.00	\$54.75	40
NTS 32D10	4118562	28/10/2016 23:59	\$0.00	\$2,500.00	\$54.75	40
NTS 32D10	4118571	28/10/2016 23:59	\$0.00	\$2,500.00	\$54.75	40
NTS 32D10	4118572	28/10/2016 23:59	\$0.00	\$2,500.00	\$54.75	40
NTS 32D10	4118581	28/10/2016 23:59	\$0.00	\$2,500.00	\$54.75	40
NTS 32D10	4118582	28/10/2016 23:59	\$0.00	\$2,500.00	\$54.75	40
NTS 32D10	4118631	28/10/2016 23:59	\$0.00	\$2,500.00	\$54.75	40
NTS 32D10	4118632	28/10/2016 23:59	\$0.00	\$2,500.00	\$54.75	40
NTS 32D10	4118641	28/10/2016 23:59	\$42,219.01	\$2,500.00	\$54.75	40
NTS 32D10	4118642	28/10/2016 23:59	\$43,051.53	\$2,500.00	\$54.75	40
NTS 32D10	4118651	28/10/2016 23:59	\$0.00	\$2,500.00	\$54.75	40
NTS 32D10	4118652	28/10/2016 23:59	\$0.00	\$2,500.00	\$54.75	32
NTS 32D10	4118711	28/10/2016 23:59	\$46,553.10	\$2,500.00	\$54.75	40
NTS 32D10	4118712	28/10/2016 23:59	\$26,115.90	\$2,500.00	\$54.75	40
NTS 32D10	4118721	28/10/2016 23:59	\$0.00	\$2,500.00	\$54.75	40
NTS 32D10	4118722	28/10/2016 23:59	\$0.00	\$2,500.00	\$54.75	40
NTS 32D10	4118731	28/10/2016 23:59	\$0.00	\$2,500.00	\$54.75	40
NTS 32D10	4118732	28/10/2016 23:59	\$0.00	\$2,500.00	\$54.75	40
NTS 32D10	4118591	29/10/2016 23:59	\$0.00	\$2,500.00	\$54.75	40
NTS 32D10	4118592	29/10/2016 23:59	\$0.00	\$2,500.00	\$54.75	40
NTS 32D10	4118601	29/10/2016 23:59	\$0.00	\$2,500.00	\$54.75	40
NTS 32D10	4118602	29/10/2016 23:59	\$0.00	\$2,500.00	\$54.75	40
NTS 32D10	4118611	29/10/2016 23:59	\$0.00	\$2,500.00	\$54.75	40
NTS 32D10	4118612	29/10/2016 23:59	\$0.00	\$2,500.00	\$54.75	40
NTS 32D10	4118621	29/10/2016 23:59	\$0.00	\$2,500.00	\$54.75	40
NTS 32D10	4118622	29/10/2016 23:59	\$0.00	\$2,500.00	\$54.75	40
NTS 32D10	4118691	29/10/2016 23:59	\$0.00	\$2,500.00	\$54.75	40
NTS 32D10	4118692	29/10/2016 23:59	\$0.00	\$2,500.00	\$54.75	40
NTS 32D10	4118701	29/10/2016 23:59	\$0.00	\$2,500.00	\$54.75	40
NTS 32D10	4118702	29/10/2016 23:59	\$0.00	\$2,500.00	\$54.75	40
NTS 32D10	4118801	29/10/2016 23:59	\$0.00	\$2,500.00	\$54.75	39
NTS 32D10	4118802	29/10/2016 23:59	\$0.00	\$2,500.00	\$54.75	40
NTS 32D10	4118811	29/10/2016 23:59	\$0.00	\$2,500.00	\$54.75	39
NTS 32D10	4118812	29/10/2016 23:59	\$0.00	\$2,500.00	\$54.75	40

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NTS 32D10	4118821	29/10/2016 23:59	\$0.00	\$2,500.00	\$54.75	40
NTS 32D10	4118822	29/10/2016 23:59	\$0.00	\$2,500.00	\$54.75	40
NTS 32D10	4118831	29/10/2016 23:59	\$0.00	\$2,500.00	\$54.75	40
NTS 32D10	4118832	29/10/2016 23:59	\$0.00	\$2,500.00	\$54.75	40
NTS 32D10	4118841	30/10/2016 23:59	\$0.00	\$2,500.00	\$54.75	40
NTS 32D10	4118842	30/10/2016 23:59	\$0.00	\$2,500.00	\$54.75	40
NTS 32D10	4118851	30/10/2016 23:59	\$0.00	\$2,500.00	\$54.75	40
NTS 32D10	4118852	30/10/2016 23:59	\$0.00	\$2,500.00	\$54.75	40
NTS 32D10	3725051	13/11/2016 23:59	\$0.00	\$2,500.00	\$54.75	40
NTS 32D10	3725055	13/11/2016 23:59	\$0.00	\$2,500.00	\$54.75	40
NTS 32D10	3725081	13/11/2016 23:59	\$0.00	\$2,500.00	\$54.75	40
NTS 32D10	3725082	13/11/2016 23:59	\$0.00	\$2,500.00	\$54.75	40
NTS 32D10	3725092	13/11/2016 23:59	\$0.00	\$2,500.00	\$54.75	40
NTS 32D10	3725093	13/11/2016 23:59	\$0.00	\$2,500.00	\$54.75	40
NTS 32D10	3725101	13/11/2016 23:59	\$0.00	\$2,500.00	\$54.75	40
NTS 32D10	3725102	13/11/2016 23:59	\$0.00	\$2,500.00	\$54.75	40
NTS 32D10	3725231	13/11/2016 23:59	\$0.00	\$2,500.00	\$54.75	40
NTS 32D10	3725232	13/11/2016 23:59	\$0.00	\$2,500.00	\$54.75	40
NTS 32D10	3734521	13/11/2016 23:59	\$0.00	\$2,500.00	\$54.75	28
NTS 32D10	3734522	13/11/2016 23:59	\$28,077.52	\$2,500.00	\$54.75	40
NTS 32D10	3734531	14/11/2016 23:59	\$0.00	\$2,500.00	\$54.75	40
NTS 32D10	3734532	14/11/2016 23:59	\$18,990.01	\$2,500.00	\$54.75	40
NTS 32D10	3734541	14/11/2016 23:59	\$25,590.48	\$2,500.00	\$54.75	40
NTS 32D10	3734542	14/11/2016 23:59	\$0.00	\$2,500.00	\$54.75	40
NTS 32D10	5225012	16/11/2016 23:59	\$0.00	\$2,500.00	\$54.75	30.8
NTS 32D10	5225013	16/11/2016 23:59	\$0.00	\$2,500.00	\$54.75	40.4
NTS 32D10	5225014	16/11/2016 23:59	\$0.00	\$2,500.00	\$54.75	40.4
NTS 32D10	5225015	16/11/2016 23:59	\$0.00	\$2,500.00	\$54.75	40.4
NTS 32D10	5225016	16/11/2016 23:59	\$0.00	\$2,500.00	\$54.75	40.4
NTS 32D10	5225017	16/11/2016 23:59	\$0.00	\$2,500.00	\$54.75	40.4
NTS 32D10	5225018	16/11/2016 23:59	\$0.00	\$2,500.00	\$54.75	40.4
NTS 32D10	4286531	07/02/2017 23:59	\$0.00	\$2,500.00	\$54.75	32
NTS 32D10	4286532	07/02/2017 23:59	\$0.00	\$2,500.00	\$54.75	40
NTS 32D10	4286541	07/02/2017 23:59	\$0.00	\$2,500.00	\$54.75	40
NTS 32D10	4286542	07/02/2017 23:59	\$0.00	\$2,500.00	\$54.75	40
NTS 32D10	4286551	07/02/2017 23:59	\$0.00	\$2,500.00	\$54.75	40
NTS 32D10	4286552	07/02/2017 23:59	\$0.00	\$2,500.00	\$54.75	40
NTS 32D10	4286561	07/02/2017 23:59	\$0.00	\$2,500.00	\$54.75	40
NTS 32D10	4286562	07/02/2017 23:59	\$0.00	\$2,500.00	\$54.75	32
NTS 32D10	4286571	07/02/2017 23:59	\$0.00	\$2,500.00	\$54.75	40
NTS 32D10	4286572	07/02/2017 23:59	\$0.00	\$2,500.00	\$54.75	40

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Management's Discussion and Analysis

For the three and nine month ended May 31, 2014

NTS 32D10	4286581	08/02/2017 23:59	\$0.00	\$2,500.00	\$54.75	40
NTS 32D10	4286582	08/02/2017 23:59	\$0.00	\$2,500.00	\$54.75	40
NTS 32D10	4286591	08/02/2017 23:59	\$0.00	\$2,500.00	\$54.75	40
NTS 32D10	4286592	08/02/2017 23:59	\$0.00	\$2,500.00	\$54.75	40
NTS 32D10	4286601	08/02/2017 23:59	\$0.00	\$2,500.00	\$54.75	40
NTS 32D10	4286602	08/02/2017 23:59	\$0.00	\$2,500.00	\$54.75	40
NTS 32D10	4286611	08/02/2017 23:59	\$0.00	\$2,500.00	\$54.75	32
NTS 32D10	4286612	08/02/2017 23:59	\$0.00	\$2,500.00	\$54.75	40

Exploration on Launay from February 28th to May 31st, 2014

On March 18th, 2014, Melkior released the results for five hole drilled, totaling 594 metres, in December 2013. The drill program was funded by Beaufield. The five holes were collared on Zone 75 to determine a near surface resource on Zone 75. The results from the program are outlined in the table below.

Table #1 – Launay drill results

Hole Number	End of hole length (Metres)	Azimuth (Degrees)	Dip (Degrees)	From (Metres)	To (Metres)	Interval (Metres)	Gold (g/t)
LAY-21-2013	105	090	-50	14.10	16.97	2.87	1.40
Including				72.48	88.00	15.52	4.04
				72.48	84.00	11.52	5.10
LAY-22-2013	63	090	-50	3.00	18.35	15.35	1.29
LAY-22A-2013	159	090	-50	2.35	36.85	34.50	1.14
Including				2.35	15.85	13.50	1.31
Including				23.90	36.85	12.95	1.62
LAY-23-2013	162	090	-50	96.85	100.70	3.85	0.62
LAY-24-2013	105	090	-50	75.00	79.00	4.00	1.13

*Reported drill intercepts are not true widths.

Three exploration holes drilled in January 2014 are still pending and will be released when the results are compiled. The holes tested an Induced Polarization (IP) target and possible extensions of Zone 75.

On April 25th, 2014, Melkior announced that the Company had map staked 53 claims, covering 23.64 square kilometres. The new claims adjoin Melkior's original Launay property. The total size of the property is now 136 claims, covering 55.59 square kilometres.

Melkior and Beaufield began a summer field program on June 26th. The exploration program is principally focusing on Zone 75 and involves channel sampling in areas not previously covered. Additional prospecting and geological mapping will be undertaken to the south where favorable gold bearing structures have been interpreted by geophysical methods.

Results are pending from the summer program.

Melkior Resources Inc.

Management's Discussion and Analysis

For the three and nine month ended May 31, 2014

Long Lac

(100% owned – gold copper)

Property description

The LL1 Long Lac property covers 14.08 square kilometres for a total of 88 claim units in Laponen Lake Township. The LL3 Long Lac property covers 11.68 square kilometres for a total of 73 claim units in Castlebar and Klotz 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.

Claim status for LL1

Township/Area	Claim Number	Claim Due Date	Work Required	Total Reserve	Claim Units	Hectares
LAPONEN LAKE AREA	4223030	2014-Sep-07	\$6,400.00	\$0.00	16	256
LAPONEN LAKE AREA	4227666	2014-Nov-19	\$6,400.00	\$2,131.00	16	256
LAPONEN LAKE AREA	4227667	2014-Nov-19	\$1,600.00	\$0.00	4	64
LAPONEN LAKE AREA	4227668	2014-Nov-19	\$1,600.00	\$0.00	4	64
LAPONEN LAKE AREA	4227669	2014-Nov-19	\$6,400.00	\$0.00	16	256
LAPONEN LAKE AREA	4227670	2014-Nov-19	\$6,400.00	\$0.00	16	256
LAPONEN LAKE AREA	4227671	2014-Nov-19	\$3,200.00	\$0.00	8	128
LAPONEN LAKE AREA	4227672	2014-Nov-19	\$3,200.00	\$0.00	8	128

Claim status for LL3

Township/Area	Claim Number	Claim Due Date	Work Required	Total Reserve	Claim Units	Hectares
CASTLEBAR LAKE AREA	4216019	2014-Nov-19	\$6,000.00	\$0.00	15	240
CASTLEBAR LAKE AREA	4216021	2014-Nov-19	\$6,000.00	\$0.00	15	240
CASTLEBAR LAKE AREA	4216022	2014-Nov-19	\$1,600.00	\$0.00	4	64
CASTLEBAR LAKE AREA	4216024	2014-Nov-19	\$6,000.00	\$0.00	15	240
CASTLEBAR LAKE AREA	4216025	2014-Nov-19	\$3,200.00	\$0.00	8	128
KLOTZ LAKE AREA	4216023	2014-Nov-19	\$6,400.00	\$0.00	16	256

Melkior Resources Inc.

Management's Discussion and Analysis

For the three and nine month ended May 31, 2014

Exploration activities carried out on LL1 and LL3 from 2007 to May 31st, 2014

LL1 LongLac Project: Exploration work completed by Melkior November 2008 to February 2014								
Exploration Work	2007	2008	2009	2010	2011	2012	2013	2014
Drilling	-	-	-	-	-	-	-	-
Grab Samples	-	80 grab samples	126 grab samples	56 grab samples	-	-	10 grab samples	-
Trenching	-	-	-	-	-	-	-	-
Geophysics / Geochemistry	-	166 line kilometres airborne magnetic and electromagnetic (AeroTem) survey	-	-	14 line kilometres ground magnetic survey, 14 line kilometres Induced Polarization survey	208 B- Horizon samples, 208 soil hydrocarbon samples	-	-
LL3 LongLac Project: Exploration work completed by Melkior November 2008 to February 2014								
Exploration Work	2007	2008	2009	2010	2011	2012	2013	2014
Drilling	-	-	-	-	-	-	-	-
Grab Samples	-	22 grab samples	-	48 grab samples	-	-	11 grab samples	-
Trenching	-	-	-	-	-	-	-	-
Geophysics / Geochemistry	-	234.4 line kilometres airborne magnetic and electromagnetic (AeroTem) survey	-	26.1 line kilometres Induced Polarization Survey	4.2 line kilometres Induced Polarization survey	294 B- Horizon samples, 294 soil hydrocarbon samples	-	-

Exploration on LL1 and LL3 from February 28th to May 31st, 2014

No field work was carried out on the LL1 and LL3 Projects during the three months ending in May 31st, 2014.

Currently no work is planned, however, if market conditions improve, a program will be designed.

McFaulds Rim Nickel East (100% - nickel, copper, PGE)

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., and 30 kilometres from the nickel discovery by Noront.

Airborne geophysics (magnetometer, electromagnetics, gravity) have defined a number of high priority massive sulphide type targets. Some of them were drilled in 2011 indicating positive geology but no potentially economic intersections.

Melkior Resources Inc.

Management's Discussion and Analysis

For the three and nine month ended May 31, 2014

Claim status for McFaulds East Rim

Township/Area	Claim Number	Claim Due Date	Work Required	Total Reserve	Claim Units	Hectares
BMA 528 854	4257163	2015-Aug-30	\$400.00	\$0.00	1	16
BMA 528 854	4257164	2015-Aug-30	\$400.00	\$0.00	1	16
BMA 528 854	4257165	2015-Aug-30	\$400.00	\$0.00	1	16
BMA 528 854	4257166	2015-Aug-30	\$1,600.00	\$0.00	4	64
BMA 528 854	4257167	2015-Aug-30	\$1,600.00	\$0.00	4	64
BMA 528 854	4257168	2015-Aug-30	\$2,000.00	\$0.00	5	80
BMA 527 853	4223013	2015-Feb-04	\$400.00	\$0.00	1	16
BMA 527 853	4223063	2015-Feb-04	\$6,400.00	\$73,986.00	16	256
BMA 527 853	4223064	2015-Feb-04	\$5,200.00	\$0.00	13	208
BMA 527 853	4223070	2015-Feb-04	\$1,600.00	\$0.00	4	64
BMA 527 853	4223071	2015-Feb-04	\$1,600.00	\$0.00	4	64
BMA 527 853	4223072	2015-Feb-04	\$4,400.00	\$0.00	11	176
BMA 527 853	4223073	2015-Feb-04	\$4,000.00	\$0.00	10	160
BMA 527 853	4223084	2015-Feb-04	\$3,200.00	\$0.00	8	128
BMA 527 853	4223085	2015-Feb-04	\$3,600.00	\$0.00	9	144
BMA 528 853	4219677	2015-Feb-05	\$5,600.00	\$0.00	14	224
BMA 528 853	4219678	2015-Feb-05	\$6,400.00	\$1,908.00	16	256
BMA 528 853	4219679	2015-Feb-05	\$6,400.00	\$0.00	16	256
BMA 527 853	4223014	2015-Feb-05	\$800.00	\$0.00	2	32
BMA 528 853	4223057	2015-Feb-05	\$6,400.00	\$0.00	16	256
BMA 528 853	4223058	2015-Feb-05	\$6,400.00	\$0.00	16	256
BMA 528 853	4223061	2015-Feb-05	\$6,400.00	\$7,794.00	16	256
BMA 527 853	4223066	2015-Feb-05	\$4,800.00	\$0.00	12	192
BMA 527 853	4223067	2015-Feb-05	\$6,400.00	\$0.00	16	256
BMA 527 853	4223068	2015-Feb-05	\$3,600.00	\$0.00	9	144
BMA 527 853	4223074	2015-Feb-05	\$5,600.00	\$0.00	14	224
BMA 527 853	4223075	2015-Feb-05	\$2,800.00	\$0.00	7	112
BMA 527 853	4223082	2015-Feb-05	\$3,200.00	\$0.00	8	128
BMA 527 853	4223083	2015-Feb-05	\$3,200.00	\$0.00	8	128
BMA 528 853	4223096	2015-Feb-05	\$6,400.00	\$9,056.00	16	256
BMA 528 854	4227582	2015-Feb-05	\$6,400.00	\$0.00	16	256
BMA 528 854	4227584	2015-Feb-05	\$4,800.00	\$0.00	12	192
BMA 528 854	4227585	2015-Feb-05	\$3,200.00	\$0.00	8	128
BMA 527 853	4227591	2015-Feb-05	\$4,800.00	\$0.00	12	192
BMA 528 853	4227605	2015-Feb-05	\$6,400.00	\$46,617.00	16	256
BMA 528 854	4219671	2015-Jan-24	\$2,800.00	\$0.00	7	112
BMA 528 854	4223291	2015-Jan-24	\$6,400.00	\$11,143.00	16	256

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Management's Discussion and Analysis

For the three and nine month ended May 31, 2014

BMA 528 854	4227178	2015-Jan-24	\$3,200.00	\$0.00	8	128
BMA 528 854	4227576	2015-Jan-24	\$6,400.00	\$0.00	16	256
BMA 528 854	4227577	2015-Jan-24	\$6,400.00	\$0.00	16	256
BMA 528 854	4227578	2015-Jan-24	\$6,400.00	\$0.00	16	256
BMA 528 854	4227579	2015-Jan-24	\$6,400.00	\$0.00	16	256
BMA 528 854	4227580	2015-Jan-24	\$6,400.00	\$0.00	16	256
BMA 528 854	4227586	2015-Jan-24	\$3,200.00	\$0.00	8	128
BMA 528 854	4227587	2015-Jan-24	\$3,200.00	\$112,568.00	8	128
BMA 528 854	4227588	2015-Jan-24	\$1,600.00	\$0.00	4	64
BMA 528 854	4227589	2015-Jan-24	\$1,600.00	\$0.00	4	64
BMA 528 854	4227590	2015-Jan-24	\$2,400.00	\$0.00	6	96
BMA 528 853	4227688	2015-Jan-24	\$6,400.00	\$0.00	16	256
BMA 528 853	4227689	2015-Jan-24	\$2,800.00	\$0.00	7	112
BMA 528 853	4227690	2015-Jan-24	\$3,200.00	\$0.00	8	128
BMA 528 854	4227698	2015-Jan-24	\$6,400.00	\$0.00	16	256
BMA 528 854	4227699	2015-Jan-24	\$6,400.00	\$0.00	16	256
BMA 528 854	4227700	2015-Jan-24	\$6,000.00	\$0.00	15	240
BMA 528 854	4227701	2015-Jan-24	\$6,400.00	\$0.00	16	256
BMA 528 854	4227702	2015-Jan-24	\$6,400.00	\$4,594.00	16	256
BMA 528 853	4227593	2015-Jan-30	\$6,000.00	\$0.00	15	240
BMA 528 853	4227604	2015-Jan-30	\$6,400.00	\$0.00	16	256
BMA 528 853	4219676	2015-Jan-31	\$5,600.00	\$0.00	14	224
BMA 528 853	4219680	2015-Jan-31	\$3,200.00	\$0.00	8	128
BMA 528 853	4223054	2015-Jan-31	\$2,800.00	\$0.00	7	112
BMA 528 853	4223055	2015-Jan-31	\$6,400.00	\$0.00	16	256
BMA 528 853	4223056	2015-Jan-31	\$4,800.00	\$0.00	12	192
BMA 528 853	4223059	2015-Jan-31	\$6,400.00	\$0.00	16	256
BMA 528 853	4223060	2015-Jan-31	\$6,400.00	\$0.00	16	256
BMA 527 853	4223062	2015-Jan-31	\$6,400.00	\$0.00	16	256
BMA 527 853	4223065	2015-Jan-31	\$4,800.00	\$0.00	12	192
BMA 527 853	4223069	2015-Jan-31	\$800.00	\$0.00	2	32
BMA 528 853	4223099	2015-Jan-31	\$1,200.00	\$0.00	3	48
BMA 528 854	4223292	2015-Jan-31	\$6,400.00	\$56,434.00	16	256
BMA 528 854	4223293	2015-Jan-31	\$6,400.00	\$0.00	16	256
BMA 528 854	4227581	2015-Jan-31	\$6,400.00	\$0.00	16	256
BMA 528 853	4227592	2015-Jan-31	\$5,600.00	\$0.00	14	224
BMA 528 853	4227594	2015-Jan-31	\$6,400.00	\$0.00	16	256
BMA 528 853	4227603	2015-Jan-31	\$6,400.00	\$0.00	16	256
BMA 528 853	4227691	2015-Jan-31	\$2,800.00	\$0.00	7	112
BMA 528 853	4227692	2015-Jan-31	\$4,400.00	\$0.00	11	176
BMA 527 853	4227694	2015-Jan-31	\$4,400.00	\$0.00	11	176

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BMA 527 854	4227695	2015-Jan-31	\$3,600.00	\$0.00	9	144
BMA 528 854	4227696	2015-Jan-31	\$4,800.00	\$0.00	12	192
BMA 528 854	4227697	2015-Jan-31	\$6,000.00	\$0.00	15	240
BMA 527 853	4257169	2016-Aug-30	\$800.00	\$0.00	2	32

Exploration activities carried out on McFaulds East Rim from 2008 to May 31st, 2014

McFaulds East Rim: Exploration work completed by Melkior 2008 to February 2014							
Exploration Work	2008	2009	2010	2011	2012	2013	2014
Drilling	-	-	-	8 holes, 1769.60 metres	-	-	-
Grab Samples	-	-	-	-	-	-	-
Trenching	-	-	-	-	-	-	-
Geophysics / Geochemistry	1738 line-kilometre airborne magnetic and electromagnetic (MEGATEM) survey, 725.74 line-kilometre versatile time domain electromagnetic (VTEM) survey	-	36.6 line-kilometre surface pulse electromagnetic survey (CRONE)	678 line-kilometre high-sensitivity aeromagnetic and gravite gradiometer (FALCON) survey	-	-	-

Exploration on McFaulds from February 28th to May 31st, 2014

No field work was undertaken on the McFaulds East Rim Project during the three months ending May 31st, 2014.

Ungava Delta - Kenty Quebec

(49% owned copper-nickel-platinum group)

Property description

Melkior owns 49% of this project with Glencore Xstrata (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.

This is considered a significant asset with a high probability of future development.

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Claim status for Delta-Kenty

Area	Claim Number	Claim Due Date	Total Reserve	Work Required	Renewal fee	Hectares
NTS 35G07	2331662	19/06/2015 23:59	\$30,835.53	\$1,003.13	\$27.00	15.97
NTS 35G07	2331663	19/06/2015 23:59	\$78,739.69	\$2,561.52	\$98.00	40.78
NTS 35G07	2331664	19/06/2015 23:59	\$521.33	\$16.96	\$27.00	0.27
NTS 35G07	2331665	19/06/2015 23:59	\$20,582.77	\$669.59	\$27.00	10.66
NTS 35G08	2331658	19/06/2015 23:59	\$79,550.65	\$2,587.91	\$98.00	41.2
NTS 35G08	2331659	19/06/2015 23:59	\$79,550.65	\$2,587.91	\$98.00	41.2
NTS 35G08	2331660	19/06/2015 23:59	\$79,550.65	\$2,587.91	\$98.00	41.2
NTS 35G08	2331661	19/06/2015 23:59	\$79,550.65	\$2,587.91	\$98.00	41.2
NTS 35G08	2331666	19/06/2015 23:59	\$78,488.68	\$2,553.36	\$98.00	40.65
NTS 35G08	2331667	19/06/2015 23:59	\$77,967.36	\$2,536.40	\$98.00	40.38
NTS 35G08	2331668	19/06/2015 23:59	\$76,982.63	\$2,504.36	\$98.00	39.87
NTS 35G08	2331669	19/06/2015 23:59	\$76,577.14	\$2,491.17	\$98.00	39.66
NTS 35G08	2331670	19/06/2015 23:59	\$77,523.25	\$2,521.95	\$98.00	40.15
NTS 35G08	2331671	19/06/2015 23:59	\$77,735.65	\$2,528.85	\$98.00	40.26
NTS 35G08	2331672	19/06/2015 23:59	\$78,063.89	\$2,539.53	\$98.00	40.43
NTS 35G08	2331673	19/06/2015 23:59	\$42,420.57	\$1,380.00	\$27.00	21.97
NTS 35G08	2331674	19/06/2015 23:59	\$29,310.16	\$953.50	\$27.00	15.18
NTS 35G08	2331675	19/06/2015 23:59	\$31,878.18	\$1,037.04	\$27.00	16.51
NTS 35G08	2331676	19/06/2015 23:59	\$30,912.76	\$1,005.63	\$27.00	16.01
NTS 35G08	2331677	19/06/2015 23:59	\$77,001.93	\$2,504.98	\$98.00	39.88
NTS 35G08	2331678	19/06/2015 23:59	\$16,354.22	\$532.02	\$27.00	8.47
NTS 35G08	2331679	19/06/2015 23:59	\$11,585.04	\$376.87	\$27.00	6
NTS 35G08	2331680	19/06/2015 23:59	\$6,159.38	\$200.37	\$27.00	3.19
NTS 35G08	2331681	19/06/2015 23:59	\$8,090.22	\$263.18	\$27.00	4.19
NTS 35G08	2331682	19/06/2015 23:59	\$10,716.16	\$348.61	\$27.00	5.55
NTS 35G08	2331683	19/06/2015 23:59	\$3,668.59	\$119.34	\$27.00	1.9

Exploration on Delta-Kenty from February 28th to May 31st, 2014

No field work was undertaken on the Delta-Kenty Project during the three months ending May 31st, 2014.

No work is planned for 2014.

Valliant Quebec

(100% owned copper-nickel-platinum group)

Property description

The Company map staked the Valliant property in April 2013. The Valliant property covers 13.61 square kilometres for a total of 33 claims. The property is located 25 kilometres east of the Ungava Delta-Kenty property. The claims are not subject to a NSR royalty.

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Claim status for Valliant

Area	Claim Number	Claim Due Date	Total Reserve	Work Required	Renewal fee	Hectares
NTS 35H05	2383524	01/04/2015 23:59	\$41.28	\$0.00	\$120.00	100
NTS 35H05	2383525	01/04/2015 23:59	\$41.28	\$0.00	\$120.00	100
NTS 35H05	2383526	01/04/2015 23:59	\$41.26	\$0.00	\$120.00	100
NTS 35H05	2383527	01/04/2015 23:59	\$41.26	\$0.00	\$120.00	100
NTS 35H05	2383528	01/04/2015 23:59	\$41.26	\$0.00	\$120.00	100
NTS 35H05	2383529	01/04/2015 23:59	\$41.26	\$0.00	\$120.00	100
NTS 35H05	2383530	01/04/2015 23:59	\$41.27	\$0.00	\$120.00	100
NTS 35H05	2383531	01/04/2015 23:59	\$41.27	\$0.00	\$120.00	100
NTS 35H05	2383532	01/04/2015 23:59	\$41.27	\$0.00	\$120.00	100
NTS 35H05	2383533	01/04/2015 23:59	\$41.25	\$0.00	\$120.00	100
NTS 35H05	2383534	01/04/2015 23:59	\$41.25	\$0.00	\$120.00	100
NTS 35H05	2383535	01/04/2015 23:59	\$41.25	\$0.00	\$120.00	100
NTS 35H05	2383536	01/04/2015 23:59	\$41.25	\$0.00	\$120.00	100
NTS 35H05	2383537	01/04/2015 23:59	\$41.25	\$0.00	\$120.00	100
NTS 35H05	2383538	01/04/2015 23:59	\$41.25	\$0.00	\$120.00	100
NTS 35H05	2383539	01/04/2015 23:59	\$41.25	\$0.00	\$120.00	100
NTS 35H05	2383540	01/04/2015 23:59	\$41.25	\$0.00	\$120.00	100
NTS 35H05	2383541	01/04/2015 23:59	\$41.24	\$0.00	\$120.00	100
NTS 35H05	2383542	01/04/2015 23:59	\$41.24	\$0.00	\$120.00	100
NTS 35H05	2383543	01/04/2015 23:59	\$41.24	\$0.00	\$120.00	100
NTS 35H05	2383544	01/04/2015 23:59	\$41.24	\$0.00	\$120.00	100
NTS 35H05	2383545	01/04/2015 23:59	\$41.24	\$0.00	\$120.00	100
NTS 35H05	2383546	01/04/2015 23:59	\$41.24	\$0.00	\$120.00	100
NTS 35H05	2383547	01/04/2015 23:59	\$41.23	\$0.00	\$120.00	100
NTS 35H05	2383548	01/04/2015 23:59	\$41.23	\$0.00	\$120.00	100
NTS 35H05	2383549	01/04/2015 23:59	\$41.23	\$0.00	\$120.00	100
NTS 35H05	2383550	01/04/2015 23:59	\$41.23	\$0.00	\$120.00	100
NTS 35H05	2383551	01/04/2015 23:59	\$41.23	\$0.00	\$120.00	100
NTS 35H05	2383552	01/04/2015 23:59	\$41.23	\$0.00	\$120.00	100
NTS 35H05	2383553	01/04/2015 23:59	\$41.23	\$0.00	\$120.00	100
NTS 35H05	2383554	01/04/2015 23:59	\$41.22	\$0.00	\$120.00	100
NTS 35H05	2383555	01/04/2015 23:59	\$41.22	\$0.00	\$120.00	100
NTS 35H05	2383556	01/04/2015 23:59	\$41.22	\$0.00	\$120.00	100

Exploration on Valliant from February 28th to May 31st, 2014

No field work was undertaken on the Valliant Project during the three months ending May 31st, 2014.

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No work is planned for 2014.

Other properties in Ontario and Quebec

The Company holds a 100% interest in the Loveland property and Henderson property. The Loveland property is located in the Loveland Township. The property consists of 44 claim units and covers 7.04 square kilometres. The Henderson property consists of 20 claim units, covering 3.2 square kilometres in Raglan Township. During the summer 2010, First Nickel Inc. earned 50% interest.

The Company owns 35 claims in Vauquelin Township and 33 claims in Tiblemont Township located approximately 50km east of Val-d'Or, Quebec. Melkior acquired 3 claims in Tiblemont on May 12th, 2014, thereby increasing the Tiblemont property from 30 claims to 33. The three new claims were purchased for 200,000 common shares of Melkior and the vendor retained a 2% Net Smelter Return Royalty (NSR). Melkior can buy back 1% of the NSR for \$1,000,000. The vendor also retained the right to exploit, at his cost, surface gold (above bedrock) in overburden and residual rock from historical mining. Melkior holds a 2% NSR on this material. 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.

Melkior is not planning work on these properties.

Financing activities

On October 16, 2013, the Company closed a non-brokered private placement for aggregate proceeds of \$170,000 consisting of the issuance of 3,400,000 units at a price of \$0.05 per unit. Each unit is comprised of one common share and one common share purchase warrant. Each warrant entitles its holder to purchase one additional common share at a price of \$0.05 until October 16, 2015. The Company paid cash commissions totaling \$4,550 and issued 120,000 broker warrants, valued at \$2,000, using the Black Scholes valuation model, for a total share issue expenses of \$6,550 accounted into the deficit. The broker warrants had the same terms as the placement warrants

On December 23, 2013, the Company closed private placements for aggregate proceeds of \$40,000 consisting of the issuance of 616,667 units at a price of \$0.06 per unit. Each Unit is comprised of one flow-through common share and one common share purchase warrant. Each Unit A warrant entitles its holder to purchase one additional common share at a price of \$0.06 until December 23, 2015.

Working capital

The Company has a working capital of \$440,890 as at May 31, 2014 compared to \$633,219 as at August 31, 2013. 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.

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Summary of quarterly results for the eight most recent quarters

	May 31, 2014	February 28, 2014	November 30, 2013	August 31, 2013
	\$	\$	\$	\$
Income	673	21,488	11,835	(2,571)
Net loss for the quarter	(564,412)	(65,965)	(68,562)	(3,534)
Net loss per share	-	-	-	-
Total assets	10,986,103	11,556,537	11,726,314	11,456,835

	May 31, 2013	February 28, 2013	November 30, 2012	August 31, 2012
	\$	\$	\$	\$
Income	1,118	8,992	3,100	4,130
Net income (loss) for the quarter	(652,970)	(700,721)	(142,845)	(797,482)
Net loss per share	(0.01)	(0.01)	-	(0.01)
Total assets	11,527,832	12,034,597	12,806,570	13,047,071

Related party transactions

In the normal course of operations for the nine months ended May 31 2014:

- a) A company controlled by Jens E. Hansen (president and director) charged:
 - i) Professional fees relating to qualified exploration work amounting to \$19,390 (\$21,354 in 2013) and are capitalized in exploration and evaluation expenses;
 - ii) Management fees amounting to \$NIL (\$25,150 in 2013) expensed in professional and consulting fees;
 - iii) Rent totaling \$13,500 (\$18,000 in 2013) expensed in office expenses;
- b) Sabino Di Paola, the Chief Financial Officer and Corporate Secretary, charged professional fees of \$20,828 (\$15,367 in 2013)

Outstanding share data

	July 25, 2014	May 31, 2014	August 31, 2013
Common shares	123,939,537	123,939,537	119,522,870
Options	8,500,000	8,500,000	8,900,000
Warrants	4,618,667	6,631,167	10,080,999
	137,058,204	139,070,704	138,503,869

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

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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.

Stock forfeitures and cancellations

On January 31, 2014, 700,000 stock options with a weighted average exercise price of \$0.28 were forfeited unexercised and were cancelled by the Company. The options would have expired December 2014 and February 2016.

Off-balance sheet arrangements

During the nine months ended May 31, 2014, and the year ended August 31, 2013, the Company did not set up any off-balance sheet arrangements.

Proposed Transactions

In the normal course of business, the Company evaluates property acquisition transactions and, in some cases, makes proposals to acquire such properties. These proposals, which are usually subject to Board and sometimes regulatory and shareholder approvals, may involve future payments, share issuances and property work commitments. These future obligations are usually contingent in nature and generally the Company is only required to incur the obligation if it wishes to continue with the transaction.

Annual Meeting of Shareholders

On February 21, 2014, the Company held its annual meeting of shareholders for the year ended August 31, 2013. All of the four directors standing for re-election, were unanimously re-elected and Raymond Chabot Grant Thornton, Chartered Accountants, were unanimously re-appointed auditors of the Company.

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Investor Relations Activities

The Company is not using an outside consultant to perform its investor relations activities. The tasks performed by an investor relations consultant are currently being performed by the management of the Company. There are no external contracts or commitments for Investor Relations as at May 31, 2014.

Going Concern

The condensed consolidated interim financial statements of the Company have been prepared on the basis that the Company will continue as a going concern, which presumes that it will be able to realize its assets and discharge its liabilities in the normal course of business. Due to continuing operating losses and current working capital levels, the application of the going concern basis is dependent upon the Company achieving profitable operations to generate sufficient cash flows to fund continuing operations or in the absence of adequate cash flows from operations, obtaining additional financing to support operations for the foreseeable future. It is not possible to predict whether financing efforts will be successful or if the Company will attain profitable levels of operations. These factors may cast significant doubt on the entity's ability to continue as a going concern. The condensed consolidated interim financial statements do not give effect to adjustments that would be necessary should the Company be unable to continue as a going concern. If management is unsuccessful in securing capital, the Company's assets may not be realized or its liabilities discharged at their carrying amounts and these differences could be material. Changes in future conditions could require material write-downs of the carrying amounts of mineral resource interests.

Given that the Company has not yet determined whether its mineral properties contain mineral deposits that are economically recoverable, the Company has not yet generated income or cash flows from its operations, cast a doubt regarding the Company's ability to continue as a going concern. As at May 31, 2014, the Company has a deficit of \$35,745,238 (\$35,039,479 as at August 31, 2013). These conditions indicate the existence of a material uncertainty that may cast significant doubt regarding the Company's ability to continue as a going concern.

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.

Total impairments of \$514,304 have been recognized on the Long Lac, Fripp and Kenty Lake properties. No reversal of impairment has been recognized in the nine month period ending May 31, 2014.

No testing for impairment was conducted on the Bristol and Henderson properties despite the fact that the carrying value of the Company's net assets is superior to its market capitalization and despite the fact that no significant fieldwork was undertaken on these properties during the year. Management judged that there was no testing for impairment required this year on these properties, because despite unfavorable change of the overall climate of the sector as well as the general situation of the economy that have had an

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impact on the Company's capacity to raise additional capital in order to pursue its exploration activities, coupled with a decrease in share price, the Company has sufficient funds to respect its short term obligations and has both the intention and capacity to keep these properties until the economic context improves and the Company can thus pursue exploration activities on these properties after raising additional capital.

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

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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

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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.

Events after the reporting date

There were no significant events after the reporting date and up to the date of this MD&A.

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Forward looking information

Readers are cautioned that the MD&A contains forward-looking statements and that actual events may vary from management's expectations. Readers are encouraged to consult Melkior Resources' audited consolidated financial statements and corresponding notes to the financial statements for the year ended August 31, 2013 for additional details.

Melkior's disclosures are available on the Company's website at www.melkior.com. The unaudited condensed consolidated interim financial statements and MD&A are presented in Canadian dollars and have been prepared in accordance with International Financial Reporting Standards ("IFRS"). This discussion addresses matters we consider important for an understanding of our financial condition and results of operations as of and for the three and nine month periods ended May 31, 2014.

This MD&A contains forward-looking statements and should be read in conjunction with the risk factors described in "Risks and Uncertainties" and the "Cautionary Note Regarding Forward-Looking Statements" at the end of this MD&A.

July 25, 2014

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

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