Melkior Resources Inc.

Management's Discussion and Analysis

For the three months ended November 30, 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 three months ended November 30, 2013. This MD&A should be read in conjunction with the Company's financial statements and related notes as at November 30, 2013. 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 active exploration projects in West Timmins and holds several other exploration properties of which the most important is the 100% owned Launay gold property in West Quebec. Melkior also holds two important claim groups in the Beardmore Long-Lac gold camps.

Overall performance

Melkior has working capital of $586,426 as at November 30, 2013 ($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 in the three months ended November 30, 2013 totaled $175,681 (2012 - $348,226). The main exploration expenditures in Q1 2014 were done on the Carscallen (Timmins), and Long Lac properties. Melkior's joint venture partner Beaufield Resources Inc. ("Beaufield") incurred exploration expenses of $112,667 on the Launay property.

Selected interim financial information

	Three months ended November 30, 2013	2012
	$	$
Operating loss	(65,648)	(125,061)
Loss before income taxes	(68,652)	(188,211)
Net loss and comprehensive loss for the year	(68,652)	(142,845)
Basic and diluted net loss per share	(0.00)	(0.00)

	November 30, 2013	August 31, 2013
	$	$
Current assets	743,980	650,182
Exploration assets	10,982,334	10,806,653
Total assets	11,726,314	11,456,835
Current liabilities	157,554	16,963
Total shareholders' equity	11,568,760	11,439,872

Results of operations

Total expenses decreased by $59,413 in Q1-2014 compared to Q1-2013, due to the following:

- Professional and consulting fees are as follow:

	Q1-2014	Q1-2013
	$	$
Legal	-	1,301
Accounting and audit	22,980	67,520
Consulting	9,240	600
Management	-	7,500
Professional and consulting fees	**33,220**	**89,901**

  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 is due to a cost reduction strategy implemented by management.

- During the three months ended November 30, 2013, the Company incurred $14,750 unfavorable change in value of listed shares ($66,250 in 2012).

Exploration and evaluation expenditures by property

November 30, 2013	Launay	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	-	148,137	-	-	-	148,137
Geology – prospecting	1,000	14,180	10,958	-	-	26,138
Geochemistry	-	300	1,106	-	-	1,406
	1,000	162,617	12,064	-	-	175,681
Balance, end	641,065	6,548,823	427,368	2,467,847	55,830	10,140,933

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.

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

Carscallen Gold,
Timmins, Ontario
(100% owned)

Property Description

The Carscallen property covers 16.64 square-kilometers for a total of 104 claim units and is located 25 kilometers 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.

Exploration activities carried out on Carscallen from 2006 to November 31st, 2013

Carscallen Gold Project: Exploration work completed by Melkior 2006 to November 2013								
Exploration Work	2006	2007	2008	2009	2010	2011	2012	2013
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 August 31st to November 31st, 2013

On September 25th, 2013, Melkior signed a memorandum of understanding ("MOU") with the Mattagami First Nation of Gogama, Ontario ("Mattagami"), on the Carscallen, Big Marsh and Bristol projects in the Timmins camp. Under the terms of the MOU, Melkior issued 200,000 shares and will pay 2% of all MNDM assessment eligible exploration costs to Mattagami. On October 7th, 2013, Melkior obtained the Ministry of Northern Development and Mines ("MNDM") for its exploration permit.

A drill program began on October 16th, 2013. Fifteen holes, totaling 1,535 metres were completed on the gold-rich, mineralized ZamZam zone on November 13th, 2013. The objective of the program was to accomplish infill drilling on the ZamZam zone, which is hosted in structure that crosscuts granite and mafic volcanics. The results of six holes were released on November 28th, 2013 and demonstrated that high-grade mineralization occurs in a single vein structure varying from 0.5 to two metres in width and contains gold grades above 10 g/t. Secondary lower-grade veins were encountered consisting of several small quartz and pyrite veins withing a 5 to 10 metre interval for a total intersection of about 20 to 30 metres wide. These lower-grade veins commonly contain gold grades below 5 g/t. The highlights from the drill program are found in the table below.

The results from nine ("9") holes are still pending as well as the results from channel sampling done on the ZamZam zone.

Carscallen Gold 2013 Drill program highlights.

Drill hole No.	From (metres)	To (metres)	Interval* (metres)	Gold (g/t)
CAR-86-2013	29.50	30.15	0.65	0.98
CAR-86-2013	36.00	36.75	0.75	3.44
CAR-86-2013	39.40	40.40	1.00	1.36
CAR-86-2013	91.35	92.00	0.65	40.40
CAR-87-2013	13.50	14.00	0.50	2.37
CAR-87-2013	108.00	109.00	1.00	2.95
CAR-88-2013	88.75	90.25	1.50	34.06
including	88.75	89.30	0.55	80.50
CAR-89-2013	90.40	91.00	0.60	0.91
CAR-89-2014	104.10	104.65	0.55	1.04
CAR-89-2015	110.00	110.50	0.50	1.34
CAR-89-2016	111.20	112.10	0.90	0.71
CAR-90-2013	83.15	84.15	1.00	8.73
CAR-90-2014	96.25	99.15	2.90	3.19
including	98.20	99.15	0.95	8.93
CAR-90-2014	100.00	100.85	0.85	0.72
CAR-90-2014	108.25	109.00	0.75	2.46
CAR-90-2014	112.10	113.00	0.90	1.80
CAR-90-2014	113.00	114.00	1.00	0.96
CAR-90-2014	83.15	114.00	30.85	0.77
CAR-91-2013	21.55	22.40	0.85	1.07
CAR-91-2014	26.10	26.70	0.60	1.52
CAR-91-2015	100.10	100.60	0.50	25.70

* Drill intercepts are not true width.

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

Property description

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

Exploration activities carried out on Big Marsh from 2007 to November 31st, 2013

Big Marsh Project: Exploration work completed by Melkior 2007 to November 2013							
Exploration Work	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**
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 August 31st to November 31st, 2013

On September 25th, 2013, Melkior signed a memorandum of understanding ("MOU") with the Mattagami First Nation of Gogama, Ontario ("Mattagami"), on the Carscallen, Big Marsh and Bristol projects in the Timmins camp. Under the terms of the MOU, Melkior issued 200,000 shares and will pay 2% of all MNDM assessment eligible exploration costs to Mattagami. On October 7th, 2013, Melkior obtained the Ministry of Northern Development and Mines ("MNDM") for its exploration permit.

No exploration work was carried out on the Big Marsh Project during the three months ending in November 31st, 2013.

Bristol
(100% owned - gold)

Property description

The Bristol property covers 1.92 square kilometers for a total of 12 claim units in Bristol Township. It is located 25 kilometers due west-northwest of the City of Timmins, Ontario, 5 kilometers 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.

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 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.

Exploration activities carried out on Bristol from 2009 to November 31st, 2013

Bristol Project: Exploration work completed by Melkior 2009 to November 2013					
Exploration Work	**2009**	**2010**	**2011**	**2012**	**2013**
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 August 31st to November 31st, 2013

On September 25th, 2013, Melkior signed a memorandum of understanding ("MOU") with the Mattagami First Nation of Gogama, Ontario ("Mattagami"), on the Carscallen, Big Marsh and Bristol projects in the Timmins camp. Under the terms of the MOU, Melkior issued 200,000 shares and will pay 2% of all MNDM assessment eligible exploration costs to Mattagami. On October 7th, 2013, Melkior obtained the Ministry of Northern Development and Mines ("MNDM") for its exploration permit.

No exploration work was carried out on the Bristol Project during the three months ending in November 31st, 2013.

Fripp

(100% owned – gold)

Property description

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

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

Exploration activities carried out on Fripp from 2007 to November 31st, 2013

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

Exploration on Bristol from August 31st to November 31st, 2013

No exploration work was carried out on the Fripp Project during the three months ending in November 31st, 2013.

Launay
(100% owned - gold)

Property description

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

Exploration on Launay from August 31st to November 31st, 2013

During November, 2013, Melkior entered into an option and joint venture agreement on the Launay Gold Project. 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.

A drill program began on November 20th, 2013. The program consisted of 9 holes, totaling 1250 metres concentrating on Zone 75 where previously drilled holes intersected 1.83 g/t gold over 46.35 metres (hole LAY-08-2012) and 1.20 g/t gold over 21.09 metres (hole ML-87-87.) Zone 75 was discovered in 1987 by Melkior's predecessor, Les Mines Messeguay Inc.. Zone 75 coincides with a north-south striking magnetic axis that dips to the west between 65 to 80 degress. The mineralization found at Zone 75 consists of auriferous pyrite grains disseminated in a granitic intrusive subject to alteration and remains open at depth.

Results for the drill program are pending.

Long Lac
(100% owned – gold copper)

Property description

The LL1 Long Lac property covers 14.08 square kilometers 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 kilometers due east-southeast of the town of LongLac, Ontario and LL3 LongLac is 30 kilometers 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.

Exploration activities carried out on LL1 and LL3 from 2007 to November 31st, 2013

LL1 LongLac Project: Exploration work completed by Melkior November 2008 to November 2013							
Exploration Work	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**
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 groud magnetic survey, 14 line kilometres Induced	208 B-Horizon samples, 208 soil hydrocarbon samples	-

LL3 LongLac Project: Exploration work completed by Melkior November 2008 to November 2013							
Exploration Work	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**
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	-

Exploration on Launay from August 31st to November 31st, 2013

In September 2013, a prospecting campaign was undertaken. The bedrock exposure in the two Long Lac Project claim blocks is very limited and the campaign focused on accessible areas where outcrop is indicated. A total of 10 samples were collected on LL1 and 11 samples on LL3. No gold enriched zones were noted. The weak quartz+carbonate noted in an outcrop in the LL1 claim block displayed the highest gold values of all the samples (69 ppb gold.) Further investigation is required to determine its extent.

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 kilometers from the chromite discoveries by Noront and Freewest Resources Canada Inc., and 30 kilometers from the nickel discovery by Noront.

Exploration activities carried out on McFaulds East Rim from 2008 to November 31st, 2013

McFaulds East Rim: Exploration work completed by Melkior 2008 to November 2013						
Exploration Work	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**
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 August 31st to November 31st, 2013

No exploration work was undertaken in during the three months ending November 31st, 2013.

Ungava Delta - Kenty 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.

Exploration on Delta-Kenty from August 31st to November 31st, 2013

No exploration work was undertaken in during the three months ending November 31st, 2013.

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 kilometers for a total of 33 claims. The property is located 25 kilometers east of the Ungava Delta-Kenty property. The claims are not subject to a NSR royalty.

Exploration on Valliant from August 31st to November 31st, 2013

No exploration work was undertaken in during the three months ending November 31st, 2013.

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 kilometers. The Henderson property consists of 20 claim units, covering 3.2 square kilometers in Raglan Township. During the summer 2010, First Nickel Inc. earned 50% interest.

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.

Melkior is not planning work on these properties.

Financing activities

In Fiscal 2014, Melkior raised $40,000 funds through flow through private placements and $170,000 through a non-flow through placement.

As of the date of this MD&A, management is required to fulfil its commitments within the stipulated deadline of December 31, 2013 for $39,933.

Working capital

The Company has a working capital of $586,426 as at November 30, 2013 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.

Summary of quarterly results for the eight most recent quarters

	November 30, 2013	August 31, 2013	May 31, 2013	February 28, 2013
	$	$	$	$
Income	11,835	(2,571)	1,118	8,992
Net loss for the quarter	(68,562)	(3,534)	(652,970)	(700,721)
Net loss per share	-	-	(0.01)	(0.01)
Total assets	11,726,314	11,456,835	11,527,832	12,034,597

	November 30, 2012	August 31, 2012	May 31, 2012	February 28, 2012
	$	$	$	$
Income	3,100	4,130	2,650	989
Net income (loss) for the quarter	(142,845)	(797,482)	(460,652)	(28,164)
Net loss per share	-	(0.01)	-	-
Total assets	12,806,570	13,047,071	13,219,383	13,735,164

Related party transactions

In the normal course of operations for Q1 2014:

a) A company controlled by Jens E. Hansen (president and director) charged:
   i) Professional fees relating to qualified exploration work amounting to $6,857 ($7,000 in 2012) and are capitalized in exploration and evaluation expenses;
   ii) Management fees amounting to $NIL ($7,250 in 2012) expensed in professional and consulting fees;
   iii) Rent totaling $4,500 ($6,000 in 2012) expensed in office expenses;

b) Sabino Di Paola, the Chief Financial Officer and Corporate Secretary, charged professional fees of $10,500 ($NIL in 2012)

Events after the reporting date

1. On December 18 2013, the Company announced the appointment of Bruce Deluce as Director. The Board of Directors has granted 600,000 stock options to Bruce Deluce exercisable for a period of 5 years at $0.10 per share.

   Mr. Bruce Deluce is a graduate electrical engineer, a professional pilot and a businessman in Canada and internationally. Being from Northern Ontario and operating regional aircraft in the north he has had extensive contact with First Nations, mining and exploration operations, forestry and fishing. Mr. Deluce's senior aviation industry involvement have included Director South African Express Airlines Pty Ltd and Director Air Ontario Limited, a majority owned subsidiary of Air Canada.

   Mr. Deluce was Vice President of a company engaged in the procurement and trading of cassiterite (tin) concentrate furnished to smelters in South Asia and China.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.

2. 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.

Outstanding share data

	January 24, 2014	November 30, 2013	August 31, 2013
Common shares	123,739,537	122,922,870	119,522,870
Options	9,200,000	8,600,000	8,900,000
Warrants	6,631,167	13,600,999	10,080,999
	139,570,704	**145,123,869**	**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 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 the three months ended November 30, 2013, and the year ended August 31, 2013, 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.

No impairment or reversal of impairment has been recognized in the three month period ending November 30, 2013.

No testing for impairment was conducted on the Fripp, 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 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 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.

January 24, 2014

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

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