Melkior Resources Inc.

Management's Discussion and Analysis

For the years ended August 31, 2015 & 2014

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Management has prepared the following discussion and analysis (MD&A) dated December 3, 2015, which constitutes management's review of financial and operating factors affecting Melkior Resources Inc. ("Melkior" or the "Company") for the year ended August 31, 2015. This MD&A should be read in conjunction with the Company's financial statements and related notes as at August 31, 2015 and for the year then ended. All figures are in Canadian dollars unless otherwise noted.

Further information regarding the Company and its operations are filed electronically on the System for Electronic Document Analysis and Retrieval (SEDAR) in Canada and can be obtained from www.sedar.com.

Nature of activities

Melkior is an exploration company with exploration projects in Timmins and holds several other exploration properties of which the most important are the 90% owned Launay gold property in West Quebec.

Overall performance

1) Working capital position at August 31, 2015

Melkior has working capital of $237,454 ($456,319 as of August 31, 2014) which will allow the Company to undertake its exploration program for at least the 12 months following August 31, 2015. During fiscal 2015, the Company raised $58,575 non-flow through and $331,925 flow through proceeds in private placements. Included in the working capital are restricted exploration funds of $64,638 ($Nil as of August 31, 2014).

2) Exploration and evaluation expenditure summary for the year ended August 31, 2015

During the year ended August 31, 2015, the Company incurred mining properties costs of $1,809 (August 31, 2014 - $19,473) and exploration and evaluation expenses of $274,243 (August 2014 - $219,289). The Company also had write-offs of $256,642 (August 31, 2014 – $611,670) and impairment losses of $1,860 (August 31, 2014 – $2,868,535) of mining properties and exploration and evaluation expenses.

Selected annual financial information

	Year ended		
	August 31, 2015	**August 31, 2014**	**August 31, 2013**
	$	**$**	**$**
Operating loss	(463,152)	(3,728,362)	(1,385,408)
Loss before income taxes	(568,541)	(3,661,244)	(1,551,279)
Net loss and comprehensive loss for the period/year	(568,541)	(3,641,544)	(1,500,070)
Basic and diluted net loss per share	(0.004)	(0.030)	(0.010)

	August 31, 2015	**August 31, 2014**	**August 31, 2013**
	$	**$**	**$**
Current assets	260,045	485,660	650,182
Exploration assets	7,579,280	7,559,759	10,806,653
Total assets	7,839,325	8,045,419	11,456,835
Current liabilities	22,591	29,341	16,963
Total shareholders' equity	7,816,734	8,016,078	11,439,872

Results of operations

Total expenses decreased by $3,265,210 in 2015 ($463,152) compared to 2014 ($3,728,362). The significant variances from last year are as follows:

- During the year ended August 31, 2015, the decrease in salaries and office expenses of $5,125 is due to a cost reduction strategy implemented by management.

- Professional and consulting fees are as follow:

	2015	2014
	$	$
Accounting and audit	55,609	54,886
Consulting	18,825	30,890
Professional and consulting fees	**74,434**	**85,776**

  There were no legal fees incurred in the current year as the Company prepared all required filings with the TSX Venture and other regulatory agencies in house. The decrease in consulting fees is a result of the Controllers reduced monthly billings as well as no additional professional consultants charging fees outside of regular exploration.

- During the year ended August 31, 2015, the decrease in stock based compensation of $16,000 was due to the fact that 300,000 stock options granted were capitalized to exploration and evaluation for geological services, compared to 600,000 stock options being granted and expensed to profit and loss in December 2013.

- During the year ended August 31, 2015, investor and shareholder relations costs have decreased by $10,361 compared to 2014. This is part of a management effort to further reduce and control costs in fiscal 2015. The Company has decreased the number of conferences and trade shows which it attended in 2015 compared to 2014.

- Write-off and impairment of exploration and evaluation assets has decreased by $3,221,703. This is due to impairment on all secondary projects to maintain being taken in the 2014 year end. During the year ended August 31, 2015, management assessed that the Big Marsh property had been reprioritized as a secondary project during the year due to current economic conditions in the junior exploration industry. In the previous year Fripp, Henderson, Bristol, Kenty Lake, Long Lac and Rim Nickel McFaulds properties were being classified as secondary projects.

- During the year ended August 31, 2015, the Company incurred $116,749 unfavorable change in value of listed shares ($28,656 favorable in 2014). The Company did not dispose of or acquire any listed shares in fiscal 2015 or 2014. However, during fiscal 2015 Zara Resources Inc. issued shares to pay cumulative dividends outstanding on the preferred shares, and Green Swan Capital Corp. declared and paid a one-time dividend composed of shares of Tempus Capital Inc.

Summary of quarterly results

For the eight most recent quarters

	August 31, 2015	May 31, 2015	February 28, 2015	November 30, 2014
	$	$	$	$
Other income	6,134	1,258	2,131	1,837
Net loss for the quarter	(319,706)	(61,829)	(93,672)	(93,334)
Net loss per share (basic and diluted)	(0.002)	(0.000)	(0.001)	(0.001)
Total assets	7,839,325	8,155,072	8,205,067	8,351,736

	August 31, 2014	May 31, 2014	February 28, 2014	November 30, 2013
	$	$	$	$
Other income	4,466	673	21,488	11,835
Net loss for the quarter	(2,942,605)	(564,412)	(65,965)	(68,562)
Net loss per share (basic and diluted)	(0.023)	(0.005)	(0.001)	(0.001)
Total assets	8,045,419	10,986,103	11,556,537	11,726,314

During the quarter ended August 31, 2015 compared to May 31, 2015, the only significant change in profit and loss was the write-off of exploration and evaluation assets in Q4 2015. During the fourth quarter the Company wrote-off $248,408 of deferred exploration expenditures relating to the Big Marsh project due to poor economic conditions in the junior exploration industry. There was no such write-off in Q3 2015. There were no other significant variances in all other income and expenditures between the two quarters.

Financing activities

On October 20, 2014, the Company issued a total of 781 units, at a price of $500 per unit, for total gross proceeds of $390,500. Each unit consisted of 8,500 flow through and 1,500 non-flow through common shares and 10,000 common share purchase warrants, each warrant entitling the holder thereof to acquire one additional common share of the Company at a price of $0.05 per share for a period of 24 months. All warrants issued in the private placement carry an accelerator clause to which takes effect after 12 months if the Company’s stock trades above $0.10 (“the triggering event”). The accelerator clause requires the warrant to be exercised within 30 days of the triggering event prior to the warrant expiring.

In connection with this private placement, the Company paid a finders’ fee of $27,803 cash commissions and 555,750 warrants. The broker’s warrants had the same terms as the placement warrants. As at August 31, 2015, the Company had incurred expenditures of $267,287 according to the restrictions imposed by this financing arrangement and had a remaining obligation of $64,638. As at December 3, 2015, the Company has a remaining flow through obligation of approximately $55,000. A drill program on the Carcscallen project this December for approximately $60,000 has been approved by management and will be completed by the end of Q2 2016.

Working capital

Melkior has working capital of $237,454 ($456,319 as of August 31, 2014) which will allow the Company to undertake its exploration program for at least the 12 months following August 31, 2015. The Company intends to continue a drill program in Q2 2016 on the Carscallen project and raise additional funding for exploration should the current economic conditions in the junior exploration market improve.

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 favorable 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.

Going Concern

The annual 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 annual 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.

The Company has not yet determined whether its mineral properties contain mineral deposits that are economically recoverable, and has not yet generated income or cash flows from its operations. As at August 31, 2015, the Company has an accumulated deficit of $39,342,367 (2014 - $38,687,843). 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.

The Company's ability to continue as a going concern is dependent upon its ability to raise additional financing to further explore its mineral properties and continued support of suppliers and creditors. Even if the Company has been successful in the past in doing so, there is no assurance that it will manage to obtain additional financing in the future.

Critical accounting estimates, judgments and assumptions

When preparing the financial statements, management makes a number of judgments, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses.

Significant management judgment

The following are significant management judgments in applying the accounting policies of the Company that have the most significant effect on the financial statements.

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.

Going concern

The assessment of the Company's ability to continue as a going concern and to raise sufficient funds to pay for its ongoing operating expenditures, meet its liabilities for the ensuing year, and to fund planned and contractual exploration programs, involves significant judgment based on historical experience and other factors including expectation of future events that are believed to be reasonable under the circumstances.

Bifurcation of units

The Company uses the residual value method when valuing equity components and other liabilities related to flow-through shares. Management's judgment is used in the method used to established fair value of the components.

Estimation uncertainty

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be substantially different.

Impairment of E&E 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.

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

In assessing impairment, the Company must make estimates and assumptions regarding future circumstances, in particular, whether an economically viable extraction operation can be established, the probability that the expense will be recovered from either future exploration or sale when the activities have not reached a stage that permits a reasonable assessment of the existence of reserves and the Company's capacity to obtain financial resources necessary to complete the evaluation and development and to renew permits. Estimates and assumptions may change if new information becomes available. If, after an expenditure is capitalized, information becomes available suggesting that the recovery of the expenditure is unlikely, the amount capitalized is written off in profit or loss in the period when the new information becomes available.

No impairment was assessed on the Vaillant (Raglan), Launay and Tiblemont properties. No impairment was assessed on the Carscallen property as the Company continues significant fieldwork on this property.

Management judged that there was no impairment during the year ended August 31, 2015 on these properties. Despite unfavorable changes in 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 meet 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, warrants and warrants extension

The estimation of value requires the selection of an appropriate valuation model, data and consideration as to the volatility of the Company's shares, the probable life of share options and warrants granted, issued and modified and the time of exercise of those share options and warrants. The model used by the Company is the Black-Scholes valuation model.

Tax credits receivable

The calculation of the Company's refundable tax credit on qualifying exploration expenditures incurred and refundable credits involves a degree of estimation and judgment in respect of certain items whose tax treatment cannot be finally determined until a notice of assessment has been issued by the relevant taxation authority and payment has been received. Difference arising between the actual results following final resolution of some of these items and the assumptions made could necessitate adjustments to the refundable tax credit, exploration and evaluation assets, and income tax expense in future periods.

Outstanding share data

	December 3, 2015	August 31, 2015	August 31, 2014
Common shares	131,799,537	131,799,537	123,989,537
Options	5,500,000	5,500,000	8,100,000
Broker's warrants (1)	555,750	675,750	120,000
Warrants	11,876,667	11,876,667	4,668,667
	149,731,954	**149,851,954**	**136,878,204**

(1) 120,000 warrants expired unexercised subsequent to August 31, 2015.

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 to the TSX Venture 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;
- 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

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.

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.

Exploration and evaluation expenditures by property

Exploration and evaluation expenses	August 31, 2014	Expenditures	Impairment	Write-off	Tax credits	August 31, 2015
	$	$	$	$	$	$
Quebec						
Launay	648,791	830	-	-	1,971	651,592
Kenty Lake	-	400		(400)	-	-
Tiblemont	790	2,753	-	-	-	3,543
Ontario						
Carscallen (Timmins)	6,259,875	259,382	-	-	-	6,519,257
Big Marsh (Timmins)	231,592	2,450	-	(234,042)	-	-
Bristol (Timmins)	-	6,368	-	(6,368)	-	-
Long Lac	-	400	-	(400)	-	-
Rim Nickel (McFaulds)	-	1,660	(1,660)	-	-	-
	7,141,048	274,243	(1,660)	(241,210)	1,971	7,174,392

Exploration and evaluation expenditures by province and category

Quebec	Launay	Tiblemont	Kenty Lake	Total
	$	$	$	$
Balance August 31, 2014	648,791	790	-	649,581
Additions				
Geology – prospecting	11,476	409	400	12,285
Geophysics	650	2,010	-	2,660
Geochemical	175	334	-	509
Drilling, sampling, assaying	2,189	-	-	2,189
Tax credits not received	1,971	-	-	1,971
	16,461	2,753	400	19,614
Deductions				
Joint venture recoveries	(13,660)	-	(400)	(14,060)
Write-off	-	-	-	-
Balance August 31, 2015	651,592	3,543	-	655,135

Ontario	Carscallen	Big Marsh	Bristol	Long Lac	Rim Nickel	Total
	$	$	$			$
Balance August 31, 2014	6,259,875	231,592	-	-	-	6,491,467
Additions						
Geology – prospecting	48,189	2,450	600	400	1,660	53,299
Geophysics	19,248	-	-	-	-	19,248
Geochemistry	4,452	-	88	-	-	4,540
Line cutting	15,910	-	5,680	-	-	21,590
Consultations	3,583	-	-	-	-	3,583
Drilling, sampling, assaying	161,500	-	-	-	-	161,500
Stock Options	6,500	-	-	-	-	6,500
	259,382	2,450	6,368	400	1,660	270,260
Deductions						
Impairments	-	-	-	-	(1,660)	(1,660)
Write-off	-	(234,042)	(6,368)	(400)	-	(240,810)
Balance August 31, 2015	6,519,257	-	-	-	-	6,519,257

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	Claim Number	Claim Due Date	Work Required	Total Reserve	Claim Units	Hectares
DENTON	4227649	2017-Jul-14	$1,600	$340	4	64
CARSCALLEN	4227650	2017-Jul-14	$5,200	$1,105	13	208
DENTON	4257811	2017-Nov-10	$400	$0	1	16
DENTON	4256427	2017-Nov-19	$400	$0	1	16
DENTON	4257828	2017-Nov-25	$400	$0	1	16
CARSCALLEN	1213580	2018-Jan-04	$400	$895,416	1	16
DENTON	3006573	2018-Jul-27	$400	$4,362	1	16
CARSCALLEN	4202150	2018-Jun-02	$400	$18,653	1	16
CARSCALLEN	4215559	2018-Jun-11	$2,400	$510	6	96
CARSCALLEN	4215560	2018-Jun-11	$5,600	$1,190	14	224

DENTON	4218099	2018-Mar-18	$1,200	$255	3	48
CARSCALLEN	3019118	2018-Nov-10	$400	$44,581	1	16
DENTON	4258956	2018-Oct-12	$2,000	$9,972	5	80
DENTON	4259405	2018-Oct-26	$800	$170	2	32
DENTON	4259406	2018-Oct-26	$800	$3,995	2	32
CARSCALLEN	3019020	2018-Sep-08	$4,000	$21,794	10	160
CARSCALLEN	3019021	2018-Sep-08	$4,000	$802,002	10	160
CARSCALLEN	3019022	2018-Sep-08	$3,200	$1,691,606	8	128
CARSCALLEN	3019114	2018-Sep-14	$2,400	$370,749	6	96
CARSCALLEN	3019115	2018-Sep-24	$4,800	$251,956	12	192
CARSCALLEN	3019116	2018-Sep-24	$800	$6,057	2	32

Exploration activities carried out on Carscallen from Fiscal 2006 to Fiscal 2015

Carscallen Gold Project: Exploration work completed by Melkior 2006 to 2015

Exploration Work	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
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	6 drill holes, 637 metres	-
Grab Samples	87 samples	438 samples	44 samples	-	137 samples	-	-	39 samples	-	77 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 kilometre IP survey, 65 kilometre ground magnetic survey, MMI survey (255 samples), B-horizon soil survey (227 samples)	Down-hole IP/Resistivity survey (27 hole pair), 177.2 line kilometre airborne electromagnetic survey (VTEM)	Down-hole IP/Resistivity survey (14 hole pair), 11.1 line kilometre IP survey	-	-	1 line kilometre IP survey	250 metres IP survey

Metallurgical	-	-	-	-	-	-	-	95% gold recovery with 8.92 g/t Gold head grade (ZamZam)	-	-

Exploration on Carscallen from May 31, 2015 to August 31, 2015

A surface work and prospecting campaign was undertaken in July 2015. It revealed some significant results namely 1.73 and 8.02g/t gold and 2.95% zinc taken from a dump of the the old AuMo Shaft area. A new zone on the south part of the property (South Zone) was discovered with anomalous gold (6 samples greater than 0.1 g/t) and anomalous arsenic values contained in arsenopyrite.

The AuMo Shaft area also known as the Hazelton Vein No. 1, was described by Hawley, J.E. (1926) as striking approximately N20E and dipping steeply east. The actual shaft area is approximately 10 metres outside the Melkior claim boundary however the mineralized structure extends on to Melkior ground. Historically, the vein or shear zone was traced on surface for a length of 150 feet. Surface samples of 0.4 oz/ton gold over 4 feet have been reported (Assessment File 42A05SE0723). Diamond drilling under the outcrop of this vein for a distance of 300 feet was reported to have cut mineralized sections of quartz and tourmaline which yielded some gold on assay. The width of the zone on the surface ranged from one to five feet. A map in assessment file T-10 indicates that several assays on this vein ranged from 0.02 oz/ton gold over 11 inches to 0.52 oz/ton gold over 12 inches.

The South Zone was traced for a distance of 136 metres on surface through a series of old trenches, rusty zones and quartz veining. Samples taken here displayed anomalous gold (1.30, 0.796, 0.479, 0.330g/t) and arsenic (arsenopyrite) values (5670, 7770, 3880 ppm and 1.25% respectively). Other gold mineralization on the Melkior Carscallen property was not found to be associated with arsenic however the close by Lake Shore Gold Corp's West Timmins Mine is known to contain arsenic in the form of arsenopyrite. A short Induced Polarization survey was undertaken to extend selected lines to cover this new mineralized zone.

The South Zone and AuMo Zone as well as the previously reported Shenkman, Zam Zam and Jowsey gold zones appear to be part of one larger mineralizing system. As these vein systems appear to be correlated with one another, the entire system is open in all directions and to depth based on past Melkior geophysical surveys and diamond drilling.

Additional work tin 2016 will include further investigation of the South Zone and along the southeast boundary of the Carscallen property where historical work has outlined gold zones (Hazelton 2 and Hazelton 5 Zones) traced by diamond drilling to within 50 metres of the Melkior property boundary.

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 2% NSR royalty of which the Company has the right to buy out half (1%) of the NSR for $1,000,000 each.

Claim status for Big Marsh

Township	Claim Number	Claim Due Date	Work Required	Total Reserve	Claim Units	Hectares
CARSCALLEN	4202649	2016-Feb-14	$3,200	$0	8	128
CARSCALLEN	4212369	2016-Feb-28	$6,400	$0	16	256
CARSCALLEN	4212370	2015-Aug-28	$1,554	$0	16	256
CARSCALLEN	4212371	2016-Feb-28	$6,400	$0	16	256
CARSCALLEN	4212372	2016-Feb-28	$6,000	$0	15	240
CARSCALLEN	4213967	2015-Jul-25	$4,800	$0	12	192
CARSCALLEN	4213969	2016-Jan-25	$3,200	$0	8	128

Exploration activities carried out on Big Marsh from Fiscal 2007 to Fiscal 2015

Big Marsh Project: Exploration work completed by Melkior 2007 to 2015

Exploration Work	2007	2008	2009	2010	2011	2012	2013	2014	2015
Drilling	-	-	2 diamond drill holes 475 metres	-	-	-	-	-	-
Grab Samples	-	-	-	6 grab samples	-	-	-	-	-
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 November 30, 2014 to August 31, 2015.

On October 7th, 2013, Melkior obtained its exploration permit from the Ministry of Northern Development and Mines ("MNDM"), however, no significant field work was carried out on the Big Marsh Project during the year ended August 31, 2015.

A drill hole was planned to test a soil gas hydrocarbon anomaly located on the eastern portion of the property. The drill hole was not carried out in December due to access. Drilling has been deferred until there is available financing, and as such the property has been written-off to align with the Company's strategic objective that this will be a secondary project.

Launay
(90% interest - 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% 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 at August 31, 2015, Beaufield has earned 10% and Melkior's interest is 90%. Melkior remains the operator of the property.

Claim status for Launay

NTS Sheet	Claim Number	Claim Due Date	Total Reserves	Required Work	Required Renewal Fees	Hectares
NTS 32D10	2403041	24/04/2016 23:59	$0.00	$1,200.00	$55.25	55.36
NTS 32D10	2403042	24/04/2016 23:59	$0.00	$1,200.00	$55.25	34.25
NTS 32D10	2403043	24/04/2016 23:59	$0.00	$1,200.00	$55.25	56.91
NTS 32D10	2403044	24/04/2016 23:59	$0.00	$1,200.00	$55.25	56.91
NTS 32D10	2403045	24/04/2016 23:59	$0.00	$1,200.00	$55.25	56.92
NTS 32D10	2403046	24/04/2016 23:59	$0.00	$1,200.00	$55.25	56.92
NTS 32D10	2403047	24/04/2016 23:59	$0.00	$1,200.00	$55.25	42.87
NTS 32D10	2403048	24/04/2016 23:59	$0.00	$1,200.00	$55.25	56.91
NTS 32D10	2403049	24/04/2016 23:59	$0.00	$1,200.00	$55.25	56.91
NTS 32D10	2403050	24/04/2016 23:59	$0.00	$1,200.00	$55.25	56.91
NTS 32D10	2403051	24/04/2016 23:59	$0.00	$1,200.00	$55.25	56.9
NTS 32D10	2403052	24/04/2016 23:59	$0.00	$1,200.00	$55.25	56.9
NTS 32D10	2403053	24/04/2016 23:59	$0.00	$1,200.00	$55.25	56.9
NTS 32D10	2403054	24/04/2016 23:59	$0.00	$1,200.00	$55.25	56.9
NTS 32D10	2403055	24/04/2016 23:59	$0.00	$1,200.00	$55.25	56.89
NTS 32D10	2403056	24/04/2016 23:59	$0.00	$1,200.00	$55.25	56.89
NTS 32D10	2403057	24/04/2016 23:59	$0.00	$1,200.00	$55.25	56.89
NTS 32D10	2403058	24/04/2016 23:59	$0.00	$1,200.00	$55.25	56.89
NTS 32D10	2403059	24/04/2016 23:59	$0.00	$1,200.00	$55.25	29.81
NTS 32D10	2403060	24/04/2016 23:59	$0.00	$1,200.00	$55.25	56.88
NTS 32D10	2403061	24/04/2016 23:59	$0.00	$1,200.00	$55.25	56.88
NTS 32D10	2403062	24/04/2016 23:59	$0.00	$1,200.00	$55.25	56.88
NTS 32D10	2403063	24/04/2016 23:59	$0.00	$1,200.00	$55.25	56.88
NTS 32D10	2403064	24/04/2016 23:59	$0.00	$500.00	$28.25	12.92
NTS 32D10	2403065	24/04/2016 23:59	$0.00	$1,200.00	$55.25	56.87
NTS 32D10	2403066	24/04/2016 23:59	$0.00	$1,200.00	$55.25	56.87
NTS 32D10	2403067	24/04/2016 23:59	$0.00	$1,200.00	$55.25	56.87
NTS 32D10	2403068	24/04/2016 23:59	$0.00	$1,200.00	$55.25	25.71
NTS 32D10	2403069	24/04/2016 23:59	$0.00	$1,200.00	$55.25	56.86
NTS 32D10	2403070	24/04/2016 23:59	$0.00	$1,200.00	$55.25	56.86
NTS 32D10	2403071	24/04/2016 23:59	$0.00	$1,200.00	$55.25	56.86
NTS 32D10	2403072	24/04/2016 23:59	$0.00	$500.00	$28.25	21.11
NTS 32D10	2403073	24/04/2016 23:59	$0.00	$1,200.00	$55.25	56.85

NTS 32D10	2403074	24/04/2016 23:59	$0.00	$1,200.00	$55.25	56.85
NTS 32D10	2403075	24/04/2016 23:59	$0.00	$1,200.00	$55.25	56.85
NTS 32D10	2403076	24/04/2016 23:59	$0.00	$1,200.00	$55.25	56.85
NTS 32D10	2403077	24/04/2016 23:59	$0.00	$1,200.00	$55.25	56.85
NTS 32D10	2403078	24/04/2016 23:59	$0.00	$1,200.00	$55.25	56.85
NTS 32D10	2403079	24/04/2016 23:59	$0.00	$500.00	$28.25	21.3
NTS 32D10	2403080	24/04/2016 23:59	$0.00	$1,200.00	$55.25	42.48
NTS 32D10	2403081	24/04/2016 23:59	$0.00	$1,200.00	$55.25	42.48
NTS 32D10	2403082	24/04/2016 23:59	$0.00	$1,200.00	$55.25	42.56
NTS 32D10	2403083	24/04/2016 23:59	$0.00	$1,200.00	$55.25	42.56
NTS 32D10	2403084	24/04/2016 23:59	$0.00	$1,200.00	$55.25	42.12
NTS 32D10	2403085	24/04/2016 23:59	$0.00	$500.00	$28.25	2.43
NTS 32D10	2403086	24/04/2016 23:59	$0.00	$500.00	$28.25	3.15
NTS 32D10	2403087	24/04/2016 23:59	$0.00	$500.00	$28.25	3.14
NTS 32D10	2403088	24/04/2016 23:59	$0.00	$500.00	$28.25	3.13
NTS 32D10	2403089	24/04/2016 23:59	$0.00	$500.00	$28.25	3.13
NTS 32D10	2403090	24/04/2016 23:59	$0.00	$500.00	$28.25	3
NTS 32D10	2403763	11/05/2016 23:59	$0.00	$500.00	$28.25	24.97
NTS 32D10	2403764	11/05/2016 23:59	$0.00	$500.00	$28.25	14.96
NTS 32D10	2403765	11/05/2016 23:59	$0.00	$500.00	$28.25	14.98
NTS 32D10	3725051	13/11/2016 23:59	$0.00	$2,500.00	$55.25	40
NTS 32D10	3725055	13/11/2016 23:59	$0.00	$2,500.00	$55.25	40
NTS 32D10	3725081	13/11/2016 23:59	$0.00	$2,500.00	$55.25	40
NTS 32D10	3725082	13/11/2016 23:59	$0.00	$2,500.00	$55.25	40
NTS 32D10	3725092	13/11/2016 23:59	$0.00	$2,500.00	$55.25	40
NTS 32D10	3725093	13/11/2016 23:59	$0.00	$2,500.00	$55.25	40
NTS 32D10	3725101	13/11/2016 23:59	$0.00	$2,500.00	$55.25	40
NTS 32D10	3725102	13/11/2016 23:59	$0.00	$2,500.00	$55.25	40
NTS 32D10	3725231	13/11/2016 23:59	$0.00	$2,500.00	$55.25	40
NTS 32D10	3725232	13/11/2016 23:59	$1,487.69	$2,500.00	$55.25	40
NTS 32D10	3734521	13/11/2016 23:59	$0.00	$2,500.00	$55.25	28
NTS 32D10	3734522	13/11/2016 23:59	$28,077.52	$2,500.00	$55.25	40
NTS 32D10	3734531	14/11/2016 23:59	$0.00	$2,500.00	$55.25	40
NTS 32D10	3734532	14/11/2016 23:59	$18,990.01	$2,500.00	$55.25	40
NTS 32D10	3734541	14/11/2016 23:59	$25,590.48	$2,500.00	$55.25	40
NTS 32D10	3734542	14/11/2016 23:59	$743.85	$2,500.00	$55.25	40
NTS 32D10	4118561	28/10/2016 23:59	$0.00	$2,500.00	$55.25	40
NTS 32D10	4118562	28/10/2016 23:59	$0.00	$2,500.00	$55.25	40
NTS 32D10	4118571	28/10/2016 23:59	$0.00	$2,500.00	$55.25	40
NTS 32D10	4118572	28/10/2016 23:59	$0.00	$2,500.00	$55.25	40
NTS 32D10	4118581	28/10/2016 23:59	$0.00	$2,500.00	$55.25	40

NTS 32D10	4118582	28/10/2016 23:59	$0.00	$2,500.00	$55.25	40
NTS 32D10	4118591	29/10/2016 23:59	$0.00	$2,500.00	$55.25	40
NTS 32D10	4118592	29/10/2016 23:59	$0.00	$2,500.00	$55.25	40
NTS 32D10	4118601	29/10/2016 23:59	$0.00	$2,500.00	$55.25	40
NTS 32D10	4118602	29/10/2016 23:59	$0.00	$2,500.00	$55.25	40
NTS 32D10	4118611	29/10/2016 23:59	$0.00	$2,500.00	$55.25	40
NTS 32D10	4118612	29/10/2016 23:59	$0.00	$2,500.00	$55.25	40
NTS 32D10	4118621	29/10/2016 23:59	$0.00	$2,500.00	$55.25	40
NTS 32D10	4118622	29/10/2016 23:59	$0.00	$2,500.00	$55.25	40
NTS 32D10	4118631	28/10/2016 23:59	$0.00	$2,500.00	$55.25	40
NTS 32D10	4118632	28/10/2016 23:59	$0.00	$2,500.00	$55.25	40
NTS 32D10	4118641	28/10/2016 23:59	$525,194.12	$2,500.00	$55.25	40
NTS 32D10	4118642	28/10/2016 23:59	$78,409.99	$2,500.00	$55.25	40
NTS 32D10	4118651	28/10/2016 23:59	$0.00	$2,500.00	$55.25	40
NTS 32D10	4118652	28/10/2016 23:59	$0.00	$2,500.00	$55.25	32
NTS 32D10	4118691	29/10/2016 23:59	$0.00	$2,500.00	$55.25	40
NTS 32D10	4118692	29/10/2016 23:59	$0.00	$2,500.00	$55.25	40
NTS 32D10	4118701	29/10/2016 23:59	$0.00	$2,500.00	$55.25	40
NTS 32D10	4118702	29/10/2016 23:59	$0.00	$2,500.00	$55.25	40
NTS 32D10	4118711	28/10/2016 23:59	$46,553.10	$2,500.00	$55.25	40
NTS 32D10	4118712	28/10/2016 23:59	$26,115.90	$2,500.00	$55.25	40
NTS 32D10	4118721	28/10/2016 23:59	$0.00	$2,500.00	$55.25	40
NTS 32D10	4118722	28/10/2016 23:59	$0.00	$2,500.00	$55.25	40
NTS 32D10	4118731	28/10/2016 23:59	$0.00	$2,500.00	$55.25	40
NTS 32D10	4118732	28/10/2016 23:59	$0.00	$2,500.00	$55.25	40
NTS 32D10	4118801	29/10/2016 23:59	$0.00	$2,500.00	$55.25	39
NTS 32D10	4118802	29/10/2016 23:59	$0.00	$2,500.00	$55.25	40
NTS 32D10	4118811	29/10/2016 23:59	$0.00	$2,500.00	$55.25	39
NTS 32D10	4118812	29/10/2016 23:59	$0.00	$2,500.00	$55.25	40
NTS 32D10	4118821	29/10/2016 23:59	$0.00	$2,500.00	$55.25	40
NTS 32D10	4118822	29/10/2016 23:59	$0.00	$2,500.00	$55.25	40
NTS 32D10	4118831	29/10/2016 23:59	$0.00	$2,500.00	$55.25	40
NTS 32D10	4118832	29/10/2016 23:59	$0.00	$2,500.00	$55.25	40
NTS 32D10	4118841	30/10/2016 23:59	$0.00	$2,500.00	$55.25	40
NTS 32D10	4118842	30/10/2016 23:59	$0.00	$2,500.00	$55.25	40
NTS 32D10	4118851	30/10/2016 23:59	$0.00	$2,500.00	$55.25	40
NTS 32D10	4118852	30/10/2016 23:59	$0.00	$2,500.00	$55.25	40
NTS 32D10	4286531	07/02/2017 23:59	$0.00	$2,500.00	$55.25	32
NTS 32D10	4286532	07/02/2017 23:59	$0.00	$2,500.00	$55.25	40
NTS 32D10	4286541	07/02/2017 23:59	$0.00	$2,500.00	$55.25	40
NTS 32D10	4286542	07/02/2017 23:59	$0.00	$2,500.00	$55.25	40

NTS 32D10	4286551	07/02/2017 23:59	$0.00	$2,500.00	$55.25	40
NTS 32D10	4286552	07/02/2017 23:59	$0.00	$2,500.00	$55.25	40
NTS 32D10	4286561	07/02/2017 23:59	$0.00	$2,500.00	$55.25	40
NTS 32D10	4286562	07/02/2017 23:59	$0.00	$2,500.00	$55.25	32
NTS 32D10	4286571	07/02/2017 23:59	$0.00	$2,500.00	$55.25	40
NTS 32D10	4286572	07/02/2017 23:59	$0.00	$2,500.00	$55.25	40
NTS 32D10	4286581	08/02/2017 23:59	$0.00	$2,500.00	$55.25	40
NTS 32D10	4286582	08/02/2017 23:59	$0.00	$2,500.00	$55.25	40
NTS 32D10	4286591	08/02/2017 23:59	$0.00	$2,500.00	$55.25	40
NTS 32D10	4286592	08/02/2017 23:59	$0.00	$2,500.00	$55.25	40
NTS 32D10	4286601	08/02/2017 23:59	$0.00	$2,500.00	$55.25	40
NTS 32D10	4286602	08/02/2017 23:59	$0.00	$2,500.00	$55.25	40
NTS 32D10	4286611	08/02/2017 23:59	$0.00	$2,500.00	$55.25	32
NTS 32D10	4286612	08/02/2017 23:59	$0.00	$2,500.00	$55.25	40
NTS 32D10	5225012	16/11/2016 23:59	$0.00	$2,500.00	$55.25	30.8
NTS 32D10	5225013	16/11/2016 23:59	$0.00	$2,500.00	$55.25	40.4
NTS 32D10	5225014	16/11/2016 23:59	$0.00	$2,500.00	$55.25	40.4
NTS 32D10	5225015	16/11/2016 23:59	$0.00	$2,500.00	$55.25	40.4
NTS 32D10	5225016	16/11/2016 23:59	$0.00	$2,500.00	$55.25	40.4
NTS 32D10	5225017	16/11/2016 23:59	$0.00	$2,500.00	$55.25	40.4
NTS 32D10	5225018	16/11/2016 23:59	$0.00	$2,500.00	$55.25	40.4

The Launay project has $751,162.66 in reserved work credits.

Exploration on Launay from May 31, 2015 to August 31, 2015.

No exploration was carried out during the three month period ending on August 31, 2015.

On July 22, 2014, Melkior provided results for a channel sampling program undertaken in June 2014 and the remaining three holes drilled in January 2014 on Zone 75. The drilling revealed continuous mineralization hosted in a granite with a strong albite alteration; previously reported intersections include 4.04 g/t gold over 15.52 metres (hole LAY-21-2013) and 6.20 g/t gold over 10.50 metres (LAY-20-2013).

Table #1 displays the results obtained for the 9 channels completed this summer. All channels were taken on Zone 75.

Table #1 – Launay channel results

Channel Number	**Length (Metres)**	**Azimuth (Degrees)**	**From (Metres)**	**To (Metres)**	**Interval* (Metres)**	**Gold (g/t)**
CHL-09-2014	11.60	090	**0.00**	**11.60**	**11.60****	**2.64**
CHL-10-2014	6.00	090	0.00	6.00	6.00**	1.32
CHL-11-2014	1.60	090	0.00	1.60	1.60**	1.68

CHL-12-2014	7.00	090	0.00	7.00	7.00**	0.97
CHL-13-2014	3.00	090	1.00	2.00	1.00	1.47
CHL-14-2014	1.60	090	0.00	1.60	1.60**	2.90
CHL-15-2014	3.00	090	**0.00**	**3.00**	**3.00****	**5.58**
CHL-16-2014	8.00	090	6.00	10.00	4.00**	1.44
CHL-17-2014	8.00	090	**0.00**	**8.00**	**8.00****	**1.38**

*Reported intercepts are not true widths.
** Intersection is open

The channels consisted of gold bearing disseminated pyrite (about 2%) hosted in a strongly albitized granite. Most of the holes previously drilled on Zone 75 have intersected the albite-rich gold zone below the 50 metre level. The new surface gold intersections provide new data to add to the current database and confirmed the continuity of the mineralized zone up to the surface. The results also have shown that the mineralized zone is near vertical and affected by local faults. This information will be very important in planning the next drilling program on the property.

The results of three exploration holes drilled in January 2014 west of Zone 75, totaling 700 metres were also reported. The drilling discovered a new gold zone and also demonstrated the continuity of gold on the west part of Zone 75.

Table #2 displays the results obtained for the 3 winter holes. Hole LAY-26-2014 was collared at the bottom of a hill, about 150 metres west of Zone 75. Holes LAY-27-2014 and LAY-28-2014 were collared about 50 metres west of Zone 75.

Table #2 – Launay drill results

Hole Number	End of hole length (Metres)	Azimuth (Degrees)	Dip (Degrees)	From (Metres)	To (Metres)	Interval* (Metres)	Gold (g/t)
LAY-26-2014	391	130	-50	21.65 30.90 49.30 134.25 272.50	22.65 40.25 51.60 134.75 273.50	1.00** 9.35 2.30 0.50** 1.00**	1.32 0.86 0.73 1.24 1.30
LAY-27-2014	168	090	-50	**23.00** 48.18	**37.10** 53.00	**14.10** 4.82	**1.89** 0.70
LAY-28-2014	141	090	-55	-	-	-	NSA***

*Reported drill intercepts are not true widths.
** Intersection is open
***NSA : No Significant Assay

Hole LAY-26-2014 was drilled 150 metres west of Zone 75 on an Induced Polarization (IP) anomaly. The IP anomaly was detected over two surveyed lines and explained in hole LAY-26-2014 by the presence disseminated pyrite (about 2%) with gold associated (0.86 g/t gold over 9.35 metres). This opens new possibilities of finding additional gold mineralization using IP as a geophysical tool elsewhere on the 3 km long property. The new zone requires follow-up.

The 2 last holes (LAY-27-2014 and LAY-28-2014) were drilled to test possible western extensions of Zone 75. The holes were collared about 50 metres west of Zone 75.

Beaufield will be funding any future exploration on the Launay project.

Ungava Delta - Kenty Quebec
(49% interest - 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 was not a 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.

Claim status for Delta-Kenty

NTS Sheet	Claim Number	Claim Due Date	Total Reserves	Required Work	Required Renewal Fees	Hectares
NTS 35G08	2331658	19/06/2017 23:59	$76,962.74	$2,500.00	$102.00	41.2
NTS 35G08	2331659	19/06/2017 23:59	$76,962.74	$2,500.00	$102.00	41.2
NTS 35G08	2331660	19/06/2017 23:59	$76,962.74	$2,500.00	$102.00	41.2
NTS 35G08	2331661	19/06/2017 23:59	$76,962.74	$2,500.00	$102.00	41.2
NTS 35G07	2331662	19/06/2017 23:59	$29,832.40	$1,000.00	$28.25	15.97
NTS 35G07	2331663	19/06/2017 23:59	$76,178.17	$2,500.00	$102.00	40.78
NTS 35G07	2331664	19/06/2017 23:59	$504.37	$1,000.00	$28.25	0.27
NTS 35G07	2331665	19/06/2017 23:59	$19,913.18	$1,000.00	$28.25	10.66
NTS 35G08	2331666	19/06/2017 23:59	$75,935.32	$2,500.00	$102.00	40.65
NTS 35G08	2331667	19/06/2017 23:59	$75,430.96	$2,500.00	$102.00	40.38
NTS 35G08	2331668	19/06/2017 23:59	$74,478.27	$2,500.00	$102.00	39.87
NTS 35G08	2331669	19/06/2017 23:59	$74,085.97	$2,500.00	$102.00	39.66
NTS 35G08	2331670	19/06/2017 23:59	$75,001.30	$2,500.00	$102.00	40.15

NTS 35G08	2331671	19/06/2017 23:59	$75,206.80	$2,500.00	$102.00	40.26
NTS 35G08	2331672	19/06/2017 23:59	$75,524.36	$2,500.00	$102.00	40.43
NTS 35G08	2331673	19/06/2017 23:59	$41,040.57	$1,000.00	$28.25	21.97
NTS 35G08	2331674	19/06/2017 23:59	$28,356.66	$1,000.00	$28.25	15.18
NTS 35G08	2331675	19/06/2017 23:59	$30,841.14	$1,000.00	$28.25	16.51
NTS 35G08	2331676	19/06/2017 23:59	$29,907.13	$1,000.00	$28.25	16.01
NTS 35G08	2331677	19/06/2017 23:59	$74,496.95	$2,500.00	$102.00	39.88
NTS 35G08	2331678	19/06/2017 23:59	$15,822.20	$1,000.00	$28.25	8.47
NTS 35G08	2331679	19/06/2017 23:59	$11,208.17	$1,000.00	$28.25	6
NTS 35G08	2331680	19/06/2017 23:59	$5,959.01	$1,000.00	$28.25	3.19
NTS 35G08	2331681	19/06/2017 23:59	$7,827.04	$1,000.00	$28.25	4.19
NTS 35G08	2331682	19/06/2017 23:59	$10,367.55	$1,000.00	$28.25	5.55
NTS 35G08	2331683	19/06/2017 23:59	$3,549.25	$1,000.00	$28.25	1.9

Exploration on Delta-Kenty from May 31, 2015 to August 31, 2015

No field work was undertaken on the Delta-Kenty Project during the three months ended August 31, 2015.

The Detla-Kenty project has $1,219,317.73 in reserved work credits.

No work is planned for fiscal 2015 and 2016 on this property. When economic conditions improve Melkior will look to raise funding for an exploration project or find an joint venture partner to further explore this property.

Other properties in Ontario and Quebec

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 36 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 Vaquelin 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 in 2016 due to current economic conditions in the junior exploration industry. Should funding become available during the year management will assess an exploration program on the Tiblemont property.

Joubi Gold Property Royalty

Melkior currently holds a 1% gold royalty on the Joubi Gold Property ("Joubi") currently owned by Wesdome Gold Mines Ltd. ("Wesdome"). Joubi is located in Dubuisson County, province of Quebec, immediately southeast of the Goldex Mine. The 1% royalty was earned following the agreement signed between Messeguay Mines Inc. and Valmag Inc. on November 13, 1984. The royalty covers 6 claims that are part of the Joubi Gold property and cover a total of 830 acres.

In January 1994, Messeguay Mines Inc. became Melkior Resources Inc. The interests of Valmag Inc. were subsequently transferred to Wesdome.

The Joubi property adjoins Agnico Eagle Mines Limited Goldex property where Probe Metals Inc. sold a 5% royalty for $18,000,000 in November 2012.

Related party transactions

In the normal course of operations for the years ended August 31, 2015 and 2014:

a) A company controlled by Jens E. Hansen (president and director) charged:
   i) Professional fees relating to qualified exploration work amounting to $22,074 ($24,303 in 2014) and are capitalized in exploration and evaluation expenses;
   ii) Rent totaling $18,000 ($18,000 in 2014) expensed in office expenses;

b) Sabino Di Paola, the Chief Financial Officer and Corporate Secretary, charged professional fees of $33,176 ($28,886 in 2014)

c) A close family member of a director provided secretarial services totaling $17,600 (2014 - $Nil).

As at August 31, 2015, the balance due to the related parties amounted to $1,546 (2014 - $4,610) and was recorded in accounts payable and accrued liabilities.

Financial Instruments

a) Categories of financial assets and liabilities

The carrying amounts and fair values of financial instruments presented in the statement of financial position are as follows:

	August 31, 2015		August 31, 2014	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets	**$**	**$**	**$**	**$**
At amortized cost				
Cash	167,583	167,583	254,579	254,579
Other receivables [1]	1,327	1,327	22,024	22,024
	168,910	168,910	276,603	276,603
At FVTPL				
Listed shares	28,086	28,086	139,906	139,906
Preferred shares	45,500	45,500	45,500	45,500
	73,586	73,586	185,406	185,406
Financial liabilities				
At amortized cost				
Accounts payable and accrued liabilities	22,591	22,591	29,341	29,341

(1) Other receivables does not include sales tax receivable.

The carrying value of cash, other receivables, accounts payable and accrued liabilities are considered to be a reasonable approximation of fair value due to the short-term maturity of these instruments.

b) Financial instruments measured at fair value

The following presents financial assets and liabilities measured at fair value in the statement of financial position in accordance with the fair value hierarchy. This hierarchy groups financial assets and liabilities into three levels based on the significance of inputs used in measuring the fair value of the financial assets and liabilities. The fair value hierarchy has the following levels:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities at the reporting date;
Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
Level 3: inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).
The level within which the financial asset or liability is classified is determined based on the lowest level of significant input to the fair value measurement. Listed common shares of companies in quoted mining exploration companies measured at fair value as at August 31, 2015 and 2014, are classified as Level 1. Preferred shares of mining exploration companies measured at fair value as at August 31, 2015 and 2014, are classified as Level 2.

c) Financial instrument risk

The Company is exposed to various risks in relation to financial instruments. The Company’s financial assets and liabilities are summarized in Note 13a).

The most significant financial risks to which the Company is exposed are described below.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices. The Company is exposed to other price risk. The Company’s exposure to foreign currency risk and interest rate risk is not material.

The Company does not actively engage in the trading of financial instruments for speculative purposes.

Other price risk sensitivity

The Company is exposed to fluctuations in the market prices of its listed shares in quoted mining exploration companies. The fair value of the listed shares represents the maximum exposure to price risk. If the quoted stock price for these securities had increased or decreased by 20% as at August 31, 2015 and 2014, net loss and equity would have changed by $5,617 and $27,981, respectively.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the Company by failing to discharge an obligation. As at August 31, 2015 and 2014, the Company's maximum exposure to credit risk is limited to the carrying amount of financial assets at the reporting date, as summarized below:

	August 31, 2015	August 31, 2014
	$	$
Cash and cash equivalents	167,583	254,579
Other receivables	1,327	22,024
Total	168,910	276,603

The other receivables are from exploration costs and management fees charged to Beaufield on the Launay project as well as dividends receivable from the preferred shares acquired from Zara. The exposure to credit risk for the Company's receivables has to be monitored continuously. In 2015 and 2014, the Company did not record any impairment loss on its other receivables.

As at August 31, 2015, the Company's management considers that all the above financial assets that are not impaired or past due for each of the reporting dates under review are of good credit quality.

The credit risk for cash is considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk management serves to maintain a sufficient amount of cash and to ensure that the Company has financing sources such as private and public investments for a sufficient amount. Over the past period, the Company has financed its E&E programs, its working capital requirements and acquisitions of mining properties through private and flow-through financings.

The following table presents contractual maturities (including interest payments where applicable) of the Company's liabilities:

	August 31, 2015 Carrying amount	August 31, 2014 Carrying amount
	$	$
Within three months:		
Accounts payable and accrued liabilities	22,591	29,341

The Company considers expected cash flows from financial assets in assessing and managing liquidity risk, in particular its cash, tax credits receivable and listed shares. These financial assets exceed the current cash outflow requirements.

Off-balance sheet arrangements

During the years ended August 31, 2015 and 2014, 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

The annual meeting of the shareholders was held on February 24, 2015 for the year ended August 31, 2014. Jens Hansen, Bruce Deluce and Norm Farrell were re-elected as directors for the upcoming year, and Raymond Chabot Grant Thornton, Chartered Professional Accountants, was re-appointed as the auditors of the Company. However, effective September 1, 2015 Raymond Chabot Grant Thornton was replaced by Smythe LLP as auditors of the Company.

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 August 31, 2015.

New and revised standards that are effective

A number of new and revised standards are effective for annual periods beginning on or after January 1, 2014. Information on the new standards that are relevant for the Company is presented below:

Amendments to IAS 32 *Offsetting Financial Assets and Financial Liabilities*

Amends IAS 32 *Financial Instruments: Presentation* to clarify certain aspects because of diversity in application of the requirements on offsetting, focused on four main areas:

- the meaning of “currently has a legally enforceable right of set-off”
- the application of simultaneous realization and settlement
- the offsetting of collateral amounts
- the unit of account for applying the offsetting requirements.

Amendments to IAS 36 *Recoverable Amount Disclosures for Non-Financial Assets*

Amends IAS 36 *Impairment of Assets* to reduce the circumstances in which the recoverable amount of assets or cash-generating units is required to be disclosed, clarify the disclosures required, and to introduce an explicit requirement to disclose the discount rate used in determining impairment (or reversals) where recoverable amount (based on fair value less costs of disposal) is determined using a present value technique.

IFRIC 21 *Levies*

IFRIC 21 provides guidance on accounting for levies in accordance with IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*. The interpretation defines a levy as an outflow from an entity imposed by a government in accordance with legislation and confirms that an entity recognizes a liability for a levy only when the triggering event specified in the legislation occurs. Management has concluded that this new standard has no impact on the Company’s financial statements.

IAS 16 *Property, Plant and Equipment* and IAS 38 *Intangible Assets*

The amendments to IAS 16 and IAS 38, issued in December 2013, clarify how an entity calculates the gross carrying amount and accumulated depreciation when a revaluation is performed. Management has concluded that this new standard has no impact on the Company’s financial statements.

IAS 24 *Related Party Disclosures*

The amendments to IAS 24, issued in December 2013, clarify that a management entity, or any member of a group of which it is a part, that provides key management services to a reporting entity, or its parent, is a related party of the reporting entity. The amendments also require an entity to disclose amounts incurred for key management personnel services provided by a separate management entity. This replaces the more detailed disclosure by category required for other key management personnel compensation. Management has concluded that this new standard has no impact on the Company’s financial statements.

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 Nations traditional or treaty lands. Should a First Nations 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 Nations, 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.

Events after the reporting date

There were no significant events after the reporting date.

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' annual financial statements and corresponding notes to the financial statements for the year ended August 31, 2015 for additional details.

Melkior's disclosures are available on the Company's website at www.melkior.com. The annual 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 years ended August 31, 2015 and 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.

December 3, 2015

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

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