

# Melkior Resources Inc.

MANAGEMENT DISCUSSION AND ANALYSIS FOR THE NINE MONTHS ENDED MAY 31, 2017

## INTERIM MD&A - QUARTERLY HIGHLIGHTS

### *Introduction*

Melkior Resources Inc. is a junior mineral exploration company listed on the TSX Venture Exchange under the trading symbol “MKR”, on the OTCQX Exchange in the United States, under the symbol “MKRIF” and on the Frankfurt Stock Exchange under the symbol “MEK”. Melkior Resources Inc. current exploration focus is the Urban area in the Province of Quebec, and the Hemlo and Timmins area in the Province of Ontario. This management discussion and analysis related to the Company’s financial statements should be read together with those statements.

This MD&A is dated June 12, 2017 and discloses specified information up to May 31, 2017. Melkior Resources Inc. is classified as a “venture issuer” for the purposes of National Instrument 51-102. The Company’s financial statements are expressed in Canadian dollars. Throughout this report we refer from time to time to “Melkior”, “the Company”, “we”, “us”, “our”, or “its”. All these terms are used in respect of Melkior Resources Inc. which is the reporting issuer in this document.

***We recommend that users read the “Cautionary Statements” on the last page of this document.***

Melkior Resources Inc. is in the business of the acquisition, exploration, exploration management and sale of mineral properties, with the primary aim of advancing them to a stage where they can be exploited at a profit. We do not currently have any producing properties, and our current operations are exploratory searches for mineable deposits of minerals. Our focus is the Urban Area in the Province of Quebec, and the Hemlo, and Timmins Area in the Province of Ontario.

### *Quarterly Highlights*

#### *Significant Developments*

During the third quarter ending May 31, 2017 we continue to focus on finding ways to attract value to Melkior Resources Inc.

1. Melkior continues to stake claims in strategic areas (Urban, Hemlo, and Timmins) in Quebec/Ontario.
2. Melkior plans to drill in Carscallen starting July 10, 2017 pending permit approval.
3. Melkior has completed ground work at the Hemlo site comprised of a site visit in May to verify the presence of gold bearing structures.
4. Melkior plans in June, an initial geological program in Urban to ground truth established airborne conductors and evaluate their gold potential.

### ***Financial Condition***

The Company ended the fiscal year to date period with total assets of \$8.20 million compared to \$8.11 million at the beginning of the fiscal year. This increase is a result of a \$240,00.00 (sale of shares) and a decrease of \$ 231,000.00 in cash, this combination of funds resulted in additional mine properties.

At the period end, we had working capital of approximately \$282,652.00 compared to \$154,000.00 at the beginning of the fiscal year. The \$128,652.00 increase in working capital essentially.

At the date of this report we continue to be strongly funded in cash resources (including short term investment instruments which are cash equivalents).

### ***Financial Performance***

Our performances in the third quarter, net of the material but non-cash item, totaled some \$71,354.00 compared to \$6,452.00 profit in the corresponding quarter in the prior fiscal year - an increase of some \$64,902.00.

The principal cost centres showing increases are the two-line items *Consulting and Salaries and Benefits*. Consulting was a \$12,165.00 cost in the 2016 third fiscal quarter versus \$28,896.00 in the 2017 third quarter.

### Outstanding Share Data

	May 31 2017	February 28 2017	November 30 2016
Common Shares	142,809,537	141,409,537	141,409,537
Options	7,400,000	7,400,000	7,400,000
Brokers Warrants	840,000	840,000	1,395,750
Warrants	20,610,000	20,610,000	20,610,000
	<b>171,659,537</b>	<b>170,259,537</b>	<b>170,259,537</b>