

Melkior Resources Inc.

MANAGEMENT DISCUSSION AND ANALYSIS FOR THE SIX MONTHS ENDED FEBRUARY 28, 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 April 28, 2017 and discloses specified information up to February 28, 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 second quarter ending February 28, 2017 we focused on finding ways to attract value to Melkior Resources Inc.

1. Melkior has staked substantial claims in the strategic areas (Urban, Hemlo, and Timmins) in the Province of Quebec, and in the Province of Ontario.
2. Melkior confirmed the existence of two major royalties.
3. Melkior is selling off surplus land and claims that were not a beneficial part of our strategic focus.
4. Melkior reduced the operations overhead from over \$30,000.00 per month to \$2,500.00 per month.

Financial Condition

The Company ended the fiscal year to date period with total assets of \$8.09 million compared to \$8.11 million at the beginning of the fiscal year. This decrease of \$14,000.00 is a result of a \$30,000.00 (sale of shares) and a decrease of \$5,000.00 in cash, this combination of fund resulted in additional mine properties.

At the period end, we had working capital of approximately \$102,000.00 compared to \$154,000.00 at the beginning of the fiscal year. The \$52,000.00 reduction 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 second quarter, net of the material but non cash item, totaled some \$68,598.00 compared to \$46,121.00 in the corresponding quarter in the prior fiscal year - an increase of some \$22,477.00 or 32%. The principal cost centres showing increases are the two line items *Consulting and Salaries and Benefits*. Consulting was a \$22,495.00 cost in the 2016 first fiscal quarter versus \$77,885.00 in the 2017 second quarter. The principal source of the variance in 2017 was the severance.

Outstanding Share Data

	February 28 2017	November 30 2016	August 31 2016
Common Shares	141,409,537	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
	170,259,537	170,259,537	170,259,537