



NEWS RELEASE

MELIOR REPORTS ON PROGRESS TOWARD PRODUCTION AT ITS' GOONDICUM ILMENITE PROJECT

Toronto, Ontario, May 29, 2018 - Melior Resources Inc. (TSXV: "MLR") ("Melior" or the "Company") today provided details about construction and development progress at its Goondicum Ilmenite Project.

Project Scope & Description

On 9 April 2018, Melior announced the commencement of work on the Goondicum restart project having procured US\$12.25 million (C\$15.7 million¹) of debt facilities. Work commenced shortly thereafter with the restart program anticipated to take a total of six months to complete preproduction activities followed by commissioning and first production scheduled to begin in November 2018. A total of C\$9.8 million is budgeted to be spent in on restart activities², including working capital, in the six month preproduction period.

The primary capital activities in the preproduction period includes:

1. Repairs and maintenance from previous operational period
2. Procuring critical spares
3. Improving aspects of the previous process flowsheet
4. Installation of additional processing circuits
5. Construction of additional tailings storage capacity
6. Offsite infrastructure construction

Progress as at 25th May

Site activity has started to build momentum as supplies and equipment are ordered, admin and work procedures finalized, and construction and key long term operational personnel are on-boarded.

The total project is budgeted to take 21,661 manhours to complete. As of 25 May 2018, 609 man hours had been worked on the project completing 1,700 hours of budgeted work for a saving of 1,100 hours to date. The overall project is estimated to be 11% complete. No safety or environmental incidents have been recorded to date.

Mark McCauley, CEO of Melior said, "We are off to a great start completing the construction work at Goondicum and remain on schedule and within budget. We anticipate that our target of commencing production in November will be realized. Ilmenite prices continue to be robust and market feedback suggests on-going strength as we approach our start date."

For the purposes of project planning and management, work has been divided into project specific areas on a functional basis. Capital expenditure has been allocated to these areas as shown in Table 1 below. These figures include all labour, parts and equipment directly required to complete the job. Each of these individual tasks are relatively straight forward as stand-alone activities however, as a cumulative project, detailed planning and scheduling is required to ensure everything runs smoothly and the project is delivered on time and on budget.

¹ USD:CDN = 0.78, AUD:CDN = 1.03

² Excludes Melior general and administration costs

The critical path items in the construction period are the refurbishment and installation of the run-of-mine (ROM) feeder unit which is being transported to the mine site from Western Australia and the installation of the attritioning circuit and the spiral merge projects which are both reliant on the timely delivery of long-lead time items from third party vendors.

The construction work will be carried out using a combination of Goondicum's own employees and contractors where appropriate with the project overseen by Project Manager Alastair Bauer, Construction Manager Gerry Finch and CFO Jonathan Mattiske.

Table 1: Project Budget Breakdown

Budgeted Preproduction Activity	CS '000	Impact on the Operation
Water pipeline lime treatment plant	243	Ensure longevity of project water pipeline
Run-of-Mine (ROM) feeder	1,096	Reduce opex and improve availability
Spiral merge project	606	Improve recoveries and availability
Screen oversize attritioning circuit	256	Improve recoveries
WHIMS water and feed reconfiguration	456	Improve recoveries and product quality
Ilmenite dephos circuit	766	Improve product quality
Drying circuit feed arrangement	288	Improve availability
Tailings dams	1,195	Operating requirement
Mining contractor mobilisation	73	Operating requirement
Light vehicles	194	Operating requirement
Identified site defects	496	Operating requirement
Critical spares	479	Operating requirement
Port storage	296	Operating requirement
Other capex items	827	Operating requirement
Contingency	388	
Preproduction Capital Budget	7,660	
Rehabilitation bond	583	Operating requirement
Working capital	1,527	General & administration
Total Goondicum Preproduction Budget	9,770	

The next project update will be provided in late July.

About Melior

Melior is the owner and operator of the Goondicum mine, a past-producing ilmenite and apatite mine strategically located in Queensland Australia. Further details on Melior and the Goondicum mine can be found at www.meliorresources.com and regulatory filings are available on SEDAR.

Melior is incorporated under the provisions of the Business Corporations Act (*British Columbia*) and has a registered office in Toronto, Ontario. Melior is classified as a Tier 1 Mining Issuer under the policies of the TSX-V.

Forward Looking Statements Disclaimer

Statements made in this news release may be forward-looking and therefore subject to various risks and uncertainties. Such statements can typically be identified by terminology such as “may”, “will”, “could”, “should”, “expect”, “plan”, “anticipate”, “believe”, “intend”, “possible”, “continue”, “objective” or other similar expressions concerning matters that are not historical facts. Certain material factors or assumptions are applied in making forward-looking statements and actual results may differ materially from those expressed or implied in such statements. Melior does not undertake to update any forward-looking statements; such statements speak only as at the date made.

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