



NEWS RELEASE

MELIOR PROVIDES FY2019 PRODUCTION SUMMARY & COMMISSIONING STATUS

Toronto, Ontario, July 17, 2019 – Melior Resources Inc. (TSXV: “MLR”) (“Melior” or the “Company”) today updated the market about progress at its Goondicum Ilmenite Project.

Commissioning at Goondicum is on-going with June ilmenite production of 9,580 tonnes and apatite production of 900 tonnes against budget goals of 12,300 tonnes and 3,700¹ tonnes respectively. Total FY2019 production since the November 2018 restart was 45,120 tonnes of ilmenite and 4,444 tonnes of apatite (76% and 32% of budget respectively). Figures One and Two show the general trends of ilmenite and apatite production improving however not consistently and not at the rate management and the board require.

Although the ilmenite product quality is good, the project is yet to consistently produce the targeted top quality Goondicum AA specification ilmenite. Changes to the circuit have been initiated and it is expected that Goondicum AA specification ilmenite will be produced from September 2019.

Production is being impacted by the failure of the processing plant to reach the 375tph design throughput; the average throughput rate over the past three months was around 270tph or 72% of design. This is attributable to the ore feed to date containing a higher proportion of slimes than previously seen or anticipated (average of 60% vs budget of 41%) and has led to bottlenecks in the feed preparation plant. An upgrade to the slime removal circuit was installed in June to address this issue. Work is being done to assess further debottlenecking requirements as well the orebody.

A total of 26,910 tonnes of ilmenite was shipped in FY2019. In Australian dollar terms, current market ilmenite prices appear to be maintaining a level close to budget of A\$275/t for the AA spec ilmenite. Ilmenite demand remains strong with continuing enquiries from around the world for Goondicum ilmenite products.

Apatite offtake has been significantly below forecast at 775 tonnes for FY2019 with the contracted domestic customer being behind schedule in construction and commissioning of their own fertilizer manufacturing facility hindering sales in this area. This is expected to be a short-term issue however has a material financial impact on project cashflow.

One Lost Time Incident was recorded during FY2019.

¹ The FY2019 budget assumed an apatite circuit expansion which has not yet been installed

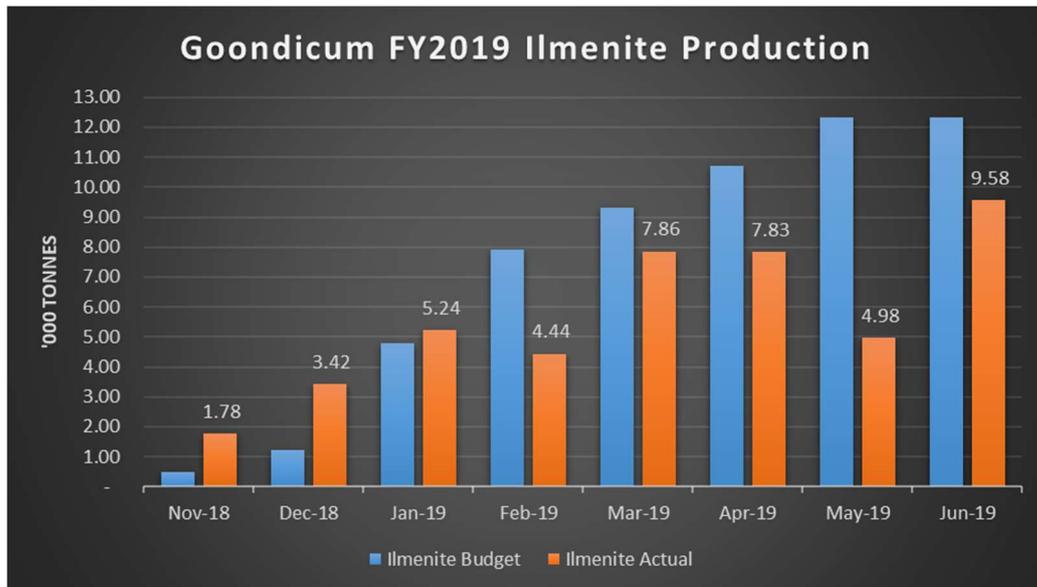


Figure One

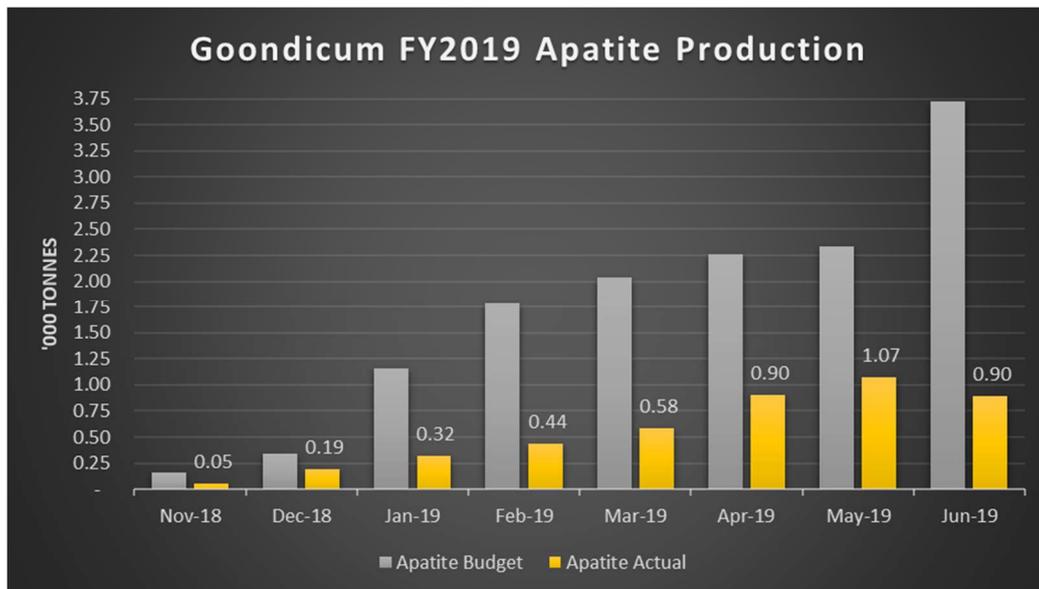


Figure Two

About Melior

Melior is the owner and operator of the Goondicum ilmenite and apatite mine 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 Vancouver, British Columbia. Melior is classified as a Tier 1 Mining Issuer under the policies of the TSX Venture Exchange.

Amelia Bauer, BEng (Environment), (member of Engineers Australia and Member of Association of Professional Engineers and Geoscientists Manitoba), employed by Goondicum Resources Pty Ltd is the Qualified Person re this announcement.

The expectations outlined in this press release regarding the Goondicum mine represent the information contained in the PEA prepared independently by TZ Minerals International Pty Ltd. for the purposes of National Instrument 43-101 (“NI 43-101”) and rely, in part, on inferred resources. As a result, the PEA is subject to increased uncertainty and technical and economic risks of mine failure and there can be no assurance that the report’s expectations will be achieved.

The PEA is preliminary in nature and includes Inferred Resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as Mineral Reserves, and there is no certainty the PEA will be realized. Shareholders are strongly encouraged to refer to the complete updated Technical Report prepared in accordance with NI 43-101 in respect of the Goondicum mine, which includes the results of the PEA described in this news release, which has been filed on SEDAR at www.sedar.com under the Company’s profile on August 30, 2018.

Forward Looking Statements Disclaimer

This press release contains forward-looking information within the meaning of applicable securities laws that reflects the current expectations of management of Melior regarding the production ramp up of the Goondicum mine. The words “may”, “would”, “could”, “should”, “will”, “anticipate”, “believe”, “plan”, “expect”, “intend”, “estimate”, “aim”, “endeavor”, “project”, “continue”, “predict”, “potential”, or the negative of these terms or other similar expressions have been used to identify these forward-looking statements and include, but are not limited to statements regarding anticipated production, timing for first ilmenite shipment and haulage and target production rates. Forward-looking statements are based upon a number of assumptions and are subject to a number of known and unknown risks and uncertainties, many of which are beyond management’s control, and that could cause actual results to differ materially from those that are disclosed in or implied by such forward-looking statements. There can be no assurance that forward-looking information will prove to be accurate, as actual results and future events could differ materially from those expected or estimated in such statements. Accordingly, readers should not place undue reliance on forward-looking information. Risks, assumptions and uncertainties regarding Melior and the forward-looking information herein are described in its publicly available disclosure documents including the Technical Report, as filed by Melior on SEDAR (www.sedar.com) except as updated herein. This forward-looking information represents management’s views as of the date of this press release. While subsequent events and developments may cause such views to change, Melior does not intend to update this forward-looking information, except as required by applicable securities laws.

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