TORONTO, ONTARIO--(Marketwired - Jul 12, 2017) - Melior Resources Inc. (TSX VENTURE:MLR) ("Melior" or the "Company") is pleased to announce that it has entered into an amendment to its loan agreement (the "Amended Loan Agreement") with Pala Investments Limited ("Pala") after receiving final acceptance from the TSX Venture Exchange and approval from holders of more than 50% of its issued and outstanding common shares (the "Common Shares"), excluding Common Shares held by Pala. Pursuant to the terms of the Amended Loan Agreement, Pala has increased the debt facility available to Melior by US$1,240,000 to an aggregate of US$4,750,929 (the "Pala Facility"). In addition, Pala will have the right to convert the amount outstanding under the Pala Facility (excluding any interest accrued thereon), in whole or in part, into Common Shares at a conversion price of $0.052 (the "Initial Conversion Price") for the first 12 months, and thereafter, at the greater of $0.10 and the Initial Conversion Price (after adjusting to account for any share consolidation undertaken by Melior). All other terms of the Amended Loan Agreement are as disclosed in the press release issued by the Company on June 27, 2017.

Prior to the entering into of the Amended Loan Agreement, Pala held a total of 131,194,865 Common Shares, representing approximately 48.33% of the issued and outstanding Common Shares. Based on US$4,750,929 principal outstanding under the Pala Facility and assuming (i) an exchange rate of C$1.2887 for each US$1.00 (the Bank of Canada rate for July 7, 2017) and (ii) using the Initial Conversion Price, the Pala Facility would be convertible into a total of 117,740,835 Common Shares. Following such conversion, Pala would hold 248,935,700 Common Shares, representing a securityholding percentage of 67.42%, an increase of 19.09%.

The new proceeds under the Pala Facility will be used by Melior primarily for purposes of finalizing a confirmatory technical work programme in preparation for a possible re-start of operations at its Goondicum ilmenite mine, with the balance to satisfy outstanding payables of the Company.

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.

Going Concern Risk

As described in Melior's most recent MD&A, the continuing operations of the Company are dependent upon its ability to continue to raise adequate financing, to commence profitable operations in the future, and repay its liabilities arising from normal business operations as they become due. There remains a significant risk that the Company is unable to find alternative sources of financing for on-going working capital requirements. These material uncertainties cast significant doubt upon the Company's ability to continue as a going concern.

Failure to obtain sufficient financing could result in a delay or abandonment of the Goondicum Mine and could force the Company into reorganization, bankruptcy or insolvency proceedings. Additional financing may not be available when needed or, if available, the terms of such financing might not be favourable to the Company and might involve substantial dilution to existing shareholders. Failure to raise capital when needed would have a material adverse effect on the Company's ability to pursue its business strategy, and accordingly could negatively impact the Company's business, financial condition and results of operations.

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

Contact

Melior Resources Inc.
Mark McCauley
Chief Executive Officer
+61 7 3233 6300
info@meliorresources.com