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Melior Resources Inc. (TSX VENTURE:MLR) ("Melior" or the "Company") announced today that it has received a preliminary economic assessment ("PEA") on its Goondicum project. The PEA was independently prepared by TZ Minerals International Pty Ltd ("TZMI") in accordance with the guidelines of Canadian National Instrument 43-101 - *Standards of Disclosure for Mineral Projects* ("NI 43-101").

The key assumptions and findings of the PEA are as follows:

Financial Highlights:

- An after tax Project NPV of US\$52.8 million¹
- An after tax Project IRR of 178%
- An after tax Project payback period of 1.2 years
- Restart capital costs of US\$5.96 million²
- Average annual before tax cash flow of US\$13.9 million³ and average after tax cash flow of US\$11.2 million³
- Average unit operating cash cost of production of US\$111.80 FOB per tonne of product produced³
- Sustaining capital over the mine life of US\$11.39 million
- TZMI forecast long term prices for sulphate ilmenite and apatite of US\$189/t FOB and US\$119/t Ex works respectively

Operating Metrics:

- Average annual ilmenite production of 181,000 tonnes with peak production of 228,000 tonnes⁴
- Average annual apatite production of 31,000 tonnes with peak production of 41,000 tonnes⁴
- A mine life of 9 years using a high grade mine plan
- Total resource processed over the LOM of 22 million tonnes at an average ilmenite and apatite grade of 9.7% and 1.8% respectively⁵

¹ 10% real discount rate and exchange rate of US\$0.78

² Excludes working capital and includes construction of the Eastern Access Road

³ Excludes year 1 ramp up

⁴ Average production includes year 1 ramp up and final ramp down of operation; peak production expected in 2020

⁵ All tonnes are in the Indicated and Inferred Resource category

Mark McCauley, Melior CEO, commented that *"along with the recently improving titanium feedstock market, this study supports management's belief that Goondicum is a valuable project and has the potential to generate strong cash flows if production resumes. The study will also assist Melior in its market based process to engage a strategic partner to assist in generating maximum value from this asset for the Company's shareholders."*

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.

Based on the work carried out in this PEA and the preliminary economic evaluations contained therein, management believes a positive business case has been supported for the restart of operations of the Goondicum project. The IRR of the Goondicum project is high which is consistent with the brownfield nature of the project and low restart capital costs. This is also reflected in a short payback period.

Shareholders are strongly encouraged to refer to the complete updated technical report prepared in accordance with NI 43-101 in respect of the Project, 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.

Qualified Persons Statement

The Qualified Persons for the PEA are:

Mark Dufty, BSc Hons (Geology), FAusIMM (106196), MAIG (6643), employed by TZMI as Principal Consultant, was responsible for Sections 1,2,13,15,16,17,18,19,21,22,24,25,26,27.

Mineral Resources estimates were completed by H&S Consultants Pty Ltd ("H&SC"), a geological consultancy based in Sydney, NSW, Australia and are reported in accordance with Canadian Securities Administrators National Instrument 43-101. The effective date of the mineral resources estimates disclosed in this news release is October 5, 2016.

Simon Tear, BSc Hons (Mining Geology), P.Geo (Institute of Geologists of Ireland 17), EurGeol (26), employed by H&SC as a director and Consultant Geologist, was responsible (or partly responsible) for Sections 3,4,5,7,10,11,12,14,20,23,25,26,27.

Graham Lee, BSc (Geology), FAusIMM CP(Geo) (101602), MAIG (1990, employed by Graham Lee and Associates Pty Ltd as a Director and Consultant Geologist, was responsible (or partly responsible) for sections 6,8,9,10,11,25,26.

All of the scientific and technical information in this news release has been reviewed and approved by Mark Duffy, Simon Tear and Graham Lee. All three individuals are independent of Melior and all have the appropriate relevant qualifications and experience to each be considered an independent Qualified Person under the terms of NI 43-101.

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 Venture Exchange.

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.

Forward Looking Statements Disclaimer

Certain information contained in this news release constitutes forward looking information under the provisions of Canadian securities laws. Forward-looking statements are statements that are not historical facts and are generally, but not always, identified by the use of forward-looking terminology such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", "projects", "potential", "believes" or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "should", "might" or "will" be taken, "occur" or "be achieved" or the negative connotation. Information provided in this document is necessarily summarized and may not contain all available material information.

All of the results of the PEA represent forward-looking information and statements. Statements in this news release that constitute forward-looking statements or information include, but are not limited to: commodity price assumptions, cash flow forecasts, projected capital and operating costs, recoveries, mine life and production rates, the financial results of the PEA (including NPV and IRR conclusions) as well as other assumptions used in the PEA. Readers are cautioned that actual results may vary from those presented. Although the forward-looking statements contained in this news release reflect management's current beliefs based upon information currently available to management and based upon what management believes to be reasonable assumptions, Melior cannot be certain that actual results will be consistent with these forward-looking statements. A number of factors could cause events and achievements to differ materially from the results expressed or implied in the forward-looking statements. Such risk factors include but are not limited to risk factors identified by Melior in its continuous disclosure filings filed from time to time on SEDAR. These factors should be considered carefully and prospective investors should not place undue reliance on the forward-looking statements. Forward-looking statements necessarily involve significant known and unknown risks, assumptions and uncertainties that may cause Melior's actual results, events, prospects and opportunities to differ materially from those expressed or implied by such forward-looking statements. Although Melior has attempted to identify important risks and factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors and risks that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. These forward-looking statements are made as of the date of this news release, and Melior assumes no obligation to update or revise them to reflect new events or circumstances, unless otherwise required by law.

Contact

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