

TORONTO, Dec. 13, 2016 /CNW/ - [Melior Resources Inc.](#) ("Melior" or the "Company") (TSXV:MLR) today provides an update on its financial position in light of the Federal Court of Australia's dismissal of [Kasbah Resources Ltd.](#)'s ("Kasbah") (ASX:KAS) application for approval of the proposed acquisition of Kasbah by [Asian Mineral Resources Ltd.](#) ("AMR") (TSXV:ASN) pursuant to a scheme of arrangement (the "Scheme") under the laws of Australia.

As recently disclosed in the Company's press release dated November 9, 2016, the continuing operations of the Company remain dependent upon its ability to raise adequate financing, to commence profitable operations in the future, and repay its liabilities arising from normal business operations as they become due. Failure to obtain sufficient financing could force the Company into reorganization, bankruptcy or insolvency proceedings. In connection with the Company's efforts to secure additional financing and in reliance on the financial hardship exemptions from the minority shareholder approval requirements of Multilateral Instrument 61-101 – Protections of Minority Security Holders in Special Transactions, on November 9, 2016, Melior announced that it had reached an agreement with Pala Investments Limited ("Pala") to amend the terms of its August 2, 2015 loan facility (the "Pala Facility"). In connection with the amendment to the Pala Facility, Pala agreed to advance an additional US\$300,000 to the Company, bringing the total principal amount outstanding under the Pala Facility to US\$3 million. In addition, Pala agreed to grant Melior a put option (the "Put Option") in respect of the 47,272,727 shares of AMR (the "AMR Shares") owned by Melior. Pursuant to its terms, Melior is entitled to exercise the Put Option at any time following the completion of the Scheme, which was expected occur on or about December 6, 2016. At the time of grant, exercising the Put Option would have realized approximately CAD\$1.134 million to Melior and was to form an integral part of the Company's plans to secure financing to meet its obligations as they come due so as to avoid being forced into reorganization, bankruptcy or insolvency proceedings. Yesterday, AMR announced that the Federal Court of Australia has dismissed Kasbah's application for approval of the Scheme. Investors may review AMR's public disclosure regarding the proposed Scheme, including AMR's December 12, 2016 press release for further details.

The Australian court's failure to approve the Scheme and the resulting inability of Melior to exercise the Put Option create considerable uncertainty regarding the Company's ability to continue as a going concern. In light of these developments, Melior has initiated discussions with various potential funding sources regarding potential plans or proposals that may involve one or more of the following relating to the Company: restructurings; issuance by the Company of additional indebtedness or additional equity; refinancing existing indebtedness, disposition of material assets of the Company or its subsidiaries and/or other strategic alternatives. There can be no assurance that these discussions will result in a plan or proposal with respect to any of the foregoing, that any entity or person will agree to any definitive agreement with respect to any of the foregoing, on what terms such definitive agreement may take or that any of the foregoing will occur. As such, the Company remains in serious financial difficulty and there is considerable uncertainty regarding the Company's ability to continue as a going concern.

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 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. There is a risk that the Company may not be able to realize any cash proceeds from the Put Option. These material uncertainties cast significant doubt upon the Company's ability to continue as a going concern.

Failure to obtain sufficient financing, including as a result of an inability to exercise the Put Option, 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.

SOURCE [Melior Resources Inc.](#)

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