

TORONTO, Dec. 20, 2016 /CNW/ - [Melior Resources Inc.](#) ("Melior" or the "Company") (TSXV:MLR) is pleased to announce that it has closed its previously announced non-brokered private placement (the "Private Placement"). An aggregate of 60,000,000 common shares ("Common Shares") of the Company were issued at C\$0.03 per Common Share for gross proceeds of C\$1.8 million. The Private Placement was originally announced on December 14, 2016.

Mark McCauley, the Chief Executive Officer of the Company commented "This capital raising provides Melior with a strong platform from which it can move forward during the first quarter of 2017. The focus over the next six months will be to find an appropriate strategic partner for the Goondicum mine and to continue to assess the prospective potential of Melior's unique Browne Metallurgical Process which looks to upgrade ilmenite to a higher TiO<sub>2</sub> concentration."

The subscriptions by Pala Investments Limited ("Pala") and Takota Asset Management Inc. ("Takota") constitute "related party transactions" within the meaning of Multilateral Instrument 61-101 &#8211; Protections of Minority Security Holders in Special Transactions ("MI 61-101"). The Board of Directors of Melior (the "Board"), acting in good faith, and the independent members of the Board, acting in good faith, determined that the Company is in serious financial difficulty, that the Private Placement is designed to improve the Company's financial position and that the terms of the Private Placement and Pala and Takota's subscription for Common Shares thereunder are reasonable in the Company's circumstances. As such, Melior has relied on the exemption from the formal valuation and minority shareholder approval requirements of MI 61-101 contained in Section 5.5(g) and Section 5.7(1)(e) of MI 61-101 on the basis of financial hardship. Pursuant to the Private Placement, Pala, Belmont Park Investments Pty Ltd., Panorama Ridge Pty Ltd. and Takota received 36,666,667, 8,333,333, 8,333,333 and 6,666,667 Common Shares respectively and now hold 131,194,865, 26,877,149, 26,877,149 and 35,426,134 Common Shares respectively (representing approximately 48%, 9.9%, 9.9% and 13% of the issued and outstanding Common Shares respectively).

The TSX Venture Exchange ("TSXV") has granted listing approval of the Common Shares issued under the Private Placement subject to final acceptance. Such Common Shares are subject to resale restrictions pursuant to applicable Canadian securities laws and requirements, as well as stock exchange rules, until April 21, 2017.

#### 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. 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.

SOURCE [Melior Resources Inc.](#)

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