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Melior Resources Inc. (TSX VENTURE:MLR) ("Melior" or the "Company"), today announced that it is looking to prepare for the restart of production at its Goondicum ilmenite mine in response to favorable recent market developments, including stronger demand and higher prices for its ilmenite product. The measures include discussions with potential strategic partners and review and update of the mine re-start plan and budget requirements.

"We are very encouraged by the recent market conditions we have observed that have resulted in significantly higher ilmenite prices," said Mark McCauley, CEO of Melior Resources. "With indicators suggesting that these prices will be sustained in the near term, we are exploring ways to efficiently re-start operations while continuing to pursue opportunities to enter into long-term arrangements with a strategic partner to facilitate growth opportunities and balance sheet strength."

Melior placed its 100% owned Goondicum industrial minerals mine on care and maintenance in July 2015 due to unfavorable market conditions and depressed ilmenite prices. Conditions in the titanium feedstock industry continued to worsen through the second half of 2015 and into 2016. By mid-2016 indications started to point to a prospective recovery. Over the past six months, conditions in the titanium feedstock industry, including the price of ilmenite, have continued to improve.

Recent information gathered by Melior management, including dialogue directly with customers in Asian markets, indicates that pricing for ilmenite is now at levels which, if sustained, would warrant a restart of production at the Goondicum Mine.

Consistent with its strategy for the re-start of production, Melior has initiated discussions with several prospective strategic groups. Melior is committed to ensuring that all options for value-adding, cooperative arrangements are being investigated. The objective of any such engagement is to enhance the financial, technical, and marketing strengths of the project to ensure any restart is robust and sustainable, and will be successful in all market scenarios going forward.

Melior anticipates that once a decision is made to restart the mine it will take up to six months of pre-commissioning time to finalize site preparations and recruit and train approximately 50 personnel, the majority of whom could be sourced locally.

In concert with the re-start process, Melior expects to complete a drilling program to upgrade a proportion of the Inferred and Indicated Resources to Measured status. Production is expected to commence after the pre-commissioning period and build up to a life-of-mine average of over 180ktpa of ilmenite and 40ktpa of apatite over a 12-month period.

At full production, it is anticipated that project operating costs will be approximately C\$28 million per annum, most of which will be spent in Queensland.

Melior will continue to provide periodic updates on its progress.

About the Corporation

The Corporation is incorporated under the provisions of the *Business Corporations Act* (British Columbia) and has a registered office in Toronto, Ontario. The Corporation currently operates as a Tier 1 Mining Issuer under the policies of the Exchange.

READER ADVISORY

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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. Such statements and information include, without limitation, statements regarding, the estimated mineral resources at the Goondicum property, and other benefits of the Potential Transaction. This forward-looking information is

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