

Melior Announces Closing of First Tranche of Private Placement and Provides Update on Debt Financing for Goondicum Restart

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TORONTO, ONTARIO--(Marketwired - Jan 25, 2018) - [Melior Resources Inc.](#) (TSX VENTURE:MLR) ("Melior" or the "Company") is pleased to announce several Goondicum re-start financing milestones and provide an update on previously announced debt financing efforts:

- Closing of the first tranche of its previously announced non-brokered private placement, raising gross proceeds of \$1,063,000;
- Signing of a letter of intent for a US\$5 million loan and 600,000 tonne ilmenite offtake agreement with a leading Chinese-based ilmenite trader (the "L&O Facility");
- Continued availability of the previously announced US\$5.25 million credit facility from Pala Investments Limited ("Pala Credit Facility"); and
- Agreement in principle for provision of a US\$2 million stand-by facility ("Pala Standby Facility") from Pala Investments Limited to assist with working capital during the ramp-up of the operations.

Together, the above financing initiatives represent an attractive financing package for the restart of Melior's Goondicum ilmenite mine. Melior is now working to shortly secure the financial close of the L&O Facility, Pala Credit Facility, and Pala Standby Facility.

"I am very pleased with the progress that has been made towards securing the complete financing package required to re-start the Goondicum mine. The support of Melior's new and existing financing partners strongly validates the potential of the mine and its speedy re-start in an environment of robust commodity pricing and improving investor sentiment. The newly announced L&O Facility brings the complete restart funding package together and, along with the life of mine apatite offtake previously announced, sees Goondicum in a very strong position with respect to the marketing of its products," said Mark McCauley, CEO of Melior Resources. "Today's announcement continues a strong and mutually beneficial relationship with all our stakeholders, benefiting not only the Goondicum mine but future prospective projects as well."

Closing of First-Tranche of Equity Financing

Melior has closed on the first tranche of its previously announced non-brokered private placement financing (the "Financing") by issuing 13,287,500 units ("Units") for gross proceeds of \$1,063,000. The Company's four largest existing shareholders have each participated in the initial tranche of the Financing) with a subsequent closing expected to occur on or prior to February 1, 2018.

Each Unit is comprised of one common share of the Company (each, a "Share") and one common share purchase warrant (each, a "Warrant"). Each Warrant entitles its holder to acquire one additional Share of the Company at a price of \$0.105 per Share within the 24-month period following the subsequent final closing of the Offering; provided that, in the event the Shares trade at a closing price on The TSX Venture Exchange (the "Exchange") of greater than \$0.15 per Share for a period of 10 consecutive trading days at any time after the six month anniversary of the closing of the Financing, the Company may accelerate the expiry date of the Warrants by giving notice to the holders thereof and in such case the Warrants will expire on the 30th day after the date on which such notice is given by the Company. Proceeds from the Offering will be used for general working capital purposes and, upon completion of the debt financings described in this announcement, the proceeds will go towards the re-start of Melior's Goondicum ilmenite mine. In connection with the Financing and as consideration for facilitating the completion of the initial tranche, the Company will pay the amount of \$5,600 in cash to Georg Hochwimmer.

Signing of Letter of Intent for US\$5 Million Loan and 600,000 Tonne Ilmenite Offtake

The Company is also pleased to announce that it has entered into a non-binding letter of intent for a loan and off-take agreement with a leading Chinese-based ilmenite trader (the "Lender") and is in the process of negotiating the definitive agreements with the Lender. Under the terms of the LOI, the Lender will provide US\$5 million in funding and will purchase 600,000 tonnes of ilmenite produced at Melior's Goondicum mine over the initial six years of production. It is intended that the proceeds of the L&O Facility will form part of a comprehensive funding package (along with the Pala Credit Facility and the Financing) that will enable the Company to restart the Goondicum mine.

The terms of the L&O Facility remain subject to negotiation and there is no guarantee that a transaction will be consummated with the Lender or, if consummated, the terms upon which such transaction may be

consummated.

Melior has received the conditional approval of the Exchange for the Financing, the Pala Facility and the L&O Facility, but each remains subject to final Exchange approval.

Update on the Pala Loan Facility

As previously announced on October 26, 2017, the Company has an agreement in principle with Pala for the provision of a US\$5.25 million credit facility for the purpose of restarting the Goondicum ilmenite mine. The Pala Credit Facility received conditional approval from the TSX Venture Exchange on November 23, 2017. It is still available to the Company on the same terms and conditions as previously announced with execution of the necessary legal documents expected to occur by the end of February subject to the primary condition precedent of raising an additional US\$5 million.

In addition to the Pala Credit Facility, Pala have agreed in principle to provide the Company with a US\$2 million standby facility to the Company to assist with working capital during the ramp-up of the operation. The terms of the Pala Standby Facility remain subject to negotiation and approval of the Exchange.

Goondicum Mine Restart Decision

The Goondicum mine does not have mineral reserves under NI 43-101. While the restart of production at the Goondicum mine in the absence of at least a pre-feasibility study demonstrating economic and technical viability presents increased uncertainty and economic and technical risks, the Company believes that these risks are mitigated by, among other things, the work conducted in the Company's November 2016 PEA, as well as the mine's past history of production in 2007-2008 and 2012-2015.

About Melior

Melior is the owner and operator of the Goondicum ilmenite mine, a past-producing ilmenite and apatite mine strategically located in Queensland Australia. Further details on Melior and the Goondicum ilmenite 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.

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 ilmenite 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.

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