Management and Discussion Analysis

MELIOR RESOURCES INC.

Three and nine months ended
March 31, 2013

MELIOR RESOURCES INC.
(“Melior” or the “Corporation”)

Management’s Discussion and Analysis of Financial Condition and Results of Operations
For the three and nine months ended March 31, 2013
(All amounts, except per share amounts and where specified, are in thousands of Canadian Dollars)

Information contained in this discussion is given as of May 20, 2013 unless otherwise indicated. All amounts are in Canadian dollars unless otherwise noted.

This Management’s Discussion and Analysis (“**MD&A**”) should be read in conjunction with the unaudited condensed consolidated financial statements and accompanying notes of the Corporation for the three and nine month period ended March 31, 2013, and the audited consolidated financial statements and accompanying notes and related MD&A of the Corporation for the fiscal year ended June 30, 2012.

IFRS replaced current Canadian GAAP for publicly accountable enterprises, including the Corporation, effective for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. Accordingly, the accompanying unaudited interim financial statements for the three and nine months ended March 31, 2012 have been prepared in accordance with accounting policies consistent with IFRS. The transition to IFRS required a restatement of the Corporation’s fiscal 2011 financial information from its original Canadian GAAP basis to ensure that the fiscal 2011 comparative information presented in the financial statements and this MD&A reflect accounting policies consistent with IFRS.

Financial information for periods prior to July 1, 2010 have not been restated for the changes in accounting policies resulting from the adoption of IFRS. For the purposes of this MD&A, the term “Canadian GAAP” refers to Canadian generally accepted accounting principles for the Corporation before the adoption of IFRS.

Forward Looking Information

This MD&A contains certain forward-looking statements. Forward-looking statements generally can be identified by the use of statements that include words such as “believe”, “expect”, “anticipate”, “intend”, “plan”, “estimate”, “may”, “will” or other similar words or phrases suggesting future outcomes or other expectations, beliefs, estimates, plans, objectives, assumptions, projections, intentions or statements about future events or performance. Similarly, statements contained in, but not limited to, the sections “Overview of the Corporation’s Business”, “Outlook”, “Results of Discontinued Operations”, “Liquidity and Capital Resources”, “Commitments and Contingencies” and “Changes in Accounting Policies” of this MD&A, including those with respect to expectations concerning assets, prices, foreign exchange rates, earnings, market conditions, capital expenditures, risks, availability of regulatory approvals, corporate objectives and plans or goals, are or may be forward-looking statements. Forward-looking statements involve significant risks and uncertainties, should not be read as guarantees of future performance or results, and will not necessarily be accurate indications of whether or not such results will be achieved. A number of factors could cause actual results to differ materially from the results discussed in the forward-looking statements including, but not limited to, the factors discussed under “Risk Factors”. Although the forward-looking statements contained in this MD&A are based upon what management of the Corporation believes are reasonable assumptions, the Corporation cannot assure readers that actual results will be consistent with these forward-looking statements. Investors and others should carefully consider risk factors including, without limitation, those set out under the heading “Risk Factors”, and not place undue reliance on forward-looking statements. Forward-looking statements are made as of the date of this MD&A and the Corporation assumes no obligation to update or revise any forward looking statements to reflect new events or circumstances, except as required by law.

Forward-looking statements in this MD&A include, but are not limited to, statements with respect to:

- the implementation of the Corporation’s business strategy;
- the development of the Corporation’s potential investment opportunities; and

Overview of the Corporation’s Business

On March 31, 2011, the Corporation announced it had developed and adopted a revised business strategy, intended to capitalize on the Board’s and management’s expertise and enable the Corporation to invest and aid growth in projects in the mining, metallurgical and mineral industries, in connection with its graduation to the TSXV.

The strategy calls for strategic investments in resource based opportunities offering capital appreciation potential, in particular, debt or equity participation in investee companies, with projects nearing maturity. Melior believes it can add value through active involvement from not only a financial standpoint, but also by the contribution of guidance and additional mining and corporate finance expertise. Melior may make initial investments of debt, equity or a combination thereof in public or private companies through a variety of financial instruments including, but not limited to, private placements, participation in initial public offerings, convertible loans, loans with equity bonus provisions or purchase options and the like. In most cases, one or more nominees of the Corporation will join the board of directors of the investee company.

Discontinued Operations

On March 16, 2012, the Corporation completed the sale of all of the common stock of its wholly owned subsidiary, Coalcorp International AVV, which was the holding company for numerous off-shore subsidiaries. As of the closing date, the purchaser acquired, on an 'as is, where is' basis, all of the issued and outstanding shares of Coalcorp International AVV for nominal net proceeds of one dollar (the "Coalcorp AVV Transaction"). As a result of the Coalcorp AVV Transaction, assets of discontinued operations of $3.6 million, liabilities of discontinued operations of $0.4 million and other associated liabilities of $3.0 million were removed from Melior's balance sheet as of the closing, resulting in a net loss on disposal of $275 during the year ended June 30, 2012. Under the agreement for the Coalcorp AVV Transaction, the Corporation is entitled to receive, subject to certain terms and conditions, a share of net recoveries of cash, if any, that the purchaser receives as a result of winding up or re-organizing any of the Coalcorp International AVV subsidiaries. On August 2, 2012, the Corporation received CDN$463, a further CDN$397 on December 12, 2012 and a further CDN$281 on March 11, 2013 from the purchaser of Coalcorp International AVV for its share of cash recovered and this has been recognised as income from discontinued operations in the nine months ended March 31, 2013.

Changes to Board of Directors and Officers

On October 2, 2012, the Corporation announced the appointment of Mr. Thomas Masney, CA as the Chief Financial Officer on the resignation of Mr Rishi Tibriwal.

On February 14, 2012 Mr. Charles Entrekin, Mr. Evgenij Iorich, Mr. Remo Mancini and Mr. Muneeb Yusuf were elected as directors to the board of directors of Melior at an Annual and Special Meeting of the shareholders.

Investment in Asian Mineral Resources

On June 29, 2012, Melior completed an investment in Asian Mineral Resources Limited ("AMR"), whereby it purchased 47,272,727 common shares of AMR. The investment in the common shares of AMR is recorded at fair value. AMR used the proceeds to fund capital expenditures to bring its Ban Phuc Nickel Project into commercial production, which is expected to occur by June 2013.

Outlook

On May 16, 2012, Melior announced that its Board had commenced a review of strategic alternatives with the objective of enhancing shareholder value. The Corporation continues to evaluate its options including, but not limited to, continuing to explore investment opportunities, a corporate reorganization or other strategic options.

Selected Financial Information

	---------Years ending June 30 --------		
	IFRS in CDN$		Canadian GAAP in US$
($ thousands)	2012	2011	2010
Revenue from continuing operations	-	-	-
Loss from continuing operations	(4,587)	(5,799)	(7,280)
(Loss) income from discontinued operations	(271)	624	(18,087)
Net Loss	(4,858)	(5,175)	(25,367)
Basic earnings (loss) per share ($):			
Continuing operations	(0.03)	(0.03)	(0.04)
Discontinued operations	0.00	0.00	(0.11)
Total assets	27,001	43,806	52,366
Total long and short term obligations	236	11,720	16,935

1. Basic and dilutive loss per share is calculated by dividing the net loss by the weighted average number of shares in issue during the year. As a result of consolidated net losses, the potential effect of exercising stock options and warrants has not been included in the calculation of loss per share because to do so would be anti-dilutive.

2. For fiscal 2012 and 2011, the Corporation changed its presentation currency to the Canadian Dollar. Fiscal 2010 information has been prepared under Canadian GAAP and is presented in United States dollars. Refer to Note 16 of the audited consolidated financial statements, for a discussion of IFRS and its impact on the Corporation's financial statements.

	Three months ended March 31		Nine months ended March 31	
($ thousands)	**2013**	**2012**	**2013**	**2012**
Revenue from continuing operations	-	-	-	-
Loss from continuing operations	(150)	(539)	(717)	(4,369)
Income (loss) from discontinued operations	281	(275)	1,141	(271)
Net earnings (loss)	131	(814)	424	(4,640)
Basic earnings (loss) per share ($):				
Continuing operations	(0.001)	(0.003)	(0.004)	(0.025)
Discontinued operations	0.002	(0.002)	0.007	(0.002)

Results of continuing operations for the three and nine months ended March 31, 2013 compared to the three and nine months ended March 31, 2012

The Corporation reported a loss from continuing operations of $150 and $717 for the three and nine months ended March 31, 2013 respectively (2012 - loss of $539 and $4,396).

The differences between the operating and financial results of the Corporation for the three and nine months ended March 31, 2013 and the operating and financial results of the Corporation for three and nine months ended March 31, 2012 is principally due to:

- Foreign exchange gain of $2 and loss of $3 respectively (2012 - $342 loss and gain of $138 respectively) as a result of reduced holdings of US dollar cash and cash equivalents and the strengthening of the Canadian dollar against the US dollar;
- Realized loss from continuing operations of $150 and $717 respectively (2012 – loss of $539 and loss of $4,369 respectively) which arose primarily from office and administration expenses during the three and nine months ended December 31, 2013 versus the combination of office and administration and sale of marketable securities held by the Corporation in 2012 ;
- The gain from discontinued operations of $281 and $1,141 respectively (2012 – loss $275 and loss of 271 respectively) arising from the Corporation's share of cash recovered of winding down the Coalcorp International AVV subsidiaries from the purchaser;
- Share based compensation expense of $nil and $nil respectively (2012: $nil and $418 respectively); and
- Interest on bonds payable of $nil and $nil respectively (2012: $nil and $191).

Significant transactions that financially impacted the Corporation during the nine months ended March 31, 2013 were:

- Office and administrative expenses of $921 (2012 - $1,064),
- Income from discontinued operations of $1,141 (2012 – loss $271) arising from the Corporation's share of cash recovered of the winding down the Coalcorp International AVV subsidiaries.

General and Administrative Expenses

General and administrative expenses were $229 and $921 for the three and nine months ended March 31, 2013, respectively (2012 - $258 and $1,064). General and administrative expenses relate primarily to consulting, professional and administration expenses for the continuing operations of the Corporation, the evaluation of new investment opportunities and professional advise relating to the take-over bid from PALA in 2012.

Other Income and Expense

Interest income earned on cash and investments during the three and nine months ended March 31, 2013 amounted to $77 and $207, respectively (2012 - $61 and $142) and related primarily to the interest earned on the Corporation's cash and cash equivalent balances.

Total interest expense incurred during the three and nine months ended March 31, 2013 amounted to $nil and $nil, respectively (2012 - $nil and $191). The decrease in the interest expense is due to the repurchase of the Senior Notes on August 31, 2011.

Foreign Exchange Gains/Losses

Foreign currency exchange rates affected the Corporation's monetary assets and liabilities denominated in currencies other than Canadian dollars. During the current fiscal year, the Corporation recorded a net foreign exchange gain of $2 for the three months ended March 31, 2013 and a loss of $3 for the nine months ended March 31, 2013, as compared to a loss of $342 and a gain of $138 for the corresponding periods in 2012. The reduction in the foreign exchange gain/loss from 2012 to 2013 was a result of the significant reduction in US dollar denominated cash balances of the Corporation.

Results of Continuing Operations

As a result of the factors discussed above, the Corporation recorded losses from continuing operations of $150 or $0.001 per share for the three months ended March 31, 2013 as compared to loss from continuing operations of $539 or $0.003 per share for the three months ended March 31, 2012. Losses from continuing operations were $717 or $0.004 per share for the nine months ended March 31, 2013 as compared to $4,369 or $0.025 per share during the nine months ended March 31, 2012.

Results of Discontinued Operations

As a result of the Coalcorp AVV Transaction, the Corporation is entitled to receive, subject to certain terms and conditions, a share of the net recoveries of cash that the purchaser receives as a result of winding up or re-organizing any of Coalcorp International AVV subsidiaries. On August 2, 2012 the Corporation received $463 and on December 12, 2012 the Corporation received a further $397 and on March 11, 2013 the Corporation received a further $281.

The Corporation recorded net income from discontinued operations of $281 in the three months ended March 31, 2013 (2012 – loss of $275). The Corporation recorded a gain from discontinued operations of $1,141 for the nine months ended March 31, 2013 (2012 - loss $271).

Net Profit/Loss

Taking into account both continuing and discontinued operations, the Corporation recorded a net income of $131 or $0.001 per share (2012 – loss of $814 or $0.005 per share) in the three month period ended March 31, 2013. The Corporation recorded a net income of $424 or $0.002 per share for the nine months ended March 31, 2013 (2012 – loss of $4,640 or $0.027 per share).

Summary of Quarterly Results

	2013			2012				2011
	IFRS in millions of Canadian dollars							
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
Financial								
($millions except per share)								
Revenue from continuing operations	-	-	-	-	-	-	-	-
Earnings from continuing operations	(0.1)	(0.4)	(0.2)	(0.3)	(0.5)	(4.2)	0.4	(0.2)
Net earnings/(loss)	0.1	(0.0)	0.3	(0.3)	(0.8)	(4.2)	0.4	(0.2)
Earnings/(loss) per share from continuing operations	(0.001)	(0.002)	(0.001)	(0.001)	(0.001)	(0.02)	0.002	(0.001)
Net earnings/(loss) per share (Note 1)	0.001	0.0	0.001	(0.001)	(0.003)	(0.03)	0.002	(0.001)
Cash (used in) provided by continuing operations	(0.4)	(0.5)	(0.2)	6.1	(0.6)	(0.6)	(4.2)	(0.6)
Capital expenditures	-	-	-	-	-	-	-	-
Cash and cash equivalents net of short-term debt	22.8	23.1	22.6	22.1	28.0	28.7	26.6	22.7

Note 1:Basic and dilutive loss per share is calculated by dividing the net loss by the weighted average number of shares in issue during the period. As a result of consolidated net losses the potential effect of exercising stock options and warrants has not been included in the calculation of loss per share because to do so would be anti-dilutive.

Liquidity and Capital Resources

The continuing operations cash and cash equivalents balance as at March 31, 2013 was $23.0 million, compared to $22.3 million as at June 30, 2012.

The increase in cash balances as at March 31, 2013 as compared to June 30, 2012 is the result of the payment for office and administrative expenses of $921 offset by the proceeds from discontinued operations of $1,141, interest income of $207, a repayment of the Asian Mineral Resources advance of $300 less reduction in current liabilities of $61.

Melior believes that it has sufficient capital to meet its obligations as they come due and to cover continuing corporate costs estimated at approximately $0.9 million per annum. Future investments will be funded from the Corporation's current cash position. Additional funding may be required in the future, depending on the scale of prospective investment opportunities Melior pursues.

Financial Instruments and Risk Management

The Corporation has classified its cash, cash equivalents and receivables as financial assets. Payables and accrued liabilities are classified as other financial liabilities, which are measured at amortized cost.

The carrying value of cash and equivalents, deposits, receivables, accounts payable and accrued liabilities reflected in the consolidated statement of financial position approximate fair value because of the short term nature of these instruments.

The Corporation's risk exposures and the impact on the Corporation's financial instruments are summarized below:

Credit Risk Management

The Corporation's main credit risk arises from its cash and cash equivalents deposits with banks. All of the Corporation's cash and cash equivalent are with one major Canadian chartered bank, from which management believes the risk of loss to be remote. The Corporation limits its counterparty credit risk on its deposits by dealing only with financial institutions with AA or above credit ratings.

Liquidity Risk Management

The Corporation manages liquidity risk by maintaining adequate cash balances in order to meet liabilities as they come due. As at March 31, 2013, the Corporation had cash and cash equivalents of $23.0 million (June 30, 2012 - $22.3 million) to settle liabilities of $0.2 million (June 30, 2012 - $0.2 million). None of the Corporation's financial liabilities or commitments are interest bearing.

Foreign Currency Risk Management

Cash and cash equivalents are comprised of cash at banks and on hand, and short term money market instruments with an original maturity of three months or less. As at March 31, 2013, only a nominal portion of the Corporation's cash and cash equivalents were held in United States dollars. Accordingly, management believes that the Corporation is not exposed to material foreign exchange risk. The rate published by the Bank of Canada at the close of business on March 31, 2013 was US$1.016 per Canadian dollar. The Corporation does not use derivative instruments to reduce its exposure to foreign currency risk.

Interest Rate Risk Management

The Corporation has cash balances that earn interest subject to fluctuations in the prime rate. The Corporation's current policy is to invest excess cash in investment-grade deposit certificates issued by its banking institutions. The Corporation periodically monitors the investments it makes and is satisfied with the credit ratings of its banks. Management believes the interest rate risk is remote as investments have maturities of three months or less and the Corporation currently does not carry interest bearing debt at floating rates.

Capital Risk Management

The Corporation defines capital as total shareholders' equity including share capital, other reserves and deficit. The Corporation manages its capital to ensure that adequate funds are available to settle its liabilities as they arise and reviews and evaluates investment opportunities that are achievable within existing resources.

The Corporation is not subject to any externally imposed capital requirements imposed by a regulator or lending institution.

Commitments and Contingencies

All of the Corporation's obligations in the aggregate amount of $0.2 million as at March 31, 2013 are current and due within the year. The Corporation has sufficient cash resources to meet its current commitments.

Debt

The Corporation did not have any debt outstanding as at March 31, 2013.

Off Balance Sheet Arrangements

The Corporation has no off-balance sheet arrangements.

Related Party Transactions

Pala Investments Holdings Limited ("Pala") is a significant shareholder of AMR and owns either directly or indirectly 94,528,199 or approximately 54.52% of the common shares of Melior. As such, AMR is a "related party" of the Corporation for the purposes of Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* ("MI 61-101") and the AMR investment constituted a "related party transaction" within the meaning of MI 61-101. Details of the AMR share purchase transaction has previously been reported in Melior's quarterly MD&A.

See "Investment in Asian Mineral Resources Limited" for further details of the AMR Investment.

Risk Factors

The Corporation is exposed to a number of risks and uncertainties. Such risks could materially affect the Corporation's future results and could cause actual events to differ materially from those described in forward-looking statements relating to the Corporation. The risks described herein, or in documents incorporated by reference herein, may not be the only risks facing the Corporation. Additional risks not currently known or not currently considered to be material may also have an adverse impact on the Corporation's business.

Investment Risk

The success of the Corporation's investment strategy will depend, in part, on its ability to:

- identify suitable investments;
- negotiate the purchase of such investments on terms acceptable to it;

- complete the investments within expected time frames; and
- capitalize on such investments.

The Corporation may not be able to identify appropriate investments or to acquire any suitable investments that it identifies. Moreover, competition may reduce the number of investment opportunities available to the Corporation and may lead to unfavourable terms as part of any investment, including high purchase prices.

Additional Capital Requirements

Melior has limited funds with which to develop and maintain its asset portfolio. The pursuit of the Corporation's business strategy may require substantial additional financing. Failure to obtain sufficient financing could result in a delay or abandonment of the Corporation's business strategy. Additional financing may not be available when needed or, if available, the terms of such financing might not be favourable to the Corporation and might involve substantial dilution to existing shareholders. Failure to raise capital when needed would have a material adverse effect on the Corporation's ability to pursue its business strategy, and accordingly could negatively impact the Corporation's business, financial condition and results of operations.

Diversification Risk

Melior is primarily engaged in making strategic investments in mining, metallurgical or mineral opportunities and the consequent concentration in those businesses may result in a higher degree of volatility and price fluctuation than other investments that have better industry diversification. Melior may not enjoy the possible benefits associated with a more diversified asset portfolio. Moreover, even while Melior's intention is towards diversifying its investments in the resource sector, its value is closely tied to its investments and any adverse change in these investments would have a significant impact on Melior's value. There can be no assurance that Melior's investment activities will be profitable. There can be no assurance that Melior will be able to generate sufficient activity to be profitable in the future and Melior's limited operating history providing advisory services in the mining, metallurgical and mineral sectors makes an evaluation of its prospects difficult. Future results of operations may fluctuate significantly based upon numerous factors including economic conditions, activities of competitors, commodity prices and the ability of Melior to develop and maintain a diversified asset portfolio.

Economic Conditions

Unfavourable economic and equity market conditions, such as recessions, interest rate changes or international currency fluctuations, may adversely impact Melior's investment activities and, in the case of any loans Melior may make, the returns generated by those loans. A negative impact on the value of Melior's portfolio or the returns thereon would likely have a negative impact on the market price of the Common Shares and Warrants. Unfavourable economic and market conditions could also decrease Melior's net income, reduce demand for its services, and limit access to capital markets.

Marketability and Underlying Securities

The value of the Common Shares and Warrants will vary according to the value of the securities in which Melior invests, which will depend, in part, upon the performance of the issuers of such securities. Fluctuations in the market values of such securities may occur for a number of reasons beyond the control of Melior including economic conditions, investor sentiment, global events and prices for base and precious metals. There is no assurance that an adequate market will exist for securities acquired by Melior. Certain investments made by Melior, including those securities listed on an exchange and not subject to resale restrictions, may be relatively illiquid and may decline in price if a significant number of such securities are offered for sale. In the case of equity investments in private issuers, there would be no public market and a risk that one may never develop.

Risks Associated with Investments in Resource Issuers

In general, Melior's business is to make investments (debt, equity or a combination of both) in mining, metallurgical or mineral resource issuers. The business activities of resources issuers are typically speculative and may be adversely affected by sector specific risk factors, outside the control of the resource issuer, which may ultimately have an impact on Melior's investments in these businesses. Risks associated with the resource sector include, without limitation, the following:

- the business of exploring minerals involves a high degree of risk. Many of the risks associated with exploration are beyond control of resource issuers. Many of the resource issuers that Melior invests in may not hold, discover or successfully exploit commercial quantities of minerals and/or may not have a history of earnings or payment of dividends;

- the marketability of natural resources which may be acquired or discovered by a resource issuer will be affected by numerous factors beyond the control of such resource issuer. These factors include market fluctuations in the price of metals, metal concentrates, and minerals, the proximity and capacity of natural resource markets and processing equipment, government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of materials and environmental protection. The exact effect of these factors cannot be accurately predicted, but any one, or a combination of, these factors could result in a resource issuer not producing an adequate return for shareholders;

- a resource issuer may become subject to liability for pollution, cave-ins or other hazards against which a resource issuer cannot insure or against which it may elect not to insure. Such liabilities may have a material, adverse effect on such resource issuer's financial position and on the value of the securities of such resource issuer held as part of Melior's investment portfolio;

- a resource issuer's operations are subject to government legislation, policies and controls relating to prospecting, land use, trade, environmental protection, taxation, rates of exchange, return of capital and labour relations. A resource issuer's property interests may be located in foreign jurisdictions, and its exploration operations in such jurisdictions may be affected in varying degrees by the extent of political and economic stability, and by changes in regulations or shifts in political or economic conditions that are beyond the control of the resource issuer. Such factors may adversely affect the resource issuer's business and/or its property holdings. Although a resource issuer's exploration activities may be carried out in accordance with all applicable rules and regulations at any point in time, no assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner that could limit or curtail production or development of the resource issuer's operations.

Amendments to current laws and regulations governing the operations of a resource issuer or more stringent enforcement of such laws and regulations could have a substantial adverse impact on the financial results of the resource issuer; and

- a resource issuer's operations may be subject to environmental regulations enacted by government agencies from time to time. A breach of such legislation may result in the imposition on the resource issuer of fines and penalties. In addition, certain types of operations require the submission and approval of environmental impact assessments. Environmental legislation is evolving in a manner which has lead to stricter standards and enforcement and greater fines and penalties for non-compliance. The cost of compliance with government regulations may reduce the profitability of a resource issuer's operations.

Competition

Melior operates in the extremely competitive financial services industry and competes with a large number of companies that provide equity, debt and/or mezzanine financing. Many of Melior's competitors have greater financial, technical and other resources than Melior. These competitors may be able to respond more quickly and successfully to new or changing opportunities.

Realization of Benefits from Investments

There is a risk that some or all of the expected benefits of investments may fail to materialize, or may not occur within the time periods anticipated by management of the Corporation. The realization of such benefits may be affected by a number of factors, many of which are beyond the control of the Corporation. The failure to realize some or all of the expected benefits of such investments could have a material adverse effect on the business, financial condition and results of operations of the Corporation.

Attraction and Retention of Personnel

The Board may experience delays in hiring, or be unable to hire or retain, experienced and qualified new management for the Corporation within the timeframes necessary or upon terms acceptable to the Corporation. The competition for qualified personnel in the mining and metallurgical industry is intense and there can be no assurance that the Corporation will be able to attract and retain the personnel necessary for the implementation of its business strategy.

Reliance on Key Personnel

Melior is dependent upon the personal efforts, performance and commitment of its management and the Board, who are responsible for the future development of Melior's business. To carry out its investment activities, Melior will be relying upon the business judgment, expertise and integrity of Melior's management and the Board. To the extent that the services of any member of management or the Board became unavailable for any reason, a disruption to the operations of Melior could result and may delay the implementation of the Corporation's business strategy.

Conflicts of Interest

Melior's directors and officers may serve as directors or officers of other companies in the same business as Melior, natural resource companies or companies providing services to Melior, or they may have significant shareholdings in other resource companies. To the extent that such companies participate in transactions in which Melior participates, the directors of Melior may have a conflict of interest in negotiating and concluding terms to the extent of such participation. Furthermore, part of Melior's investment strategy is to place at least one Melior nominee on the board of directors of its investee companies. Confidentiality and fiduciary conflict issues may arise and any director may be recused from participating in or voting at a Board meeting. If a conflict of interest arises at a Board meeting, any director who has a conflict will abstain from voting in connection with the transaction in accordance with the *Business Corporations Act* (British Columbia).

Foreign Currency Risk

The Corporation's functional currency is the Canadian Dollar; however, future major investments may be transacted in US dollars or other foreign currencies. Accordingly, the Corporation is subject to the risks inherent in exchange rate fluctuations.

Settled Contingencies

Please refer to the Corporation's annual information form for the year ended June 30, 2012 for a description of other settled contingencies.

Outstanding Share Data

As at March 31, 2013, the Corporation has the following securities outstanding:

	TSXV Symbol	Number Outstanding	Shares Issuable on Exercise	Exercise Price $	Expiry Date	Proceeds if Exercised $
Common shares	MLR	173,380,974				
Warrants	MLR.WT.B	61,873,890	61,873,890	2.50	June 5, 2013	154,684,725

The Corporation has 3,390,000 stock options outstanding which, if exercised, would result in proceeds of approximately $862,800.

Additional Information

Additional information relating to the Corporation, including the Corporation's annual information form for the year ended June 30, 2012, is available for viewing on SEDAR at www.sedar.com and on the Corporation's web site at www.meliorresources.com. The Corporation cautions that information contained on, or accessible through, these websites is current only as at the date of such information.