

**MELIOR RESOURCES INC. ANNOUNCES
STRATEGIC UPDATE FOR THE GOONDICUM PROJECT**

Toronto, Ontario – 2 August 2015.

Further to the press release of 8 July 2015, over the last month Melior Resources Inc. (TSXV: "MLR") ("**Melior**" or the "**Company**") has successfully implemented its reduced time strategy operating at 50% of the available calendar hours at its wholly-owned Goondicum project. This strategy has allowed the Company to continue to progress with the ramp-up of the operation to full design capacity. Since start-up in April, the Company has significantly de-risked the operation through:

- Total production in excess of 18,000 tonnes of ilmenite since April 7, 2015
- First cargo of 6,600 tonnes of on-specification product successfully shipped to customers
- On target production of apatite by-product at better than target specification quality

Notwithstanding the successful commissioning performance to date, in light of the weak ilmenite market the Company considers that it is in the best interests of shareholders to pause production now, having significantly de-risked the operation prior to full-scale production, by placing the Goondicum project on care and maintenance.

Melior has today entered into a secured loan agreement with Pala Investments Ltd to borrow up to an aggregate of US\$5 million. The loan may be prepaid by the Company prior to its maturity date without penalty and will be secured over the assets of Melior and its subsidiaries. The proceeds of the loan will be used to for general working capital purposes at Melior and the Goondicum operation during the temporary period of non-production as well as being sufficient to support the anticipated re-start of the operations in stronger market conditions. With this funding support in place, there is currently no anticipated equity funding required to support the eventual restart of the operations.

Having significantly de-risked the operating parameters of the business, and having a flexible operation that can efficiently be restarted within available cash resources, the Board believes that pausing production now is a better solution than entering into potentially long-term low-priced sales contracts.

During this period of suspended operations, Melior will continue to progress with the permitting of the eastern access road and ensuring that when the restart occurs that the Company has the opportunity to reduce haulage costs to the Gladstone port by more than A\$15 per tonne.

Mark McCauley CEO of Melior commented,

"While we are disappointed to interrupt production, we believe that it is the responsible thing to do at this time. As we have proven over the last few months, we are able to bring the operation quickly into production and with funding in place to support a restart we are well positioned to recommence a highly profitable and cash generative operation when the pricing environment improves."

About the Corporation

Melior is the owner and operator of the Goondicum mine, an ilmenite and apatite mine strategically located in Queensland Australia.

Further details on Melior and the Goondicum 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.

For further details on Melior, please refer to SEDAR or the Melior website at www.meliorresources.com

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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", "target", "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. This forward looking information is subject to numerous risks, uncertainties and assumptions, certain of which are beyond the control of Melior, including, without limitation: risks relating to the timing for completion of commissioning of the Goondicum mine or achieving target ilmenite capacity; inability to obtain the regulatory approvals necessary for completion of the Eastern Access Road; no guarantee that any of the letters of intent executed with Chinese pigment producers will result in firm sales contracts; no guarantee that a trial cargo of phosphate rock will be finalized with off-shore customers; the impact of general economic conditions; industry conditions; volatility of minerals prices; volatility of commodity prices; currency fluctuations; mining risks; risks associated with foreign operations; governmental and environmental regulation; competition from other industry participants; the lack of availability of qualified personnel or management; and stock market volatility. Readers are cautioned that the material assumptions used in the preparation of such information, although considered reasonable at the time of preparation, may prove to be imprecise. Actual results, performance or achievement could differ materially from those expressed in, or implied by, this forward-looking information and, accordingly, no assurance can be given that any of the events anticipated by the forward-looking information will transpire or occur, or if any of them do so, what benefits Melior will derive therefrom. Melior disclaims any intention or obligation to update or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as required by applicable securities laws.

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