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Interim Drilling Results Carscallen 2017

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TSX Venture Exchange

Trading Symbol: MKR

Timmins, Ontario. Melkior Resources Inc. (“**Melkior**”) has received the final assay results for all of the recently completed drilling in Carscallen Township, Timmins, Ontario. Drill hole locations and select assay results are presented below.

Drill Hole Location						Select Assay Results			
Drill Hole	East	North	EOH	Dip	Azimuth	From (m)	To (m)	Width (m)	Au (ppm)
CAR-17-1	451337	5358114	161	45	180	75.53	75.93	0.40	4.78
						80.33	81.09	0.76	3.25
						16.00	16.40	0.40	36.10
CAR-17-2	451475	5358028	113	45	240	16.00	17.20	1.20	0.63
						152.00	153.00	1.00	1.17
CAR-17-3	451439	5358080	89	45	240	153.00	153.65	0.65	0.79
						153.65	155.26	1.61	3.25
						159.45	159.90	0.45	2.82
CAR-17-4	451436	5358124	317	45	240	9.70	10.35	0.65	12.10
						38.90	39.65	0.75	6.84
CAR-17-5	451436	5358124	116	45	60	57.00	57.45	0.45	6.20
						53.60	54.00	0.40	1.86
CAR-17-6	451115	5357994	233	45	60	72.40	74.00	1.60	21.80
						87.00	88.00	1.00	1.33
						89.00	90.00	1.00	0.99
						173.55	174.40	0.85	0.79
						226.25	227.25	1.00	0.54
						268.65	269.55	0.90	0.32
						273.85	274.45	0.60	2.58
						291.65	292.18	0.53	8.73
CAR-17-7	451043	5357696	259	45	270	65.20	66.00	0.80	49.10
						66.00	66.80	0.80	14.20
						77.60	77.90	0.30	17.50
CAR-17-8	450928	5357593	122	45	270	77.90	79.10	1.20	0.36
						191.45	191.85	0.40	6.63
						243.36	244.16	0.80	0.60
						267.00	268.00	1.00	0.08
						277.70	278.00	0.30	4.18
						283.00	283.45	0.45	0.69
						292.40	292.75	0.35	1.16
						367.41	368.00	0.59	0.47
						368.00	368.85	0.85	0.69

The drilling completed so far has been conducted in general accordance with Melkior Exploration Plan 2017 (<http://www.melkior.com/wp-content/uploads/MKR-2017-Exploration-Plan.pdf>). The following sections provides a very limited discussion of the results compared to expectations, a detailed discussion is posted on the Melkior website (<http://www.melkior.com/wp-content/uploads/MKR-Interim-Drilling-Results-Carscallen-2017.pdf>).

CAR-17-2, CAR-17-3, CAR-17-4, CAR-17-5 confirmed the Target A interpreted fault zone and identified a co-incident new gold bearing quartz vein sub-parallel to and west of the Zamzam Zone. Results include CAR-17-2 assayed 36.10ppm gold over 0.40m, CAR-17-5 assayed 12.10ppm gold over 0.65m at shallow depth.

CAR-17-1 and CAR-17-4 returned positive but inconclusive results for the presence of an east west structure related to an interpreted IP chargeability anomaly. CAR-17-1 encountered 4.78ppm gold over 0.40m in close proximity to 3.25ppm over 0.76m. CAR-17-4 was extended to undercut the mineralized CAR-17-1 intersections and encountered a broader width of mineralization including 3.25ppm gold over 1.61m. The orientation of the mineralization has not been established.

CAR-17-7 was drilled to evaluate an offset in the 1010 zone and test an interpreted crosscutting IP anomaly. Evidence for the IP zone remains elusive but at shallow depth assays returned 6.84 ppm over 0.75m.

CAR-17-8 successfully encountered gold bearing mineralization in the targeted area and validated the presence of a northerly trending fault. Results include 6.20 ppm gold over 0.45m approximately 50m vertically above the 18.65 ppm gold over 0.65m returned by CAR-29-2010.

CAR-17-9, CAR-17-10, Car-17-11 were drilled to target both a gold in soil anomaly and the area underling a high-grade float sample (Target F). These drill holes did not encounter significant gold mineralization. The gold in soil anomaly remains unexplained. The nature of the overburden underling the high-grade float indicates some degree of transport has occurred.

Behemoth Zone

CAR-17-13, CAR-17-14 and CAR-17-16 have confirmed the inferred Target H fault and the presence of a gold bearing coincident quartz vein. These drill holes collectively identified 100m of strike length on a north-south trending fault with quartz veining and intensely silicified host with pyrite. This mineralized structure was encountered at shallow depths in close proximity to Melkiors eastern boundary. Assays include CAR-17-13 assayed 21.80 ppm gold over 1.6m, CAR-17-14 assayed 31.65ppm gold over 1.6m, CAR-17-16 assayed 17.50ppm gold over 0.30m. This structure trends towards the Zamzam Zone located 1.8 km to the north.

A new gold occurrence, the Whaleback outcrop, has been established in the center of the Behemoth Zone. Samples from the outcrop assayed up to 9.5ppm gold from a silicified cataclastic zone in granite that hosts a multi-episodic quartz vein (Az290, -70E) up to 30 cm wide. Two drill holes were drilled over 100m below the trend of this new gold occurrence (CAR-17-13 and CAR-17-16). Visible gold was encountered, assay results were lower than anticipated, metallic sieve assays are going to be conducted.

A series of structures were crossed by drill holes underneath the Whaleback outcrop and interpreted to be parallel to the one observed on surface (Az 290, -70E). Multiple distinct mineralized zones were observed in both of these drill holes. Observations suggest that the mineralization in these two drill holes is related to a broad complex Az290?, -70E? trending structure that has experienced multiple periods of deformation. There seems to be a general commonality to the zones where the granite has been crushed, circulating hydrothermal fluids produce a pronounced silicified zone marginal to these cataclastic zones. Multiple periods of deformation have locally produced further cataclastic deformation, brittle failure with

associated quartz veining and brecciation with associated intense silicification. Pyrite is commonly associated with these cataclastic zones and late silicifying and mineralizing events.

The sporadic gold assay results across this structural and hydrothermal corridor (Behemoth Zone) taken together with a much broader envelope of elevated pathfinder elements and the presence of gold on surface and in drill core is considered extremely encouraging.

CAR-17-12 and TW-17-16 have identified extreme alteration at the southern margin of the claim group, not previously observed on the Carscallen Project. This extreme alteration is accompanied by substantial pathfinder element enrichment at the location sampled. The nature and extent of the alteration suggests a significant undocumented structural break transects the southern portion of the claim group. The orientation and significance of this potential structure merits evaluation.

Also new to the Carscallen Project and within the Behemoth Zone are a series of ultramafic “dykes” that host gold mineralization and are substantially enriched in pathfinder elements. It is possible that these relatively narrow features are related to a larger and deeper intrusive, possibly in the volcanics that are expected to be present immediately below the sub-horizontal lower granite contact.

Zones of intersection of north-south trending gold bearing structures with east-west structures are considered priority exploration targets. The southern extension of the new gold bearing quartz vein **and** the gold bearing ultramafic dikes **and** the gold bearing hydrothermal corridors could all intersect the inferred undocumented structural break that transects the southern portion of the claim group. Additionally, each of these gold zones could exit the base of the sub-horizontal granitic intrusive in close proximity to the undocumented structural break, and all within a relatively small area. The source of the ultramafic material below the sub-horizontal granitic intrusive that hosts Behemoth Zone is considered a high priority target.

The extreme alteration and the proposed existence of an undocumented structure crossing the Melkior claim group could have significant implications to Melkior's ongoing exploration plans. Melkior's current working hypothesis positions the Carscallen Project north of the Porcupine Destor Fault in an area where an apparent inflection in the fault zone may have produced splay faults and a series of Az290 - Az350 trending faults/structures that host Melkior gold zones. There is a significant competency contrast between the relatively plastic volcanic rock to the south of the Porcupine Destor Fault compared to the competent granitic intrusive that hosts Melkior gold zones to the north. This competency contrast may have acted to focus fluid flow northward into the well-developed faults on the Melkior claim group. A comparison could be made to the area of the Dome Mine being located in the vicinity and north of a disrupted section of the Porcupine Destor Fault that is bounded to the south by a sequence of relatively plastic volcanics that may have focused fluid flow into structural complexities related to the PDFZ disruption and splay faults preferentially located within the more competent rock located north of the Porcupine Destor Fault Zone

Existing IP data collected by Melkior provides excellent coverage of the Behemoth Zone and vicinity. The targeting and hole placement so far has not specifically targeted IP anomalies. Historically the use of IP chargeability data has been problematic due to the presence of disseminated pyrite within porphyry units. The individual structures that together comprise the Behemoth Zone have disseminated pyrite intimately associated with relatively intense hydrothermal alteration. It is hoped in the absence of other significant chargeability sources that the existing IP data can be used to target the mineralized conduits.

The geologic simplicity of bedrock types so far encountered within the Behemoth Zone and the absence of porphyry units suggests a review and re-evaluation of the IP data in this area is of paramount importance.

The IP sections for this area have been posted on the Melkior website.

Shareholder patience is appreciated, the last assay certificate was only received on November 7, 2017, over 12 weeks after submission. It is anticipated that drilling will resume before the end of November, additional information will be the subject of future news releases.

Wade Kornik, P.Geo., has approved the information contained in this release. Mr. Kornik is the Exploration Manager of the Company and is Qualified Person as defined by National Instrument 43-101.

ON BEHALF OF THE BOARD
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The reader is invited to visit Melkior's web site www.melkior.com.

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