

FORM 51-102F3
MATERIAL CHANGE REPORT

Item 1 Name and Address of Company

Melior Resources Inc. (the “Company” or “Melior”)
120 Adelaide Street West, Suite 2500
Toronto, Ontario M5H 1T1

Item 2 Date of Material Change

July 12, 2017.

Item 3 News Release

The Company’s news release dated July 12, 2017 was disseminated through the facilities of Marketwired and filed on SEDAR.

Item 4 Summary of Material Change

On July 12, 2017, the Company announced that it had entered into an amendment to its loan agreement (the “**Amended Loan Agreement**”) with Pala Investments Limited (“**Pala**”) after receiving final acceptance from the TSX Venture Exchange (the “**TSX-V**”) and approval from holders of more than 50% of its issued and outstanding common shares (the “**Common Shares**”), excluding Common Shares held by Pala. Pursuant to the terms of the Amended Loan Agreement, Pala increased the debt facility available to Melior by US\$1,240,000 to an aggregate of US\$4,750,929 (the “**Pala Facility**”). In addition, Pala will have the right for a period of five years from the date of the Amended Loan Agreement, to elect to convert the amount outstanding under the Pala Facility (excluding any interest accrued thereon), in whole or in part, into Common Shares at a conversion price of \$0.052 (the “**Initial Conversion Price**”) for the first 12 months, and thereafter, at the greater of \$0.10 and the Initial Conversion Price (after adjusting to account for any share consolidation undertaken by Melior).

Item 5 Full Description of Material Change

On July 12, 2017, the Company announced that it had entered into the Amended Loan Agreement with Pala after receiving final acceptance from the TSX-V and approval from holders of more than 50% of its issued and outstanding Common Shares, excluding Common Shares held by Pala. Pursuant to the terms of the Amended Loan Agreement, Pala increased the debt facility available to Melior by US\$1,240,000 to an aggregate of US\$4,750,929. Further, Pala’s right to demand repayment of the outstanding amount under the Pala Facility will be extended from any time on or after October 24, 2017 to any time on or after June 30, 2019. The expiry of the Make-Whole Amount (as defined in the Amended Loan Agreement) will be extended from October 31, 2017 to June 30, 2019. The Make Whole Amount is restricted to the pool of funds that consists of 70% of the amount by which the proceeds of such liquidity event exceeds US\$4,000,000, which will be increased to

US\$5,400,000, in order to take into account the increase of the amount of the Pala Facility. In addition, Pala will have the right for a period of five years from the date of the Amended Loan Agreement, to elect to convert the amount outstanding under the Pala Facility (excluding any interest accrued thereon), in whole or in part, into Common Shares at a the Initial Conversion Price for the first 12 months, and thereafter, at the greater of \$0.10 and the Initial Conversion Price (after adjusting to account for any share consolidation undertaken by Melior). Any interest accrued on the Pala Facility from the date of the Amended Loan Agreement will, at the option of Pala, be payable in cash or convertible into Common Shares based on the market price of the Common Shares at the time of conversion, less any discount permitted under the rules of the TSX-V. An election by Pala to receive Common Shares for the amount of accrued interest under the Pala Facility will be subject to the approval of the TSX-V.

The new proceeds under the Pala Facility will be used by Melior primarily for purposes of finalizing a confirmatory technical work programme in preparation for a possible re-start of operations at its Goondicum ilmenite mine, with the balance to satisfy outstanding payables of the Company.

Item 6 Reliance on subsection 7.1(2) of National Instrument 51-102

Not applicable.

Item 7 Omitted Information

Not applicable.

Item 8 Executive Officer

Jonathan Mattiske
Chief Financial Officer, Melior Resources Inc.
+617 3233 6300

Item 9 Date of Report

July 14, 2017.