

REPORT ON THE

EAST RIM NICKEL AND WEST RIM NICKEL PROPERTIES,

MCFAULD'S LAKE AREA, NTS 43 C, 43 D AND 43E,

NORTHERN ONTARIO

FOR MELKIOR RESOURCES INC.

J. Ian Lawyer, P. Geo.
September 18, 2008

McFaulds Lake 43-101 Report for Melkior Resources
J. Ian Lawyer, September 18, 2008

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3. SUMMARY

At the request of Joe Campbell, president of GeoVector Management and Jens Hansen, President of Melkior Resources Inc., the author has conducted a data review of these early stage exploration properties and has completed a personal inspection of both the East Rim and West Rim properties (“The Properties”) in the James Bay Lowlands.

This Independent Technical Report is compliant with National Instrument 43-101 (“N43-101”), companion policy NI43-101CP and Form 43-1010F1. The purpose of this report is to provide an independent review of the Properties.

The author has prepared this Report to provide a summary of scientific data on and around the properties, including the historic exploration work and make recommendations concerning future exploration on the properties. This report is based on exploration and property information from the public domain and from information obtained through field visits to the Properties between August 29 and September 1st, 2008. The Qualified Person for this report is the author, Mr. J. Ian Lawyer, P. Geo.

Melkior Resources Inc. has recently acquired the East Rim Nickel and West Rim Nickel properties in the McFauld’s Lake area, James Bay Lowlands, northern Ontario. Melkior owns a 100% interest in the East Rim Nickel property and a 50% interest in the West Rim Nickel property. The Properties are approximately 110 and 60 km respectively east of the First Nations community of Webequie. The West Rim Nickel property consists of 59 claims totaling 916 claim units, for a total area of 14,656 ha. The East Rim Nickel property consists of 106 claims totaling 1,355 claim units, for a total area of 21,680 ha. Several small claims belonging to other parties exist within the larger East Rim Nickel property.

The Properties represent very early stage, completely conceptual targets within and adjacent to the so-called “Ring of Fire” in northern Ontario, presently one of the most active exploration regions in Canada. The area is within the eastern portion of the Sachigo Subprovince, which is overlain to the east by a sequence of Paleozoic sedimentary rocks (dolomite, shale, sandstone) that thickens gently to the east. The Sachigo Subprovince contains various greenstone belts sitting within granitic gneiss of the Berens River Gneiss complex.

The Properties were staked because they are underlain by major gravity highs, as shown in regional data. These gravity highs are postulated to be due to mafic or ultramafic intrusions or to be layered mafic-ultramafic Igneous Complexes. (Other gravity anomalies in the general area are associated with layered mafic-ultramafic Igneous Complexes, (Big Trout Lake Igneous Complex, Lansdowne House Igneous Complex, Fishtrap Lake Igneous Complex). The possibility that the gravity highs reflect mafic or ultramafic intrusions was strengthened by the discovery of outcropping gabbro during the field visit to the East Rim Nickel property on August 30 and 31, 2008 and the identification of mafic intrusive rocks adjacent to the West Rim property between August 31 and September 1, 2008. These gravity anomalies and their postulated large intrusions are proximal to known nickel-copper sulphide mineralization in ultramafic rocks at the

Double Eagle discovery of Noront. Mafic or ultramafic intrusions on the properties, if present, would thus be expected to have significant potential to host magmatic nickel-copper sulphide mineralization. The situation could be analogous to Sudbury and the Voisey's Bay deposit, with one or both of the Melkior properties possibly covering a large mafic/ultramafic intrusion or intrusions, possibly with associated mineralization, and the Double Eagle discovery occurring in an offshoot position with respect to this intrusion. From this it is concluded that an aggressive exploration campaign is justified for nickel-copper and platinum group metals. Although the potential for nickel-copper deposits is considered excellent, there are several claims within the two blocks that were previously staked for diamond bearing kimberlite and both properties are also considered to have potential to host kimberlite.

A two phase exploration program is recommended. Phase 1 consists of an airborne electromagnetic/magnetic survey, followed by field checking of anomalies and ground geophysical surveying to generate drill targets. Airborne surveying should be completed as soon as practicable, field checking of electromagnetic anomalies would then be undertaken and ground geophysical surveying should be done after freeze-up. The cost of Phase 1 would be on the order of \$815,000. Phase 2 would be contingent on positive results in Phase 1, and would consist of drill-testing the priority anomalies defined by the ground geophysics, in order to ascertain their source. It is unknown how many drill targets will be defined, but an initial phase of drilling is likely to consist of 1,000 to 1,500 meters, and cost up to \$500,000. Subsequent exploration would depend on final analysis of the airborne data and the success of the first drill program.

4.0 INTRODUCTION

Melkior Resources Inc. (Melkior) has recently acquired the East Rim Nickel and West Rim Nickel properties (the "Properties") in the McFauld's Lake area, James Bay Lowlands, northern Ontario (Fig. 1). Melkior owns a 100% interest in the East Rim Nickel property and a 50% interest in the West Rim Nickel property. This National Instrument 43-101-compliant technical report was prepared for the TSX Venture Exchange (the "Exchange") in order to comply with the Exchange's requirements with regards to the acquisition of the East Rim Nickel and West Rim Nickel properties, as expressly required by facsimile from the Exchange to Melkior sent on June 11, 2008. This is in accordance with section 5.1 of Policy 5.3 – *Acquisitions and Dispositions of Non-Cash Assets* and with section 3 of Appendix 3F – *Mining Standards Guidelines* of the Exchange. The author is the Qualified Person as defined by National Instrument 43-101.

The Properties represent very early stage, completely conceptual targets within and adjacent to the so-called "Ring of Fire" in northern Ontario, presently one of the most active exploration regions in Canada. The targets were developed by GeoVector Management Inc. (GeoVector), an Ottawa-based geoconsulting firm, in conjunction with Geotest Corporation (Geotest), a private exploration company. The targets were then