Condensed Interim Consolidated Financial Statements

For the three months ended March 31, 2014 and 2013

(Canadian dollars)
(Unaudited)

Prepared by Management – See Notice to Reader

NOTICE TO READER

Under National Instrument 51-102, Part 4, subsection 4.3 (3) (a), if an auditor has not performed a review of the condensed interim consolidated financial statements, they must be accompanied by a notice to this effect. These unaudited condensed interim consolidated financial statements have been prepared by management of the Corporation. Management have compiled the unaudited condensed interim consolidated statements of financial position of Morien Resources Corp. as at March 31, 2014 and December 31, 2013 and the unaudited condensed interim consolidated statements of comprehensive loss and cash flows for the three months ended March 31, 2014 and 2013. The Corporation's independent auditors have not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the March 31, 2014 and 2013 condensed interim consolidated financial statements. Readers are cautioned that these statements may not be appropriate for their intended purposes.

MORIEN RESOURCES CORP.

Condensed Interim Consolidated Statements of Financial Position
(Canadian dollars)
(Unaudited)

		March 31, 2014		December 31, 2013
ASSETS				
Current assets:				
Cash	**$**	**195,748**	$	336,127
Trade and other receivables		**123,482**		55,267
Prepaid expenses		**9,581**		19,189
Non-current assets held for sale		**262,292**		262,292
		591,103		672,875
Non-current assets:				
Exploration and evaluation assets		**18,540,130**		18,540,130
		18,540,130		18,540,130
TOTAL ASSETS	**$**	**19,131,233**	$	19,213,005
LIABILITIES & EQUITY				
Current liabilities:				
Trade and other payables	**$**	**251,161**	$	131,326
		251,161		131,326
Non-current liabilities:				
Due to shareholder		**150,000**		150,000
TOTAL LIABILITIES	**$**	**401,161**	$	281,326
SHAREHOLDERS' EQUITY				
Share capital	**$**	**24,178,166**	$	24,178,166
Contributed surplus		**17,337,960**		17,337,960
Deficit		**(22,786,054)**		(22,584,447)
TOTAL EQUITY	**$**	**18,730,072**	$	18,931,679
TOTAL LIABILITIES AND EQUITY	**$**	**19,131,233**	$	19,213,005

Going concern (Note 2)
Subsequent event (Note 6)

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

MORIEN RESOURCES CORP.

Condensed Interim Consolidated Statements of Comprehensive Loss
(Canadian dollars)
(Unaudited)

	Notes		For the three months ended March 31, 2014		March 31, 2013
Corporate and administration		**$**	**179,966**	$	335,791
Exploration expenses			**21,231**		42,060
Foreign exchange (gain) / loss			**(846)**		70
Loss from operating activities			**(200,351)**		(377,921)
Finance income			**593**		4,133
Finance expense			**(1,849)**		(4,863)
Net finance (expense) income			**(1,256)**		(730)
Net loss from continuing operations			**(201,607)**		(378,651)
Income (loss) from discontinued operations	**6**		**-**		1,910
Net loss		**$**	**(201,607)**	$	(376,741)
Other comprehensive loss:					
Items which may subsequently be recycled through profit or loss					
Foreign currency translation difference			**-**		13,308
Total comprehensive loss		**$**	**(201,607)**	$	(363,433)
Basic and diluted loss per share:					
Continuing operations		**$**	**(0.00)**	$	(0.01)
Discontinued operations			**-**		0.00
Basic and diluted loss per share		**$**	**(0.00)**	$	(0.01)
Basic and diluted weighted average number of shares outstanding			**49,256,240**		49,256,240

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

MORIEN RESOURCES CORP.

Condensed Interim Consolidated Statements of Changes in Equity
(Canadian dollars)
(Unaudited)

	Share capital	Contributed surplus	Accumulated other comprehensive income	Deficit	Total equity
Balance at January 1, 2013	$ 24,178,166	$ 17,229,576	$ 120,943	$ (21,357,724)	$ 20,170,961
Total comprehensive loss for the period:					
Net loss	$ -	$ -	$ -	$ (376,741)	$ (376,741)
Other comprehensive income	-	-	13,308	-	13,308
Share-based payments	-	68,055	-	-	68,055
Balance at March 31, 2013	$ 24,178,166	$ 17,297,631	$ 134,251	$ (21,734,465)	$ 19,875,583
Balance at January 1, 2014	24,178,166	17,337,960	-	(22,584,447)	18,931,679
Total comprehensive loss for the period:					
Net loss	$ -	$ -	$ -	$ (201,607)	$ (201,607)
Balance at March 31, 2014	$ 24,178,166	$ 17,337,960	$ -	$ (22,786,054)	$ 18,730,072

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

MORIEN RESOURCES CORP.

Condensed Interim Consolidated Statements of Cash Flows
(Canadian dollars)
(Unaudited)

	For the three months ended			
		March 31, 2014		**March 31, 2013**
Cash flows from operating activities:				
Net loss	**$**	**(201,607)**	$	(376,741)
Item not involving cash:				
Stock-based compensation		**-**		68,055
Net finance expense		**1,256**		730
Change in non-cash working capital		**61,228**		(34,745)
Cash flows from operating activities	**$**	**(139,123)**	$	(342,701)
Cash flows from financing activities:				
Interest paid		**(1,849)**		(4,863)
Cash flows from financing activities	**$**	**(1,849)**	$	(4,863)
Cash flows from investing activities:				
Expenditures on exploration and evaluation assets		**-**		(100,000)
Interest received		**593**		4,133
Cash flows from investing activities	**$**	**593**	$	(95,867)
Decrease in cash	**$**	**(140,379)**	$	(443,431)
Cash, beginning of period		**336,127**		1,659,016
Cash, end of period	**$**	**195,748**	$	1,215,585

Cash flows from discontinued operations (note 5)

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

1. Nature of operations

Morien Resources Corporation ("Morien" or the "Corporation"), a corporation domiciled in Canada, was formed when Advanced Primary Minerals Corporation amalgamated with Erdene Resources Inc. on November 9, 2012. The address of the Corporation's registered office is 99 Wyse Road, Suite 1480, Dartmouth, Nova Scotia, B3A 4S5. The condensed interim consolidated financial statements of the Corporation as at March 31, 2014 and December 31, 2013 comprise the Corporation and its subsidiaries 6531954 Canada Limited ("6531954") and Advanced Primary Minerals USA Corp ("APMUSA"). The principal business of the corporation is the exploration and development of coal interests in Nova Scotia, Canada.

2. Going concern

These consolidated financial statements have been prepared on a going concern basis, which assumes the Corporation will continue in operation for the foreseeable future and be able to realize its assets and discharge its liabilities and commitments in the normal course of business. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but is not limited to, twelve months from the end of the reporting period. Management is aware, in making its assessment, of material uncertainties related to events or conditions that cast significant doubt upon the entity's ability to continue as a going concern, as described in the following paragraphs.

The Corporation is in the exploration stage and is subject to the risks and challenges similar to other companies in a comparable stage of exploration. These risks include, but are not limited to, dependence on key individuals, successful exploration results and the ability to secure adequate financing to meet the minimum capital required to successfully advance the projects and continue as a going concern.

The Corporation experienced significant losses and negative cash flows from operations in 2013 and 2012. The Corporation had working capital of $339,942 at March 31, 2014 compared to $541,549 at December 31, 2013, representing a $201,607 decrease. Subsequent to March 31, 2014, the Corporation received $1.0 million in cash upon closing of the agreements outlined in Note 6. Management believes current working capital is sufficient to fund the Corporation's budgeted expenditures until approximately the second quarter of 2015. The Corporation holds a 25% interest in the Donkin joint venture and Glencore, the holder of the 75% majority interest in the joint venture, is seeking a buyer for its interest, which impacts the ability of the Corporation to raise capital or to advance the project to development until Glencore completes a sale. There is no certainty the sales process will be completed in a timeframe that will enable the Corporation to raise funds as required in the future to advance the project to development. The ability of the Corporation to continue as a going concern, realize its assets and discharge its liabilities in the normal course of business and continue with, or expand upon its evaluation and development of the Donkin project is contingent upon obtaining equity financing or securing strategic alliances.

These consolidated financial statements do not reflect the adjustments that would be necessary if the going concern assumption were not appropriate. If the going concern basis was not appropriate, then adjustments would be necessary to the carrying values of the assets, the reported revenues and expenses, and the statement of financial position classifications used.

3. Statement of compliance

These condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") applicable to the preparation of interim financial statements, including IAS 34, Interim Financial Reporting ("IAS 34"). They do not include all the disclosures that would otherwise be required in a complete set of financial statements and should be read in conjunction with the Corporation's 2013 audited annual consolidated financial statements which have been prepared in accordance with IFRS as issued by the International Accounting Standards Board ("IASB")

The policies applied in these condensed interim consolidated financial statements are consistent with the policies disclosed in Notes 3 and 4 of the consolidated financial statements for the year ended December 31, 2013 with the exception of new standards, interpretations and amendments mandatorily effective for the first time from January 1, 2014. Note 4 sets out the impact of the new standards, interpretations and amendments on the consolidated financial statements.

The condensed interim consolidated financial statements were authorized for issue by the Board of Directors on May 23, 2014.

4. New standards, amendments and interpretations effective for the first time from January 1, 2014

Certain pronouncements were issued by the IASB or the IFRS Interpretations Committee that are mandatory for accounting periods beginning on or after January 1, 2014. The following new standards, amendments and interpretations have been adopted by the Corporation but have not had a material impact on these condensed interim consolidated financial statements:

- IFRS 9 – Financial Instruments
- Investment Entities - IFRS 10, IFRS 12 and IAS 27
- Amendments to IAS 32 – Offsetting Financial Assets and Liabilities
- IFRIC 21, Levies

(Canadian dollars)

5. Discontinued operations

In 2013, the Corporation sold substantially all its remaining assets in the United States. As a result, the cash flows and results of United States operating segment have been presented as discontinued operations.

	For the three months ended March 31, 2014	For the three months ended March 31, 2013
Results of discontinued operations		
Revenue	$ -	$ 2,756
Cost of sales	-	846
	-	1,910
Corporate and administration	-	-
Exploration expenses	-	-
Foreign exchange loss	-	-
Income (loss) from operating activities	-	1,910
Finance expense	-	-
Income (loss) from discontinued operations	$ -	$ 1,910

Cash flows (used in) provided by discontinued operation	For the three months ended March 31, 2014	For the three months ended March 31, 2013
Net cash (used in) operating activities	$ -	$ (4,086)
Net cash (used in) provided by financing activities	-	(31,035)
Net cash (used in) discontinued operation	$ -	$ (35,121)

6. Subsequent Event

On April 14, 2014, the Corporation entered into agreements ("Agreements") with Vulcan Materials Company ("Vulcan") and the Municipality of the District of Guysborough for the development of the Black Point Project in Guysborough County, Nova Scotia. Under the terms of the Agreements, Vulcan assumed Morien's interest in Black Point and became manager and operator of the Project in exchange for milestone payments totaling $1,800,000 and a royalty stream payable on all material sold from the Project over the life of the mine. The first payment of $1,000,000 was received on signing, and a second payment of $800,000 is due upon the approval and receipt of all environmental permitting necessary for the mining and shipping of aggregate from the Project.