



Management’s Discussion and Analysis Year ended December 31, 2012

This Management Discussion and Analysis (“MD&A”), dated April 22, 2013, relates to the operating results and financial condition of Morien Resource Corp. (formerly Advanced Primary Minerals Corporation) (“Morien” or the “Corporation”) and should be read in conjunction with the Corporation’s audited consolidated financial statements for the year ended December 31, 2012, and the notes thereto.

The following discussion and analysis includes consolidated financial information relating to the Corporation’s subsidiaries and is presented in Canadian dollars in accordance with International Financial Reporting Standards (“IFRS”).

This discussion includes certain statements that may be deemed “forward-looking statements”. All statements in this discussion, other than statements of historical fact, that address future production, reserve potential, exploitation activities and events or developments the Corporation expects, are forward-looking statements. Although the Corporation believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results or developments may differ materially from those in the forward-looking statements. Factors that could cause actual results to differ materially from those in forward-looking statements include market prices, joint venture negotiations, evaluation and development results, continued availability of capital and financing and general economic, market or business conditions.

Nature of Business and Overall Performance

General

On November 9, 2012, Advanced Primary Minerals Corporation (“APM”) amalgamated with Erdene Resources Inc. (“ERI”) to form Morien Resources Corp (see Fourth Quarter). The principal business of the corporation is now the development of the Donkin coal project in Nova Scotia, Canada. Prior to a June 2012 sale of its operating assets, the principal business of APM was the development of primary kaolin resources in Georgia, USA. The Corporation has a wholly owned subsidiary, Advanced Primary Minerals USA Corp. (“APMUSA”), a Delaware company which held the Corporation’s kaolin assets and continues to hold real estate interests which are held for sale.

Transaction with Erdene Resource Development Corp.

The Agreement set out the terms of the statutory plan of arrangement involving Erdene Resource Development Corp. (“Erdene”), APM, ERI, and the security holders of Erdene and APM whereby:

- Erdene subscribed to 1,950,000 shares of ERI for proceeds of \$1,950,000.
- Erdene transferred all of the issued and outstanding shares of its subsidiary, ERI, an entity that owned Erdene’s North American property interests, to APM in exchange for an aggregate of 360,028,650 common shares of APM.
- APM and ERI amalgamated to form Morien Resources Corp., TSXV:MOX.
- On the amalgamation of APM and ERI, each shareholder of APM (including Erdene) received one (1) common share of Morien for every 7.85 shares of APM owned by such shareholder.
- Morien repaid a \$550,000 note payable to Erdene.

Project Summaries

Donkin Coal Project – Nova Scotia, Canada

Morien has a 25% interest in the Donkin coal project in Cape Breton Island, Nova Scotia, along with joint venture partner Xstrata Coal Donkin Limited (“Xstrata Coal”) which has a 75% interest in the project. On April 26, 2012, it was announced Xstrata Coal was seeking an operating coal company to assume its 75% interest in the Donkin coal project. Xstrata Coal cited a change in its business strategy since first acquiring the project, to one which now focuses on larger volume mining complexes, as the reason for the choosing to sell its interest in the project.

On March 19, 2013, Xstrata announced that an acceptable buyer had yet to be found and acquisition options would be discussed with Morien. Management has entered into discussions with multiple parties to assess various options to participate in the Xstrata sale process including acting on its 60-day right of first refusal.

During the Xstrata Coal sales process, the project timelines are being maintained. On April 9, 2013, the Canadian Environmental Assessment Agency (“CEAA”) released a Comprehensive Study Report (“CSR”) for the Donkin coal project. The CEAA concluded “... the project is not likely to cause significant environmental effects when implementation of the proposed mitigation measures, the follow-up program and adherence to conditions and requirements related to the necessary federal permits, authorizations and approvals are taken into account”. Morien management considers this assertion by CEAA as positive for the Donkin coal project and looks forward to the results of the third and final public review period.

Xstrata Coal, under the joint venture agreement, is committed to fund the first \$10 million of Morien’s development funding requirement. Xstrata Coal agreed to bring forward up to \$1 million of this amount to cover Morien’s share of expenditure on the project during the sales process. To the date of this MD&A Xstrata has funded \$1 million of its commitment reducing Xstrata Coal’s commitment to the Corporation to \$9 million.

In June 2011, the Donkin Joint Venture (“DJV”) released a National Instrument 43-101 compliant Technical Report for the Donkin coal project prepared by Marston & Marston Inc. of St. Louis, Missouri (the “Report”). The Report presents the results of the Pre-Feasibility Study (“PFS”) on the Donkin Export Coking Coal Project prepared by Xstrata Coal and the reserves defined by the PFS. The PFS estimated the Donkin mine will produce 2.75 million washed product tonnes of coal per year and will directly employ about 300 people. The PFS targets the commencement of coal production in 2014, although the outcome of the Xstrata sales process could have an impact on these timelines. The Report supports advancing the project to the next phase. The PFS concluded that Donkin had a \$1.06 billion Net Present Value (“NPV”) (8% discount rate) based on project development capital of approximately \$500 million and demonstrates the potential for first quartile operating costs.

Aggregate Interests – Nova Scotia

The Corporation is evaluating the development of a construction aggregate quarry in Guysborough County, Nova Scotia which would sustain a bulk tonnage operation on deep water for export via ocean going vessels to the U.S. Eastern Seaboard market.

Kaolin Clay – Georgia, USA

On June 29, 2012, APM completed the sale of its Dearing, Georgia kaolin processing plant and associated real property. The plant was built by the Corporation in 2009. Despite encouraging results from product trials and improvements in operations, the Corporation was unable to reach sustained positive cash flows. The asset sale was approved by shareholders at the annual and special meeting held on June 29, 2012. Sale of the assets reduced the Corporation’s monthly cash burn and improved its working capital position. The sale agreement includes a royalty payable to the Corporation on annual kaolin mined from the Tudor property in excess of 20,000 tons per year.

Selected Annual Information

The following information has been extracted from the Corporation’s audited consolidated financial statements.

Expressed in thousands of Canadian dollars except per share amounts.

Fiscal Year Ended December 31	2012	2011	2010
Revenues	\$ Nil	\$ Nil	\$ Nil
Loss for the year	\$ 1,263	\$ 3,328	\$ 1,353
Basic and diluted loss per share	\$ 0.12	\$ 1.05	\$ 0.54
Total assets	\$ 20,836	\$ 1,843	\$ 7,358
Total long-term liabilities	Nil	\$ 411	\$ 2,713
Cash dividends declared	Nil	Nil	Nil

All financial data has been prepared in accordance with IFRS.

Discussion of Operations

Years ended December 31, 2012 and 2011

In June 2012, the Corporation disposed of its operating assets. As a result, the cash flows and results of operations of these assets have been presented as discontinued operations for the year ended December 31, 2012 and prior years have been restated to show the discontinued operations separately from continuing operations.

Corporate and administration amounted to \$685,500 for the year ended December 31, 2012 compared to \$308,735 in the prior year. Excluding share-based payments, costs increased \$139,403 over the prior year. The increase is due the hiring of a full time CEO, additional advisory for legal, accounting and tax matters and increased shareholder communications in relation to the reorganization of the Corporation.

	For the year ended December 31	
	2012	2011
Employee benefit costs	\$ 215,990	\$ 166,170
Share-based payments	241,905	4,543
Direct costs	227,605	138,022
	\$ 685,500	\$ 308,735

Exploration expenses increased compared to the prior year. The increase is primarily geological salaries, option payments and the costs associated with conducting a bulk sampling program at the Donkin Coal Project.

	For the year ended December 31	
	2012	2011
Employee benefit costs	\$ 27,696	\$ -
Share-based payments	17,809	-
Direct costs	60,116	2,221
	\$ 105,621	\$ 2,221

The Corporation has reclassified the cash flows and results from operations associated with its clay operating assets as discontinued operations as outlined in the table below.

	For the year ended December 31,	
	2012	2011
Results of discontinued operations		
Revenue	\$ 270,284	\$ 699,176
Cost of sales	368,218	3,976,339
	(97,934)	(3,277,163)
Corporate and administration	27,321	32,202
Exploration expenses	7,778	-
Gain on sale of property, plant, and equipment	-	(101,046)
Impairment loss	281,264	-
Foreign exchange loss (gain)	(592)	30,924
Loss from operating activities	(413,705)	(3,239,243)
Finance expense	(15,381)	(30,424)
Loss from discontinued operations	\$ (429,086)	\$ (3,269,667)

The Corporation recognized a net loss of \$1,231,186 in 2012 compared to \$3,538,718 in 2011. Loss from continuing operations was \$0.08 per share in 2012 (2011 -\$0.08) while loss from discontinued operations was \$0.04 in 2012 (2011- \$0.97).

Fourth Quarter

As outlined above, on November 9, 2012, the Corporation completed a Plan of Arrangement between Erdene, APM and ERI.

In November 2012, management made the decision to sell its remaining real estate interests in Georgia, USA and at December 31, 2012 has classified the assets as Held for Sale. The Corporation recognized \$281,264 impairment on the real estate in the fourth quarter which is included in discontinued operations.

On December 3, 2012 the Corporation issued 2,500,000 share purchase options with an exercise price of \$0.27 per share and an expiry of November 30, 2015. The options have an ascribed value of \$259,714 and were charged to corporate and administration and exploration expenses.

Other than mentioned above, there were no unusual events or items during the fourth quarter of 2012 that affected the Corporation's financial condition, cash flows or results of operations in a material nature.

Summary of Quarterly Results

Expressed in thousands of Canadian dollars except per share amounts

	Fiscal 2012				Fiscal 2011			
	Q4 Dec-12	Q3 Sep-12	Q2 Jun-12	Q1 Mar-12	Q4 Dec-11	Q3 Sep-11	Q2 Jun-11	Q1 Mar-11
Revenue	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Loss	\$ 855	\$ 96	\$ 101	\$ 179	\$ 2,710	\$ 248	\$ 257	\$ 186
Basic and diluted loss per share	\$ 0.02	\$ 0.03	\$ 0.03	\$ 0.04	\$ 0.85	\$ 0.07	\$ 0.07	\$ 0.06
Total assets	\$ 20,836	\$ 1,262	\$ 1,409	\$ 1,794	\$ 1,843	\$ 6,990	\$ 6,516	\$ 6,675

All financial data has been prepared in accordance with IFRS.

The Corporation's expenditures vary from quarter to quarter depending on the timing of its project programs and prior to the sale of operating assets in June 2012, sales and production schedules. The Corporation is not aware of any other specific trends which account for fluctuations in financial results from period to period.

Liquidity and Capital Resources

At December 31, 2012, the Corporation had working capital of \$1.67 million compared to negative working capital of \$173,781 at December 31, 2011 and positive working capital of \$109,275 at December 31, 2010. The improvement is due to the sale of certain property, plant and equipment in the second quarter of 2012 and the close of the plan of arrangement discussed above. Details of the June 2012 asset sale are as follows:

Cash sale price	\$	500,573
Assumed liabilities		397,858
Total consideration		<u>898,431</u>
Book value of assets	\$	(911,682)
Costs to sell		(37,068)
Loss on sale of clay assets	\$	<u>(50,319)</u>

The Corporation received cash of \$1,950,000 upon amalgamation with ERI. The Corporation also received proceeds from a loan from its chief executive of \$250,000 which is repayable at any time but not later than November 20, 2015. Accordingly, after the Corporation repaid the loan payable to Erdene, which at the closing date was \$550,000, the Corporation received a net cash infusion of \$1,650,000. At the date of this MD&A, the Corporation has working capital of approximately \$1.0 million which is expected to meet the Corporations obligations until the fourth quarter of 2013, depending largely on the progress of the Xstrata sales process, after which the Corporation will require financing.

The level of project related expenditures of the Corporation is dependent on the ability of the Corporation to secure future equity financings, enter in joint venture agreements, sell assets or a combination of the three. It is therefore difficult to identify any meaningful trends or develop an analysis from the Corporation's cash flows at this time.

Other than as discussed herein, the Corporation is not aware of any trends, demands, commitments, events or uncertainties that may result in the Corporation's liquidity or capital resources either materially increasing or decreasing at present or in the foreseeable future.

Outlook

The Corporation has designated a strategy regarding the sale of Xstrata Coal's interest in the Donkin Coal Project and has been working with a selection of prospective operating, marketing, coal purchasing and financing partners. Management is pursuing a path for the purchase of Xstrata Coal's 75% interest in Donkin.

Contractual Obligations

As partner in the DJV, the Corporation is committed to fund 25% of the exploration and evaluation expenses and, subject to the repayment by Xstrata Coal of \$9 million of development funding obligations of the Corporation referred to in the Project Summaries section, 25% of development and operating expenses associated with the project.

The Corporation has signed a management services agreement with Erdene for management

personnel, office space and sundry costs. In 2013, the amount Morien has estimated to pay Erdene for these services is \$541,000.

Off-Balance Sheet Arrangements

As at December 31, 2012, the Corporation had no material off-balance sheet arrangements such as guarantee contracts, contingent interests in assets transferred to an entity, derivative instrument obligations or any obligations that trigger financing, liquidity, market or credit risk to the Corporation.

Transactions with Related Parties

On November 20, 2012, the Corporation signed a promissory note in favour of the Corporation's CEO, John P. A. Budreski, for \$250,000 to be repaid at any time but not later than November 20, 2015. The note entitles Mr. Budreski to an interest payment based on Scotiabank's prime lending rate plus 2.0%, accrued monthly and payable annually on the anniversary date. The note is secured by certain assets in McDuffie County, Georgia.

Critical Accounting Estimates

The preparation of the financial statements requires the Corporation's management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. The determination of estimates requires the exercise of judgment based on various assumptions and other factors such as historical experience and current and expected economic conditions and are continually evaluated. Actual results may differ from these estimates. The more significant areas requiring the use of management estimates and assumptions are discussed below.

Estimate of recoverability for non-financial assets

Events or changes in circumstances may give rise to significant impairment charges or reversals of impairment in a particular year.

In accordance with the Corporation's accounting policy, each non-financial asset or cash generating unit is evaluated every reporting period to determine whether there are any indications of impairment. If any such indication exists, a formal estimate of recoverable amount is performed and an impairment loss recognized to the extent that carrying amount exceeds recoverable amount. The recoverable amount of an asset or cash generating unit is measured at the higher of fair value less costs to sell and value in use. Impairment testing is also performed annually for any goodwill.

Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties, and is generally determined as the present value of the estimated future cash flows expected to arise from the continued use of the asset, including any expansion prospects, and its eventual disposal. Value in use is also generally determined as the present value of the estimated future cash flows, but only those

expected to arise from the continued use of the asset in its present form and its eventual disposal. Present values are determined using a risk-adjusted pre-tax discount rate appropriate to the risks inherent in the asset

Future cash flow estimates are based on expected production and sales volumes, mineral prices (considering current and historical prices, price trends and related factors), resources, operating costs, restoration and rehabilitation costs and future capital expenditure. This policy requires management to make these estimates and assumptions which are subject to risk and uncertainty; hence there is a possibility that changes in circumstances will alter these projections, which may impact the recoverable amount of the assets. In such circumstances, some or all of the carrying value of the assets may be impaired and the impairment would be charged against the income statement.

Share-based payments

The Corporation issues equity-settled share-based payments to certain employees and third parties outside the Corporation. Equity-settled share-based payments are measured at fair value (excluding the effect of non-market based vesting conditions) at the date of grant. Fair value is measured using the Black-Scholes pricing model and requires the exercise of judgment in relation to variables such as expected volatilities and dividend yields based on information available at the time the fair value is measured.

Fair value of financial instruments, including embedded derivatives

Where the fair value of financial assets and financial liabilities recorded in the consolidated statement of financial position cannot be derived from active markets, their fair value is determined using valuation techniques including the discounted cash flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. The judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Provisions for site restoration

The Corporation records provisions which include various estimates, including the Corporation's best estimate of the future costs associated with settlement of the obligation, and discount rates applied. Such estimates are necessarily calculated with reference to external sources, all of which are subject to annual review and change.

Taxation

The Corporation's accounting policy for taxation requires management's judgment in assessing whether deferred tax assets and any deferred tax liabilities are recognized on the balance sheet. Deferred tax assets, including those arising from tax loss carry-forwards, capital losses and temporary differences are recognized only where it is considered probable that they will be recovered, which is dependent on the generation of sufficient future taxable profits. Assumptions about the generation of future taxable profits depend on management's estimates of future cash flows. These depend on estimates of future production and sales volumes, mineral prices, reserves, operating costs, restoration and rehabilitation costs, capital expenditure, dividends and other capital management transactions.

Judgments are also required about the application of income tax legislation. These judgments and assumptions are subject to risk and uncertainty, hence there is a possibility that changes in circumstances will alter expectations, which may impact the amount of any deferred tax assets and deferred tax liabilities recognized on the balance sheet and the amount of other tax losses and temporary differences not yet recognized. In such circumstances, some or all of the carrying amount of any recognized deferred tax assets and liabilities may require adjustment, resulting in a corresponding credit or charge to the income statement.

Future changes in accounting policies

IFRS 9 Financial instruments (“IFRS 9”) was issued by the IASB on November 12, 2009, addresses classification and measurement of financial assets and replaces the multiple category and measurement models in IAS 39 (“IAS 39”) for debt instruments with a mixed measurement model having only two categories: amortized cost and fair value through profit and loss. IFRS 9 also replaces the models for measuring equity instruments, and such instruments are either recognized at fair value through profit and loss or at fair value through other comprehensive income. IFRS 9 is effective for annual periods beginning on or after January 1, 2015. The Corporation has not early adopted IFRS 9 and is currently evaluating the impact on its financial statements.

IAS 1, Presentation of Financial Statements, was amended to revise the presentation of other comprehensive income. The amendments to IAS 1 are effective for annual periods beginning on or after July 1, 2012. The Corporation has not early adopted the amendments to IAS 1 and is currently evaluating the impact on its financial statements.

The following IFRS standards have been recently issued by the IASB: IFRS 13 Fair Value Measurement, IFRS 10 Consolidated Financial Statements, IFRS 11 Joint Arrangements, IFRS 12 Disclosure of Interests in Other Entities and IAS 19 Employee Benefits. The Corporation is assessing the impact of these new standards, and with the exception of IFRS 11, but does not expect them to have a significant effect on the consolidated financial statements. With respect to IFRS 11, the Corporation is still assessing the potential impact of the revised standards on the Donkin resource property.

IFRIC Interpretation 20 Stripping Costs in the Production Phase of a Surface Mine is effective for annual periods beginning on or after January 1, 2013, with early adoption permitted. IFRIC 20 sets out the criteria for the capitalization of production stripping costs to non-current assets and requires companies to ensure that capitalized costs are amortized over the useful life of the component of the ore body to which access has been improved due to the stripping activity. The Corporation has not early adopted IFRIC 20, but does not expect it to have a significant effect on the consolidated financial statements.

Disclosure Controls and Internal Controls over Financial Reporting

The Chief Executive Officer (“CEO”) and Chief Financial Officer (“CFO”) are responsible for establishing and maintaining the Corporation’s disclosure controls and internal controls over financial reporting to provide reasonable assurance i) that material information about the Corporation and its subsidiaries would have been made known to them and ii) regarding the reliability of financial reporting and the preparation of financial statements for external purposes.

TSX Venture-listed companies are not required to provide representations in their annual and interim filings relating to the establishment and maintenance of DC&P and ICFR, as defined in Multinational Instrument MI 52-109. In particular, the CEO and CFO certifying officers do not make any representations relating to the establishment and maintenance of (a) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation, and (b) processes to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's GAAP.

Financial Instruments and Other Risks

The Corporation's financial instruments consist of cash, trade and other receivables, trade and other payables, amounts due to shareholder, and finance leases. Management does not believe the financial instruments held by the Corporation expose it to any significant interest, currency or credit risks. The fair market value of these financial instruments approximates their carrying values, unless otherwise noted.

In conducting its business, the principal risks and uncertainties faced by the Corporation relate primarily to exploration and evaluation results, coal prices, access to capital and general market conditions. Exploration and development of mining operations involve many risks, many of which are outside the Corporation's control.

At this stage in the Corporation's development, it relies primarily on equity financing for its working capital and capital requirements to fund its exploration and development programs. Future equity financing could be affected by many factors outside the Corporation's control such as market or commodity price changes, changes in the value of the Canadian dollar against the US dollar, general economic conditions, exploration results or political or economic changes in the jurisdictions in which the Corporation operates. The Corporation does not have sufficient funds to put any of its properties into commercial production from its current financial resources. There is no assurance that such financing will be available to the Corporation when required, or that it will be available on acceptable terms.

Outstanding Share Data

Share Capital:

To the date of this MD&A, the Corporation has 49,256,240 issued and outstanding common shares.

Stock Options:

Immediately following the transaction outlined above, the Corporation had 2,041,976 employee stock options outstanding. On December 3, 2012, the Corporation granted 2,500,000 share purchase options to certain officers, directors and employees of the Corporation. The options have an exercise price of \$0.27 and an expiry date of November 30, 2015. To the date of this

MD&A, the corporation has 4,640,726 stock options outstanding, of which 3,788,539 were exercisable.

Broker Warrants:

On August 4, 2012, 31,168 broker warrants with an exercise price of \$1.18 expired bringing the balance to zero as at the date of this MD&A.

Other Information

Additional information regarding the Corporation is available on SEDAR at www.sedar.com and on the Corporation's website at www.advminerals.com.