



Management’s Discussion and Analysis

Quarter ended September 30, 2015

This Management Discussion and Analysis (“MD&A”), dated November 24, 2015, relates to the operating results and financial condition of Morien Resources Corp. (“Morien” or the “Corporation”) and should be read in conjunction with the Corporation’s audited consolidated financial statements for the year ended December 31, 2014, unaudited condensed interim consolidated financial statements for the period ended September 30, 2015 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, exploration and evaluation 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.

The risk factors identified above are not intended to represent a complete list of the factors which could affect the Corporation. Additional factors are noted under “Risk Factors” in the Corporation’s Annual Information Form for the year ended December 31, 2014, a copy of which is available on the Corporation’s SEDAR document page at www.SEDAR.com.

Nature of Business

General

On November 9, 2012, Advanced Primary Minerals Corporation (“APM”) amalgamated with Erdene Resources Inc. (“ERI”) to form Morien Resources Corp. pursuant to a statutory plan of arrangement under the *Canada Business Corporation Act*. The principal business of the Corporation is the identification, purchase, exploration and development of mineral interests. The Corporation has a wholly owned subsidiary, Advanced Primary Minerals USA Corp. (“APMUSA”), a Delaware company which holds the Corporation’s kaolin interests.

Project Summaries

Donkin Coal Project – Nova Scotia, Canada

On January 7, 2015, the Corporation signed a definitive agreement with Kameron Collieries ULC (“Kameron”), an affiliate of The Cline Group LLC (“Cline”), to sell the Corporation’s 25% working interest in the Donkin Coal Project (“Donkin Project”) in Cape Breton, Nova Scotia. Pursuant to the agreement, Kameron agreed to pay Morien aggregate cash consideration of \$5.5 million; \$2.0 million on closing; \$2.0 million on or before the earlier of the sale of first domestic coal and the 2nd anniversary of closing; and \$1.5 million on or before the earlier of the first export sale of coal and the 3rd anniversary of closing. Morien is also entitled to a gross production royalty of 2% on the first 500,000 tonnes of coal sales per calendar quarter and 4% on any tonnage above 500,000.

At a special meeting of shareholders held February 10, 2015, the transaction with Kameron was approved. The transaction closed on February 27, 2015 and the Corporation received its first payment of \$2.0 million. Kameron is now the owner and operator of the Donkin Project.

Kameron has been actively working onsite to advance the Donkin Project. In June 2015, Kameron confirmed that it had finished dewatering the two, 3.6 km long access tunnels to the target coal seam, and that work had commenced to rehabilitate a transmission power line into the Donkin Project site. Kameron also noted that a personnel carrier designed to carry miners to the coal face and a large loading machine for use underground were both delivered to site. Additionally, Kameron ordered two continuous miner machines, the first of which is anticipated to arrive on site in Q4 2015. In a September 2015 update, Kameron stated its next steps at Donkin are to: complete construction of a surface substation and connection to the local power utility; complete slope rehabilitation work (contingent on appropriate approvals from the Nova Scotia Department of Environment and Labour); completion of a coal sampling and testing program (anticipated to assist Kameron management in its negotiations with local power utility, Nova Scotia Power Inc.); installation of slope conveyors, mine fans, and other services; and hiring/training of a local workforce. Kameron also indicated that first coal production could be Q1 2016.

Black Point Aggregate – Nova Scotia, Canada

The Black Point aggregate project (“BP Project” or “Black Point”) consists of a granite deposit along the southern shore of Chedabucto Bay in Guysborough County, Nova Scotia, that has suitable characteristics for the development of a crushed stone marine export aggregate operation for supplying markets in the United States and Caribbean region.

On April 11, 2014 Morien entered into agreements (“Agreements”) with Vulcan Materials Company (“Vulcan”) and the Municipality of the District of Guysborough for the development of the BP Project. Under the terms of the Agreements, Vulcan assumed Morien’s interest in the BP Project and became manager and operator of Black point in exchange for milestone payments totaling \$1,800,000, and a royalty stream payable on all material sold from Black Point over the life of the mine. The first payment of \$1,000,000 was received on signing and transfer of interest to Vulcan. A second payment of \$800,000 is due upon the approval and receipt of environmental assessment approvals for the mining and shipping of aggregate from the BP Project.

In March 2015, Black Point Aggregates Inc., (“BPA”), a subsidiary of Vulcan, and Morien submitted an Environmental Impact Statement (“EIS”) to the Canadian Environmental Assessment Agency (“CEAA”) and Nova Scotia Department of Environment. Morien and BPA continue to work jointly to acquire the necessary environmental assessment approvals for Black Point, and anticipate a decision from the Provincial and Federal Ministers of the Environment in Q2 2016.

Banks Island Gold Ltd. Royalty – British Columbia, Canada

The Corporation owns a 1.5% Net Smelter Return royalty (“NSR”) over the marketable metal, ores, minerals and concentrates produced and shipped from a 1,987 hectare area within Banks Islands Gold Ltd.’s (“Banks Island”) Yellow Giant gold property located 105 km south of Prince Rupert, British Columbia. Banks Island has the right to purchase 0.5% of Morien’s 1.5% royalty at any time for a one-time payment of \$300,000.

The Corporation began to receive royalty payments from Banks Island in the second quarter of 2014. On July 31, 2015, Banks Island suspended operations at the Yellow Giant Mine and put the mine into care and maintenance until permitting and regulatory issues at the project are resolved and sufficient working capital is obtained to re-commence operations. On September 22, 2015, Banks Island announced they secured \$1.4 million in financing to advance the restart of Yellow Giant.

The size and timing of future royalty payments from Banks Island is highly uncertain, as is the collection of royalties owed.

For a complete list of the risk factors which can affect the Corporation’s projects, please refer to “Risk Factors” in the Corporation’s Annual Information Form for the year ended December 31, 2014.

Selected Annual Financial 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	2014	2013	2012
Revenues	\$ 119	\$ Nil	\$ Nil
Loss from operations	\$ 839	\$ 1,241	\$ 802
Net loss for the year	\$ 14,397	\$ 1,227	\$ 1,231
Basic and diluted loss per share	\$ 0.28	\$ 0.03	\$ 0.12
Total assets	\$ 7,225	\$ 19,213	\$ 20,836
Total long-term liabilities	\$ Nil	\$ 150	\$ 250
Cash dividends declared	\$ Nil	\$ Nil	\$ Nil

All financial data has been prepared in accordance with IFRS.

Discussion of Operations

Three months ended September 30, 2015 and 2014

The Corporation did not recognize any royalty revenue in the third quarter of 2015 (2014 – \$21,388) from Banks Island Gold Ltd. (see Project Summaries).

Corporate and administration amounted to \$180,378 for the three months ended September 30, 2015 compared to \$169,580 for the same period in 2014. The increase is due to additional professional fees and management services.

Exploration expenses were \$26,676 compared to \$8,146 for the same period in 2014. The corporation is continuing to assist Vulcan with permitting the Black Point quarry and charged \$6,730 to Vulcan for management services in the third quarter of 2015 (2014 - \$32,000).

The Corporation recognized an impairment reversal of \$204,427 in the third quarter of 2015. In light of the advances Kameron has made toward putting the Donkin Project into production (dewatering tunnels, purchasing equipment, construction of buildings and mine support infrastructure, upgrading power, hiring personnel, etc.), the Corporation increased the probability of collection of its next milestone payment of \$2.0 million.

Total comprehensive income for the three months ended September 30, 2015 was \$6,182 or \$0.00 per share compared to a loss of \$153,911 or \$0.00 per share for the same period in 2014.

Nine months ended September 30, 2015 and 2014

The Corporation recognized royalty revenue of \$34,994, all in Q1, 2015 (2014 – \$100,550) from Banks Island Gold Ltd. (see Project Summaries). The Corporation began to receive royalties in the second quarter of 2014, but hasn't accrued any amounts since Q1 2015 after Banks suspended operations.

Corporate and administration amounted to \$891,664 for the nine months ended September 30, 2015 compared to \$546,191 for the same period in 2014. Approximately \$177,000 of the increase is due to additional management services associated with the sale of the Donkin Project and other corporate activity. \$46,000 of the increase is due to higher regulatory, meeting costs and legal associated with increased corporate activity. \$91,000 of the increase is a non-cash expense on vesting options. Another \$31,000 of the increase is due to increased shareholder communication and investor relations activity.

Exploration expenses were \$67,126 for the nine months ended September 30, 2015 compared to \$27,234 for the same period the prior year. The Corporation is continuing to assist Vulcan with permitting the Black Point project and charged \$37,000 to Vulcan for management services in the nine months ended September 30, 2015 (2014 - \$77,000).

The Corporation recognized a reversal of impairment loss totaling \$269,236 in the nine months ended September 30, 2015 (2014 - Nil). In light of the advances Kameron has made toward putting the Donkin Project into (dewatering tunnels, purchasing equipment, construction of buildings and mine support infrastructure, upgrading power, hiring personnel, etc.), the Corporation increased the probability of collection of its next milestone payment of \$2.0 million from 70% to 80%.

In the second quarter of 2014, the Corporation recognized a net gain of \$674,165 on the sale of the Black Point Project to Vulcan (see Project Summaries).

Total comprehensive loss for the nine months ended September 30, 2015 was \$624,331 or \$0.01 per share compared to comprehensive income of \$202,332 or \$0.00 per share for the same period in 2014.

Summary of Quarterly Results

Expressed in thousands of Canadian dollars except per share amounts

	Fiscal 2015			Fiscal 2014			Fiscal 2013	
	Q3 Sep-15	Q2 Jun-15	Q1 Mar-15	Q4 Dec-14	Q3 Sep-14	Q2 Jun-14	Q1 Mar-14	Q4 Dec-13
Revenue	\$ -	\$ -	\$ 35	\$ 18	\$ 22	\$ 79	\$ -	\$ -
Net loss	\$ 6	\$ (330)	\$ (301)	\$ (14,599)	\$ (154)	\$ 540	\$ (184)	\$ (127)
Basic and diluted loss per share	\$ -	\$ (0.01)	\$ (0.01)	\$ 0.25	\$ 0.01	\$ 0.01	\$ 0.01	\$ 0.00
Total assets	\$ 5,697	\$ 5,975	\$ 7,076	\$ 7,225	\$ 20,596	\$ 19,581	\$ 19,131	\$ 19,213

All financial data has been prepared in accordance with IFRS.

The Corporation's expenditures and net loss vary from quarter to quarter depending largely on the extent of corporate and administrative support required with respect to its core assets and the amount of royalty payments from Banks Island Gold Ltd. Upon successful permitting of the Black Point Project, the Corporation will receive a payment of \$800,000 from Vulcan. The net income amount in the second quarter of 2014 related to the gain recognized on the sale of the Black Point project, the loss in the fourth quarter of 2014 resulted from the impairment charge recognized on the Donkin Project, while the net income in the third quarter of 2015 related to the reversal of impairment. 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 September 30, 2015, the Corporation had working capital of \$2,815,327, compared to \$2,796,905 at December 31, 2014, excluding assets held for sale.

On February 27, 2015, the Corporation received its first payment of \$2.0 million on close of the transaction with Kameron (see Project Summaries).

In the nine months ended September 30, 2015, the Corporation purchased 3,726,000 shares under a normal course issuer bid at a total cost of \$864,128 and another 274,624 shares for \$113,000 by buying out small and odd-lot shareholders (see Outstanding Share Data).

Subject to all the risks and uncertainties outlined in greater detail in the Corporation's December 31, 2014 AIF, with a production decision, potential future royalties from the Donkin Project could range from \$4.0 to \$6.0 million per year at full production of 2.75 million tonnes per year

of saleable coal. Royalties from Black Point could range from \$250,000 to \$750,000 per year over the mine life.

As of the date of this MD&A, the Corporation has working capital of approximately \$2.7 million, which is expected to meet the Corporation's obligations through 2016. The Corporation may also continue to use its cash resources to acquire outstanding common shares under its normal course issuer bid (see Outstanding Share Data).

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

Morien is in the desirable position of having a robust cash balance, near-term milestone payments pending and two core assets in the form of attractive royalty interests in the Donkin and Black Point Projects. With its strong capital position, the Corporation is focused on identifying additional mineral assets to purchase, which will complement the Corporation's existing portfolio.

Contractual Obligations

The Corporation signed a management services agreement with Erdene Resource Development Corporation for management personnel, office space and sundry costs. In 2014, the fee amounted to \$421,829 (2013 - \$501,279) and is expected to be approximately \$535,000 in 2015, which the Corporation expects to satisfy from its current cash resources.

Off-Balance Sheet Arrangements

As at September 30, 2015, 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.

Contingent Liabilities

In connection with the sale of the Corporation's 25% interest in the Donkin Coal Project, the Corporation gave an indemnification to Kameron Collieries ULC with respect to certain possible litigation matters related to the Donkin Coal Project and other related matters. No such claims or litigation have been initiated and the financial amount of potential claims cannot be reasonably estimated, although it is possible that such claims could be material. The Corporation has concluded that it is not probable that liability will result from these matters or from the indemnity and therefore no amount has been accrued in the financial statements.

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.

Due from Kameron Collieries

In assessing the value of the remaining \$3.5 million due from Kameron, the Corporation performed a probability analysis to determine the likelihood of collection of the remaining two payments. The first future payment was assigned a probability of collection of 80%; and the second future payment was assigned a probability of collection of 80%. Once the first future payment is received, payment of the second becomes more likely. The present value of the payments was discounted using an average risk free rate of 0.54%.

The estimate of the recoverable amounts from the sale of the Donkin Project, and the amount recorded as impairment, are subject to significant judgment and uncertainty. As the future amounts to be received by the Corporation are highly dependent on the development and operation of the project, they may be higher or lower than initially estimated. Changes in these estimates will be recorded in future periods as these uncertainties are resolved and the actual cash payments are received. These amounts may differ materially from the amounts initially estimated.

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.

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

The following new standards, and amendments to standards and interpretations under IFRS, are not yet effective, and have not been applied in preparing the consolidated statements:

Amendments to IFRS 9 - Financial Instruments

The IASB has issued IFRS 9, Financial Instruments, which replaces IAS 39, Financial Instruments: Recognition and Measurement. The objective of IFRS 9 is to establish principles for the financial reporting of financial assets and financial liabilities that will present relevant information to users of financial statements for their assessment of the amounts, timing and uncertainty of an entity's future cash flows.

The effective date for adoption of IFRS 9 is annual periods beginning on or after January 1, 2018. The Corporation will evaluate the impact of the change to the consolidated financial statements based on the financial characteristics of financial instruments outstanding at the time of adoption.

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.

Venture issuers are not required to provide representations in their annual and interim filings relating to the establishment and maintenance of, nor are they required to establish, disclosure controls and procedures and internal controls over financial reporting, as defined in National Instrument 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

Financial Instruments

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.

Risks

In conducting its business, the principal risks and uncertainties faced by the Corporation relate primarily to exploration and evaluation results, commodity prices underlying the Corporation's royalties, 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.

Additional risk factors affecting the Corporation are noted under "Risk Factors" in the Corporation's Annual Information Form for the year ended December 31, 2014, available at www.SEDAR.com.

Outstanding Share Data

Share Capital:

Under the terms of a normal course issuer bid ("NCIB"), Morien may acquire up to 1,198,000 shares in a 30 day period, up to a maximum of 4,995,300 shares before January 22, 2016, representing approximately 10% of the public float of Morien prior to commencement of the NCIB. Such purchases are made through the facilities of the TSX Venture Exchange ("TSXV").

During the period from January 23, 2015 to September 30, 2015, the Corporation repurchased 3,726,000 shares, at an average price of \$0.23, under the NCIB. Subsequent to September 30, 2015, the Corporation purchased an additional 286,000 shares at an average price of \$0.21 per share.

Effective June 15, 2015, the Corporation purchased 274,624 shares from small and odd-lot shareholders via a share capital amendment whereby shareholders holding fewer than 1,000 shares were bought out. The purpose of this share capital amendment was to give small and odd-lot shareholders the opportunity to cash in shares without cost or commission while reducing the corporation's overhead burden in servicing these small shareholders.

On April 17, 2015, 6,010 of the Corporation's shares were cancelled, being shares that had been held by Computershare Trust Company of Canada for holders of shares of Highwood Resources Ltd. in connection with a plan of arrangement that concluded in 2002 among predecessors to the Corporation.

To the date of this MD&A, the Corporation had 55,649,614 shares issued and outstanding.

Stock Options:

During the nine months ended June 30, 2015, 240,000 options with a weighted average exercise price of \$0.69 expired. Subsequent to September 30, 2015, 150,000 options with a weighted average exercise price of \$0.69 expired.

To the date of this MD&A, the Corporation had 4,985,000 stock options outstanding with an average exercise price of \$0.29, all of which were exercisable.

Broker Warrants:

As of the date of this MD&A, the Corporation had 341,728 outstanding broker warrants. Each broker warrant entitles the holder to purchase one common share of the Corporation at \$0.25 per share until September 26, 2016.

Other Information

Additional information regarding the Corporation, including the Corporation's annual information form, is available on SEDAR at www.sedar.com and on the Corporation's website at www.morienres.com.