



Condensed Interim Consolidated Financial Statements

For the three months ended March 31, 2016 and 2015

(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, 2016 and December 31, 2015 and the unaudited condensed interim consolidated statements of comprehensive loss, change in equity and cash flows for the three months ended March 31, 2016 and 2015. The Corporation's independent auditors have not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the March 31, 2016 and 2015 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)

	Notes	March 31, 2016	December 31, 2015
ASSETS			
Current assets:			
Cash		\$ 2,223,955	\$ 2,616,577
Other		22,169	27,734
		2,246,124	2,644,311
Non-current assets:			
Long-term receivable	5	2,779,748	2,778,654
TOTAL ASSETS		\$ 5,025,872	\$ 5,422,965
LIABILITIES & EQUITY			
Current liabilities:			
Trade and other payables		\$ 93,059	\$ 110,028
TOTAL LIABILITIES		93,059	110,028
SHAREHOLDERS' EQUITY			
Share capital	6	\$ 25,271,957	\$ 25,427,254
Contributed surplus		17,696,955	17,675,080
Accumulated other comprehensive income		275,057	269,791
Deficit		(38,311,156)	(38,059,188)
TOTAL EQUITY		\$ 4,932,813	\$ 5,312,937
TOTAL LIABILITIES AND EQUITY		\$ 5,025,872	\$ 5,422,965

Contingent liability (Note 7)
Comparative figures (Note 8)
Subsequent event (Note 9)

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)

		For the three months ended	
	Notes	March 31,	
		2016	2015
Royalty revenue		\$ -	\$ 34,994
Corporate and administration		236,236	384,580
Exploration and evaluation expenses		8,521	24,119
Foreign exchange loss (gain)		12,289	(3,505)
Operating expenses		(257,046)	(405,194)
Finance income		5,078	8,763
Net finance income		5,078	8,763
Loss from operations		(251,968)	(361,437)
Net loss		\$ (251,968)	\$ (361,437)
Other comprehensive income:			
Items which may subsequently be recycled through profit and loss			
Unrealized gain on available-for-sale marketable securities, net of tax of \$765		\$ 4,172	\$ -
Fair value adjustment on long-term receivable, net of tax of nil	5	1,094	60,497
		5,266	60,497
Total comprehensive loss		\$ (246,702)	\$ (300,940)
Basic and diluted loss per share		\$ (0.00)	\$ (0.01)
Basic and diluted weighted average number of shares outstanding		55,136,229	59,680,742

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MORIEN RESOURCES CORP.

Condensed Interim Consolidated Statements of Changes in Equity

(Canadian dollars)

	Number of shares	Share capital	Contributed surplus	Accumulated other comprehensive income	Deficit	Total
Balance at January 1, 2015	59,942,248	\$ 26,501,350	\$ 17,584,433	\$ -	\$ (36,981,545)	\$ 7,104,238
Total comprehensive income for the period:						
Net income	-	-	-	-	(361,437)	(361,437)
Other comprehensive income	-	-	-	60,497	-	60,497
Normal course issuer bid purchase of common shares (Note 6)	(1,190,000)	(240,157)	-	-	-	(240,157)
Share-based compensation	-	-	56,917	-	-	56,917
Balance at March 31, 2015	58,752,248	\$ 26,261,193	\$ 17,641,350	\$ 60,497	\$ (37,342,982)	\$ 6,620,058
Balance at January 1, 2016	55,400,614	\$ 25,427,254	\$ 17,675,080	\$ 269,791	\$ (38,059,188)	\$ 5,312,937
Total comprehensive loss for the period:						
Net loss	-	-	-	-	(251,968)	(251,968)
Other comprehensive income	-	-	-	5,266	-	5,266
Normal course issuer bid purchase of common shares (Note 6)	(633,000)	(155,297)	-	-	-	(155,297)
Share-based compensation	-	-	21,875	-	-	21,875
Balance at March 31, 2016	54,767,614	\$ 25,271,957	\$ 17,696,955	\$ 275,057	\$ (38,311,156)	\$ 4,932,813

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)

	For the three months ended	
	March 31,	
	2016	2015
Cash flows from operating activities:		
Net loss	\$ (251,968)	\$ (361,437)
Item not involving cash:		
Share-based compensation	21,875	56,917
Net finance income	(5,078)	(8,763)
Change in non-cash working capital	(7,232)	196,798
Cash flows from operating activities	\$ (242,403)	\$ (116,485)
Cash flows from financing activities:		
Purchase of shares for cancellation	(155,297)	(240,157)
Cash flows from financing activities	\$ (155,297)	\$ (240,157)
Cash flows from investing activities:		
Received from Kameron Collieries ULC	-	2,000,000
Interest received	5,078	8,763
Cash flows from investing activities	\$ 5,078	\$ 2,008,763
Increase (decrease) in cash	\$ (392,622)	\$ 1,652,121
Cash, beginning of year	2,616,577	2,802,939
Cash, end of year	\$ 2,223,955	\$ 4,455,060

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

MORIEN RESOURCES CORP.

Notes to Condensed Interim Consolidated Financial Statements

(Canadian dollars)

For the three months ended March 31, 2016 and 2015

1. Nature of operations

Morien Resources Corporation (“Morien” or the “Corporation”), a corporation domiciled in Canada, was formed when Advanced Primary Minerals Corporation (“APM”) amalgamated with Erdene Resources Inc. (“ERI”) on November 9, 2012 pursuant to a statutory plan of arrangement under the provisions of the *Canada Business Corporations Act*. 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, 2016 and 2015 comprise the Corporation and its subsidiary Advanced Primary Minerals USA Corp (“APMUSA”). The principal business of the Corporation is the identification, purchase, exploration and development of mineral properties.

2. 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 2015 audited annual consolidated financial statements which have been prepared in accordance with IFRS as issued by the International Accounting Standards Board (“IASB”)

These condensed interim consolidated financial statements were authorized for issue by the Board of Directors on May 25, 2016.

4. New standards, amendments and interpretations effective for the first time from January 1, 2016

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, 2015, except has outlined below.

(a) Clarification of Acceptable Methods of Depreciation and Amortization (amendments to IAS 16)

The amendments made to IAS 16 explicitly state that revenue-based methods of depreciation cannot be used for property, plant and equipment. This is because such methods reflect factors other than the consumption of economic benefit embodied in the asset. These adopted amendments did not have a material impact to the financial statements.

(b) Disclosure Initiative: Amendments to IAS 1

On December 18, 2014 the IASB issued amendments to IAS 1 Presentation of Financial Statements as part of its major initiative to improve presentation and disclosure in financial reports (the “Disclosure Initiative”). These adopted amendments did not have a material impact to the financial statements.

5. Long-term receivable

Each reporting period, the Corporation revalues the remaining \$3.5 million cash consideration owed to the Corporation by Kameron. The fair value adjustment is recorded, net of any tax effect, in accumulated other comprehensive income until the funds are received, at which point the adjustment will flow through the statement of loss. The revaluation resulted in other comprehensive income of \$1,094 in the first quarter of 2016 (2015 - \$60,497). In management’s view, the collection of these future amounts is highly dependent on the mine proceeding towards commercial production.

MORIEN RESOURCES CORP.

Notes to Condensed Interim Consolidated Financial Statements

(Canadian dollars)

For the three months ended March 31, 2016 and 2015

5. Long-term receivable (continued)

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.

6. Share Capital

Under the terms of a normal course issuer bid (“NCIB”), Morien purchased for cancellation 633,000 shares in the three months ended March 31, 2016 (2015 – 1,190,000) at a total cost of \$155,279, including \$8,526 in transaction costs (2015 – \$240,157, including transaction costs of \$11,102).

7. Contingent liability

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.

8. Comparative figures

Certain comparative information for 2015 has been reclassified to conform to the presentation adopted in the 2016 financial statements.

9. Subsequent event

On May 6, 2016 the Corporation received a \$400,000 milestone payment from Vulcan Materials Company (“Vulcan”) following the receipt of positive provincial and federal environmental approvals. Morien is due to receive an additional \$400,000 milestone payment from Vulcan upon the completion of related and pending permitting agreements for the Black Point project.