



Management's Discussion and Analysis

Quarter ended March 31, 2020

This Management Discussion and Analysis ("MD&A"), dated May 21, 2020 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 unaudited condensed interim consolidated financial statements for the periods ended March 31, 2020 and 2019, the audited consolidated financial statements as at and for the years ended December 31, 2019 and 2018 and the notes thereto.

The following discussion and analysis include consolidated financial information relating to the Corporation's subsidiaries and is presented in Canadian dollars in accordance with International Financial Reporting Standards ("IFRS") as outlined in the CPA Canada Handbook.

Forward-Looking Statements and Third-Party Information

This discussion includes certain statements that may be deemed "forward-looking statements". All statements in this discussion other than statements of historical fact, including those that address future milestone and royalty payments, the acquisition of additional mineral assets, expected working capital requirements, future purchases under the Corporation's Normal Course Issuer Bid ("NCIB"), future dividend payments, 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 (including assumptions relating to economic, market and political conditions, the Corporation's working capital requirements and the accuracy of information supplied by the operators of the properties in which the Corporation has a royalty interest), 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, 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 Financial Instruments and Other Risks below.

Any financial outlook or future-oriented financial information in this MD&A, as defined by applicable securities legislation, has been approved by management as of the date of this MD&A. Such financial outlook or future oriented financial information is provided for the purpose of providing information about management's current expectations and plans relating to the future. Readers are cautioned that such outlook or information should not be used for purposes other than for which it is disclosed in this MD&A.

Except where otherwise stated, the disclosure in this MD&A relating to properties and operations on the properties in which the Corporation holds royalty interests is based primarily on information disclosed by the owners or operators of these properties publicly or directly to the Corporation and information available in the public domain. As a royalty holder, the Corporation has limited, if any, access to properties included in its royalty portfolio. The Corporation is dependent on the operators of the properties to provide information to the Corporation or on publicly available information to prepare required disclosure pertaining to properties and operations on the properties on which the Corporation holds royalty interests and generally has limited or no ability to independently verify such information. Additionally, the Corporation has, and may from time to time receive, operating information from the owners and operators of these properties which it is not permitted to disclose to the public. Although the Corporation does not have any knowledge that such information may not be accurate, there can be no assurance that such information is complete or accurate.

Nature of Business

Morien is a Canada based, mining development company focused on the identification and purchase of mineral projects. The Corporation holds two royalty interests in coal and aggregates on tidewater-accessed projects in Nova Scotia, Canada. The Donkin Coal Mine (“Donkin” or the “Donkin Mine” or the “Mine”) commenced production in 2017 and has recently ceased operations due to adverse geologic conditions. Donkin has been placed on care and maintenance. The Black Point Aggregate Project (“BP Project” or “Black Point”) is permitted and the Corporation is receiving advanced minimum royalty payments (“Advanced Payments”) on a quarterly basis, although production has not yet begun. Morien has a Normal Course Issuer Bid (“NCIB”), renewed annually since 2015, through which it has purchased 12.2 million of the Corporation’s outstanding common shares. The Corporation has been focused on identifying mineral projects to purchase, specifically additional royalty assets to complement its existing assets, but has suspended those efforts until the impact of COVID-19 and the status of the Donkin Mine are better understood.

First Quarter 2020 Update

During the three months ended March 31, 2020, the Corporation:

- Earned a quarterly royalty of approximately \$206,000 from Kameron Collieries ULC (“Kameron”) for coal sales from the Donkin Mine (see disclosure below regarding Kameron’s decision to place Donkin on care and maintenance on March 30, 2020);
- Received an Advanced Payment of \$27,793 from Vulcan Materials Company related to Black Point;
- Purchased and cancelled 484,000 shares at an average weighted price of \$0.44¹ per common share under the Corporation’s NCIB;
- Paid a quarterly dividend of \$0.0025 per common share (see disclosure below regarding the Corporation’s decision to suspend its quarterly dividend payment); and
- Ended the quarter with \$3.3 million in working capital.

Impact of the COVID-19 Pandemic

The Corporation supports measures to address the COVID-19 pandemic. Its employees are working remotely, and there are no known cases in the Corporation. As previously announced on April 23, 2020, due to the public health impact of COVID-19, the Corporation will be holding its Annual and Special Meeting of Shareholders on May 20, 2020, in a virtual-only format with the safety and health of the Corporation’s shareholders, employees, and directors as the top priority.

At this time, the extent of the impact the COVID-19 outbreak may have on the Corporation is unknown, as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. Further details on COVID-19 related risks to the Corporation are provided below in the “Financial Instruments and Other Risks” section of this MD&A.

The Corporation ended the first quarter of 2020 with \$3.3 million in working capital. The Corporation’s low corporate overhead expenses, in addition to its quarterly advanced royalty payments from Vulcan Materials Company for the Black Point Project, afford the Corporation the ability to manage these challenging times.

¹ Including commission and legal costs.

Project Developments

Donkin Coal Mine – Nova Scotia, Canada

Description of Morien’s Royalty

The Corporation owns a gross production royalty on coal sales from the Donkin Coal Mine (“Donkin” or the “Mine”) in Cape Breton, Nova Scotia, owned by Kameron Collieries ULC (“Kameron”), a subsidiary of The Cline Group LLC. Morien’s royalty consists of 2.0% of the revenue from the first 500,000 tonnes of coal sales per calendar quarter, net of certain coal handling and transportation costs, and 4.0% of the revenue from coal sales from quarterly tonnage above 500,000 tonnes, net of certain coal handling and transportation costs (“Donkin Royalty”). The royalty is payable to Morien on a quarterly basis over the anticipated 30+ year mine life. The Donkin Royalty is binding on Kameron and its successors in interest in the Mine for the duration of the Mine’s lease.

Recent Events at the Donkin Mine

On March 30, 2020, Kameron announced that it was ceasing production operations at the Donkin Mine due to adverse geologic conditions. The Mine will not be sealed and no mining equipment has been removed from site. The Mine is being maintained by a small staff to ventilate and keep the facility dewatered during an idled phase of care and maintenance for an indeterminate period of time.

Before idling the Mine, Kameron was in the Development Phase of the operation where two coal sections were actively developing the Mine’s main underground infrastructure and the first production panel to allow for the long-term and highly active Production Phase, which would incorporate retreat mining. For the retreat mining phase, Kameron was evaluating the viability of installing a longwall mining system which would have reduced Kameron’s operating costs and significantly increased production volumes.

During the Development Phase, Kameron occasionally experienced roof stability where material fell from the ceiling (roof) of certain sections of the tunnel operations. These occurrences are very common to underground coal mining operations. In Donkin’s case, all of the roof falls occurred in areas where the risk was already identified by Kameron, and precautionary measures had been taken. That is the primary reason why no one was ever injured from a roof fall at Donkin.

From 2016 when the Mine development and tunnel refurbishment started, to the end of 2018, Kameron’s mine injury rate was 75% less than the U.S. national underground coal mine injury rate, and none of those injuries were related to a roof fall. In 2018, Nova Scotia saw 5,314 Time Loss Claims across 19 sectors, with the Donkin operation only accounting for 0.06% of those claims.

When roof falls occur, best practices have the operator (Kameron) notify the local safety regulator, which in Nova Scotia’s case is the Nova Scotia Department of Labour and Advanced Education (“NS LAE”). Kameron and NS LAE work jointly to assess the cause and determine the appropriate remediation procedures.

However, as the Mine is the first underground coal mine to operate in Nova Scotia since 2001, NS LAE has been working with the outside assistance of experts from the U.S. Mining Safety and Health Administration (“MSHA”) to provide it with advanced expertise to properly assess any revisions to Kameron’s ground control procedures at the Mine. According to MSHA, who have toured the Mine in the past, Kameron’s previous roof control procedures at Donkin “exceeded industry best practices for safety.”

In February 2020, Kameron experienced two localized roof falls in one of the operating coal sections over an area where a localized zone of roof geology differed from the typical rock strata of the Mine in that it was weaker. As with all prior roof falls at Donkin, no one was injured. Following the last roof fall on February 13, 2020, a Kameron spokesman said – “the miners are trained to identify signs of [rock] stress. This wasn’t a sudden event. There were signs of this.”

Subsequent to the February roof falls, NS LAE issued stop work orders to Kameron, and following standard procedure, Kameron and NS LAE jointly commenced an assessment of the area of adverse geology with a plan to devise a remediation program for this specific zone and any other future similar occurrences.

However, as a result of COVID-19 related travel restrictions, MSHA consultants from the United States were not available to visit Nova Scotia to assess the geology in the area of the roof falls or to provide NS LAE with advice regarding Kameron’s ground control procedures. On March 30, 2020, when Kameron made the decision to idle the Mine, the operation was still under a stop work order for the affected coal section.

As mentioned above, the Mine has not been sealed and no mining equipment has been removed from the site. The Mine has been placed into an idled phase of care and maintenance for an indeterminate period of time. The Corporation is unaware of Kameron’s timeline to restart operations or if they will. The assessment and potential resolution of the adverse geology at Donkin will take substantial efforts by the NS LAE, MSHA experts, Kameron and other professionals in this field and will be contingent on Kameron’s resolve to recommence operations. This process will take some time as the utmost care, caution and expertise must be deployed. It would not be accurate to categorize the time to conduct these steps as short or to say that Donkin is temporarily suspended.

Donkin’s Positive Attributes

- The Mine has received over CAD \$300 million in capital investment from Kameron since 2015;
- Donkin coal has been marketable overseas and locally as both a low ash (3%), high energy (>14,000 BTU/lb) thermal coal, and overseas as a high-volatile, semi-soft B metallurgical coal (low ash, high vitrinite content, high fluidity, high crucible swell number);
- The Mine is a short truck haul to a local power station and the Provincial Energy Ventures Ltd.’s (“PEV”) port facility in Sydney, Cape Breton, responsible for handling all of the exported coal from Donkin;
- PEV recently dredged the sea floor around its dock to a depth of 16.5 metres in order to accommodate larger, Capesize vessels, which would significantly reduce the cost of transporting Donkin coal to overseas markets, particularly in Asia; and
- Substantial coal resource (30+ year mine life) – production assumptions based on a Probable Mineable Reserve of 58 million tonnes. The Reserve estimate is based on an Indicated Resource of 174 million tonnes, which does not include an additional 172 million tonnes of Inferred Resources.

Morien's Royalties from Kameron

Morien recognized the following royalties from Kameron between Q1 2018 and Q1 2020:

Expressed in thousands of Canadian dollars

Royalty	Fiscal 2020	Fiscal 2019				Fiscal 2018			
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Royalty	\$206	\$ 270	\$ 252	\$ 119	\$ 169	\$ 298	\$ 241	\$ 216	\$ 165

Description of Mine and Royalty Payment Potential

The Donkin Mine is currently permitted for run-of-mine annual production of 3.6 million tonnes, which would produce approximately 3.0 million saleable tonnes after being washed in the onsite coal handling and preparation plant. At 3.0 million saleable tonnes and using a wide range of coal pricing (C\$60 to \$140 per tonne), royalty payments to Morien, should the Donkin Mine recommence production, could be in the order of C\$5 to \$11 million annually. These values are only estimates based on assumptions that Morien management consider reasonable as of the date of this MD&A and would only be achieved if Donkin resumed operation and only if Donkin reached permitted production levels. Future results and royalties received, if any, subject primarily to production rates and coal pricing, may vary from those estimated by Morien². Morien incurs general and administrative expenses in respect of the administration and preparation of regulatory filings as a public company, collection of revenues from the aforementioned royalties, and seeking and acquiring new mineral projects.

Black Point Aggregate Project – Nova Scotia, Canada

The Black Point Aggregate Project is a granite deposit located along the southern shore of Chedabucto Bay in Guysborough County, Nova Scotia, with suitable characteristics for the development of a crushed stone marine export operation for supplying markets in the eastern USA and Caribbean region.

In Q2 2014, Morien entered into agreements (“Agreements”) with Vulcan Materials Company (“Vulcan”), the United States’ largest aggregate producer, 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 Black Point and became manager and operator in exchange for milestone payments totaling \$1,800,000 and a production royalty payable to Morien over the 50+ year life of the project. The first payment of \$1,000,000 was received in 2014 on signing and transfer of interest to Vulcan.

In April 2016, the BP Project received positive environmental assessment decisions from both federal and provincial authorities. In May 2016, the Corporation received a \$400,000 milestone payment from Vulcan following receipt of the positive provincial and federal environmental approvals. Morien is due to receive an additional and final milestone payment of \$400,000 from Vulcan upon the completion of related and pending permitting agreements for Black Point.

In April 2018, Vulcan was granted a two-year extension by the Nova Scotia provincial government for the BP Project. In March 2020, Vulcan applied for a second two-year extension for the BP Project and was subsequently granted approval in April 2020 by the Nova Scotia provincial government. Vulcan has indicated the target market conditions for crushed stone from the Black Point location are still short of their original expectations.

² The above technical disclosures are consistent with the information in the technical report titled “Technical Report, Donkin Coal Project, Cape Breton, Nova Scotia, Canada” dated November 2012, found on Morien’s SEDAR profile.

Frank Lieth, Vulcan’s Vice President of Black Point Aggregates Inc., a wholly owned subsidiary of Vulcan, has stated that - “While conditions are not yet ready for Black Point Aggregates to break ground, we maintain our strong interest in the Project. The target market conditions for crushed stone from the Black Point location are still short of our original expectations. Although the time is not quite right to move forward, we will continue to invest in the project and work to meet the requirements outlined in the April 26, 2016, environmental approval. We are not going anywhere - we remain very much committed to the community, stakeholders, and agreements made.”

According to the conditions of the extensions, Vulcan must within two years of the approval of the date of the extension (April 2022), commence work on the BP Project unless granted a further written extension by the Minister of Environment.

Since Q3 2017, Morien has received an advanced minimum royalty payment (“Advanced Payments”) of \$25,000 per quarter from Vulcan, subject to annual inflationary adjustments according to the Producer Price Index (“PPI”) for crushed stone³. All Advanced Payments are recorded by Morien as unearned revenue and will be credited against future production royalties from Black Point.

Black Point’s Positive Attributes

- Sizeable resource of approximately 400 million tonnes according to Vulcan’s internal estimates;
- Mine life of 50+ years;
- Project is adjacent to deep water (>14 metres), which is sheltered and ice-free, enabling construction of a deepwater marine terminal for aggregate shipment to the United States *;
- Very high quality, “Class-A” construction aggregate well suited for the concrete and asphalt market; and
- Black Point has received environmental permits and has strong community support.

* In the United States market, the majority (80% or more) of aggregates are transported by truck from the quarry to the consumer. This form of transport is expensive and limits the typical aggregate operation to a market radius of about 80 kilometres from the quarry. The south eastern United States aggregate market is a prime target for bulk vessel transported aggregate due in part to the geologic absence of suitable aggregate resources in coastal areas.

Project Generation

Since 2018, as the Donkin Mine went into production and as the Corporation’s royalties grew, Morien has evaluated multiple royalty assets to purchase to complement its existing royalty portfolio. The Corporation has focused its efforts on long-life, cash-flowing, or near-to cash-flowing, royalties in the industrial mineral and bulk commodity market segments in North America. The Corporation has suspended its project generation efforts until the impact of COVID-19 and the status of the Donkin Mine are better understood. How the Corporation funds future acquisitions (either by cash, shares, debt or a combination) will depend on numerous factors, including the size of the transaction and the financial considerations of Morien at the time of acquisition.

³ In Q3 2019, the Advanced Payment was adjusted for PPI to \$27,793 until Q2 2020.

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 Years Ended December 31		
	2019	2018	2017
Revenues	810	920	166
Corporate and administration expenses	700	625	737
Exploration and evaluation expenses	138	48	38
Loss from operations	(45)	(578)	(589)
Gain on sale of land	938	—	—
Net income (loss) for the year	893	(572)	576
Basic and diluted income (loss) per share	0.02	(0.01)	0.01
Additions to unearned revenue	111	100	—
Purchase of shares for cancellation	772	847	989
Increase (decrease) in cash	168	(786)	2,534
Working capital at year-end	3,467	3,308	4,196
Cash dividends declared	532	537	272
Cash dividends declared per share	0.01	0.01	0.005

Note: The 2017 figures are not restated for the adoption of accounting standards IFRS 9 and IFRS 15, applied retrospectively without restatement. Therefore, the amounts may not be comparable.

Discussion of Operations

Three months ended March 31, 2020 and 2019

The Corporation recognized \$206,350 in royalty revenue in the first quarter of 2020 (2019 - \$168,850) from Kameron related to Donkin coal sales. The Advanced Payment received for Black Point in the first quarter of 2020 of \$27,793 (2019 - \$25,000) contributes to cumulative unearned revenue of \$288,726 as at March 31, 2020 (December 31, 2019 - \$260,933).

Corporate and administration expenses amounted to \$203,775 for the three months ended March 31, 2020 (2019 - \$187,310), an increase of \$16,465.

The table below provides a breakdown of the corporate and administration costs for the three months ended March 31, 2020 and 2019.

	For the Three Months Ended March 31		
	2020	2019	Change
	\$	\$	\$
Employee and service agreement fees	89,473	87,093	2,380
Investor relations and communications	44,919	25,870	19,049
Office and sundry	10,033	6,098	3,935
Professional fees	28,368	25,785	2,583
Regulatory compliance	30,982	42,464	(11,482)
	203,775	187,310	16,465

Non-cash, share-based compensation was \$nil for the three months ended March 31, 2020 (2019 - \$58,600).

Exploration and evaluation expenses were \$nil for the three months ended March 31, 2020 (2019 - \$40,317).

The table below provides a breakdown of the exploration and evaluation expenses for the three months ended March 31, 2020 and 2019.

	For the Three Months Ended March 31		
	2020	2019	Change
	\$	\$	\$
Employee and contract costs	—	40,317	(40,317)

Net and comprehensive income for the three months ended March 31, 2020 was \$101,223 or \$0.00 per share compared to net and comprehensive loss of \$104,784 or (\$0.00) per share in 2019.

Summary of Quarterly Results

Expressed in thousands of Canadian dollars except per share amounts

	Fiscal 2020	Fiscal 2019				Fiscal 2018 ⁽¹⁾			
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Revenue	206	270	252	119	169	298	241	216	165
Corporate and administration expenses	204	159	146	208	187	96	161	166	202
Exploration and evaluation expenses	—	13	29	56	40	46	1	—	—
Income (loss) from operations	101	99	89	(128)	(105)	219	101	(881)	(17)
Gain on sale of land	—	—	938	—	—	—	—	—	—
Net income (loss)	101	99	1,027	(128)	(105)	96	101	(740)	(29)
Basic and diluted income (loss) per share	—	—	0.02	—	—	—	—	(0.01)	—
Additions to unearned revenue	28	28	28	30	25	25	25	25	25
Purchase of shares for cancellation	212	144	363	136	129	262	77	502	6
(Decrease) increase in cash	(133)	(108)	454	(65)	(113)	(182)	(107)	(279)	(218)
Working capital at period end	3,252	3,467	3,483	2,899	3,025	3,308	3,438	3,523	3,985
Cash dividends declared	132	133	133	134	132	133	134	134	136
Cash dividends declared per share	.0025	.0025	.0025	.0025	.0025	.0025	.0025	.0025	.0025

(1) The amounts of revenue for each of the four quarters of 2018 have been revised for the amounts previously reported to reclassify \$25,000 each quarter to unearned revenue. In addition, the fair value measurement of marketable securities held for sale were reclassified from other comprehensive income to profit or loss for year ended December 31, 2018.

The Corporation's expenditures and net income (loss) vary from quarter to quarter depending largely on the size of royalty payments and corporate and administration support required with respect to its core assets. The larger than normal net loss in Q2 2018 was driven primarily by non-cash, share-based compensation of \$906,140 and by lower royalties due to lost production time at the Donkin Mine whereas the net income in the last two quarters of 2018 were driven by increased royalty income from Kameron. The net loss for the

first two quarters of 2019 has been driven by reduced export volumes at Donkin believed to be related to decreased production levels at Donkin as Kameron revised its ground control and mine plans. The significant increase in net income in Q3 2019 was principally due to the gain on the Corporation's sale of its land holdings in Georgia, USA. The increased royalties received in Q3 and Q4 of 2019 are primarily related to increased production levels at the Donkin Mine, and to moderately improved market conditions for exported coal to South America and Asia. 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 March 31, 2020, the Corporation had working capital of approximately \$3.3 million, compared to \$3.0 million at March 31, 2019.

As of the date of this MD&A, the Corporation had working capital of approximately \$3.2 million, which is expected to meet the Corporation's operating requirements through 2020. The Corporation may also continue to use its cash resources to acquire outstanding common shares under its NCIB (see Outstanding Share Data). The Corporation also recently suspended its quarterly dividend to reduce cash outflows.

In Q3 2017, Vulcan began paying Morien an Advanced Payment of \$25,000 per quarter until sales commence from the BP Project or until the project is terminated. The Advanced Payment shall be increased or decreased annually in accordance with changes to the PPI, commencing July 1, 2018. All Advanced Payments are recorded as unearned revenue and shall be credited against future production royalty payments due to Morien.

The Corporation continues to hold its royalty interests in the Donkin Mine and BP Project. Subject to all the risks and uncertainties outlined in greater detail elsewhere in this MD&A, potential future royalties from the Donkin Mine could range from \$5.0 to \$11.0 million per year at permitted full production of 3.0 million saleable tonnes per year coal over the 30+ year mine life, and would only be achieved if and when Donkin resumed operation and only if Donkin reached permitted production levels. Royalties from Black Point could range from \$250,000 to \$750,000 per year over the 50+ year mine life. There is no guarantee that these royalty levels will be achieved.

Other than as discussed in this MD&A (including below under "Outlook" and "Financial Instruments and Other Risks"), 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 cessation of operations at the Donkin Mine has directly impacted Morien's future royalty revenues. However, Morien has a cash balance in excess of \$3 million and low corporate overhead expenses, in addition to an Advanced Payment from Vulcan for the BP Project, which afford the Corporation the ability to manage these challenging times for the near term. Notwithstanding the Corporation's strong balance sheet, cost saving initiatives will be pursued.

The Corporation's immediate focus and strategy is on exploring options for the restart of the Donkin Mine. When the future of the Donkin Mine is better understood, Morien's Board of Directors will re-assess the reinstatement of the Corporation's recently suspended dividend program.

The Corporation has a Normal Course Issuer Bid program in place and may continue to purchase outstanding common shares if/when management feels the purchase represent the best value to shareholders.

The Corporation will continue to evaluate additional royalty assets to purchase to complement its existing assets when the impact of COVID-19 and the status of Donkin are better understood. How the Corporation

funds future acquisitions (either by cash, shares, debt or a combination) will depend on numerous factors, including the size of the transaction and the financial considerations of Morien at the time of acquisition.

Contractual Obligations

For the 2020 fiscal year, the Corporation's only expenditure commitment related to overhead is a one-year office lease for \$11,700.

Off-Balance Sheet Arrangements

As at March 31, 2020, the Corporation had no 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.

Dividends

In December 2017, the Corporation approved the implementation of a dividend policy and made its inaugural dividend payment on December 27, 2017.

Between Q1 2018 and Q1 2020, the Corporation paid quarterly dividends of \$0.0025 per common share. The Corporation's quarterly dividend was intended to be step-variable in relation to Donkin Mine production expansion and coal price, having regard to the stability of cash flow and the need to maintain flexibility to secure new royalty assets. However, with Kameron's cessation of operations at the Donkin Mine, the Corporation's Board of Directors accepted Management's recommendation to suspend the Corporation's quarterly dividend until further notice. Notwithstanding that Morien has a strong balance sheet, its Board and management believed it was prudent to maximize financial flexibility and the dividend suspension was in the best interest of all of the Corporation's stakeholders. When the future of the Donkin Mine is better understood, the Board will re-assess the payment of a dividend. The Corporation's dividend payments have historically qualified as an 'eligible dividend' for Canadian income tax purposes.

Outstanding Share Data

Normal Course Issuer Bid

On January 30, 2020, the Corporation filed a notice of intention to acquire up to 3,926,400 common shares pursuant to a Normal Course Issuer Bid ("NCIB"). Purchases pursuant to the NCIB are made in the open market through the facilities of the TSX Venture Exchange. A copy of the notice is available to shareholders, without charge, upon request to the Corporation at 1701 Hollis Street, Suite 800, Halifax, NS, B3J 3M8.

For the three months ended March 31, 2020, the Corporation purchased and cancelled 484,000 shares (2019 – 256,000 shares) at an average weighted price of \$0.44 per share (2019 – \$0.51).

Share Capital

As of the date of this MD&A, the Corporation has 52,419,114 common shares issued and outstanding.

Stock Options

As of the date of this MD&A, the Corporation had 2,730,000 stock options outstanding with an average exercise price of \$0.56, all of which were exercisable.

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.

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.

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 statement of financial position. 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 royalty revenues, 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 the entire carrying amount of any recognized deferred tax assets and liabilities may require adjustment, resulting in a corresponding credit or charge to the income statement.

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: (a) that material information about the Corporation and its subsidiaries would have been made known to them, and; (b) 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 and marketable securities. The fair values of the Corporation's financial instruments are considered to approximate the carrying amounts. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value hierarchy establishes levels to classify the inputs to valuation techniques used to measure fair value.

Level 1: Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs are quoted prices in markets that are not active, quoted prices for similar assets or liabilities in active markets, inputs other than quoted prices that are observable for the asset or liability, or inputs that are derived principally from or corroborated by observable market data or other means.

Level 3: Inputs are unobservable (supported by little or no market activity).

During the three months ended March 31, 2020 and 2019, there were no transfers between level 1, level 2, and level 3 classified assets and liabilities. The fair value of the Corporation's financial assets, consisting solely of level 1 cash, as at March 31, 2020 was \$3,106,379 (December 31, 2019 - \$3,239,321).

Risks

In conducting its business, the principal risks and uncertainties faced by the Corporation relate primarily to the success of third party operators, with which the Corporation holds royalty agreements, successfully developing and operating their projects, 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.

COVID-19

The COVID-19 global health pandemic has adversely impacted the global economy, including consumer confidence, market stability, and commodity and financial markets, creating uncertainties on macroeconomic conditions. Many industries, including the mining industry, have been negatively impacted by these market conditions. If increased levels of market and economic volatility continue, it may result in a material adverse effect on investor confidence, general financial market liquidity, the development and production decisions of the operators of projects in which the Corporation has royalty interests, and the availability and/or value of additional royalty assets that the Corporation may wish to acquire, all of which may negatively impact the Corporation's business and revenues and the market price of its securities. At this time, the extent of the impact the COVID-19 outbreak and the degree to which restrictions are imposed by a government in regard to quarantine/isolation measures may have on the Corporation is unknown, as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the duration of the pandemic, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put, in place.

Credit risk

Credit risk is the risk of financial loss to the Corporation if a customer or counterparty to a financial instrument fails to meet its obligations.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	March 31, 2020	December 31, 2019
	\$	\$
Cash	3,106,379	3,239,321
Trade receivables	237,303	310,511
	3,343,682	3,549,832

The Corporation manages credit risk by holding the majority of its cash with Schedule 1 Canadian banks. Management believes the risk of loss to be low with Schedule 1 Canadian banks. Trade receivables as at March 31, 2020 include \$237,303 of a royalty receivable from Kameron. The Corporation has an allowance for doubtful accounts as at March 31, 2020 of \$nil (2019 – \$nil), as management considers the credit risk on the Kameron receivable to be low. No amounts were written off during the three months ended March 31, 2020 (2019 – \$nil).

Liquidity risk

Liquidity risk is the risk that the Corporation will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Corporation's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions. As at March 31, 2020, the Corporation had a cash balance of \$3,106,379 (December 31, 2019 – \$3,239,321) to settle trade and other payables of \$103,741 (December 31, 2019 – \$123,758).

Foreign currency risk

Morien operates in Canada and its equity financings have been in Canadian dollars. APMUSA is based in the USA but is not currently in active operations; therefore, the exposure to foreign currency risk is limited. The Corporation does not use any form of hedging against fluctuations in foreign exchange.

The Corporation's exposure to USD dollar currency risk was \$1,039,893 as at March 31, 2020 (December 31, 2019 – \$953,662). Sensitivity to a plus or minus 10% change in the USD dollar exchange rate would affect comprehensive income and deficit by approximately \$103,990 (December 31, 2019 – \$95,370).

Commodity price risk

The Corporation is exposed to commodity price risk. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Corporation monitors prices for the commodities underlying the Corporation's royalties. At this point the Corporation does not enter into any hedging to offset risk.

Other Risk Factors

Dependence on Third Party Property Owners and Operators

The Corporation is not the operator of the Donkin Coal Mine or Black Point Project. There is no assurance that the current operators, or their successors, if any, will continue with the development of the projects in a manner that is beneficial, or most beneficial, to the Corporation.

The revenue derived from the Corporation's royalty portfolio is and will be based on the activities of third-party property owners and operators. These owners and operators are responsible for determining the manner in which the properties underlying the royalties are exploited, including decisions to commence, expand, continue or reduce production from a property, and decisions to advance exploration efforts and/or conduct development of non-producing properties. The Corporation will have little or no input on such matters. The interests of third-party owners and operators and those of the Corporation on the relevant properties may not always be aligned. As an example, it will, in almost all cases, be in the interest of the Corporation to advance development and production on properties as rapidly as possible in order to maximize near term cash flow, while third-party owners and operators may, in many cases, take a more cautious approach to development as they are at risk on the cost of development and operations. The inability of the Corporation to control the operations for the properties in which it has a royalty interest may result in a material and adverse effect on the Corporation's profitability, results of operation and financial condition.

Similarly, where the Corporation's interest in a mineral property is a royalty interest, there is a risk that the third-party operator may be unable or unwilling to fulfill its obligations under its agreements with the Corporation, or experience financial, operational or other difficulties including insolvency, which could limit the third party's ability to perform its obligations under the royalty interest. The Corporation will not be entitled to any compensation if the operations shut down or the third-party operators discontinue their operations on a temporary or permanent basis. At any time, any operator of a property in which the Corporation has a royalty or net profit interest may decide to suspend or discontinue operations.

Limited Access to Data and Disclosure for Royalty Portfolio

The Corporation is neither the property owner nor operator for the properties underlying its royalty portfolio, and the Corporation has no input into how the operations are conducted. Also, the Corporation has varying access to data on the operations or to the actual properties themselves. This will affect its ability to assess the value of the royalty interest or enhance the royalty's performance. This could also result in delays in cash flow from that anticipated by the Corporation based on the stage of development of the applicable properties underlying its royalty portfolio. The Corporation's royalty payments may be calculated by the royalty payers in a manner different from the Corporation's projections. The limited access to data and disclosure regarding the operations of the properties in which the Corporation has an interest may restrict the Corporation's ability to assess the value or enhance its performance, which may result in a material and adverse effect on the Corporation's profitability, results of operation and financial condition.

Other Information

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