Management's Discussion and Analysis
Year ended December 31, 2019

This Management Discussion and Analysis ("MD&A"), dated March 13, 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 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 includes 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 third-party information is complete or accurate.

Nature of Business

Morien is a Canada based, dividend-paying, 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 is paying royalties to Morien. 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 announced an inaugural quarterly dividend payment in Q4 2017, and it is the Corporation's intention to transition its dividend from a set quarterly amount to a step-variable dividend in relation to Donkin's production expansion and coal price. Morien has a Normal Course Issuer Bid ("NCIB"), renewed annually since 2015, through which it has purchased 11.7 million of the Corporation's outstanding common shares. The Corporation is focused on identifying additional royalty assets to purchase to complement its existing assets. Subject to all the risks and uncertainties outlined in greater detail elsewhere in this MD&A, potential future royalties from Donkin could range from $5 to $11 million per year at full production over the anticipated 30+ year life of mine, and royalties from Black Point could range from $250,000 to $750,000 per year over the anticipated 50+ year life of mine.

Fourth Quarter 2019 Highlights

During the three months ended December 31, 2019, the Corporation:

- Earned a quarterly royalty of approximately $270,000 from Kameron Collieries ULC ("Kameron") for coal sales from the Donkin Mine, a 7% increase over Q3 2019 and a 127% increase over Q2 2019;
- Received an Advanced Payment of $27,794 from Vulcan Materials Company related to Black Point;
- Purchased and cancelled 388,000 shares at an average weighted price of $0.37[1] per common share under the Corporation's NCIB, taking the total purchased/cancelled in 2019 to 1.8 million shares at an average weighted price of $0.42[1] per common share;
- Paid a quarterly dividend of $0.0025 per common share (Morien anticipates increasing the quarterly dividend amount commensurate with Donkin Mine production expansion); and
- Pursued accretive royalty acquisition opportunities to complement its existing royalty portfolio, focused on long-life, cash-flowing royalties in the industrial mineral and bulk commodity market segments in North America.

Project Summaries

Donkin Coal Mine – Nova Scotia, Canada

Overview

Donkin is a producing coal mine located in Cape Breton, Nova Scotia that is owned and operated by Kameron Collieries ULC ("Kameron"), a private company and an affiliate of The Cline Group.

[1] Including commission and legal costs.

Morien's Involvement

In Q1 2015, Morien sold its 25% working interest in Donkin to Kameron for aggregate cash consideration of $5.5 million and a gross production royalty. As of 2017, the $5.5 million cash consideration was paid to Morien in full. The gross production royalty that Morien owns for the Donkin Mine consists of 2.0% on 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% on the revenue from coal sales from quarterly tonnage above 500,000 tonnes, net of certain coal handling and transportation costs. The royalty is payable to Morien on a quarterly basis over the anticipated 30+ year mine life.

Mine Startup

Kameron commenced production at the Donkin Mine with the first continuous miner unit in Q1 2017, and Morien received its first royalty payment from Kameron on saleable coal from Donkin the following quarter. In Q3 2017, a 500 tonne per hour coal handling and preparation plant (wash plant) became operational at Donkin, triggering the first export of washed, saleable coal in Q4 2017.

Donkin Mine Development

On July 4, 2019, Kameron reported the sudden passing of Chris Cline, owner and founder of Kameron and The Cline Group. Mr. Cline was very connected to the Donkin Mine and was instrumental in advancing it from non-producing status to a large and growing coal mine that employs 150 people.

Following a brief period of bereavement, the Donkin Mine returned to normal operations. Michael Beyer continues in his role as the CEO of Cutlass Collieries LLC, parent company to Kameron. Mr. Beyer is the former CEO of Foresight Energy LP which controlled three of the four most productive longwall coal mines in the USA, and which was sold to Murray Energy for US$1.4 billion in 2015.

Kameron is in the Development Phase of the Mine where two operating coal sections are 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 will incorporate retreat mining.

For the retreat mining phase, Kameron is currently evaluating the viability of installing a longwall mining system, which would reduce Kameron's operating costs and significantly increase production volumes. If a longwall mining system is not employed, a continuous miner panel-depillaring retreat mining method will likely be the production plan employed. In both cases an increase in productivity is anticipated.

Sales and Marketing

In Q2 2018, Kameron signed a multi-year coal off-take agreement with Nova Scotia's local power utility Nova Scotia Power Inc. ("NSP") to supply a portion of Donkin coal production to NSP's nearby Lingan Generating Station, a short 20 kilometre truck haul from the Donkin Mine.

The remaining portion of Donkin coal production is sold overseas as either low ash, high-energy, thermal coal or as high-volatile, semi-soft metallurgical coal.

Transportation

Kameron has completed the construction of a dedicated, 7.6 kilometre private coal haul road that will by-pass certain communities along the approximately 30 kilometre truck route between the Donkin Mine and Provincial Energy Ventures Ltd.'s ("PEV") port facility in Sydney, Cape Breton, currently responsible for handling all of the exported coal from Donkin. The Nova Scotia Department of Transportation and Infrastructure Renewal is responsible for completing the intersections at both ends of the private road, and following that, the haul road is expected to become operational.

In January 2019, it was reported that PEV was proceeding with the first phase of a $75 million expansion of its export facility. A dredging vessel is currently operating in the waters surrounding the PEV port in order to extend the depth to 16.5 metres. The project is expected to be complete during the first half of 2020. Once complete, the PEV port will be capable of accommodating larger, Capesize vessels, significantly reducing the cost of transporting Donkin coal to overseas markets.

Mine Safety and Revised Roof Bolting Plans

In January 2019, the Nova Scotia Department of Labour and Advanced Education ("LAE") rescinded its approval of the existing ground control (roof bolting) procedure at Donkin due to a series of roof falls in the Mine. No workers were injured or equipment damaged in any of the falls. Kameron was directed by LAE to review a variety of engineering and operational measures designed to monitor, control and prevent future roof falls at Donkin. In late January 2019, Kameron submitted a revised ground control and mine plan to LAE and was subsequently granted approval to recommence operations at a reduced capacity using the interim ground control plan. In May 2019, Kameron was granted approval by LAE for a revised ground control procedure that allowed for the continuation of normal operations at Donkin.

Subsequent to December 31, 2019, in February 2020, Kameron experienced two localized roof falls at Donkin that resulted in no injuries or damaged equipment, however as part of normal operating procedure, LAE issued stop work orders to Kameron. In early March 2020, LAE lifted the stop work order for one of the two coal sections, allowing production to resume in the unaffected area of the mine. As of the date of this MD&A, the second section, where the falls occurred, remains under a stop work order until LAE gives permission to resume operations. LAE will work with Kameron and industry experts to determine if any additional safety-related steps are required before lifting the remaining stop work order.

Kameron appears to be dealing with a localized package of weaker rock type in the roof material that when found over large span intersection areas can occasionally cause a roof stability issue, a common occurrence in underground coal mines. Some of the newly introduced additional safety measures include the utilization of longer (up to 20-foot) supplemental cable bolts at intersections and a doubling up on the number of telltale monitors that measure roof movement. Telltale monitors are a well-established industry practice that provide pre-emptive visual and electronic warnings to the operator alerting them to any rock movement in the roof at centimeter-level accuracy. Kameron was already using telltale monitors at Donkin, but since the February falls, they have doubled up the number they install at intersections.

Royalties from Kameron

Morien recognized the following royalties from Kameron between Q2 2017 and Q4 2019:

Expressed in thousands of Canadian dollars

	Fiscal 2019				Fiscal 2018				Fiscal 2017	
	Q4	**Q3**	**Q2**	**Q1**	Q4	Q3	Q2	Q1	Q4	Q3
Royalty	**$ 270**	**$ 252**	**$ 119**	**$ 169**	$ 298	$ 241	$ 216	$ 165	$ 96	$ 16

The reduced royalties earned in Q1 and Q2 of 2019 are believed to be related to a variety of factors, including decreased production levels at Donkin as Kameron revised its ground control and mine plans, as well as a downturn in the seaborne coal export market in the Atlantic region which resulted in reduced export sales of Donkin coal. Weak natural gas prices and increased Russian coal imported into Europe were considered to be the primary reasons for the downturn. The increased royalties earned 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. While the coal market in North America and parts of eastern

Europe has declined for the reasons listed above, the global seaborne coal trade increased 0.7% in 2019 and 3.4% in 2018, as a result of rising demand for steel and energy, driven primarily by the Asia pacific market[2].

The Donkin Mine is currently permitted for run-of-mine annual production of 3.6 million tonnes, which is expected to produce approximately 3.0 million saleable tonnes after being washed in Kameron's 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 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 and when Donkin reaches permitted production levels. Actual results and royalties received, if any, subject primarily to production rates and coal pricing, may vary from those estimated by Morien[3]. 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.

Project Strengths

Kameron has cited the following as key project strengths at Donkin:

- Coal quality – low ash, high energy thermal coal, and high-quality metallurgical coal (low ash, high vitrinite content, high fluidity, high crucible swell number);
- Low mining costs;
- Short truck haul to a local power station and deep-water port; and
- Substantial resource (30+ year mine life) – production assumptions based on Probable Reserves 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.

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 USA and Caribbean region.

In Q2 2014, Morien entered into agreements ("Agreements") with Vulcan Materials Company ("Vulcan"), the USA's 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 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.

[2] Sourced from the Coal Importers Association e. V. (VDKi), January 2020.

[3] 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.

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

On April 17, 2018, Frank Lieth, Vulcan's Vice President of Black Point Aggregates Inc., a wholly owned subsidiary of Vulcan, stated in a Vulcan-issued media statement - "While conditions are not yet ready for Black Point Aggregates to break ground, we maintain our strong interest in the Project," said Frank Lieth, Vulcan's Vice President of Black Point Aggregates Inc., a wholly owned subsidiary of Vulcan. "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 extension, Vulcan must within two years of the approval of the date of the extension (April 2020), 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 stone[4]. All Advanced Payments are recorded by Morien as unearned revenue and will be credited against future production royalties from Black Point.

Land Holdings – Georgia, USA

Pursuant to a 2001 agreement, International Paper Inc. ("IP") had an option to purchase 1,054 acres of land for $1 per acre in Georgia, USA, owned by Advanced Primary Minerals USA Corp. ("APMUSA"), a Delaware company and wholly owned subsidiary of Morien. In February 2016, Morien received confirmation from the successor to IP that the option expired without exercise, relinquishing ownership of the land to APMUSA.

In August 2019, Morien sold its 1,054 acres, through APMUSA, to a Georgia-based individual for approximately CAD $938,000 in cash, after deducting transaction related costs. Due to the fact Morien has sufficient non-capital tax losses carried forward within APMUSA to offset the tax on the capital gain on the sale of the land, there are no taxes payable.

Project Generation

The Corporation continues to evaluate royalty assets to purchase to complement its existing royalty portfolio. The Corporation is focused on acquiring long-life, cash-flowing royalties in the industrial mineral and bulk commodity market segments in North America.

[4] In Q3 2019, the Advanced Payment was adjusted for PPI to $27,794 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

Years ended December 31, 2019 and 2018

The Corporation recognized $810,045 in royalty revenue in 2019 (2018 - $920,282) from Kameron related to Donkin coal sales. In 2017, $50,000 was included in royalty revenue from Vulcan as Minimum Royalty payments for Black Point. The amounts received as Advanced Payments for Black Point in 2018 were reclassed as unearned revenue on the balance sheet, cumulatively restated as $150,000 for the two years ended December 31, 2018. For the year ended 2019, additions to unearned revenue from Advanced Payments are $110,933 for cumulative unearned revenue of $260,933 as at December 31, 2019.

Corporate and administration expenses amounted to $700,258 in 2019 (2018 - $625,420), an increase of $74,838. The increase includes transition costs of $34,191 associated with ending a services agreement. The termination of the services agreement is related to reducing future office and administration support costs going forward. Other costs in 2019 relate to a donation of $13,421 due to the passing of Chris Cline, and additional audit-related, professional fees of $10,585 associated with the changes in accounting standards in 2018. An on-going increase in employee costs of approximately $52,000 relates to the on-boarding of a full-time CEO and President during 2019. A decrease of $25,000 relates to the transition of a full-time to a part-time CFO. It is expected that future savings in Morien's corporate and administration expenses, as related to the termination of the services agreement and the transition of a full-time to a part-time CFO, will more than offset the increase in employee costs related to the on-boarding of the CEO and President.

The table below provides a breakdown of the corporate and administration costs for the years ended December 31, 2019 and 2018.

	For the years ended December 31		
	2019	2018	Change
	$	$	$
Employee and service agreement fees	**375,257**	318,914	56,343
Investor relations and communications	**99,922**	87,964	11,958
Office and sundry	**25,418**	22,562	2,856
Professional fees	**85,209**	73,087	12,122
Regulatory compliance	**114,452**	122,893	(8,441)
	700,258	625,420	74,838

Non-cash, share-based compensation was $58,600 for the year ended December 31, 2019 (2018 - $906,140).

Exploration and evaluation expenses were $138,495 for the year ended December 31, 2019 (2018 - $47,685), an increase associated with greater levels of consulting work related to the Corporation's project generation efforts. The Corporation is focused on acquiring long-life, cash-flowing royalties in the industrial mineral and bulk commodity market segments in North America.

The table below provides a breakdown of the exploration and evaluation expenses for the years ended December 31, 2019 and 2018.

	For the years ended December 31		
	2019	2018	Change
	$	$	$
Employee and contract costs	**123,160**	23,367	99,793
Other	**15,335**	24,318	(8,983)
	138,495	47,685	90,810

In Q3 2019, the Corporation sold its land holdings in Georgia, USA for proceeds of $1,017,106 before transaction costs. The cost basis of the land had been previously written off, producing a net cash gain on the income statement of $938,007 after realtor commissions and legal costs.

Net and comprehensive income for the year ended December 31, 2019 was $893,316 or $0.02 per share compared to net and comprehensive loss of $572,372 or ($0.01) per share in 2018.

Summary of Quarterly Results

Expressed in thousands of Canadian dollars except per share amounts

	Fiscal 2019				Fiscal 2018 (1)			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Revenue	**270**	252	119	169	298	241	216	165
Corporate and administration expenses	**159**	146	208	187	96	161	166	202
Exploration and evaluation expenses	**13**	29	56	40	46	1	—	—
Income (loss) from operations	**99**	89	(128)	(105)	219	101	(881)	(17)
Gain on sale of land	**—**	938	—	—	—	—	—	—
Net income (loss)	**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	30	25	25	25	25	25
Purchase of shares for cancellation	**144**	363	136	129	262	77	502	6
Increase (decrease) in cash	**(108)**	454	(65)	(113)	(182)	(107)	(279)	(218)
Working capital at period end	**3,467**	3,483	2,899	3,025	3,308	3,438	3,523	3,985
Cash dividends declared	**133**	133	134	132	133	134	134	136
Cash dividends declared per share	**.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, as well as a downturn in the seaborne coal export market in the Atlantic region which resulted in reduced export sales of Donkin coal. 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.

Fourth Quarter

In the fourth quarter of 2019 the Corporation purchased and cancelled 388,000 shares (2018 – 529,000 shares) at an average weighted price of $0.37 for a total cost of $143,696 (2018 – $261,946) under the Corporation's NCIB.

The Corporation earned royalty revenue of $270,009 (2018 – $297,907) from Donkin and unearned revenue in the form of an Advanced Payment of $27,794 from Vulcan Materials Company related to Black Point.

Other than mentioned above, there were no unusual events or items during the fourth quarter of 2019 that affected the Corporation's financial condition, cash flows or results of operations in a material nature.

Liquidity and Capital Resources

At December 31, 2019, the Corporation had working capital of approximately $3.5 million, compared to $3.3 million at December 31, 2018.

As of the date of this MD&A, the Corporation had working capital of approximately $3.3 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) and pay dividends.

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 full production of 3.0 million saleable tonnes per year coal over the 30+ year mine life, and royalties from Black Point could range from $250,000 to $750,000 per year over the 50+ year mine life.

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.

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 has a cash balance sufficient to cover operating costs for 2020 and two core assets in the form of royalty interests in Donkin and Black Point.

At Donkin, Kameron is in the Development Phase of the Mine where two operating coal sections are actively developing the main underground infrastructure and first production panel to allow for the long-term Production Phase, which will incorporate retreat mining. For the retreat mining phase, Kameron is currently evaluating the viability of installing a longwall mining system, which is expected to reduce operating costs and significantly increase production volumes. If a longwall mining system is not employed, a continuous miner panel-depillaring retreat mining method will likely be the production plan employed. In either case an increase in productivity is anticipated.

At Black Point, Vulcan has until April 2020 to commence work on the project unless granted a second written extension by the Nova Scotia Minister of Environment. Until a production decision is made, Morien will continue receiving Advanced Payments of $25,000 (adjusted annually for PPI, currently recorded as $27,794) per quarter from Vulcan.

The Corporation is focused on identifying additional mineral and royalty assets to purchase, which will complement its existing assets. 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.

The Corporation also has an active NCIB in place and may continue to purchase outstanding common shares under the NCIB if/when management feels the purchases represent the best value to shareholders.

The Corporation adopted a dividend policy in Q4 2017 and intends to continue issuing set quarterly dividend payments in 2020. Going forward, the Corporation's dividend is 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.

Contractual Obligations

In 2012, the Corporation signed a management services agreement with Erdene Resource Development Corp. ("Erdene") for management personnel, office space and sundry costs. For the year ended December 31, 2019, the fee charged by Erdene amounted to $232,785 (2018 – $218,125). The Corporation has terminated its services agreement with Erdene as of December 31, 2019. The Corporation has established alternate arrangements as it continues in its effort to reduce overhead costs. The only commitment in 2020 related to overhead is a one-year office lease for $11,700.

Off-Balance Sheet Arrangements

As at December 31, 2019, 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.

In 2018 and 2019, Morien paid quarterly dividends of $0.0025 per common share. The Corporation's quarterly dividend is 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, the declaration, amount and timing of future dividends will be subject to the Board of Directors' determination that the payment of a dividend is in the best interest of Morien and its shareholders, having regard to the Corporation's cash reserves, anticipated financial requirements, legal requirements for the declaration of dividends and other conditions existing at such time, including forward production guidance from Kameron. 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 year ended December 31, 2019, the Corporation purchased and cancelled 1,830,500 shares (2018 – 1,521,500 shares) at an average weighted price of $0.42 per share (2018 – $0.56).

Subsequent to December 31, 2019, to the date of this MD&A, the Corporation purchased and cancelled 41,000 shares at an average weighted price of $0.40 per share. Total purchases since the NCIB was initiated in 2015 to December 31, 2019 include 11.7 million shares at an average weighted price of $0.36 per share.

Share Capital

As of the date of this MD&A, the Corporation has 52,862,114 common shares issued and outstanding.

Stock Options

On January 7, 2019 the Corporation issued 200,000 fully vested stock options with a five-year term and an exercise price of $0.48. The options granted had a fair value at the date of grant of $0.29 per option. Share-based compensation of $58,600 was recognized in operating expenses and an increase to contributed surplus in Q1 2019.

In 2019, 1,602,500 incentive stock options were exercised at a strike price of $0.25 generating gross proceeds to the Corporation of $400,625.

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.

Fair value of financial instruments, including embedded derivatives

Each reporting period in 2018, the Corporation revalued its marketable securities. The fair value adjustment was recorded, net of any tax effect (after adopting IFRS 9 for the period beginning January 1, 2018) in profit and loss until the marketable securities were sold in May 2018.

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.

Adoption of New Accounting Standards

The following new standards and amendments to standards and interpretations under IFRS were adopted for the period beginning January 1, 2019: No new standards and amendments are expected to be adopted in the fiscal 2020 year.

IFRS 16 - Leases

The Corporation adopted IFRS 16 – Leases ("IFRS 16") with a date of initial application of January 1, 2019, replacing IAS 17 Leases and related interpretations. The new standard requires lessees to bring most leases on the balance sheet, eliminating the distinction between operating and finance leases. The Corporation leases office space on a short-term basis and thus has no right-of-use-asset or lease liability. As a result, adoption did not have an impact on the Corporation's financial statements.

IFRIC Interpretation 23 - Uncertainty Over Income Tax Treatments

In June 2017, the IASB issued IFRS Interpretations Committee Interpretation 23 Uncertainty over Income Tax Treatments ("IFRIC 23"), which is applied to the determination of taxable profit or loss, unused tax losses, unused tax credits, tax rates and tax bases, when there is uncertainty about income tax treatment under IAS 12 Income Taxes. IFRIC 23 is effective for the Corporation's fiscal year beginning on January 1, 2019, applied retrospectively. Adoption did not have an impact on the Corporation's 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: (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 years ended December 31, 2019 and 2018, 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 December 31, 2019 was $3,239,321 (2018 - $3,070,981).

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.

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:

	December 31, 2019 **$**	December 31, 2018 $
Cash	**3,239,321**	3,070,981
Trade receivables	**310,511**	342,593
	3,549,832	3,413,574

The Corporation manages credit risk by holding the majority of its cash with Schedule 1 Canadian banks. In 2019, the net proceeds for the sale of the Georgia land plus interest earned was held for four months in an American bank until January 2, 2020. Management believes the risk of loss to be low with Schedule 1 Canadian banks. Trade receivables as at December 31, 2019 include $310,511 of a royalty receivable from Kameron. The Corporation has an allowance for doubtful accounts as at December 31, 2019 of nil (2018 – $ nil), as management considers the credit risk on the Kameron receivable to be low. No amounts were written off during the year ended December 31, 2019 (2018 – $ 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 December 31, 2019, the Corporation had a cash balance of $3,239,321 (December 31, 2018 – $3,070,981) to settle trade and other payables of $123,758 (December 31, 2018 – $121,246).

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 $953,662 as at December 31, 2019 (December 31, 2018 – $140,814). Sensitivity to a plus or minus 10% change in the USD dollar exchange rate would affect comprehensive income and deficit by approximately $95,370 (December 31, 2018 – $14,100).

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.

Equity price risk

The Corporation is exposed to equity price risk through its marketable securities which it holds from time to time. The Corporation manages exposure to equity price risk within acceptable parameters as approved by the Board of Directors.

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.**