



**Morien**  
Resources Corp.



**Morien by the Charts**  
*Where Business Meets Mining*

January 2020

# Forward Looking Statements



Some of the statements made by **Morien Resources Corp.** ("Morien") in this presentation may constitute "forward-looking information" as defined under applicable securities laws. These statements reflect Morien's current expectations of future revenues and business prospects and opportunities and are based on information currently available to Morien. Morien cautions that actual performance will be affected by a number of factors, many of which are beyond its control, and that future events and results may vary substantially from what Morien currently foresees. Factors that could cause actual results to differ materially from those in forward-looking statements include risks and uncertainties described in Morien's annual information form filed with the Canadian Securities regulators on SEDAR ([www.sedar.com](http://www.sedar.com)). Morien cautions that its royalty revenue will be based on production by third party property owners and operators who will be responsible for determining the manner and timing for the properties forming part of Morien's royalty portfolio. These third party owners and operators are also subject to risk factors that could cause actual results to differ materially from those predicted herein including: volatility in financial markets or general economic conditions; capital requirements and the need for additional financing; fluctuations in the rates of exchange for the currencies of Canada and the United States; prices for commodities including gold, coal and aggregate; unanticipated changes in production, mineral reserves and mineral resources, metallurgical recoveries and/or exploration results; changes in regulations and unpredictable political or economic developments; loss of key personnel; labour disputes; and ineffective title to mineral claims or property. There are other business risks and hazards associated with mineral exploration, development and mining. Although Morien believes that the forward-looking information contained herein is based on reasonable assumptions, readers cannot be assured that actual results will be consistent with such statements. Morien expressly disclaims any intention or obligation to update or revise any forward-looking information in this news release, whether as a result of new information, events or otherwise, except in accordance with applicable securities laws. Unless otherwise indicated, all dollar values herein are in C\$.

# Corporate Snapshot



**MOX**

TSX-V

**52.9 mln**

Shares o/s

**55.6 mln**

Shares f/d

**\$25 mln**

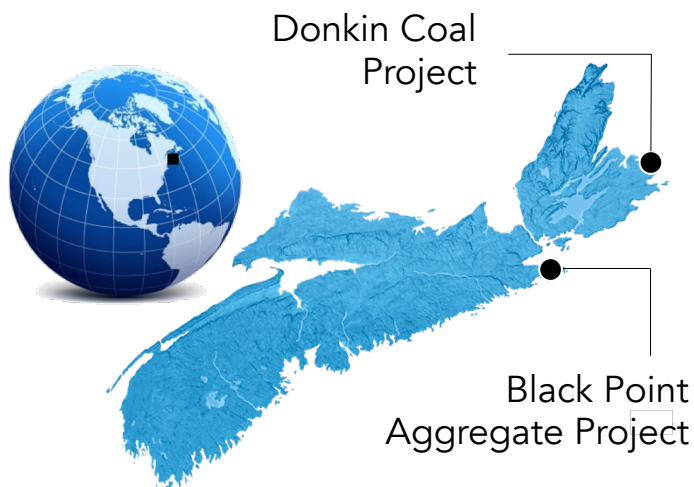
Market cap

**\$3.5 mln**

Working cap

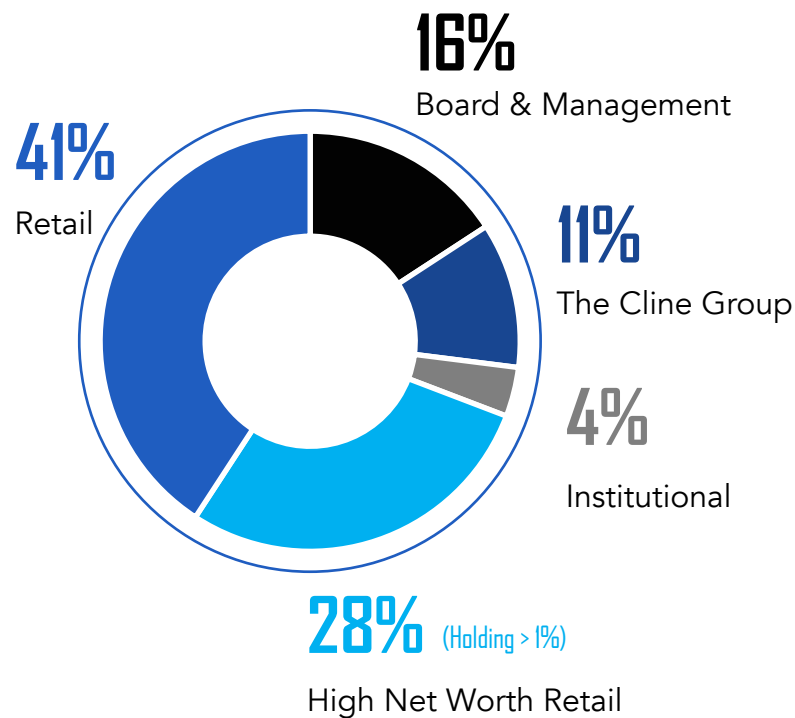
**nil**

Debt



Donkin Coal Project

Black Point Aggregate Project



# Board of Directors



## John P. A. Budreski

- 30+ years of extensive capital markets and executive management experience
- Former Head of Investment Banking for Scotia Capital. Formerly Vice Chairman of Cormark Securities Inc. and prior to that, President and CEO of Orion Securities Inc.
- Director of EnWave Corporation, Sandstorm Gold and NuLegacy Gold



## Charles G. Pitcher

- 40+ years experience in operations, engineering, management and mining project development
- Former President of Wilson Creek Coal in Pennsylvania, and former President & CEO of Western Canadian Coal where he led the acquisition, development and startup of major coal projects in western Canada.



## John P. Byrne

- 30+ years of investment banking and corporate finance experience
- President of Petroleum Corporation of Canada Exploration Ltd., which helped finance Enerplus Energy Services Ltd. for which Mr. Byrne served as its Vice Chairman
- Former senior executive with Levesque Beaubien Geoffrion (now NBF)



## J. William Ritchie

- Mr. Ritchie's distinguished career includes having been chair and CEO of Scotia Bond Ltd., as well as being one of the founders of Keltic Savings Corporation Limited.
- Over the years, Mr. Ritchie has served on boards of companies including Empire Company Ltd., Sobeys Inc., and DHX Media Ltd.
- Inducted into the Nova Scotia Business Hall of Fame in 2010

# Morien's Three Pillars



## Donkin Coal Mine Royalty



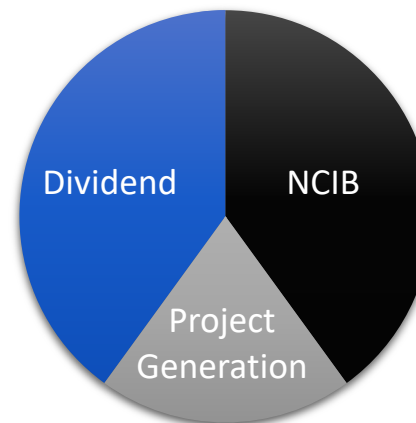
- 2% to 4% production royalty
- Operation ramping up toward full production

## Black Point Aggregate Project Royalty



- Per-tonne production royalty (undisclosed)
- Production decision in Q2 2020

## Capital Allocation Strategy



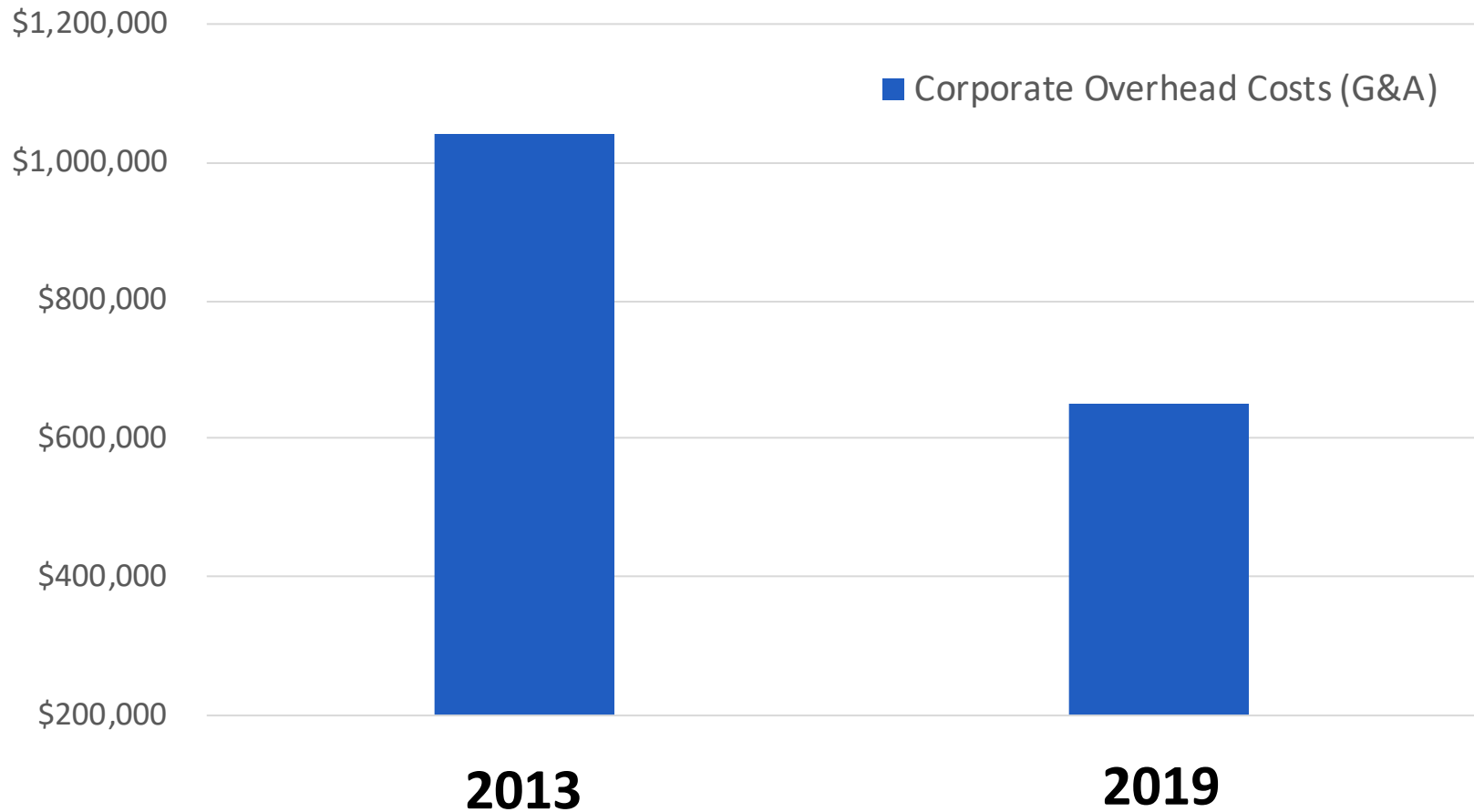
- Disciplined strategy to drive higher returns on invested capital
- No debt

# Morien's Approach to Business

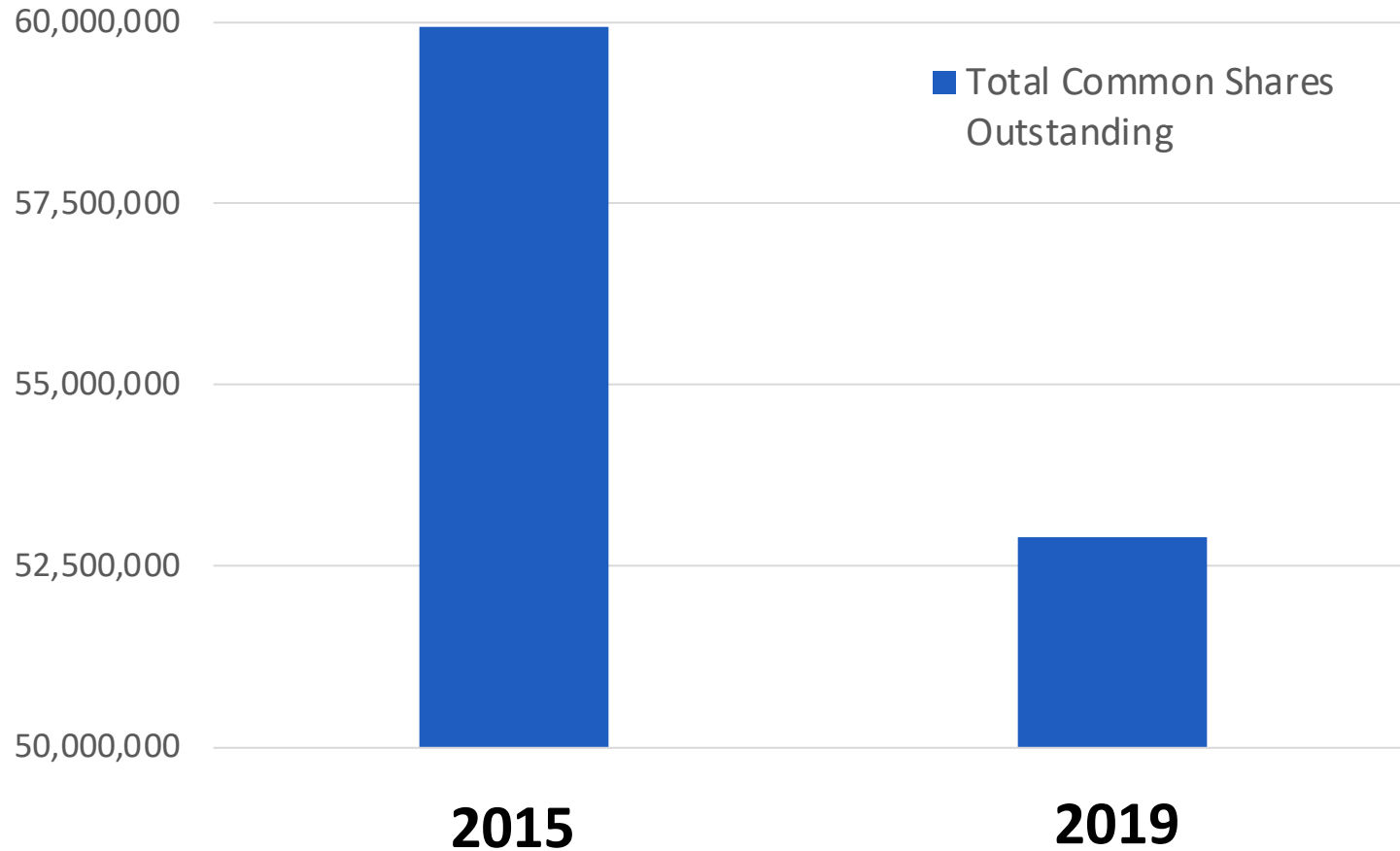


- 1.** Maintain and grow the dividend commensurate with growth in royalty income;
- 2.** Grow its portfolio by acquiring additional long-life, cash-flowing royalties in the bulk commodity and industrial mineral sectors in North America; and
- 3.** Continue increasing individual shareholder value in Morien through its annual normal course issuer bid program.

# Overhead Costs (G&A) Down 38%

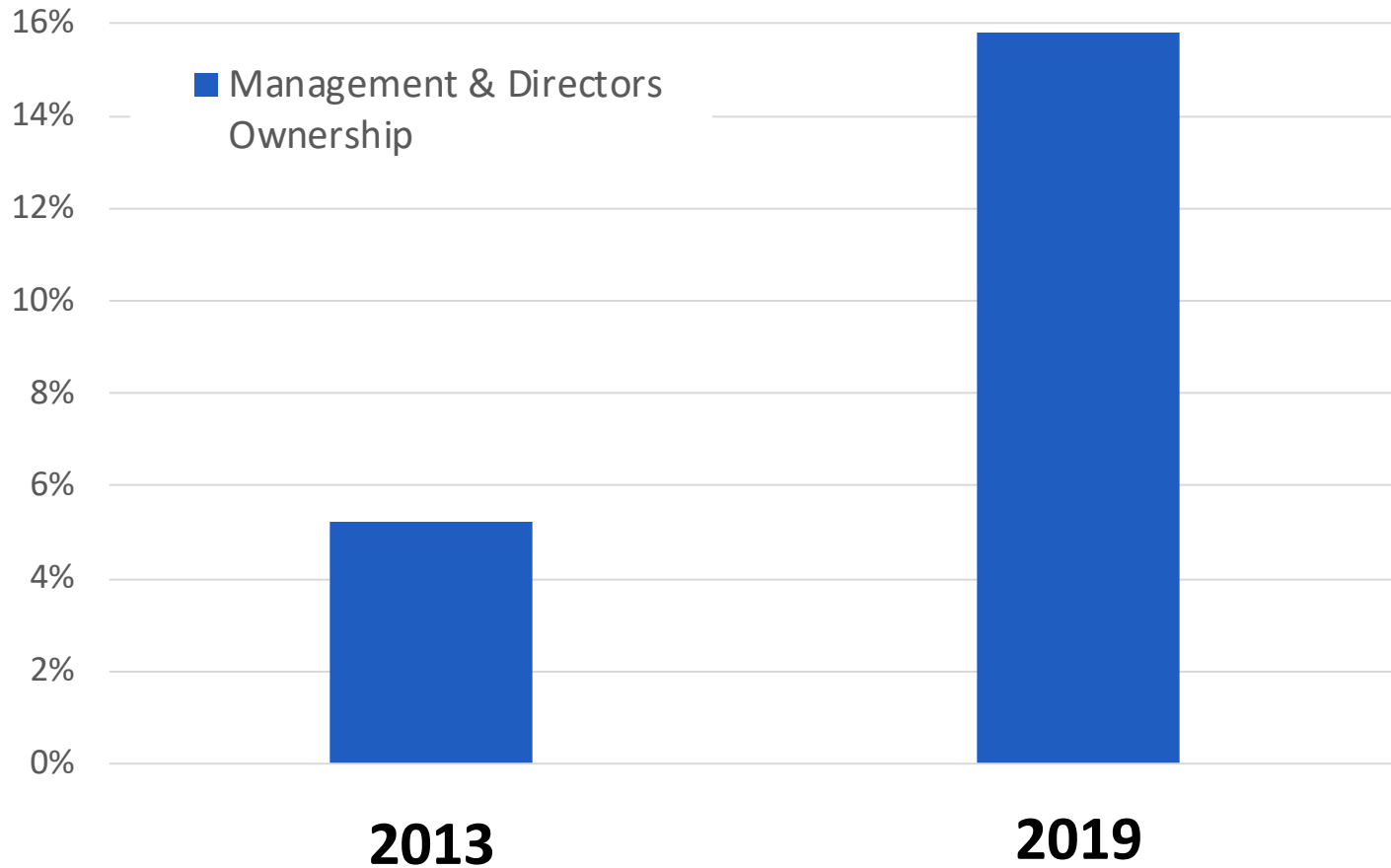


# Common Shares Down 13% Since 2015

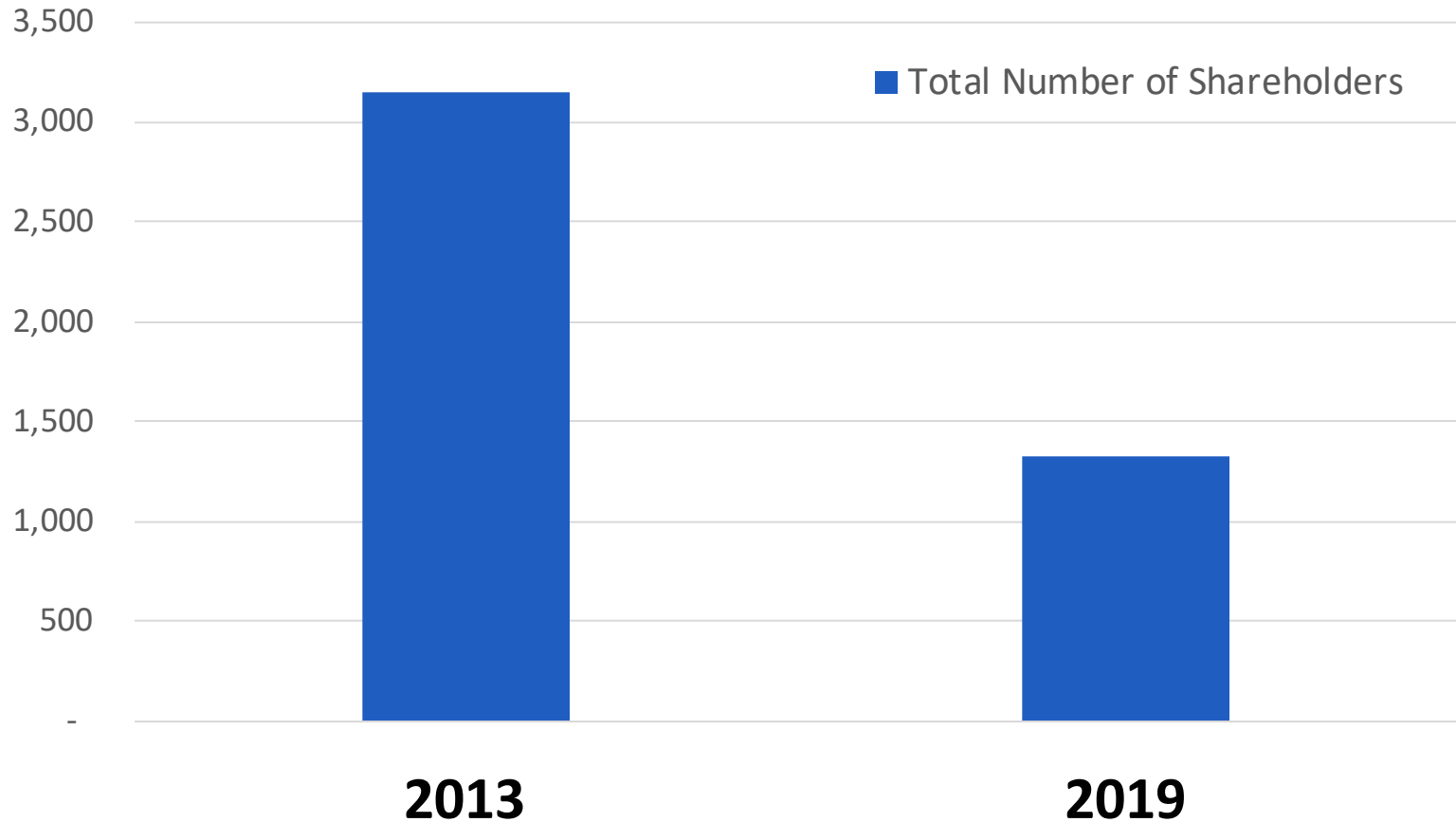




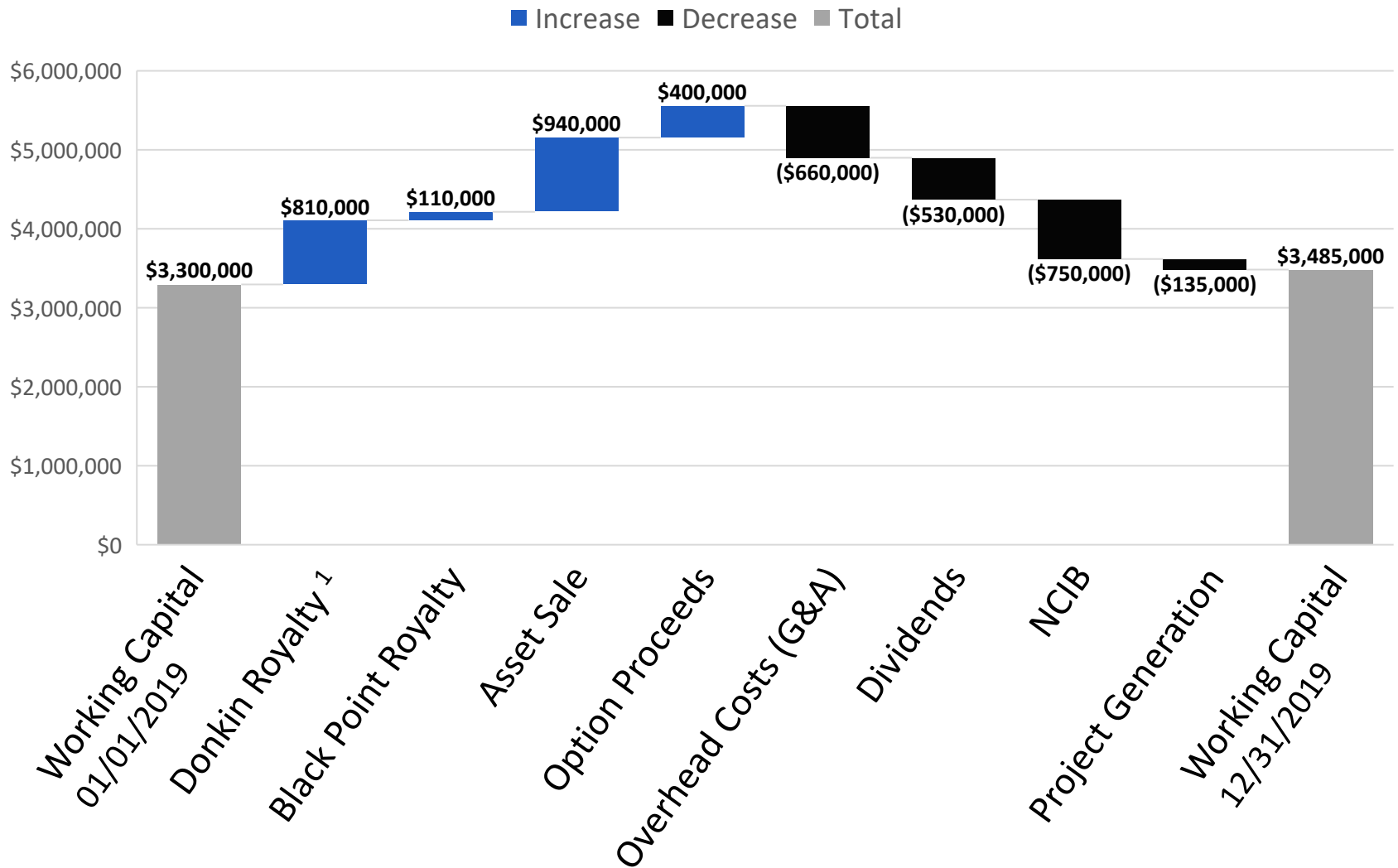
# Management Ownership Up 10% Since 2013



# Number of Shareholders Down by 58% Since 2013



# 2019 Cash Flow Summary



(1) The reported 2019 Donkin royalty of \$810k is an estimate only; Morien's Q4-2019 Donkin royalty payment is not due until February 15, 2020

# Coal Markets – A Reality Check

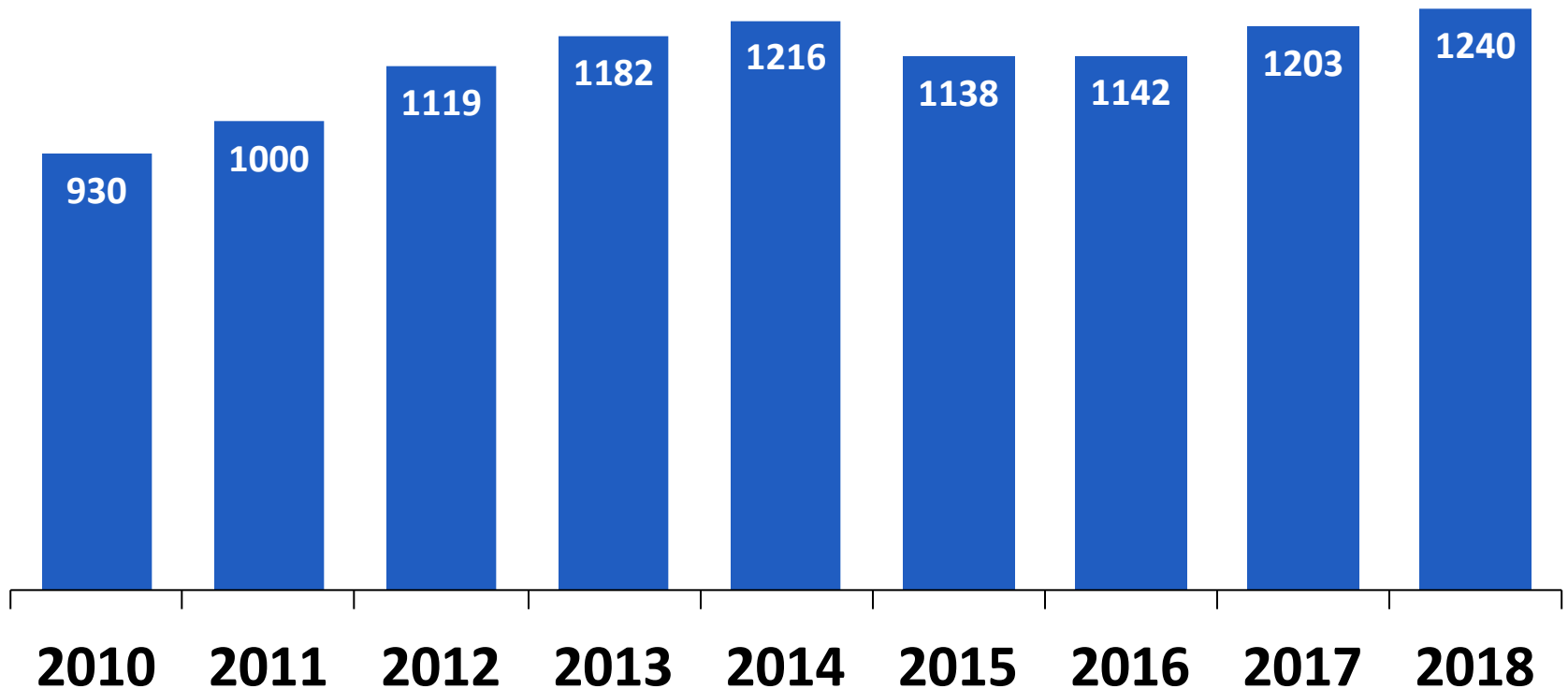
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# Global Seaborne Coal Trade Up 3% in 2018



**Total volume of coal traded on global seaborne market from 2010 to 2018**  
*(in million metric tons)*

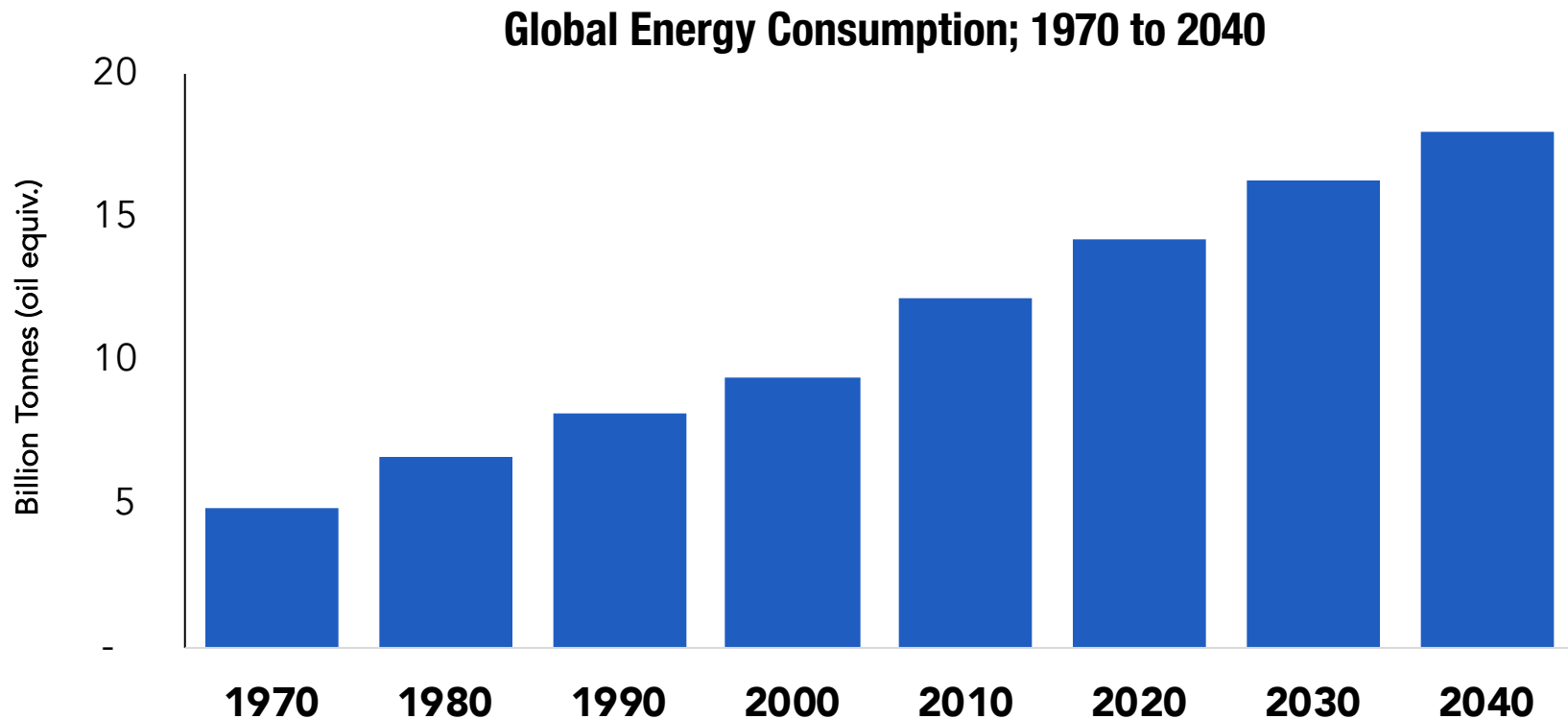


Source: S&P Global Platts data (no distinction made between thermal and metallurgical coal)

# Why? ... Growth in Global Energy Demand



- ▶ Driven by Increasing Prosperity and Improving Living Standards in Fast-Growing Emerging Economies

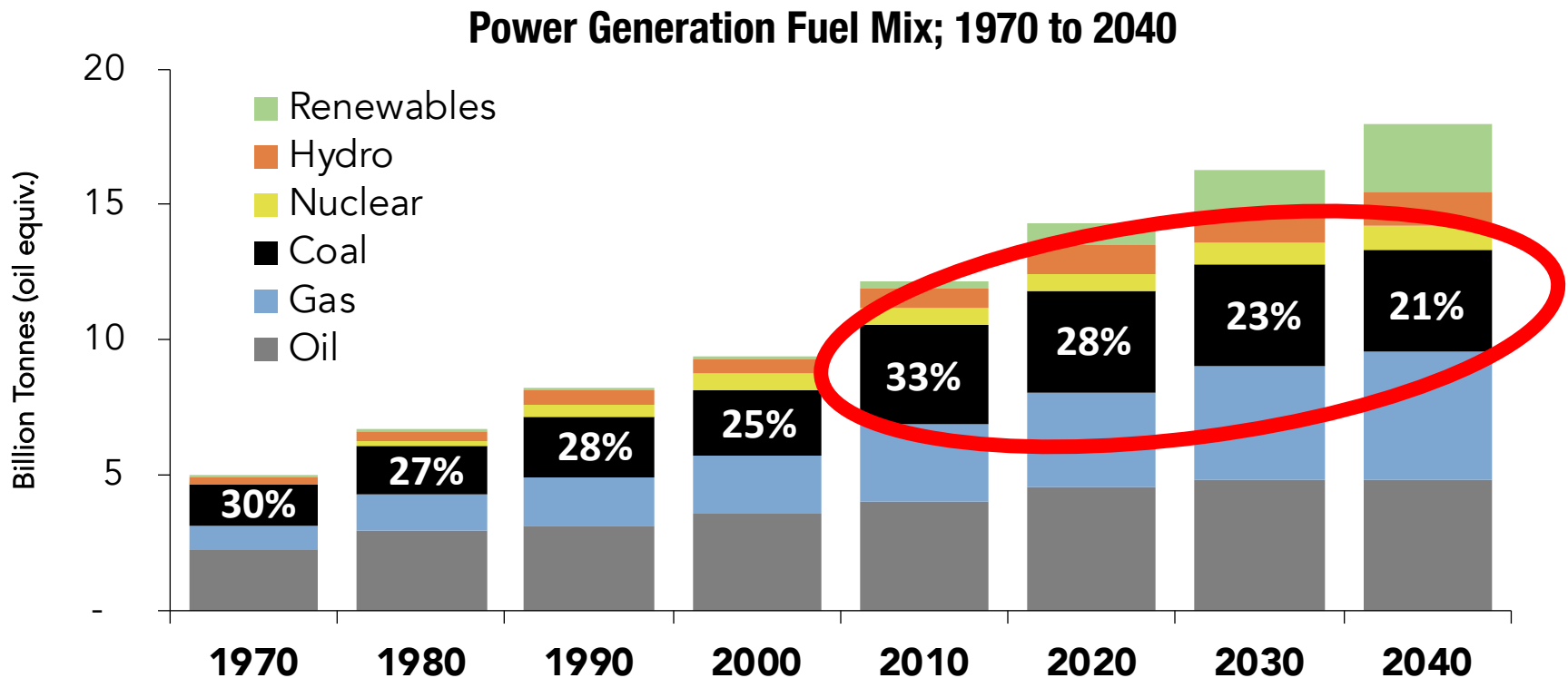


Source: BP 2018 Energy Outlook

# Thermal Coal - A Dominant Energy Source



- ▶ Global electricity demand grew 2.3% in 2018, the fastest pace in a decade
- ▶ It is currently not possible to decarbonize the power sector fast enough to offset the global growth in power demand



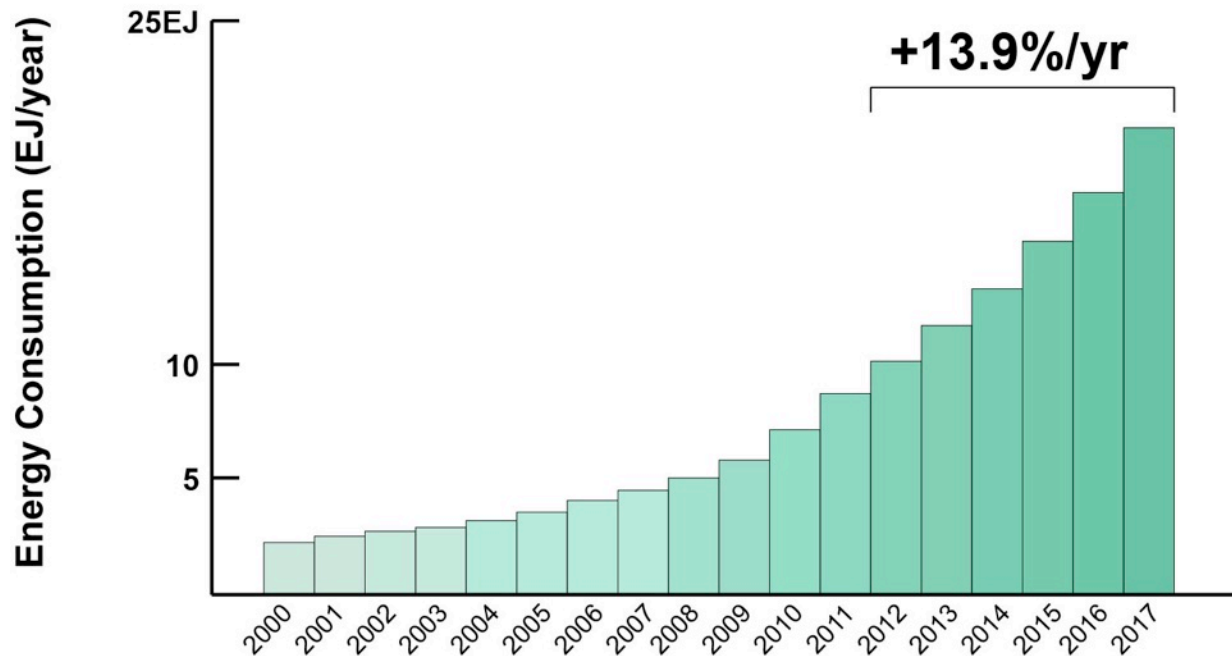
Source: BP 2018 Energy Outlook

# Renewable Energy



- ▶ Renewable energy demand grew 14% per year over the last 5 years

Global Renewable Energy Consumption  
2000-2017



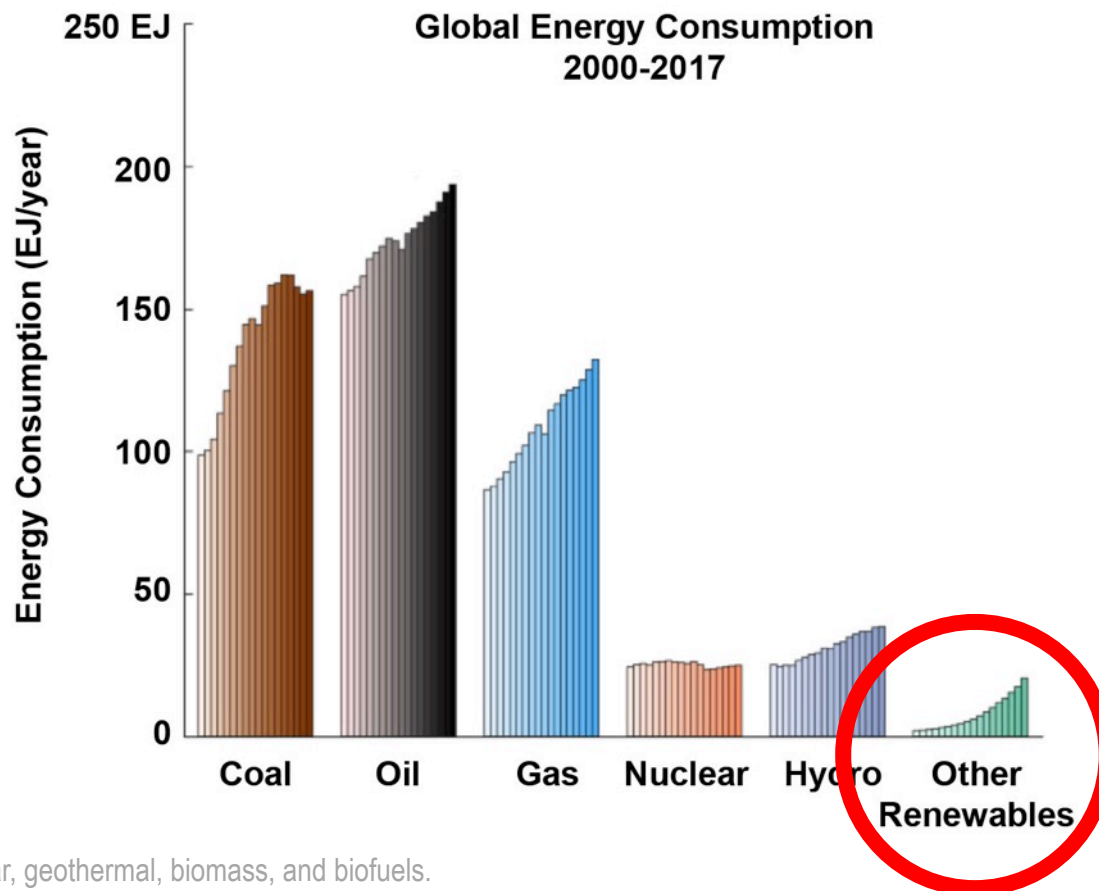
Renewables includes wind, solar, geothermal, biomass, and biofuels.



# Renewable Energy Put Into Perspective



- ▶ ... and now accounts for 4% of global energy consumption



Renewables includes wind, solar, geothermal, biomass, and biofuels.

# Metallurgical Coal – Essential for Steel Construction

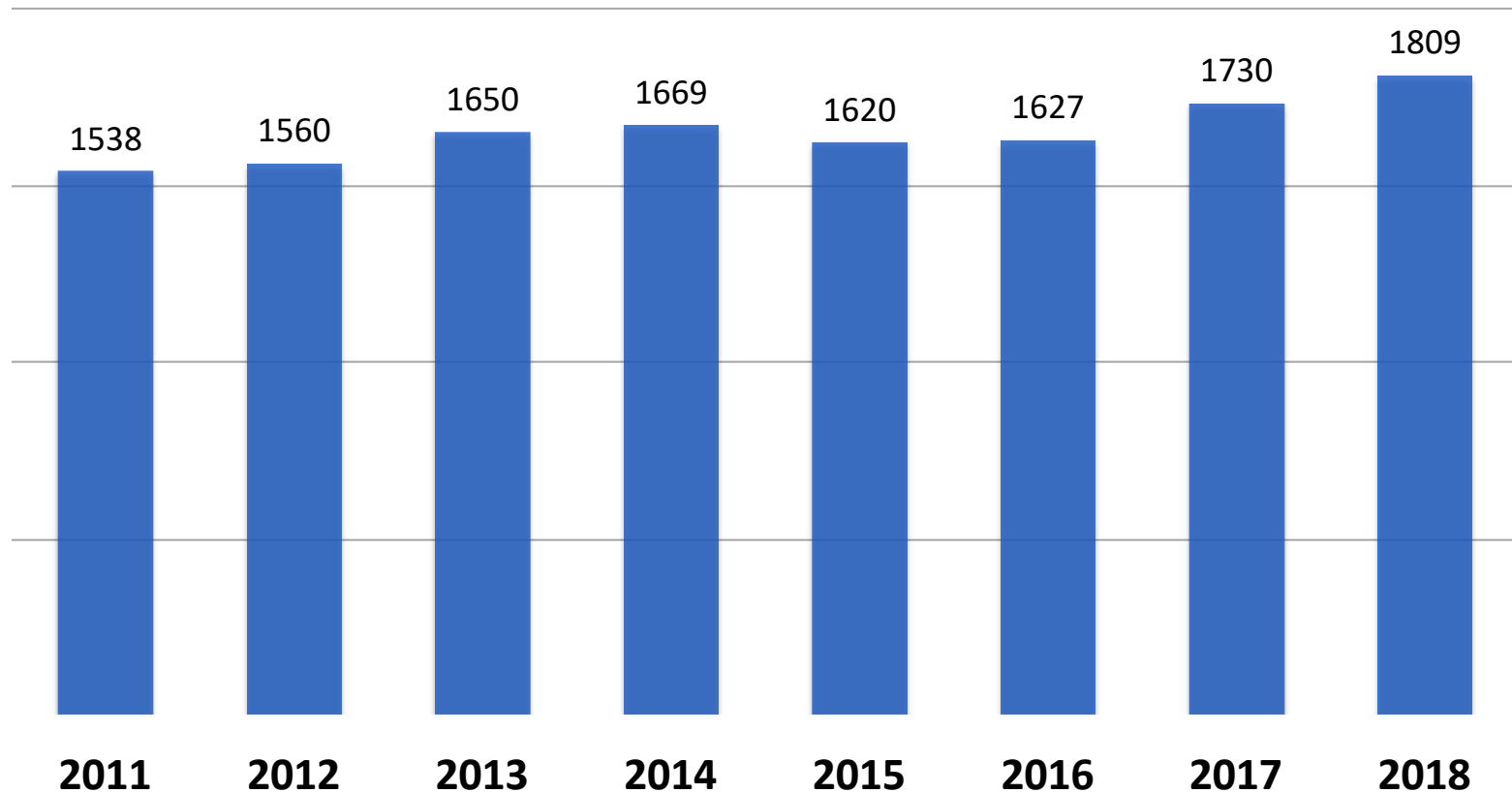


# Rising Annual Global Steel Production



- ▶ Every Ton of Steel Needs 0.7 Tons of Metallurgical Coal

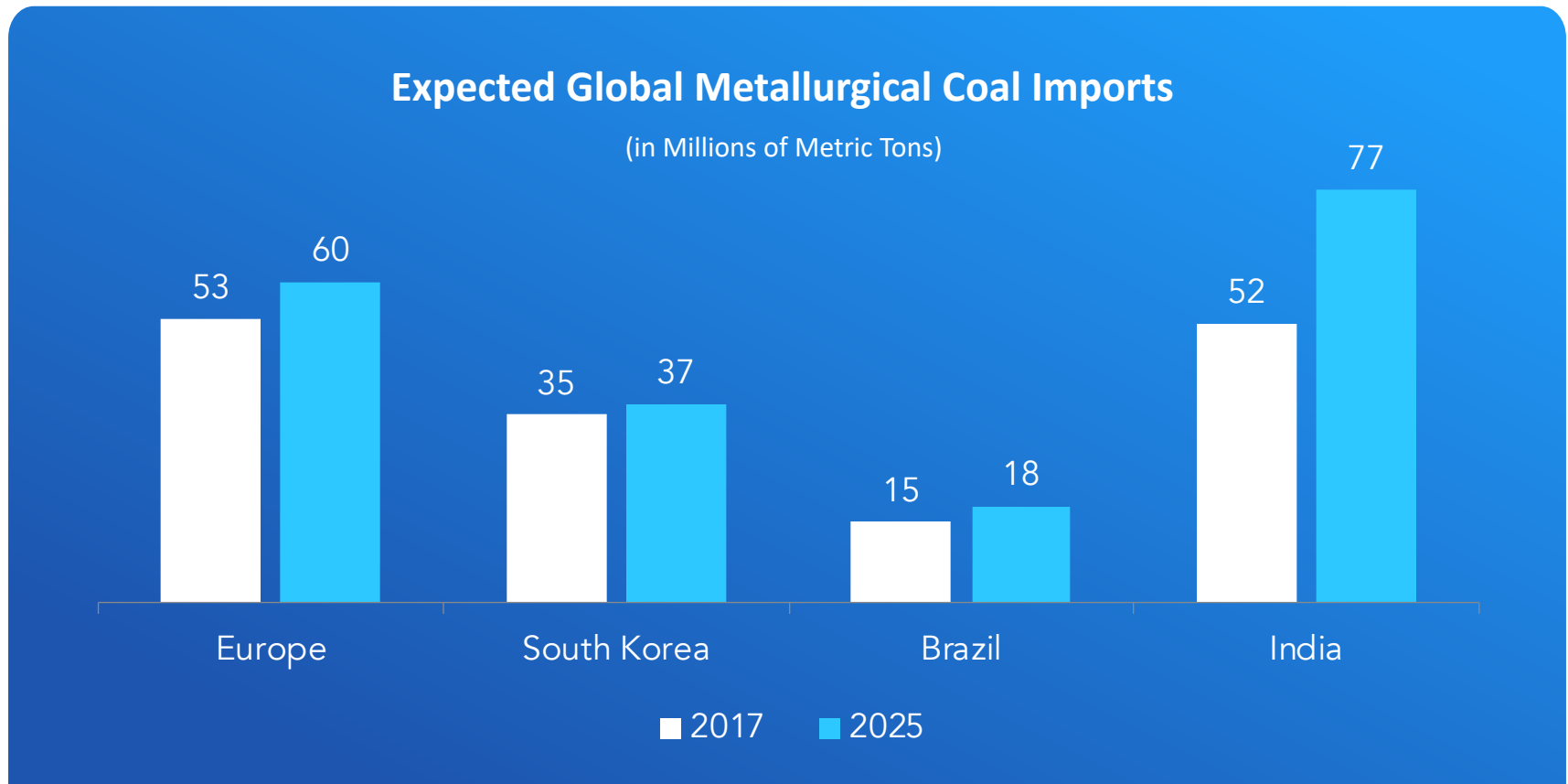
(in Millions of Metric Tons)



# Metallurgical Coal Demand



- ▶ Projected to Grow by 41 Million Tonnes Through 2025 <sup>(1)</sup>



(1) Source: CRU and Wood Mackenzie

# The Donkin Mine

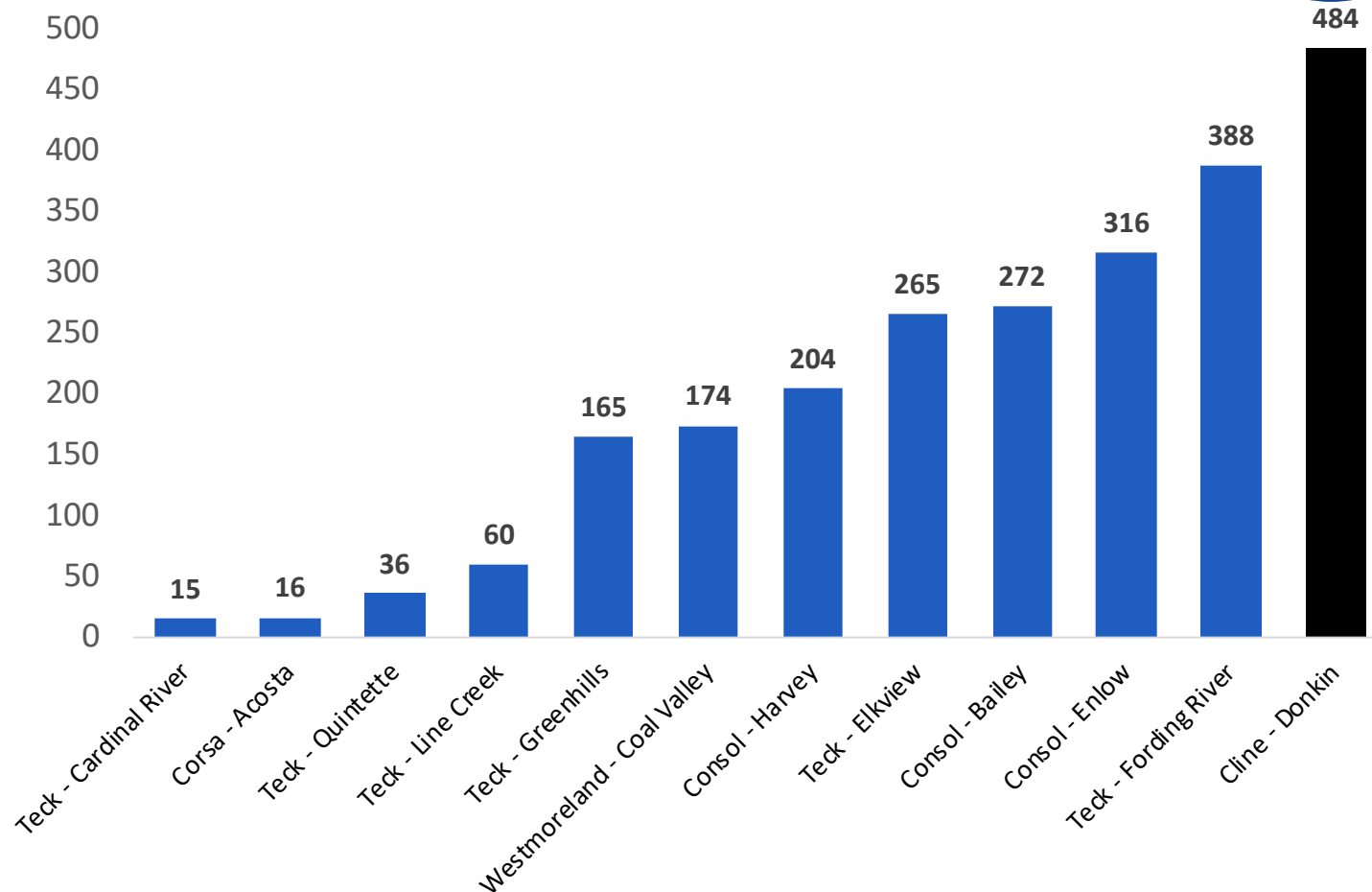


# Coal Resource Peer Comparison

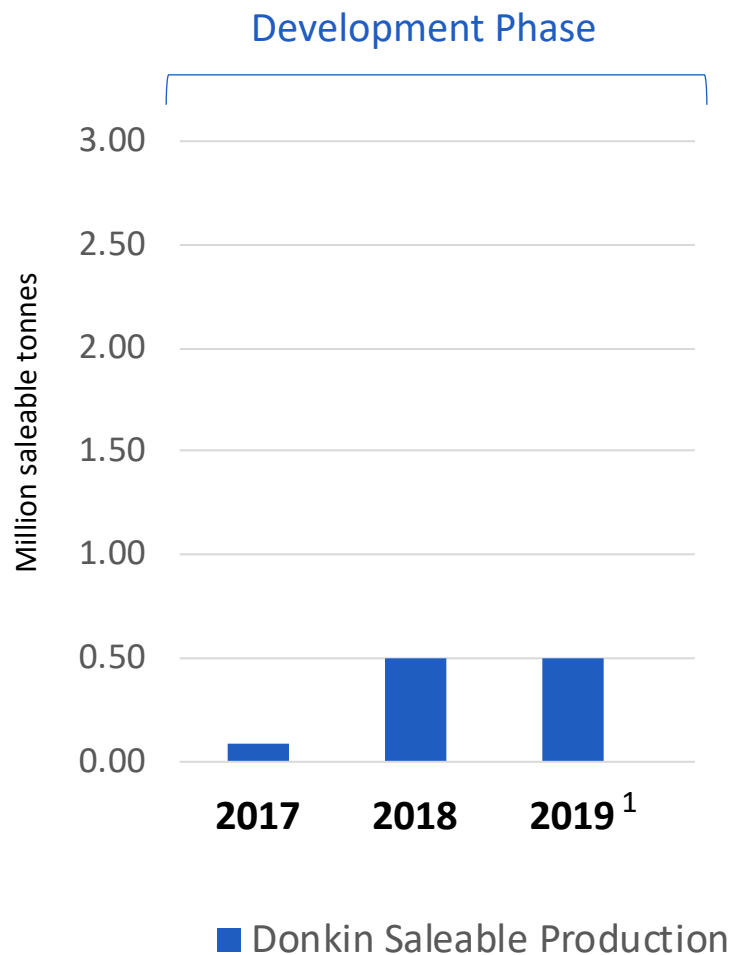


**30+ Year  
Mine Life**

Million tonnes

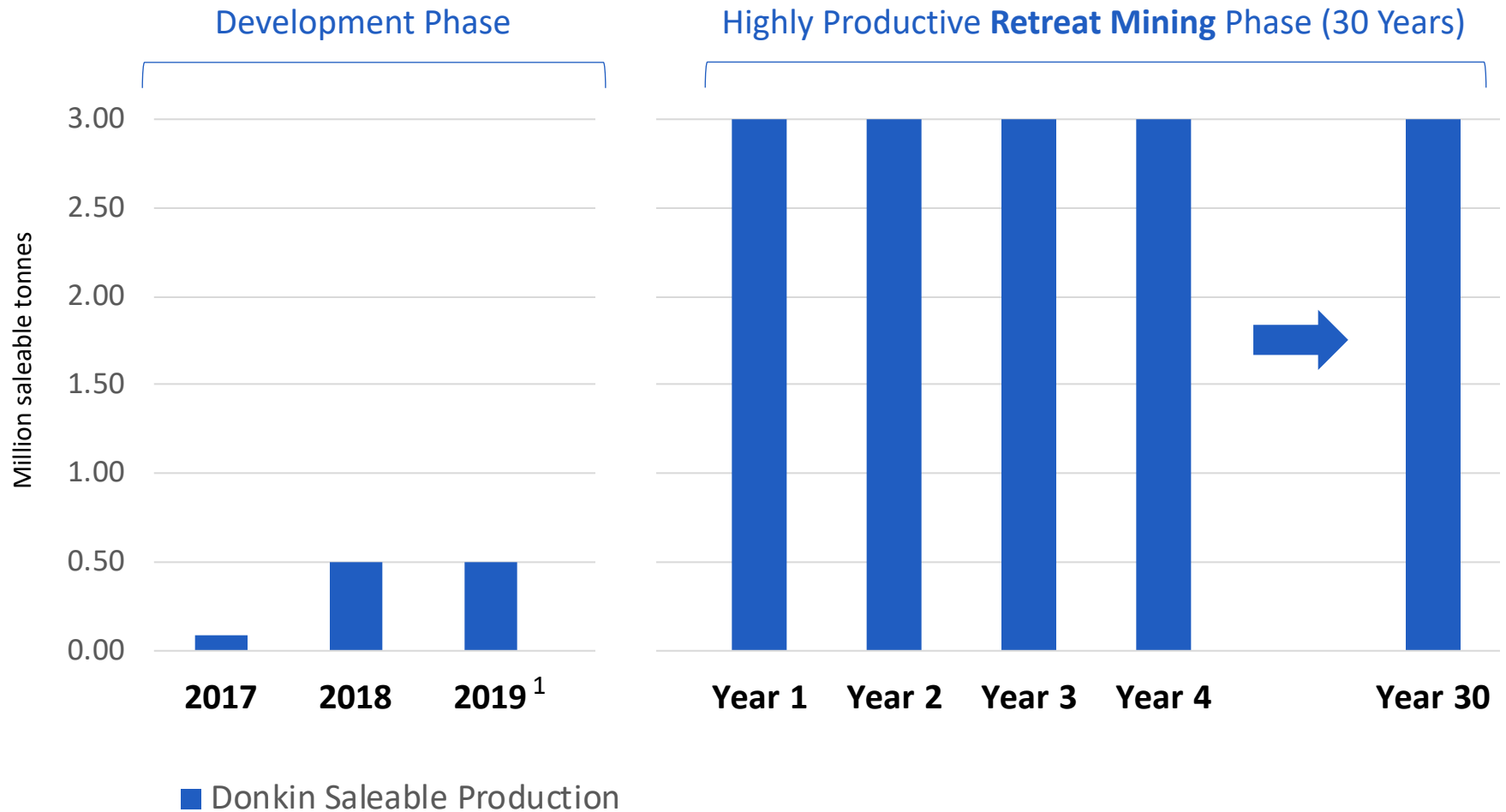


# Donkin Development Phase



(1) Includes an assumption on Donkin's Q4-2019 production; Morien's Q4-2019 Donkin royalty is not due until February 15<sup>th</sup>.

# Donkin Production Phase (Retreat Mining)



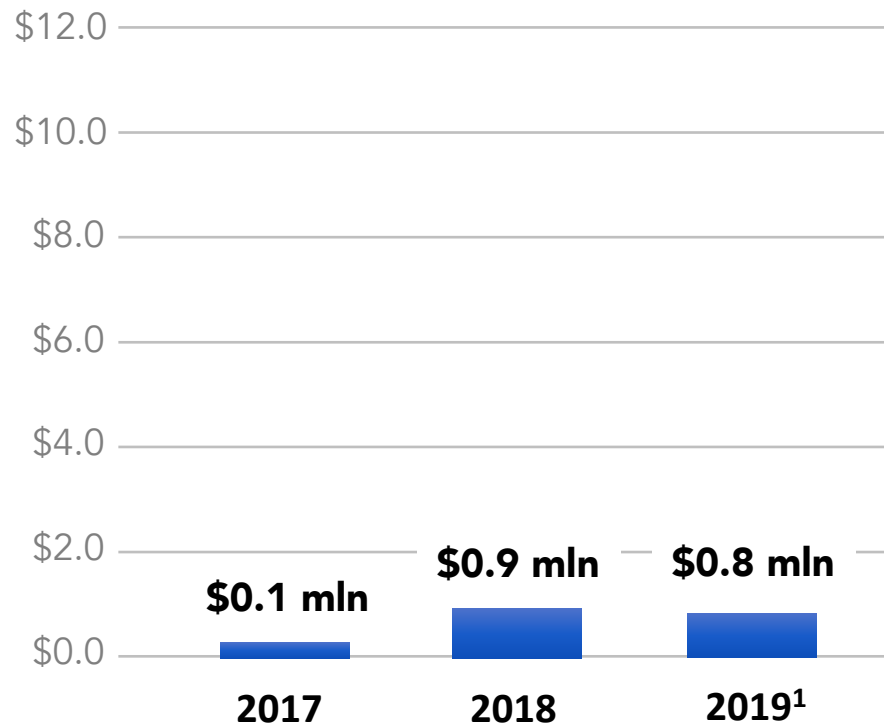
(1) Includes an assumption on Q4-2019 production; Morien's Q4-2019 Donkin royalty is not due until February 15<sup>th</sup>.



# Donkin Royalty Set to Materially Increase



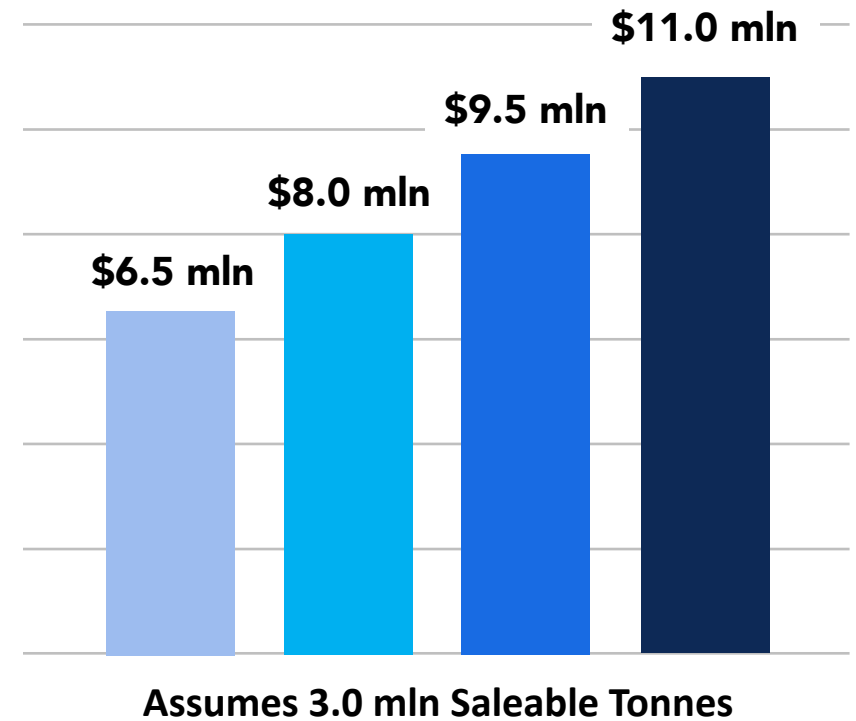
## Received Annual Royalties <sup>1</sup>



## Forecast Annual Royalties <sup>2</sup>

Coal price (\$CAD)

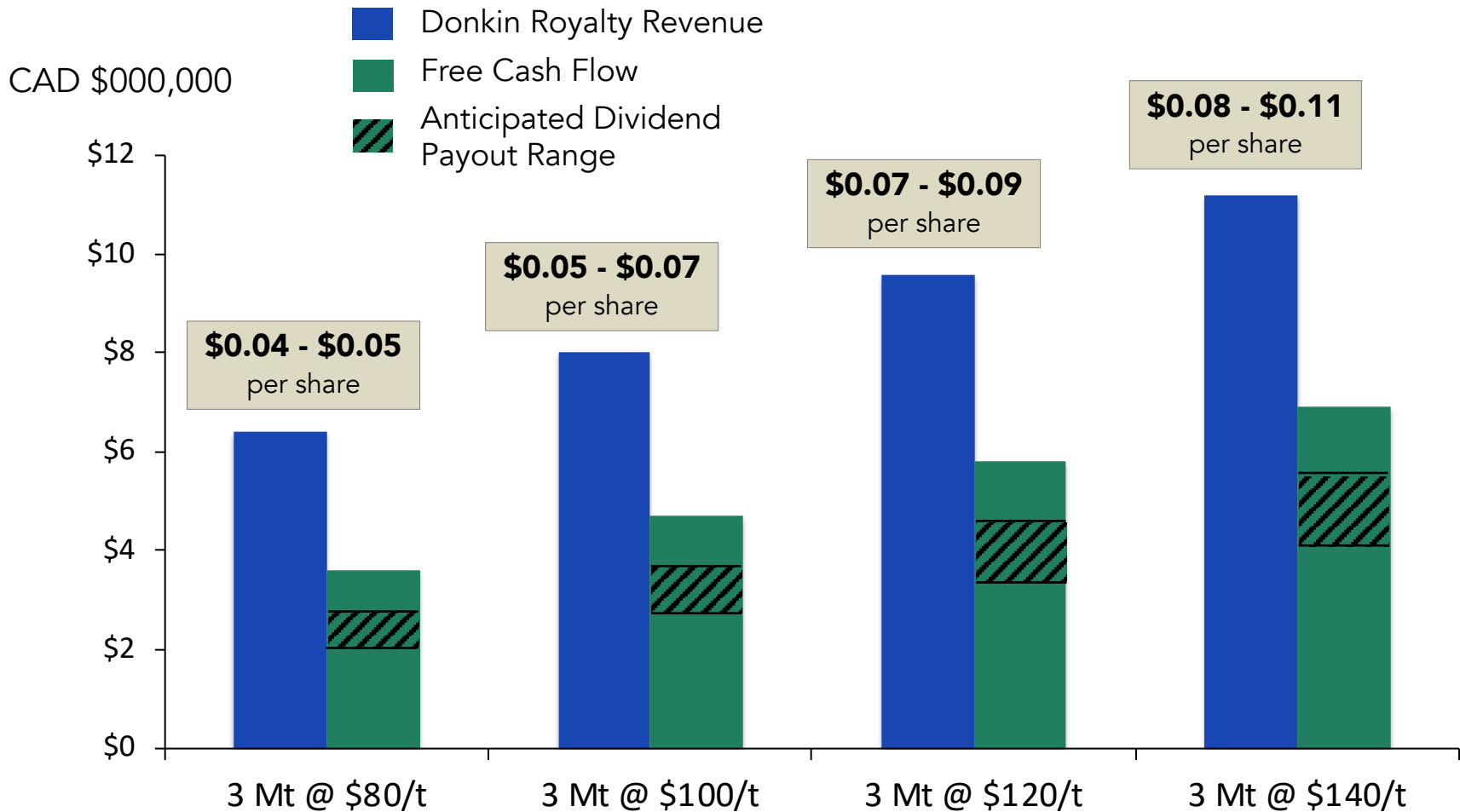
■ \$80/t   
 ■ \$100/t   
 ■ \$120/t   
 ■ \$140/t <sup>(1)</sup>



(1) Q4-2019 royalty not yet received; estimate only

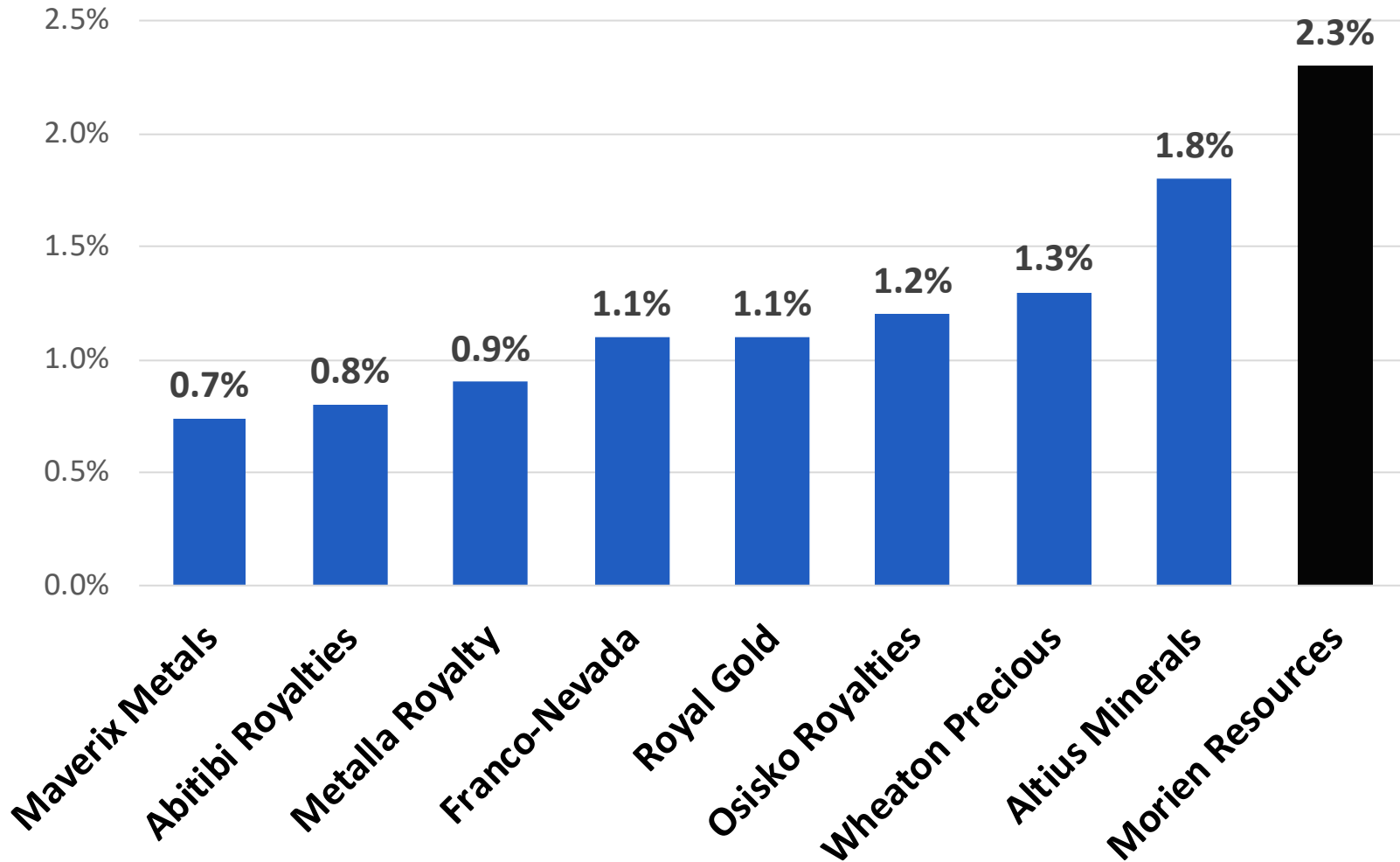
(2) Estimated royalties are pre-tax

# Prospective Dividend



**Donkin Annual Clean Saleable Production (Tonnes) and Coal Price Assumptions**

# Current Dividend Yield – Peer Comparison



# Dividend Calculator (Morien Website)



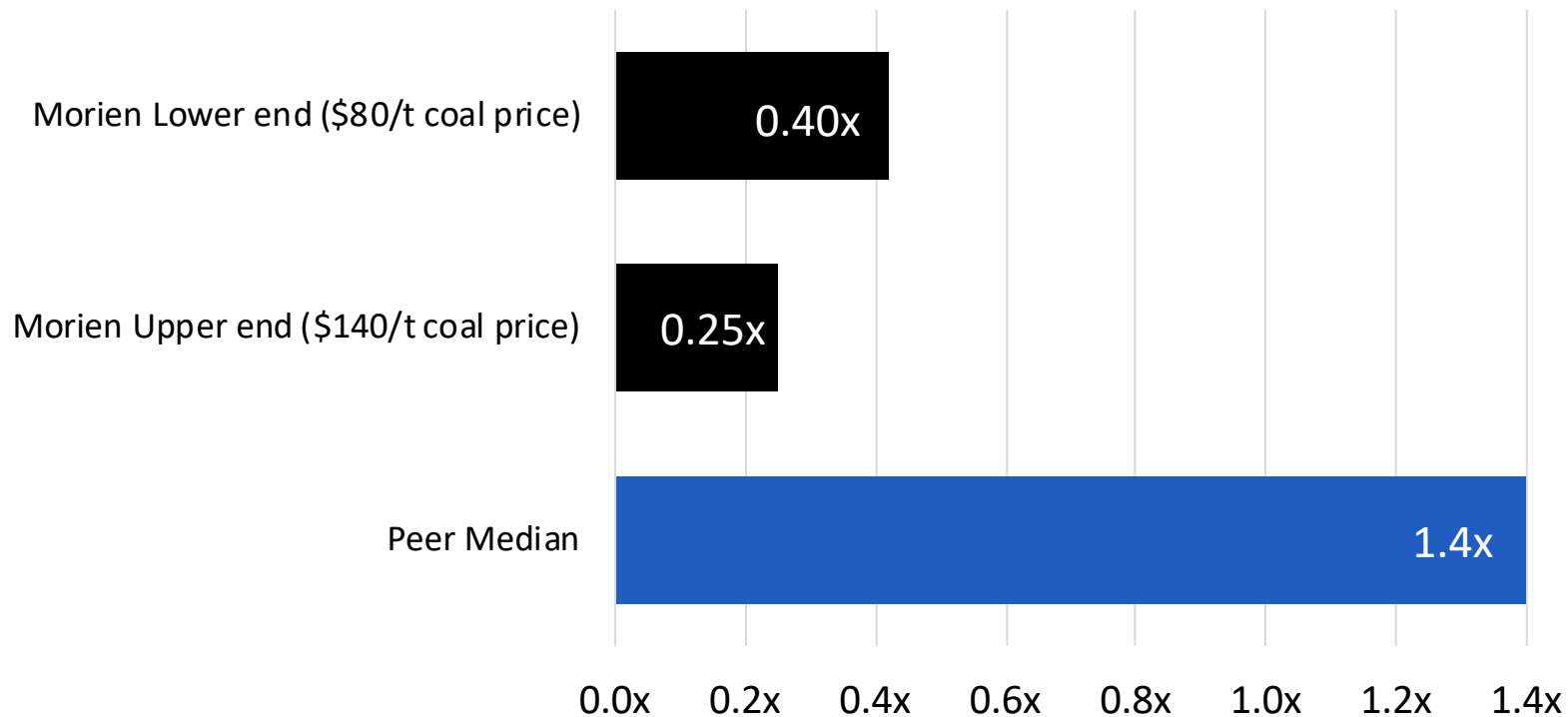
Donkin Coal Sale Price (USD \$/tonne)	\$125	\$60	<input type="range" value="125"/>	\$150
Est. Transportation & Related Deductions (USD \$/tonne)	(\$10)			
Net Coal Price (USD \$/tonne)	\$115			
USD / CAD Exchange Rate	1.31	1.00	<input type="range" value="1.31"/>	1.50
Net Coal Price (CAD \$/tonne)	\$151			
Donkin Production (mln tonnes/year)	3.00	0.5	<input type="range" value="3.00"/>	3.00
Royalty @ 2% / 4% (CAD \$ mlns)	\$12.05			
G&A (CAD \$ mlns)	(\$0.7)			
Taxes at 31% (CAD \$ mlns)	(\$3.5)			
Net After Tax (CAD \$ mlns)	\$7.83			
Payout of Free Cash Flow (%)	80%	50%	<input type="range" value="80"/>	90%
Total Dividend (CAD \$ mlns)	\$6.27			
Morien Shares Outstanding (mln)	52.9			
<b>Estimated Annual Dividend Per Share</b>	<b>\$0.115</b>			

# Price to NAV Royalty Peer Company Valuation



## P/NAV

Morien's NAV is post-tax and assumes a 10% discount rate for the Donkin royalty and 20% for the Black Point royalty



1. Source: Company filings
2. Peers: Altius, Franco-Nevada, Labrador Iron Ore Royalty, Maverix Metals, Osisko, Royal Gold, Sandstorm
3. NAV is post tax, and assumes a 10% discount rate for Donkin and 20% for Black Point

# MOX - Own it for These Reasons



**MOX** - Donkin advancing toward high productivity retreat mining phase

**MOX** - Significant valuation multiple expansion and re-rate potential

**MOX** - Quarterly dividend levered to Donkin production and coal price

**MOX** - Coal demand will remain robust

**MOX** - Long life royalties

**MOX** - Focused on accretive acquisitions on long-life royalties in N.America

**MOX** - Continued share buy backs

**MOX** - Annual Donkin royalty could be one-half of market cap in 18-months

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**John P. A.  
Budreski**

Executive Chairman

**Dawson  
Brisco**

President & CEO

**Susanne  
Willett**

CFO

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**TSX-V: MOX**

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