Management's Discussion and Analysis
Quarter ended March 31, 2021

This Management Discussion and Analysis ("MD&A") dated May 19, 2021 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, 2021 and 2020, audited consolidated financial statements as at and for the years ended December 31, 2020 and 2019 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 potential impact of the COVID-19 pandemic on the Corporation's business, the acquisition of additional mineral assets, expected working capital requirements, future purchases under the Corporation's Normal Course Issuer Bid, 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.

Third-Party Information

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", "Donkin Mine" or the "Mine") commenced production in 2017. It ceased operations in 2020 due to adverse geologic conditions and was placed on care and maintenance. The Black Point Aggregate Project ("BP Project" or "Black Point") has received positive environmental assessment decisions from both federal and provincial authorities 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 13.6 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 status and extent of the care and maintenance program at Donkin Mine is better understood.

First Quarter 2021 Update

During the three months ended March 31, 2021:

- Morien management continued to dedicate significant resources to various advocacy efforts aimed at reducing potential barriers to a restart of the Donkin Mine;
- Earned a quarterly royalty of $60,776 from Kameron Collieries ULC for the sale of stockpiled coal from the Donkin Mine;
- Received an Advanced Payment of $28,319 from Vulcan Materials Company related to Black Point;
- Purchased and cancelled 150,000 shares at an average weighted price of $0.23[1] per common share under the Corporation's NCIB;
- Pursued various cost saving initiatives resulting in a 25% decrease in corporate and administration expenses for the three months ended March 31; and
- Ended the quarter with approximately $2.5 million in working capital.

Impact of the COVID-19 Pandemic

The Corporation continues to support measures to address the COVID-19 pandemic and its employees continue to work remotely. There are no known cases of COVID-19 in the Corporation.

There remains uncertainty over the extent and duration that COVID-19 related impacts may have on the Corporation, 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 2021 with approximately $2.5 million in working capital and remains debt-free. The Corporation's low corporate overhead expenses, in addition to its working capital and quarterly Advanced Payments from Vulcan Materials Company, afford the Corporation the ability to manage these challenging times.

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[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 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. The Donkin Royalty is binding on Kameron and its successors in interest in the Mine for the duration of the Mine's lease.

Recent History of the Donkin Mine

In March, 2020, Kameron announced that it was ceasing production operations at the Donkin Mine due to adverse geologic conditions. The Mine has not been sealed and is being maintained by a small staff of Kameron employees to ventilate and keep the Mine facility dewatered and properly ventilated 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 (each containing two continuous miner units) 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 its operating costs and significantly increased production volumes. The majority of the submarine coal deposits in Cape Breton's Sydney Coalfield were mined via the longwall method owing to the favorably flat-lying nature of the target coal seams. From 2012 to 2014, Foresight Energy, a prior subsidiary of The Cline Group, successfully operated three of the four most productive underground coal mines in the United States.

During the Development Phase, Kameron occasionally experienced localized roof instability issues at Donkin where material fell from the ceiling (roof) of certain sections of old parts of the Mine and certain sections of Kameron's tunnel operations. These fall occurrences, however, are common to underground coal mining operations. The U.S. underground coal mine industry experiences on average 440 roof falls per year[2]. In Donkin's case, all of the roof falls occurred in areas where the risk was already identified by Kameron employees, 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 work started, to the end of 2019[3], Kameron's mine injury rate was 43% less than the U.S. national underground coal mine injury rate, and none of Kameron's injuries were related to a roof fall. Donkin's safety record is also exemplary when compared to other Nova Scotia sectors; in 2019, Nova Scotia saw 5,663 Time Loss Claims across 19 sectors, with the Donkin operation only accounting or 0.1% of those claims[4].

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[2] Sourced from the U.S. Mining Safety and Health Administration; average taken from the period 2016 to 2018 (2019 data not available at the time of writing this report).

[3] Sourced from the U.S. Mining Safety and Health Administration; average taken from the period 2016 to 2019.

[4] Workers Compensation Board of Nova Scotia

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 worked jointly to assess the cause and determine the appropriate remediation procedures.

However, Nova Scotia's underground coal-mining regulations were developed in 2001, and the Donkin Mine was the first underground coal mine to operate under those regulations. Owing to the relatively inexperienced nature of the NS LAE regulators, they had been working with the outside assistance of coal mining safety experts from the U.S. Mining Safety and Health Administration ("MSHA") to provide it with advanced expertise to properly assess any potential revisions to Kameron's ground control procedures (includes roof bolting) at the Mine. On February 14, 2020 NS LAE stated in a local media publication that MSHA, who have toured the Mine in the past, reported that 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, a Kameron spokesman, Paul McEachern, said on February 14, 2020 – "the miners are trained to identify signs of [rock] stress. This wasn't a sudden event. There were signs of this."

Subsequent to the two 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 that 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 is being maintained by a small staff of Kameron employees to ventilate and keep the facility dewatered and properly ventilated during an idled phase of care and maintenance for an indeterminate period of time.

The Corporation is unaware of Kameron's timeline to restart operations at Donkin, or if they, or any successor, 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 based on its own circumstances. If Kameron decides to undertake this process, it could take a significant amount of 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. There is no guarantee that operations will ever recommence at Donkin under Kameron's ownership or otherwise.

Donkin's Positive Attributes

- The Mine has received approximately CAD $250 million in capital investment from Kameron since 2015;
- Since the Mine commenced operations in 2017, its coal has been marketable overseas primarily as a high-volatile, semi-soft B type metallurgical coal (low ash, high vitrinite content, high fluidity, high crucible swell number) and overseas and locally as a low ash (3%), high energy (>14,000 BTU/lb) thermal coal;

- The Mine is a short, 30-kilometre truck haul to a local power station and to the Provincial Energy Ventures Ltd.'s ("PEV") port facility in Sydney, Cape Breton, responsible for handling all of the exported coal from Donkin;
- In mid 2020, PEV finished dredging the sea floor around its export facility to a depth of approximately 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;
- In 2020, PEV also acquired, and received delivery of, a large barge-mounted ship loader to allow for increased and expedited loading of coal onto ocean-going vessels; and
- The Donkin mining lease contains a 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[4].

Morien's Royalties from Kameron

Morien recognized the following royalties from Kameron between Q3 2018 and Q1 2021:

Expressed in thousands of Canadian dollars

	Fiscal 2021	Fiscal 2020				Fiscal 2019				Fiscal 2018	
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
Royalty	**$61**	$43	—	—	$206	$ 270	$ 252	$ 119	$ 169	$ 298	$ 241

Q4 2020 and Q1 2021 Coal Sales

Following Kameron's decision to place the Donkin Mine on care and maintenance, an unknown quantity of previously mined and stockpiled Donkin coal was left at the Mine site and at the nearby PEV Port. Kameron sold a portion of this coal during Q4 2020 and Q1 2021, for which Morien received royalties of $42,885 and $60,776, respectively. A small amount of remaining stockpiled coal is expected to be sold throughout 2021, providing Morien with nominal royalties for the remainder of the year.

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. There is a significant risk that operations may not recommence at Donkin under Kameron's ownership or otherwise. Future results and royalties received, if any, subject primarily to production rates and coal pricing, may vary from those estimated by Morien[5]. 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.

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[5] 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 Nov 2012, found on Morien's SEDAR profile.

Market Update – Metallurgical Coal

Metallurgical coal is an essential ingredient in the manufacturing of steel, and thus its demand closely follows that of global manufacturing and steel production. To illustrate this point, approximately 800 kilograms of metallurgical coal is required to produce one tonne of steel[6]. While some kinds of steel can be made by other processes, including through the use of scrap steel in electric arc furnaces, approximately 70% of global steel production relies on metallurgical coal[6].

There are a few greenhouse gas emitting industries that fall widely into the category of being difficult-to-eliminate or decarbonize, and metallurgical coal is one of them, as is aviation fuel, the cement industry and long-haul shipping and transportation[7]. The primary reason for metallurgical coal's demand resilience is that there is no commercially viable replacement for it in the manufacturing of steel[8].

In response to the COVID-19 pandemic, global steel production decreased by 0.2% in 2020 year-over-year ("yoy"). Increased output in Iran, Turkey, Russia and China almost fully offset losses in most other major steel-producing countries[6].

Global manufacturing and industrial production are continuing to show growth in 2021 in all major regions with the manufacturing Purchasing Managers' Indices ("PMI") above 50.0 in the U.S., Europe, Brazil, India, and China[9].

For full year 2021, the World Steel Association forecasts a rebound in steel production of 5.8%. Global construction, the largest steel-consuming sector, is expected to reach its 2019 level again in 2022, stimulating further growth in global steel production of 2.7% in 2022[6].

The global steel sector's rebound from the impact of production stoppages and lockdowns during COVID-19 has been greater than initially expected. For the first three months of 2021, global steel production was up 10% when compared with the same period in 2020, according to figures released by the World Steel Association in April 2021. The biggest drivers of this growth have been China up 15.6% quarter-over-quarter, Iran up 10.7%, India up 10.4%, Turkey up 9.5%, and Brazil up 6.2%[6]. It is thought that India's high steel demand will continue throughout the year. After declining 13.7% in 2020, India's steel demand is expected to rebound by 19.8% to exceed the 2019 level in 2021, the highest rate among the top-10 steel consuming countries. These forecasts from the World Steel Association assume that the ongoing second or third waves of infections, such as those occurring in India, will stabilize and that steady progress on vaccinations will be made, allowing a gradual return to normality in major steel-using countries.

Owing to demand supply shortages and higher raw material costs, steel prices are increasing. Notably, the price for hot-rolled coil, the major steel product used in manufacturing, increased 33% in the US Midwest market since the start of the year, while prices in northern European have surged 36.5%, with prices in China increasing 20%.

Demand for steelmaking raw materials, like metallurgical coal, continued to gradually recover toward the latter part of 2020 and into early 2021. Several steel producers outside of China, who had previously deferred purchases to manage stock levels in response to the decreased demand, have begun restocking raw materials, like iron-ore and metallurgical coal. Iron-ore price has recently hit a 10-year high, and Atlantic-origin, high-vol semi-soft B, a similar grade of metallurgical coal to which resides at Donkin, has rebounded to approximately US$152 per tonne at the time of writing this report, up from a low of US$97 per tonne in Q3

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[6] World Steel Association

[7] Net-Zero Emissions Energy Systems, Journal of Science, June 2018, Vol. 360, Issue 6396

[8] Wood MacKenzie, Is green hydrogen metallurgical coal's kryptonite?, May 2020

[9] IHS Markit, March 2021

2020, representing a 56% increase since Q3 2020[10]. Semi-soft coal markets, however, remain below the highs of 2018, which saw high-vol semi-soft B coal trade above US$200 per tonne.

On the supply side, high-cost production was rationalized in 2020, particularly in the U.S., where metallurgical coal exports declined 15%. Moreover, Australia's metallurgical coal exports were also down in 2020 in the face of weak coal pricing, operating disruptions at certain mines, and a temporary, yet still ongoing, coal import ban with China, it's primary customer.

In response to reduced demand from the pandemic, the global seaborne metallurgical coal trade decreased by 39 million tonnes in 2020, or 13%, to 271 million tonnes[11]. Demand is expected to recover by 34 million tonnes in 2021, bringing demand back to near pre-COVID levels[11].

Longer term, Morien management believe that limited global capital investment in new metallurgical coal mines, economic pressure on higher cost production sources like the U.S., global population growth, urbanization, and a growing middle class in the Asia-Pacific, in conjunction with there being no commercially viable replacement to metallurgical coal in a world demanding plenty of high-quality steel, will collectively provide support to steel demand and the metallurgical coal required to produce it, as demand continues to return to the steel production supply chain.

Market Update – Thermal Coal

While metallurgical coal is used to manufacture steel, thermal coal is used to generate electricity. Unlike metallurgical coal, thermal coal has competition in the form of natural gas, nuclear, oil, hydro, and renewable energies. However, over the long-term, continued annual growth in global power demand, particularly in the developing world, is expected to continue supporting thermal coal's longevity as a competing fuel source[12].

Due to a drop in electricity demand and industrial output in 2020, global energy consumption contracted by 4% in 2020 from 1.3% to -2.7%. As a result, demand for seaborne thermal coal fell by approximately 8% in 2020[13]. Actual thermal coal receipts fell by 82 million tonnes on the year to a four-year low of 922 million tonnes, driven in particular by reduced demand in the European Union, India, and South Korea[14]. However, China's 2020 coal imports rose 1.4% to 304 million tonnes, the highest since 2014, and imports by Southeast Asian countries remained resilient with Vietnam taking record-high fourth-quarter seaborne thermal coal volumes on the back of a sharp economic expansion. Combined coal deliveries to Vietnam, Malaysia, the Philippines, and Thailand increased by 16 million tonnes in 2020[13].

Demand for seaborne thermal coal is expected to recover in 2021 as the global economy is expected to grow by 6.0%, according to the International Monetary Fund[14]. Global energy demand is set to increase by 4.6% in 2021, more than offsetting the contraction in 2020 and pushing demand 0.5% above 2019 levels[15]. Approximately 70% of the projected increase in global energy demand will be in emerging markets and developing economies, where demand is set to rise to 3.4% above 2019 levels. Energy use in advanced economies is on course to be 3% below pre-COVID levels[13].

Demand for all fossil fuels is set to grow significantly in 2021. Thermal coal demand alone is projected to increase by 60% more than all renewables combined[13]. More than 80% of thermal coal's 4.5% growth in 2021 is expected to be concentrated in Asia; China alone is projected to account for over 50% of global thermal coal growth.

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[10] S&P Global Platts

[11] International Energy Agency, Coal 2020 - Analysis and Forecast to 2025, December 2020

[12] BP Statistical Review of World Energy 2020, 69th Edition, Published June 2020

[13] Argus Media, Seaborne thermal coal imports drop by 8pc in 2020, March 2021

[14] IMF, Transcript of April 2021 World Economic Outlook Press Briefing, April 2021

[15] International Energy Agency, Global Energy Review 2021, April 2021

In the short-term, the Chinese government's primary focus remains growing the economy by approximately 6% in 2021[16]. As identified in China's 14th Five-Year Plan, the country's top-level policy blueprint, one of the top risks to China's aim of maintaining a "moderately prosperous society" remains a lack of energy to drive its economy. As a result, China is expected to consume 6% more thermal coal by 2025 compared with 2020, the China National Coal Association reported in March 2021. Currently, thermal coal supplies 57% of China's total energy demand[12]. In 2020, China brought 38 gigawatts ("GW") of new coal-fired power into operation, more than three times what was brought online in the rest of the world and granted construction approval to a further 37 GW of coal-fired capacity, three times more than a year earlier[17]. A total of 247 GW of coal-fired power is now in planning or development, nearly double the size of Canada's entire electrical grid[15]. China has also proposed additional new coal plants that, if built, would generate 74 GW of power, more than five times the 14 GW proposed in the rest of the world combined[18].

Another fast-growing developing country with high thermal coal demand is India, the world's fourth-largest energy consuming country thanks to rising incomes and improving standards of living, behind China, U.S., and the European Union[12]. Total energy use has doubled since 2000, with 44% met by thermal coal. Over the coming years, as India recovers from a COVID-induced downturn, millions of Indian households are set to buy new appliances, air conditioning units and vehicles. India will soon become the world's most populous country, adding the equivalent of a city the size of Los Angeles to its urban population each year[19]. Even at a relatively modest assumed urbanization rates, India's sheer size means that approximately 270 million people are still set to be added to India's urban population over the next two decades. To meet this growth in electricity demand over the next twenty years, India will need to add a power system the size of the European Union to what it has now. While India has committed to add more capacity through non-fossil sources of generation, coal-based generation capacity will likely play an important role in the country as it continues to be the lowest cost source of electricity generation[20].

As of the date of this MD&A, the assessed price of thermal coal in the Atlantic region has risen 122% to US$82 per tonne from its low of $37 per tonne in April 2020[21]. There remains a high level of uncertainty over the extent and duration that impacts stemming from the COVID-19 pandemic may have on thermal coal pricing over the remainder of 2021 and going forward. Additionally, although seaborne thermal coal demand remains high owing primarily to demand from the Asia-Pacific region, the commodity still faces ongoing negative effects of the COVID-19 pandemic, like lower utility demand, over the near-term, and the challenges of low natural gas prices and the secular shift to renewable energy, over the long-term.

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 U.S. 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

[16] Wall Street Journal, China Sets 2021 GDP Growth Target at Over 6%, March 2021

[17] Reuters, China's new coal power plant capacity in 2020 more than 3 times rest of world's, Feb 2021

[18] Wall Street Journal, Global Emissions Goals Come With Big Cost and Political Hurdles, April 2021

[19] International Energy Agency, India Energy Outlook 2021, February 2021

[20] Reuters, India may build new coal plants due to low cost despite climate change, April 2021

[21] S&P Global Platts Daily Publication of International Coal Markets.

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.

In May 2020, Frank Lieth, Vulcan's Vice President of Black Point Aggregates Inc., a wholly owned subsidiary of Vulcan, reaffirmed Vulcan's commitment to Black Point - "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 for crushed stone[22]. 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. Competition of aggregates is thus constrained by the distance materials can be transported efficiently, resulting in predominantly local or regional operations. 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.

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[22] In Q3 2019, the Advanced Payment was adjusted for PPI to $27,793 until Q2 2020.

Market Update – U.S. Aggregate Sector

The U.S. aggregate sector provides the basic crushed stone materials that are needed to maintain and expand the country's infrastructure. Aggregate demand in the U.S. is largely dependent on construction activity and correlates positively with changes in population growth, household formation and employment[23]. Crushed stone is used in three primary end-use markets; public construction (highways, bridges, buildings, airports, etc.); private nonresidential construction (manufacturing, retail, offices, industrial and institutional); and private residential construction (houses, apartments and condominiums)[16].

From the onset of the COVID-19 related shutdowns, the aggregate sector in the U.S. was designated an "essential business". However, as a result of economic uncertainty caused by the pandemic, aggregate demand within most key markets declined in 2020.

According to Dodge Data and Analytics ("DDA"), a leading provider of construction project data for the North American aggregate market, total construction starts in the U.S. fell 10% in 2020; nonresidential building starts saw the steepest drop, losing 24%, while nonbuilding starts fell 14%, with residential construction starts ending 2020 up 4% owing to strong single-family activity primarily from low interest rates[24].

The United States Geologic Survey estimates that 1,410 companies operating 3,440 quarries combined to produce 1.32 billion tonnes of aggregate in 2020, down slightly from the 1.35 billion tonnes produced in 2019 (2018 – 1.26 billion tonnes)[25]. On a company-specific basis, Vulcan Materials' year-over-year aggregates shipments decreased 3.3% in 2020 from 196 to 189 million tonnes, versus an increase of 7% in 2019. However, freight-adjusted selling price for aggregates increased 3.2% in 2020 from US$12.69 to $13.10 per tonne, versus an increase of 5.6% in 2019. Vulcan's gross profit for its aggregates segment increased US$12.5 million, or 1%, to $1.16 billion due to the 3.2% growth in pricing and effective price control and despite the 3.3% decline in shipments[26].

DDA anticipates a modest recovery in U.S. aggregate demand of 4.0% in 2021. According to DDA, total construction starts saw a gain of 2.0% for March 2021 versus February 2021, largely fueled by growth in nonresidential building starts. However, just as the U.S. construction industry appears to be on the brink of moving toward recovery, a possible setback has emerged with the rapid escalation in material prices which have stepped in as the primary risk to the sector.

In March 2021, U.S. President Biden unveiled a US$2.3 trillion infrastructure and job growth initiative called the American Jobs Act. The proposal sets aside $621 billion for transportation initiatives including funding for roads, electric vehicle incentives and charging stations, public transit, airports, and ports. By comparison, the FAST Act, the United States' last surface transportation bill, was a five-year, $305 billion authorization. However, it is unclear how much of President Biden's $621 billion infrastructure measure will be dedicated to roads and bridges.

Overall, the associated impacts on states' fiscal health and budgetary constraints, unemployment, and consumer confidence, all factors that dictate aggregate demand, will be difficult to measure with confidence until the U.S. government passes a large, bilateral infrastructure stimulus package that includes a multi-year surface transportation reauthorization.

[23] U.S. Geological Survey, Crushed Stone Statistics and Information.

[24] Dodge Data & Analytics press release, January 19, 2021

[25] U.S. Geological Survey, Mineral Commodity Summaries, January 2021

[26] Vulcan Materials Company, 2020 Annual Report

Project Generation

Since 2018, as the Donkin Mine went into production and as the Corporation's royalty payments 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 status and extent of the care and maintenance program at the Donkin Mine is 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.

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

	For the years ended December 31		
	2020	2019	2018
Revenues	**249**	810	920
Corporate and administration expenses	**628**	700	625
Exploration and evaluation expenses	—	138	48
Loss from operations	**(561)**	(45)	(578)
Gain on sale of land	—	938	—
Net income (loss) for the year	**(561)**	893	(572)
Basic and diluted income (loss) per share	**(0.01)**	0.02	(0.01)
Additions to unearned revenue	**112**	111	100
Purchase of shares for cancellation	**431**	772	847
Increase (decrease) in cash	**(1,486)**	168	(786)
Working capital at year-end	**2,645**	3,467	3,308
Cash dividends declared	**132**	532	537
Cash dividends declared per share	**0.0025**	0.01	0.01

Discussion of Operations

Three months ended March 31, 2021 and 2020

The Corporation recognized $60,766 in royalty revenue in 2021 (2020 - $206,350) from Kameron related to Donkin coal sales. For the three months ended 2021, additions to unearned revenue from Black Point-related Advanced Payments received are $28,319 (2020 - $27,793) for cumulative unearned revenue of $401,478 as at March 31, 2021 (2020 - $288,726).

Corporate and administration expenses amounted to $154,137 for the three months ended March 31, 2021 (2020 - $203,775), a decrease of $49,638. The decrease in ongoing costs year-over-year is attributable to reduced investor relations activity and reduced office lease costs in the current year.

The table below provides a breakdown of the corporate and administration expenses for the three months ended March 31, 2021 and 2020.

	For the three months ended March 31		
	2021	2020	Change
	$	$	$
Employee and service agreement fees	**84,864**	85,231	(367)
Investor relations and communications	**11,281**	44,919	(33,638)
Office and sundry	**10,738**	14,275	(3,537)
Professional fees	**14,888**	28,368	(13,480)
Regulatory compliance	**32,366**	30,982	1,384
	154,137	203,775	(49,638)

Exploration and evaluation expenses were $nil for the three months ended March 31, 2021 (2020 - $nil).

Net and comprehensive loss for the three months ended March 31, 2021 was $101,411 or ($0.0) per share compared to net and comprehensive income of $101,223 or $0.00 per share in 2020.

Other than mentioned above, there were no unusual events or items during the first quarter of 2021 that affected the Corporation's financial condition, cash flows or results of operations in a material nature.

Summary of Quarterly Results

Expressed in thousands of Canadian dollars except per share amounts

	Fiscal 2021		Fiscal 2020				Fiscal 2019	
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
Revenue	**61**	43	—	—	206	270	252	119
Corporate and administration expenses	**154**	125	146	153	204	159	146	208
Share-based compensation	**—**	—	—	190	—	—	—	—
Exploration and evaluation expenses	**—**	—	—	—	—	13	29	56
(Loss) income from operations	**(101)**	(122)	(162)	(377)	101	99	89	(128)
Gain on sale of land	**—**	—	—	—	—	—	938	—
Net (loss) income	**(101)**	(122)	(162)	(377)	101	99	1,027	(128)
Basic and diluted income (loss) per share	**—**	—	—	(0.01)	—	—	0.02	—
Additions to unearned revenue	**28**	28	28	28	28	28	28	30
Purchase of shares for cancellation	**34**	19	146	54	212	144	363	136
(Decrease) increase in cash	**(126)**	(154)	(1,194)	(5)	(133)	(108)	454	(65)
Working capital at period end	**2,538**	2,645	2,758	3,038	3,252	3,467	3,483	2,899
Cash dividends declared	**—**	—	—	—	132	133	133	134
Cash dividends declared per share	**—**	—	—	—	.0025	.0025	.0025	.0025

The Corporation's expenditures and net income (loss) varied from quarter to quarter depending largely on the size of the royalty payments, share based compensation, and corporate and administration support required with respect to its core assets.

Liquidity and Capital Resources

At March 31, 2021, the Corporation had working capital of $2.5 million, compared to $2.6 million at December 31, 2020.

As of the date of this MD&A, the Corporation had working capital of approximately $2.5 million, which is considered more than sufficient to meet the Corporation's operating requirements beyond 2021. 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 suspended its quarterly dividend in Q2 2020 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 Producer Price Index for crushed stone, commencing July 1, 2018. All Advanced Payments are recorded as unearned revenue and shall be credited against future production royalty payments due to Morien if and when Black Point enters production.

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.

As the result of a 2017 reorganization of a publicly traded company, shares of which were held by Morien, the Corporation received non-public entity shares that were ascribed a $nil fair value. Morien sold the publicly traded shares in 2018 for a gain of $152,169 and retained the non-public entity shares. In 2019, these shares were subsequently split into three, unlisted companies; Buchans Resources Limited, Canadian Manganese Company Inc., and Minco Exploration plc. Due to a lack of available market information and limited observable inputs, Morien management have ascribed a $nil fair value in the Level 3 fair value hierarchy as at March 31, 2021 and December 31, 2020. The Corporation holds the investments with a goal of short-term appreciation in the event of a public listing. However, due to current market conditions and the unlikely event of disposition of any or all of the shares in 2021, the investments are classified as non-current assets.

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 and short-term investments balance of $2.4 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 have been, and will continue to be, pursued, such as the cessation of project generation related work, decreased investor relations activity, the suspension of the Corporation's quarterly dividend payment, and various other corporate cost reduction initiatives.

The Corporation's immediate focus and strategy is on advocating for conditions that are favorable to restarting operations at the Donkin Mine and reducing potential barriers to such a restart. These efforts include correcting some of the misconceptions in regard to differences between metallurgical and thermal coal, Donkin's value as an exported, metallurgical coal, the Mine's significant socio-economic contribution to Nova Scotia, strong community support for the Mine, and Donkin's excellent safety record.

When the status and extent of the care and maintenance program at the Donkin Mine is better understood, Morien's Board of Directors will re-assess the reinstatement of the Corporation's dividend program. At this time, the Corporation will continue its evaluation of additional royalty assets to purchase to 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 has a Normal Course Issuer Bid program in place and may elect to purchase outstanding common shares if and when management feels the purchase represents the best value to shareholders.

The Corporation continues to monitor the near-term effect that reduced global economic activity resulting from COVID-19 might have on metallurgical coal, thermal coal and aggregate demand and pricing. However, the Corporation remains confident in the longer-term, positive outlook for these commodities.

Contractual Obligations

For the 2021 fiscal year, the Corporation's only expenditure commitment related to overhead is a one-year office lease for $2,028.

Off-Balance Sheet Arrangements

As at December 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 in April 2020 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. As stated above, when the status and extent of the care and maintenance program at 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 25, 2021, the Corporation filed a notice of intention to acquire up to 3,820,700 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, 2021, the Corporation purchased and cancelled 150,000 shares (2020 – 484,000 shares) at an average weighted price of $0.23 per share (2020 – $0.44).

Share Capital

As of the date of this MD&A, the Corporation has 50,961,614 common shares issued and outstanding.

Stock Options

As of the date of this MD&A, the Corporation had 4,375,000 stock options outstanding with an average exercise price of $0.42, 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.

Future Changes in Accounting Policies

The following new amendments to standards and interpretations under IFRS, are not yet effective for the three months ended March 31, 2021, and have not been applied in preparing these consolidated statements:

IAS 1 – Presentation of Financial Statements

On January 23, 2020, the IASB issued an amendment to IAS 1 Presentation of Financial Statements providing a more general approach to the classification of liabilities. The amendment clarifies that the classification of liabilities as current or non-current depends on the rights existing at the end of the reporting period as opposed to the expectations of exercising the right for settlement of the liability. The amendments further clarify that settlement refers to the transfer of cash, equity instruments, other assets, or services to the counterparty.

The amendments are effective for annual periods beginning on or after January 1, 2023 and are to be applied retrospectively, with early adoption permitted. Morien will assess the financial impact of the amendments and expects to apply the amendments at the effective date.

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, short-term investments and investments. 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, 2021 and 2020, 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 of Level 1 cash and short-term investments as at March 31, 2021 was $2,648,078 (December 31, 2020 - $2,648,078).

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, 2021	December 31, 2020
	$	$
Cash and short-term investments	**2,521,916**	2,648,078
Trade receivables	**69,893**	49,318
	2,591,809	2,697,396

The Corporation manages credit risk by holding its cash and short-term investments 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, 2021 were $69,893 (2020 - $49,318). No amounts were written off during the three months ended March 31, 2021 (2020 – $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, 2021, the

Corporation had cash and short-term investments of $2,521,916 (December 31, 2020 – $2,648,078) to settle trade and other payables of $74,926 (December 31, 2020 – $79,472).

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 $923,088 as at March 31, 2021 (December 31, 2020 – $953,662). Sensitivity to a plus or minus 10% change in the USD dollar exchange rate would affect comprehensive loss and deficit by approximately $92,300 (December 31, 2020 – $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.

Equity price risk

The Corporation holds three equity instruments in the mining category that do not have a quoted market price in an active market. Management has assessed the value of the instruments at $nil fair value as at March 31, 2021 and December 31, 2020 (see Capital and Liquidity Resources section above). Any change in fair value is not predictable at this point.

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 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. In regard to Donkin, the Corporation is unaware of Kameron's timeline to restart operations at Donkin, or if they (or any successor) will ever restart operations. There is no guarantee that operations will ever recommence at Donkin under Kameron's ownership or otherwise. In regard to Black Point, the Corporation unaware of Vulcan's development timeline, or if they (or any successor) will ever advance Black Point toward development.

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.