



Condensed Interim Consolidated Financial Statements

For the three months ended March 31, 2022 and 2021

(Canadian dollars)
(Unaudited)

Prepared by Management – See Notice to Reader

NOTICE TO READER

Under National Instrument 51-102, Part 4, subsection 4.3 (3) (a), if an auditor has not performed a review of the condensed interim consolidated financial statements, they must be accompanied by a notice to this effect. These unaudited condensed interim consolidated financial statements have been prepared by management of the Corporation. Management have compiled the unaudited condensed interim consolidated statements of financial position of Morien Resources Corp. as at March 31, 2022 and December 31, 2021 (audited) and the unaudited condensed interim consolidated statements of income and comprehensive income (loss), changes in equity and cash flows for the three months ended March 31, 2022 and 2021. The Corporation's independent auditors have not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the March 31, 2022 and 2021 condensed interim consolidated financial statements. Readers are cautioned that these statements may not be appropriate for their intended purposes.

MORIEN RESOURCES CORP.

Condensed Interim Consolidated Statements of Financial Position

(Unaudited – in Canadian dollars)

	March 31 2022	December 31 2021
	\$	\$
ASSETS		
Current		
Cash	1,271,628	1,233,577
Short-term investments	895,371	908,735
Trade and other receivables	15,670	6,103
Prepaid expenses	26,639	33,699
Investments [note 5]	—	173,000
Non-current assets		
Investments [note 5]	—	—
TOTAL ASSETS	2,209,308	2,355,114
LIABILITIES		
Current liabilities		
Trade and other payables	57,439	77,536
Non-current liabilities		
Unearned revenue [note 6]	518,340	488,826
Total liabilities	575,779	566,362
SHAREHOLDERS' EQUITY		
Share capital [note 7]	4,320,698	4,329,007
Contributed surplus	2,111,523	2,111,523
Deficit	(4,798,692)	(4,651,778)
Total shareholders' equity	1,633,529	1,788,752
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	2,209,308	2,355,114

Commitments [note 11]

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

On behalf of the Board:

“John P. Byrne”, Director

“Mary C. Ritchie”, Director

MORIEN RESOURCES CORP.

Condensed Interim Consolidated Statements of Loss and Comprehensive Loss

(Unaudited – in Canadian dollars)

	For the Three Months Ended March 31	
	2022	2021
	\$	\$
Royalty revenue [note 9]	2,761	60,776
Operating expenses		
Corporate and administration	136,554	154,137
Foreign exchange loss	13,912	11,878
	150,466	166,015
Finance income	2,462	3,828
Loss from operations	(145,243)	(101,411)
Net change in realized and unrealized gain from sale of investments [note 5]	(1,504)	—
Net and comprehensive loss for the period	(146,747)	(101,411)

Basic and diluted loss per share	0.00	0.00
Weighted average number of common shares outstanding [000's]		
Basic and diluted	50,587	51,085

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

MORIEN RESOURCES CORP.

Condensed Interim Consolidated Statement of Changes in Equity

(Unaudited – in Canadian dollars)

	Common shares #	Contributed surplus \$	Deficit \$	Total shareholders' equity \$	
At January 1, 2021	51,111,614	4,375,689	2,111,523	(4,215,011)	2,272,201
Net and comprehensive loss for the period	—	—	—	(101,411)	(101,411)
Normal course issuer bid purchase of common shares	(150,000)	(15,995)	—	(18,030)	(34,025)
At March 31, 2021	50,961,614	4,359,694	2,111,523	(4,334,452)	2,136,765
Net and comprehensive loss for the period	—	—	—	(263,457)	(263,457)
Normal course issuer bid purchase of common shares	(374,000)	(30,687)	—	(53,869)	(84,556)
At December 31, 2021	50,587,614	4,329,007	2,111,523	(4,651,778)	1,788,752
Net and comprehensive loss for the period	—	—	—	(146,747)	(146,747)
Normal course issuer bid purchase of common shares	(1,500)	(8,309)	—	(167)	(8,476)
At March 31, 2022	50,586,114	4,320,698	2,111,523	(4,798,692)	1,633,529

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

MORIEN RESOURCES CORP.

Condensed Interim Consolidated Statements of Cash Flows

(Unaudited - in Canadian dollars)

	For the Three Months Ended March 31	
	2022	2021
	\$	\$
OPERATING ACTIVITIES		
Net and comprehensive loss for the period	(146,747)	(101,411)
Items not involving cash:		
Foreign exchange loss on financial assets	13,912	11,878
Additions to unearned revenue [note 6]	29,514	28,319
Net change in realized and unrealized gain from sale of investments	1,504	—
Finance income	(2,462)	(3,828)
Changes in non-cash working capital:		
Increase in trade and other receivables	(9,567)	(20,575)
Decrease in prepaid expenses	7,060	6,076
Decrease in trade and other payables	(20,097)	(4,546)
Cash used in operating activities	(126,883)	(84,087)
FINANCING ACTIVITIES		
Purchase of shares for cancellation	(8,476)	(34,025)
Cash used in financing activities	(8,476)	(34,025)
INVESTING ACTIVITIES		
Proceeds from disposal of investments	171,496	—
Interest received	2,462	3,828
Cash provided by investing activities	173,958	3,828
Effect of exchange rate fluctuations on cash held in foreign currency	(548)	(1,437)
Increase (decrease) in cash and cash equivalents	38,051	(115,721)
Cash and cash equivalents, beginning of period	1,233,577	1,753,729
Cash and cash equivalents, end of period	1,271,628	1,638,008

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

MORIEN RESOURCES CORP.

Notes to Condensed Interim Consolidated Financial Statements

(Canadian dollars)

For the three months ended March 31, 2022 and 2021

1. Nature of operations

Morien Resources Corp. (“Morien” or the “Corporation”) is a corporation domiciled in Canada. The address of the Corporation’s registered office is 1701 Hollis Street, Suite 800, Halifax, Nova Scotia, B3J 3M8. The condensed interim consolidated financial statements of the Corporation as at and for the three months ended March 31, 2022 and 2021 comprise the Corporation and its subsidiary Advanced Primary Minerals USA Corp. (“APMUSA”). The principal business of the Corporation is the identification and purchase of mineral projects or investments in entities with mineral projects.

2. Basis of presentation

Statement of compliance

These condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) applicable to the preparation of interim financial statements, including IAS 34, Interim Financial Reporting (“IAS 34”).

These financial statements were prepared using the same accounting policies and methods of computation and are subject to the same use of estimates and judgments, as the Corporation’s consolidated financial statements for the year ended December 31, 2021. They do not include all the disclosures that would otherwise be required in a complete set of financial statements and should be read in conjunction with the Corporation’s 2021 annual consolidated financial statements which have been prepared in accordance with IFRS.

These condensed interim consolidated financial statements were authorized for issue by the Board of Directors of the Corporation on May 17, 2022.

3. Significant accounting policies

The accounting policies applied in these condensed interim consolidated financial statements are the same as those applied in the Corporation’s consolidated financial statements as at and for the year ended December 31, 2021.

4. Future changes in accounting policies

The following new amendments to standards and interpretations under IFRS, are not yet effective for the period ended March 31, 2022, and have not been applied in preparing these consolidated statements. The impact is expected to be negligible as the standards are not currently applicable:

New standards or amendments	Effective date
IFRS 17 Insurance Contracts and amendments to IFRS 17 Insurance Contracts	January 1, 2023
Financial Instruments (Amendment to IFRS 9)	January 1, 2023
Disclosure of Accounting Policies (Amendment to IAS 1 and IFRS Practice Statement 2)	January 1, 2023
Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)	January 1, 2023

5. Investments

In 2016 and 2017, the Corporation purchased 8.65 million shares of Minco plc, a publicly traded company. As the result of a 2017 takeover of Minco plc, the Corporation received a combination of 210,179 public shares in Dalradian Resources Inc. valued at market price and 865,000 non-public entity shares in Buchans Resources

MORIEN RESOURCES CORP.

Notes to Condensed Interim Consolidated Financial Statements

(Canadian dollars)

For the three months ended March 31, 2022 and 2021

5. Investments (continued)

Limited that were ascribed a \$nil fair value. In 2018, Morien sold the public shares in Dalradian Resources Inc. In 2019, Buchans Resources Limited was split into three unlisted companies: Buchans Resources Limited (“Buchans”), Minco Exploration plc (“Minco”) and Canadian Manganese Company Inc. (“CDMN”). Morien subsequently received 865,000 non-public entity shares in each of Buchans, Minco, and CDMN.

Due to a lack of market information and lack of observable inputs for two of the unlisted entities, Buchans and Minco, the Corporation has ascribed a \$nil fair value to these two holdings and they have been classified as Level 3 within the fair value hierarchy as at March 31, 2022 and December 31, 2021. CDMN was listed on the NEO Exchange in January 2022. Management determined a fair value of \$0.20 per share taking into consideration the initial list price of \$0.225 per share, less a discount based on liquidity considerations, for a total fair value of \$173,000 as at December 31, 2021.

At year-end, the fair value of this investment was classified as a level 2 financial instrument within the fair value hierarchy given the listing event did not take place until after December 31, 2021.

During the three months ended March 31, 2022, the Corporation sold its 865,000 shares of CDMN for cash proceeds of \$171,496.

6. Unearned revenue

The Corporation received advanced payments for the three months ended March 31, 2022 of \$29,514 (2021 – \$28,319), in relation to its interest in the Black Point Aggregate Project (“Black Point”). All advanced payments will be credited against future production royalties from Black Point and are therefore recorded as unearned revenue until such time Black Point begins production. The balance of unearned revenue relates solely to the cumulative Black Point advanced payments received through to March 31, 2022. They are classified as long-term liabilities in the likelihood production at Black Point will not occur in the next fiscal year.

7. Share capital

The Corporation has an unlimited number of common shares authorized for issue without par value. The number of common shares outstanding at March 31, 2022 is as follows:

	Shares	\$
At January 1, 2021	51,111,614	4,375,689
Normal course issuer bid purchase of common shares	(524,000)	(46,682)
At December 31, 2021	50,587,614	4,329,007
Normal course issuer bid purchase of common shares	(1,500)	(8,309)
At March 31, 2022	50,586,114	4,320,698

Under the terms of a normal course issuer bid, Morien purchased and cancelled 1,500 shares in the three months ended March 31, 2022 (2021 – 150,000) at a total cost of \$8,476 (2021 – \$34,025), including \$8,191 in transaction costs (2021 – \$4,175). The total cost of \$8,476 reduces share capital by \$8,309 (2021 – \$15,995) and increases the deficit by \$167 (2021 – \$18,030). On April 8, 2020, the Board of Directors suspended the Corporation’s quarterly dividend indefinitely as a result of a cessation in royalty revenue (see Note 9).

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Notes to Condensed Interim Consolidated Financial Statements

(Canadian dollars)

For the three months ended March 31, 2022 and 2021

8. Stock options

The Corporation has an incentive stock option plan whereby it can grant options to employees, officers, directors and consultants of Morien to acquire up to 10% of the outstanding shares at the time of grant. The Board of Directors of the Corporation shall determine the exercise price, term and vesting provisions of options granted. Under Morien's stock option plan, the exercise price of each option may not be less than the market price of its shares at the date of grant less a discount permitted by the TSX Venture Exchange ("TSX-V"). Options granted under the plan will have a term not to exceed 5 years so long as the Corporation is classified as a Tier 2 issuer by the TSX-V.

There was no change in stock options for the three months ended March 31, 2022.

	Number of options	Weighted average exercise price \$
At January 1, 2021	4,530,000	0.42
Expired	(305,000)	0.30
At December 31, 2021 and March 31, 2022	4,225,000	0.42

The following is a summary of the outstanding stock options as at March 31, 2022:

Expiry date	Number of options outstanding	Weighted average exercise price \$	Remaining contractual life (years)
May 11, 2023	2,225,000	0.60	1.11
January 7, 2024	200,000	0.48	1.77
May 20, 2025	1,800,000	0.20	3.14
At March 31, 2022	4,225,000	0.42	2.01

9. Royalty revenue

	For the three months ended March 31	
	2022	2021
	\$	\$
Donkin Mine (Kameron Collieries)	2,761	60,776

The Corporation owns a life-of-mine, gross production royalty on quarterly coal sales from the Donkin Mine ("Donkin"), owned by Kameron Collieries ULC ("Kameron"). Morien's royalty consists of 2% on the revenue from the first 500,000 tonnes of coal sales per calendar quarter, and 4% on the revenue from any coal sales from quarterly tonnage above 500,000 tonnes, net of certain coal handling and transportation costs.

On March 30, 2020, Kameron announced that it was ceasing production operations at Donkin due to adverse geologic conditions. Donkin has not been sealed and is being maintained during an idled phase of care and maintenance for an indeterminate period of time.

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(Canadian dollars)

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10. Financial instruments

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, 2022	December 31, 2021
	\$	\$
Cash and	1,271,628	1,233,577
Short-term investments	895,371	908,735
Trade and other receivables	15,670	6,103
Investments	—	173,000
	2,182,669	2,321,415

The Corporation manages credit risk by holding the majority of its cash with Schedule 1 Canadian banks. Management believes the risk of loss to be low with Schedule 1 Canadian banks. Exposure on trade receivables is limited as all trade receivables are with one customer who the Corporation has strong working relationships with and is a reputable large international company with a history of timely payment. The other receivable is held with the federal government. The Corporation has an allowance for doubtful accounts at period-end of \$nil (2021 – \$nil), as management considers the credit risk to be low. No amounts were written off during the period (2021 – \$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 of March 31, 2022, the Corporation had cash and short-term investments of \$2,166,999 (December 31, 2021 - \$2,142,312) to settle current liabilities of \$57,439 (December 31, 2021 - \$77,536).

Market risk:

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices.

(a) Interest rate risk

The Corporation has no interest-bearing debt and is not exposed to any significant interest rate risk.

MORIEN RESOURCES CORP.

Notes to Condensed Interim Consolidated Financial Statements

(Canadian dollars)

For the three months ended March 31, 2022 and 2021

10. Financial instruments (continued)

(b) Foreign currency risk

Morien operates in Canada, and equity financings are in Canadian dollars. APMUSA is based in the United States 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 as follows:

	March 31, 2022	December 31, 2021
	\$	\$
Cash and cash equivalents	6,143	6,343
Short-term investments	895,371	908,735
	901,514	915,078

Sensitivity to a plus or minus 10% change in the USD dollar exchange rate would affect net and comprehensive loss and deficit by approximately \$90,150 (December 31, 2021 - \$91,510).

(c) 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. As at March 31, 2022, the Corporation has not entered into any hedging to offset risk.

(d) Equity price risk

The Corporation holds two equity instruments in the mining category that do not have a quoted market price in an active market. Management has assessed the value of those instruments at \$nil fair value as at March 31, 2022 and December 31, 2021. Any change in fair value is not predictable at this point.

Fair value

During the period ended March 31, 2022, there were no transfers between level 1, level 2 and level 3 classified assets and liabilities.

Assets measured at fair value on a recurring basis:

	March 31, 2022			December 31, 2021		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
	\$	\$	\$	\$	\$	\$
Investments	—	—	—	—	173,000	—

The Corporation's investments are equity investments in two separate entities (see note 5).

The fair values of the Corporation's remaining financial assets and liabilities, which include cash, trade and other receivables and trade and other payables, are considered to approximate their carrying amounts due to their short-term nature and historically negligible credit losses.

11. Commitments

The Corporation leases shared office space on a short-term basis. Total future minimum lease payments for this space, due in 2022, are \$2,028.