

# Annual General Meeting

## May 17, 2023





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The information in this presentation is provided as of July, 2022, for information purposes only, and may constitute "forward-looking information" as defined under applicable securities laws. All statements in this presentation other than statements of historical fact, including those that address future royalty payments, expected working capital requirements, future purchases under Morien's Normal Course Issuer Bid, future potential dividend payments, exploration and evaluation activities, and events or developments Morien expects, are forward-looking statements.

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**See Forward-Looking Statements provided in the Appendix of this presentation for more complete disclosure.**





# Agenda



**Corporate  
Update**

**Value  
Drivers**

**Coal  
Markets**

**Why  
Morien?**





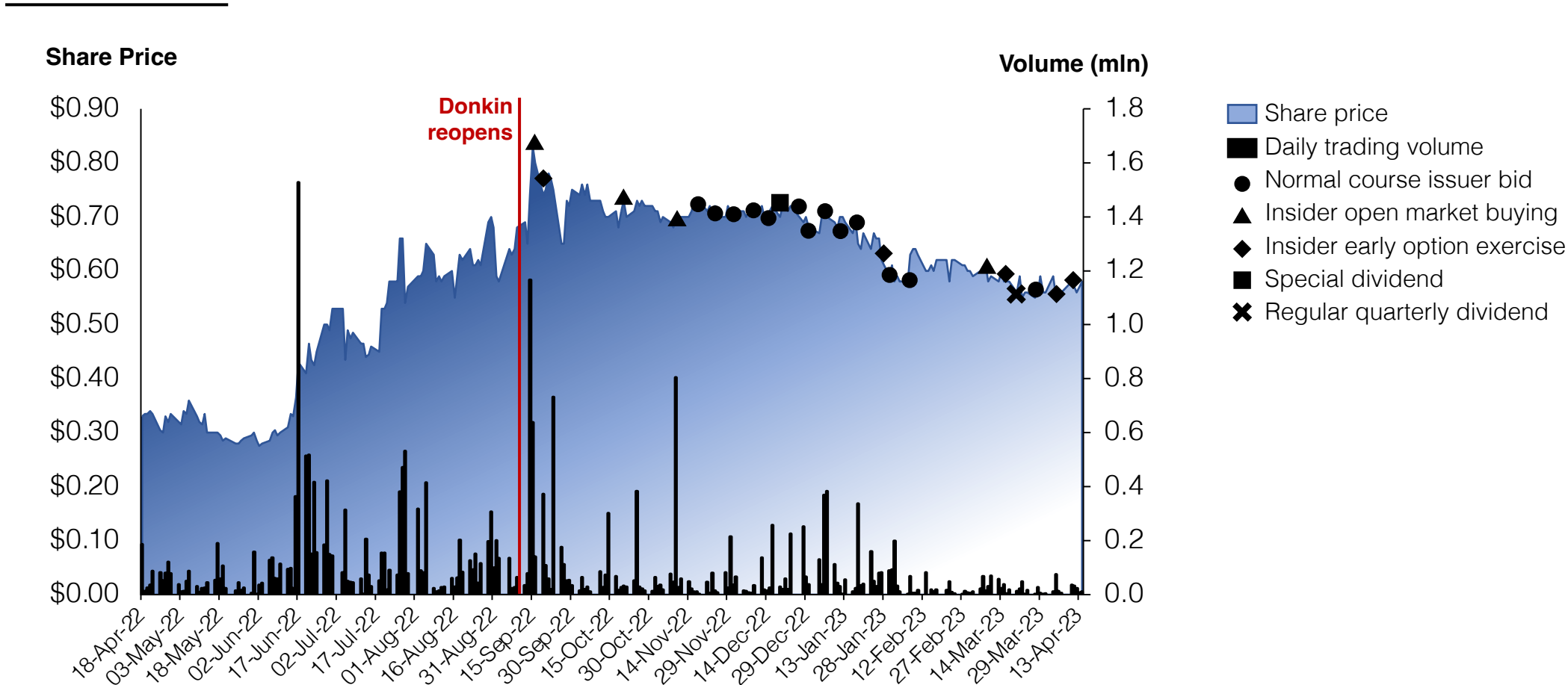
Update on  
**Corporate Activity**



# Since Donkin Opened ...

## 1-Year Share Performance; Insider Buying, Buy-Backs, & Dividends

April 18, 2022, to April 18, 2023

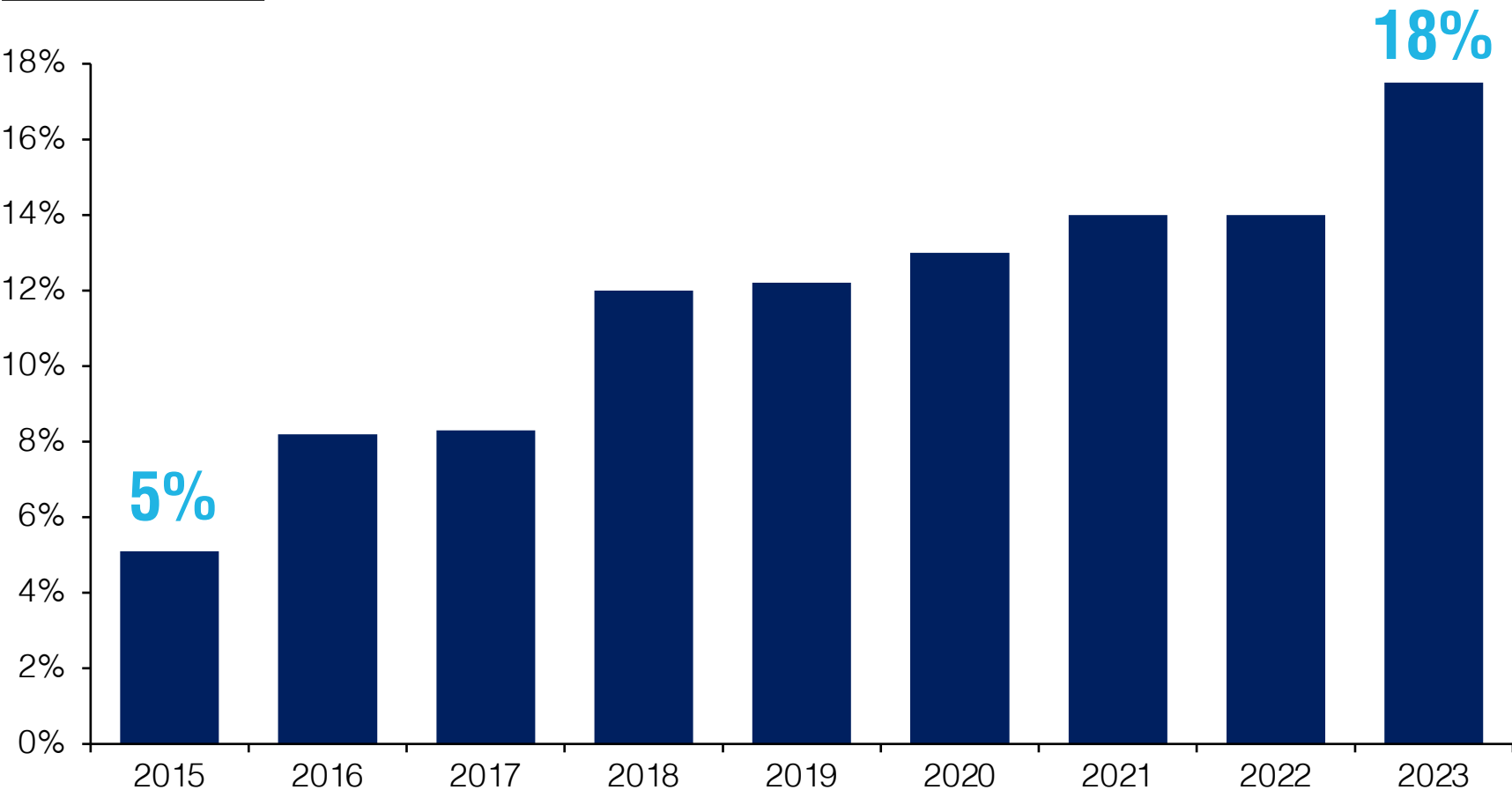




# Significant Insider Ownership

## Insider Ownership in Morien

Includes management and directors

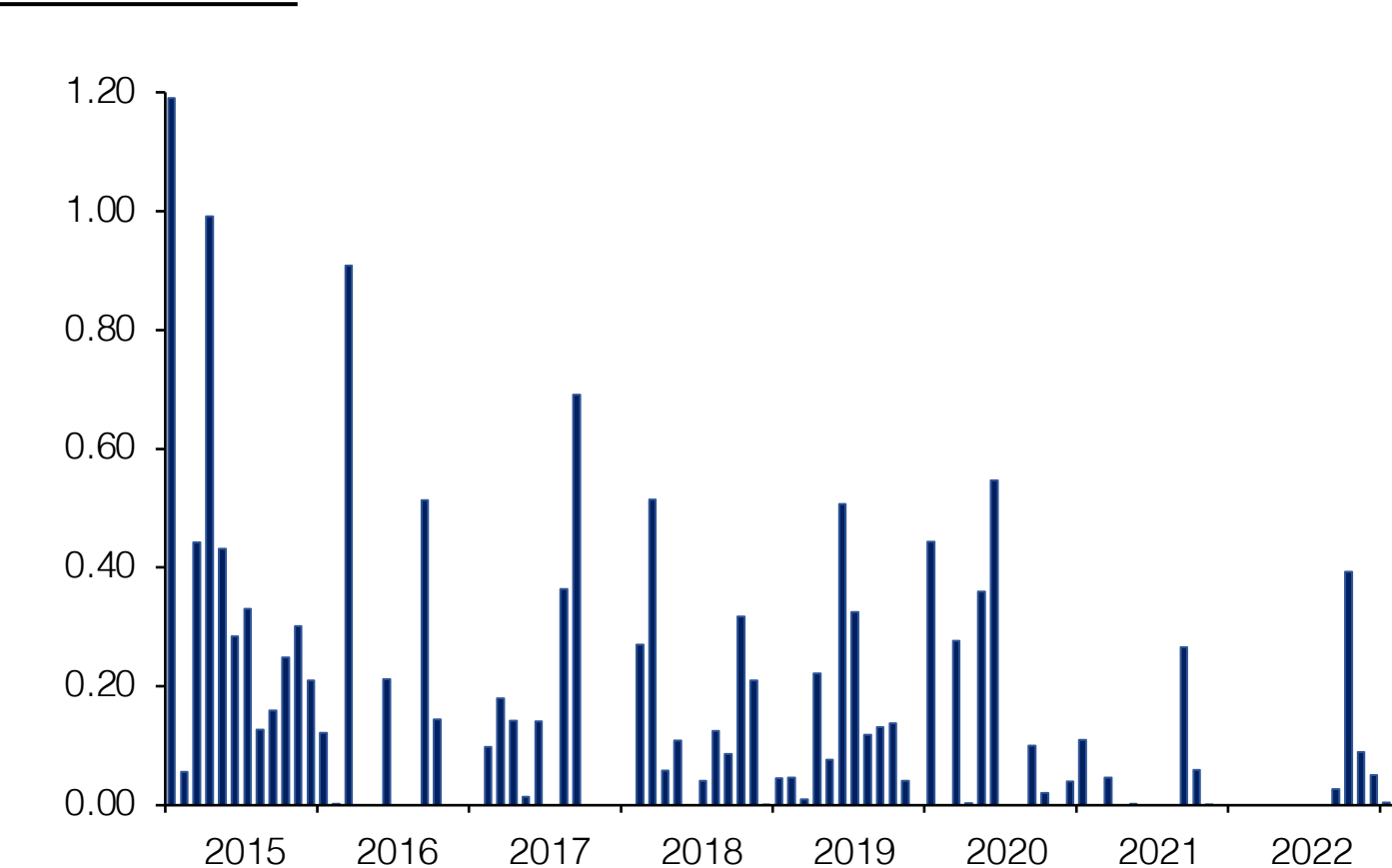




# Share Buy Backs

## Monthly Normal Course Issuer Bid

2015 - 2022, millions



## NCIB Scorecard

Since 2015

**\$5.1 mln**

Total capital spent

**\$0.35 / sh**

Average purchase price

**14.5 mln**

Total shares bought back

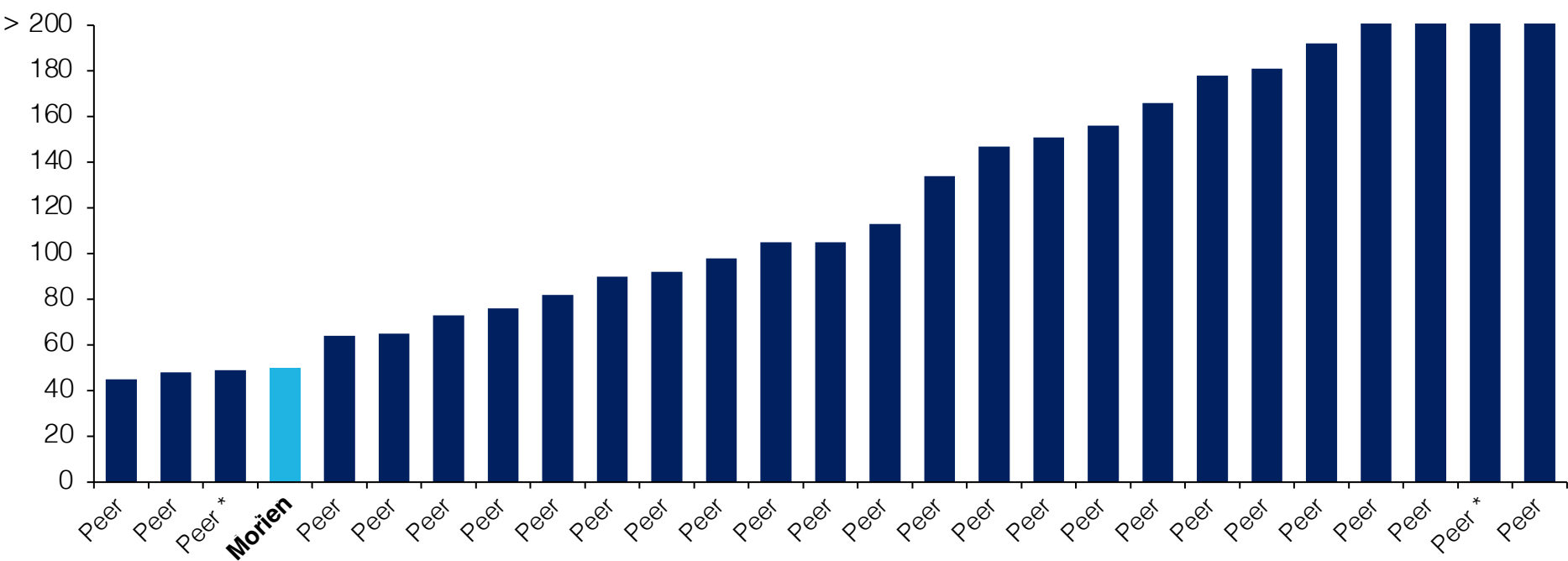




# Among Lowest Share Count vs. Royalty Peers

## Total Shares Outstanding of 27 TSX/TSXV Mining Royalty Companies<sup>1</sup>

27 North American, publicly-traded mining royalty companies, million shares outstanding



1. Royalty peers include (alphabetical order): Altius Minerals, Ecora Resources, Electric Royalties, Elemental Altus Royalties, Empress Royalty, EMX Royalty, Franco-Nevada, Freehold Royalties, Labrador Iron Ore Royalty, Maverix Metals, Metalla Royalty, Newport Exploration, Nickel 28 Capital, Nova Royalty, Orogen Royalties, Osisko Gold Royalties, PrairieSky Royalty, Royal Gold, Sailfish Royalty, Sandstorm Gold, Sitio Royalties, Star Royalties, Triple Flag Precious Metals, Uranium Royalty, Vox Royalty, and Wheaton Precious Metals.

\* Company has completed a share roll back

# Three Reasons to Own MOX



**The Cline Group**



**Donkin's Competitive Advantage**



**Global Coal Markets**





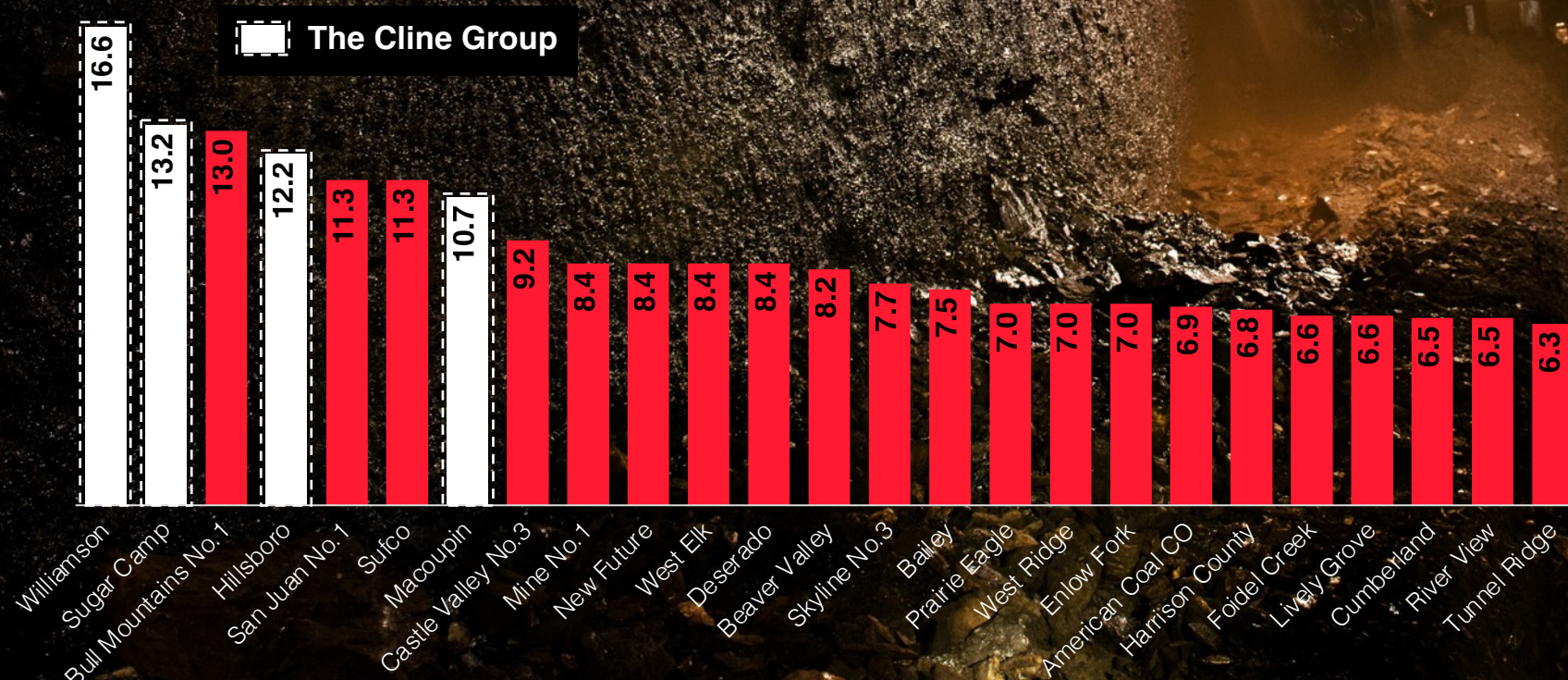
# The **Cline Group**



# The Cline Group

Operated 4 of the top 10 most productive underground coal mines in the U.S.

## U.S. Underground Coal Mine Production (2015)



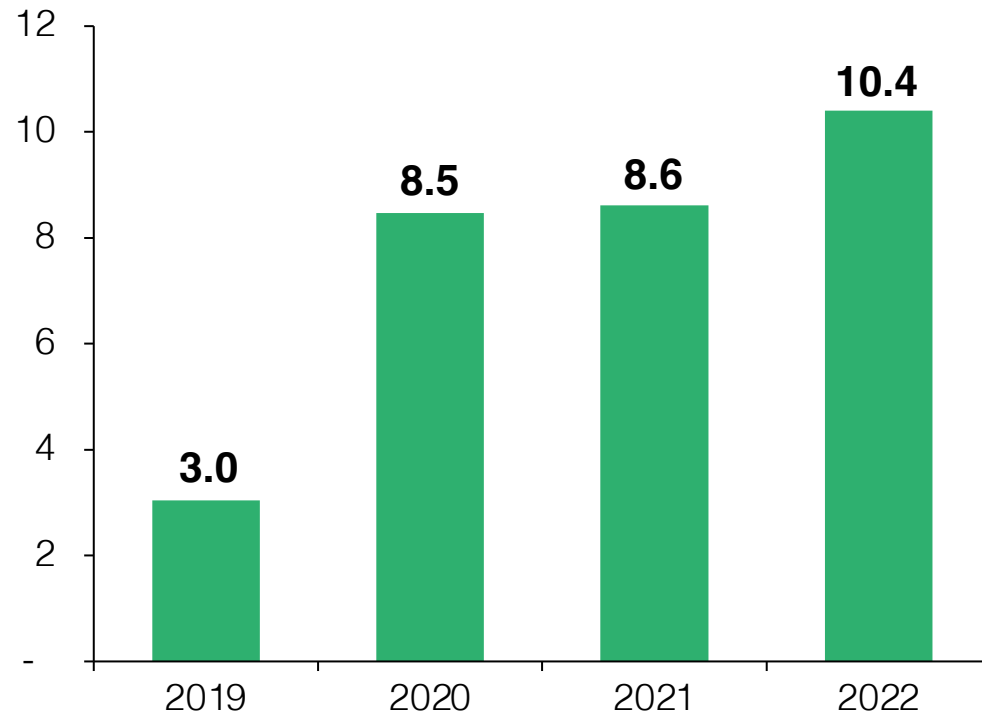
Productivity calculated by MSHA as clean coal production tons per man hour



# The Cline Group's Alberta Mine

## Production Profile of Hinton Mine, Alberta

2019 - 2022, million tonnes<sup>1</sup>



1. Alberta Energy Regulator



# The Cline Group's Donkin Mine

**Q2-2022**

Cline submits  
proposal to  
reopen Mine

**Q3-2022**

NS gov't approves  
Mining Permit &  
operations resume

**Q4-2022**

Operations  
& commercial  
sales commence

**Q1-2023**

Operation ramping  
up, 130 employees  
on site







Donkin Headland

# Donkin's **Competitive Advantage**

# Seam-to-Market Infrastructure

## DEEPWATER HARBOUR

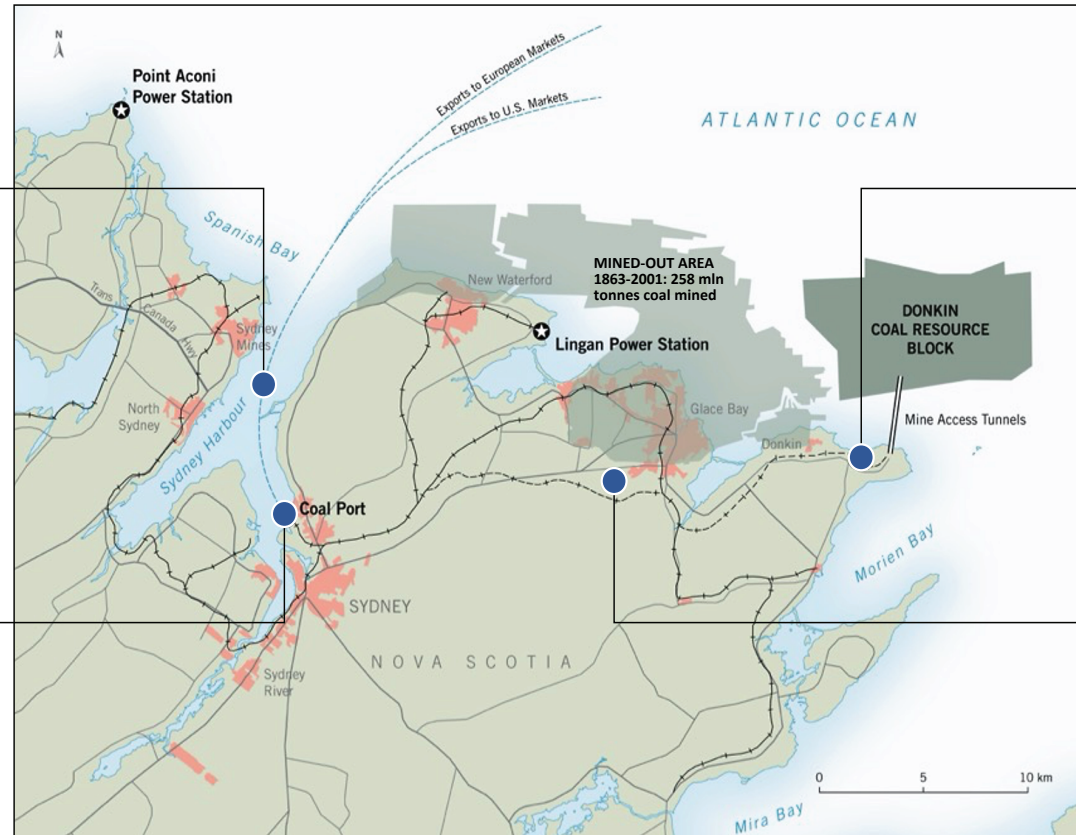


Ongoing \$4.5 mln program from Canadian Coast Guard to allow Capesize vessel entry.

## PEV COAL EXPORT TERMINAL



Barge-mounted shiploader recently purchased to expedite loading times.



## DONKIN MINE SITE



Over \$250 million invested by The Cline Group into the mine since 2015.

## PRIVATE COAL HAUL ROAD



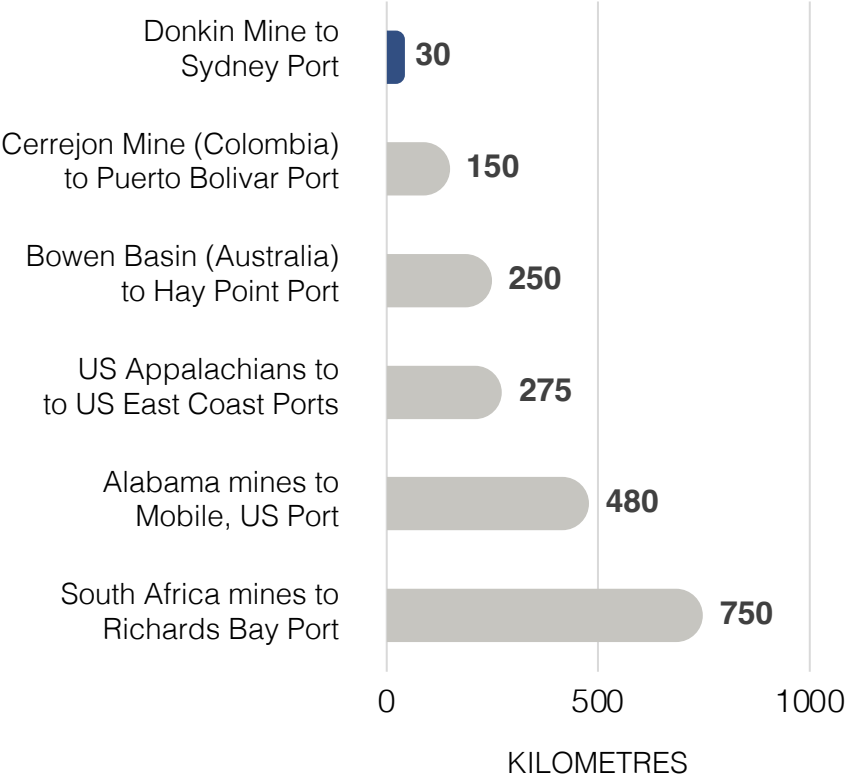
Short, 30-kilometre truck haul to Sydney port, 8km of which is via a private haul road.



# Donkin's Transportation Advantage

## Mine to Port

Kilometres



## Port to Market

%USD per tonne, Panamax size vessel





# Steel and **Metallurgical Coal Markets**



# Steel Needs Metallurgical Coal

## Metallurgical coal is an essential ingredient in the production of steel

Primary ingredients in the manufacturing of steel<sup>1</sup>



“High-quality  
steelmaking coal  
is essential in  
pursuing our  
carbon neutral  
strategy.”

**Eiji Hashimoto**  
President of Nippon Steel

1) BF-BOF blast furnaces, which require met coal, account for 75% of all manufactured steel

# Donkin's Primary Market - Steel Sector

“ The [Donkin] mine, as I understand it, is focused on metallurgical coal, which is used to make steel. That is something there will continue to be a need for, for some time, as we work to implement technologies that will allow us eventually to get rid of it. So, it's a little bit different from the thermal coal.

**Jonathan Wilkinson**

Canadian Federal Natural Resources Minister  
Halifax, Nova Scotia, September 14, 2022





# Limitations of Hydrogen-Based Steel

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Producing enough hydrogen to move to 100% hydrogen-based steel production would require more than 2,500 terawatt-hours of electricity.

**This is the combined electricity consumption of India, Japan and South Korea per year<sup>1</sup>.**

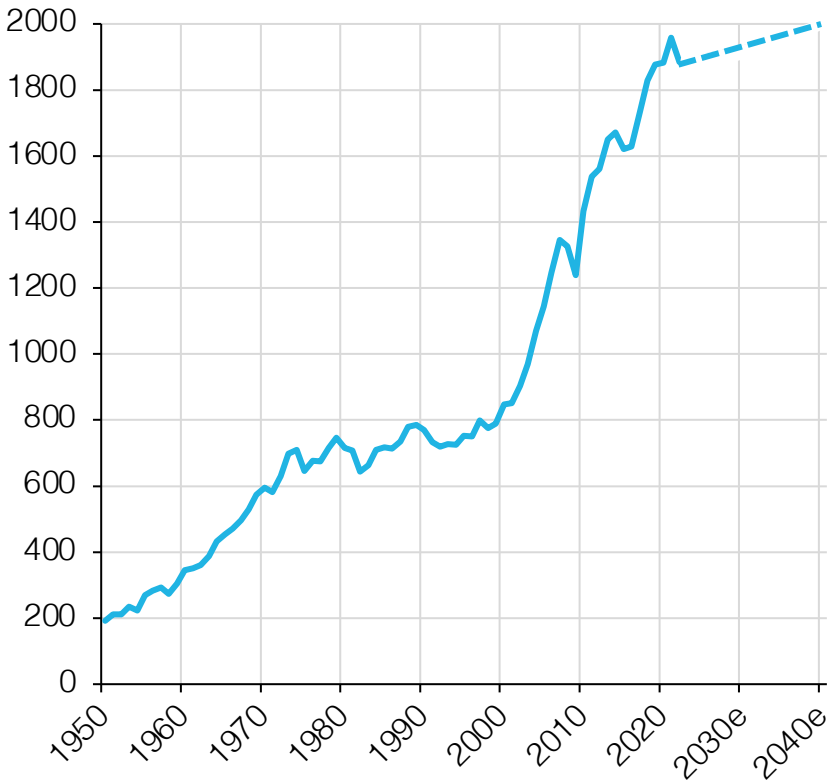
1. Wood Mackenzie, 2020. Green hydrogen: metallurgical coal's kryptonite?



# The World Needs Steel

## World Crude Steel Consumption

1950-2040, million tonnes<sup>1</sup>



## Steel Demand Drivers

Population | Urbanization | Clean Energy

**9B** (vs. 8B in 2022)

Global population in 2040; equivalent of adding a city the size of LA to the world every month for 15 years

**65%** (vs. 57% in 2022)

Urbanization rate in 2040; equivalent to 1.3 million people moving to cities each week

**4x**

Increase in annual steel demand to build wind and solar capacity over the period 2021-2030 relative to 2016-2020

1. World Steel Association, BHP Limited

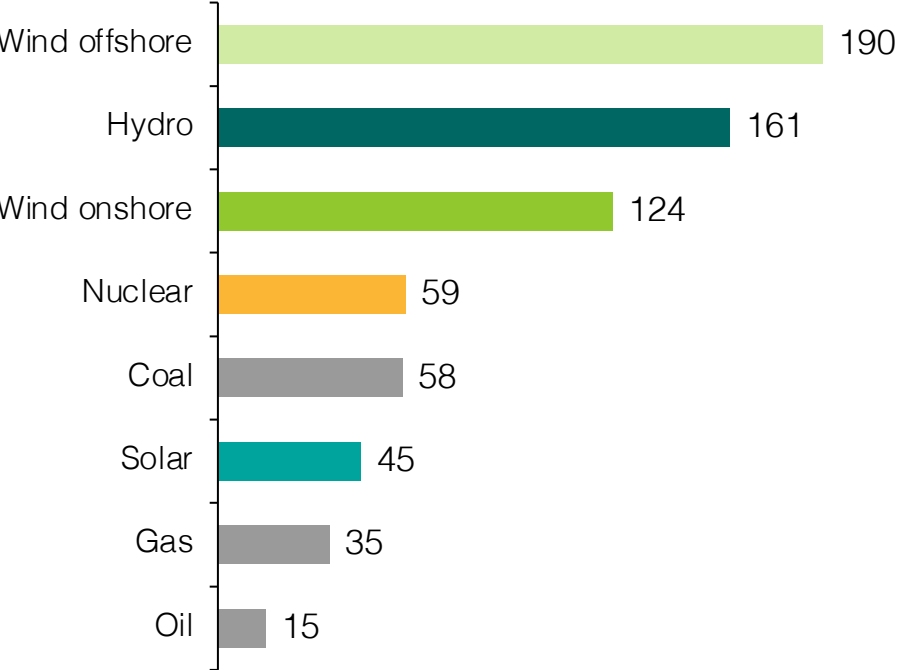




# Energy Transition a Key Demand Driver

## Renewable power requires more steel vs. fossil fuels

Tonnes steel per MW of capacity<sup>1</sup>



Average offshore wind turbine requires 1,800 tonnes of steel



Average onshore wind turbine requires 300 tonnes of steel



Each MW of solar power produced requires 40 tonnes steel

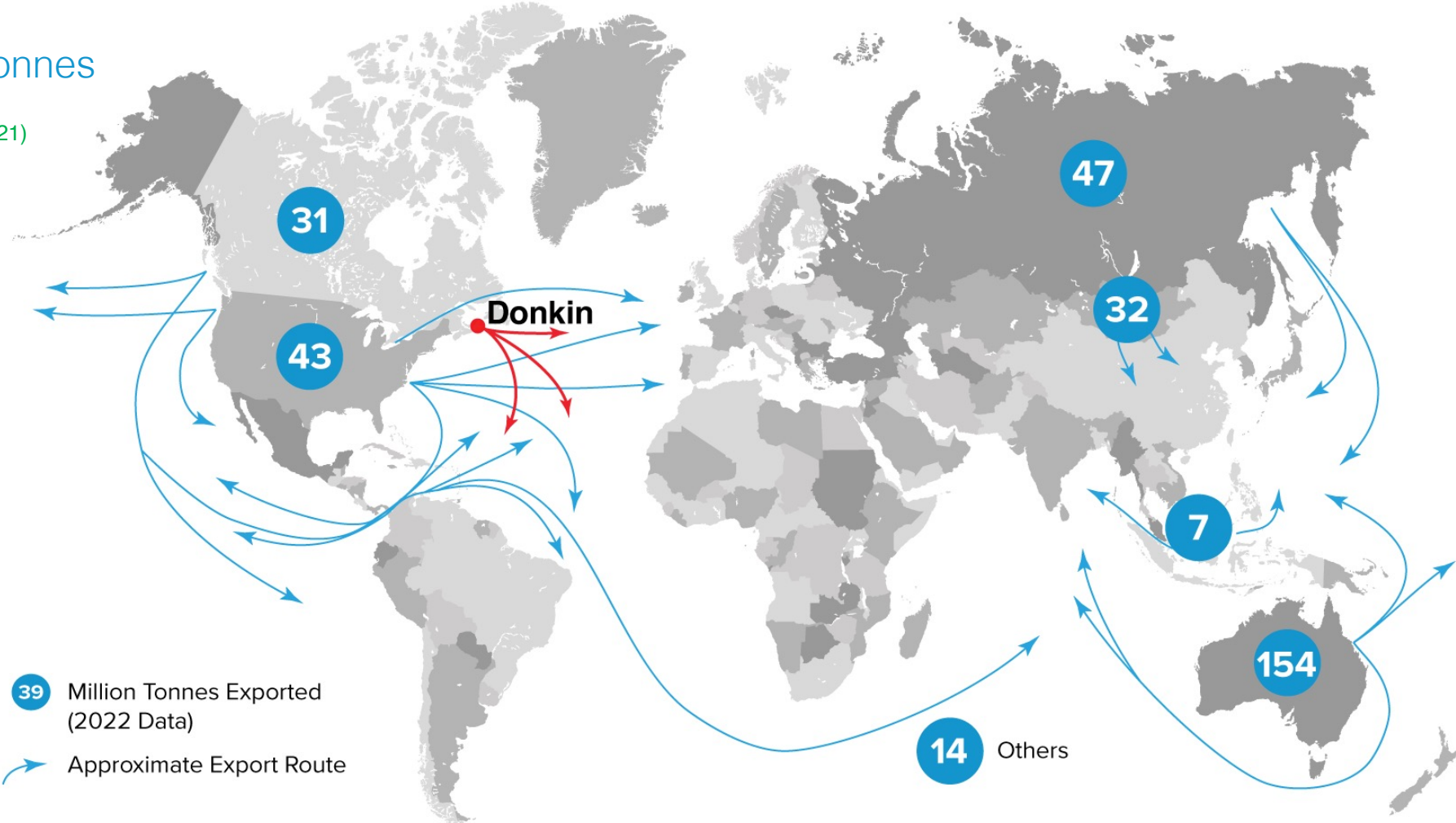
1. Hatch, ArcelorMittal



# Steelmaking Coal Trade Up 9% in 2022 vs. 2021

328 mln tonnes

↑ 9.1% (vs. 2021)



1) Wood MacKenzie, August 2021. Semi-Soft Metallurgical Coal Market Overview and Donkin Assessment.  
2) Map data source: Coal Mint, January 2023



# ...But Down vs. 2019 (Pre-COVID)

## Top three steelmaking coal export countries

2022 exports versus 2019 (Pre-COVID) exports<sup>1</sup>

### United States



↓ 19.4%

### Australia



↓ 11.5%

### Canada



↓ 19.5%

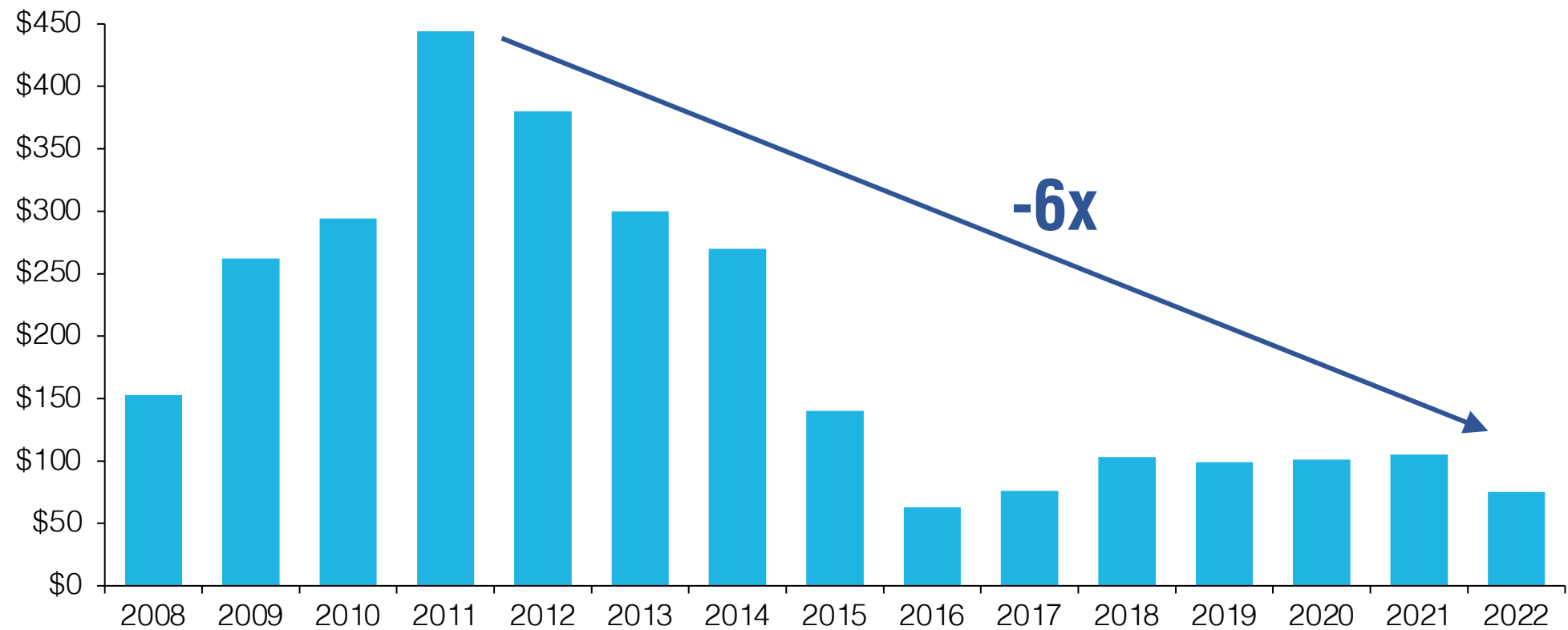
1. MSHA, customs data, Australian Bureau of Statistics



# Shrinking Pool of Funding for Coal Projects

## Global Coal Mine Capital Expenditures<sup>1</sup>

2008 - 2022, billion dollars<sup>1</sup>



1. In \$ Billions, Real 2022. Source: Jefferies

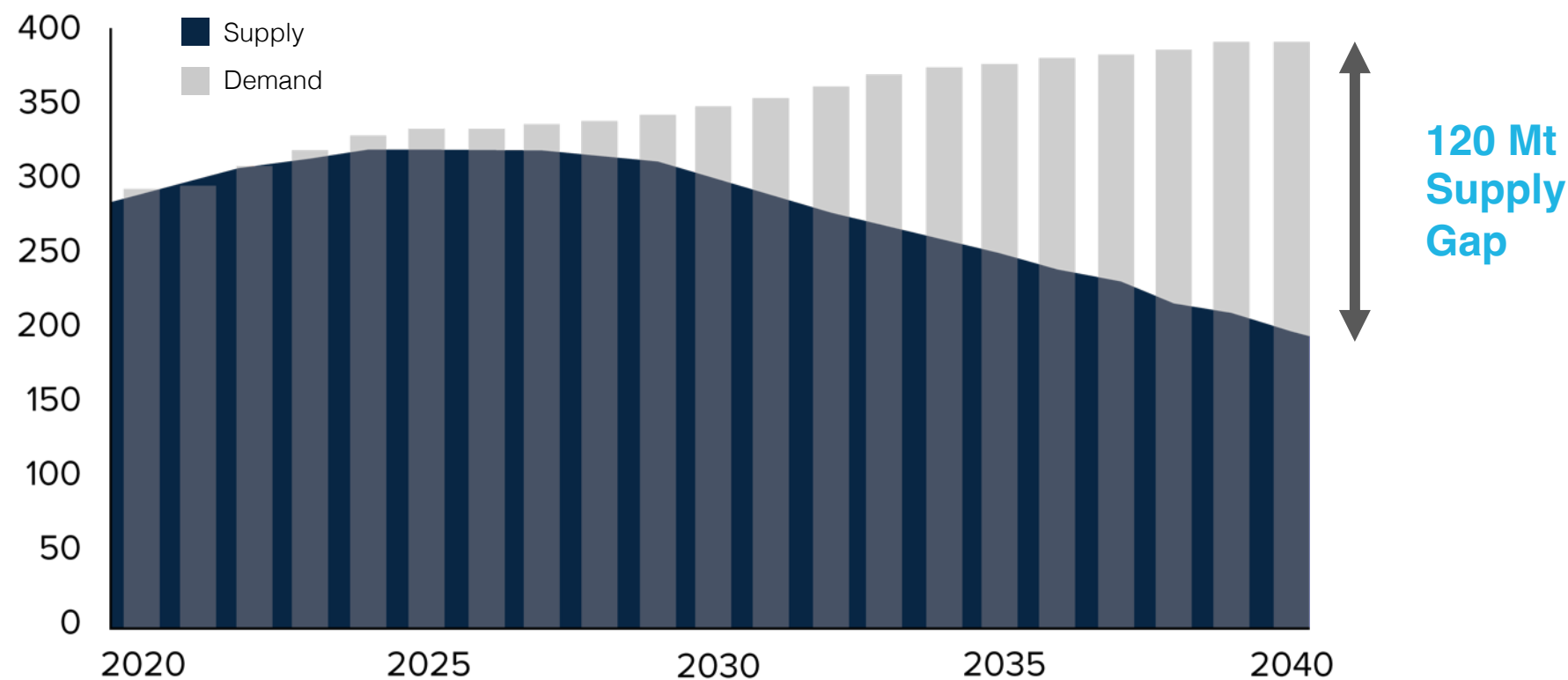




# ...Yet Demand is Increasing

Global Seaborne Metallurgical Coal Supply-Demand Imbalance<sup>1</sup>

Million tonnes

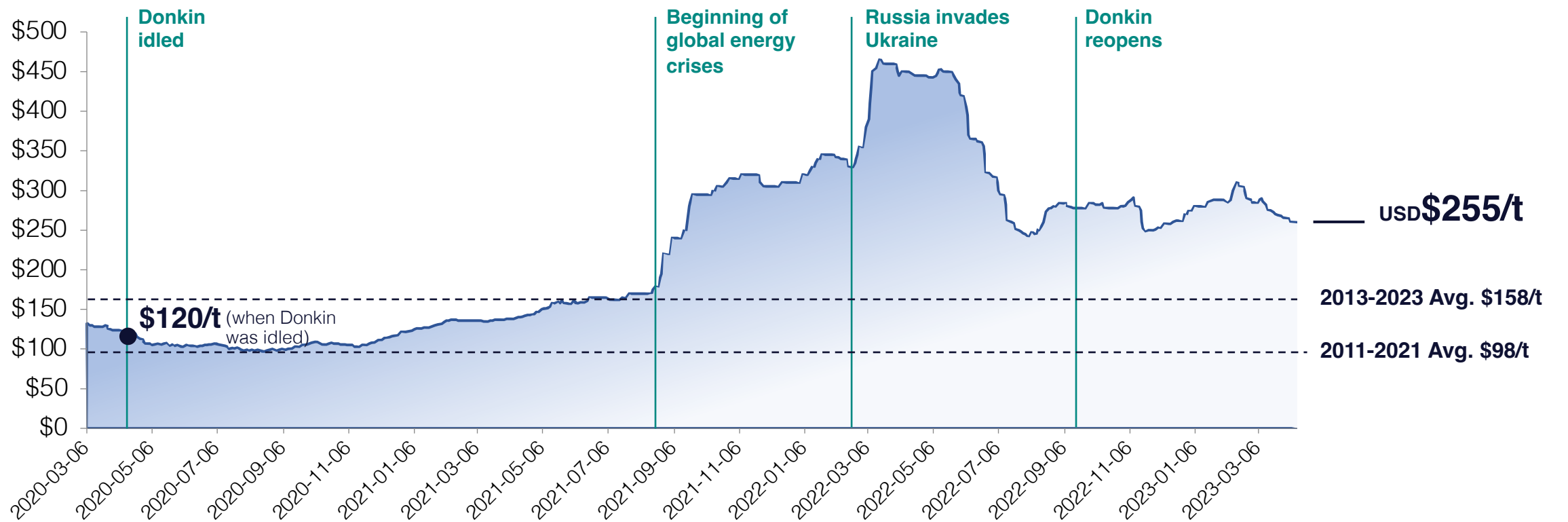


1. Wood Mackenzie

# Price Chart for Donkin-Quality Steelmaking Coal

## Met Coal Price Since Donkin Was Idled<sup>1</sup>

2020 - 2023, \$USD per tonne



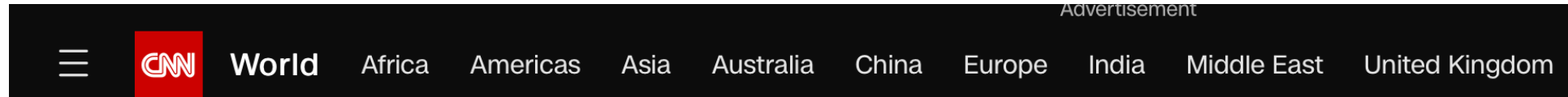
Source: S&P Global Platts daily price for U.S. East Coast Semi-Soft High-Vol B Metallurgical Coal





# Energy and **Thermal Coal Markets**

# ***“Record Levels”* in Renewable Energy Growth**



## **‘Beginning of the end’ for fossil fuels: Global wind and solar reached record levels in 2022, study finds**

By Sophie Tanno, CNN

Published 11:30 AM EDT, Wed April 12, 2023

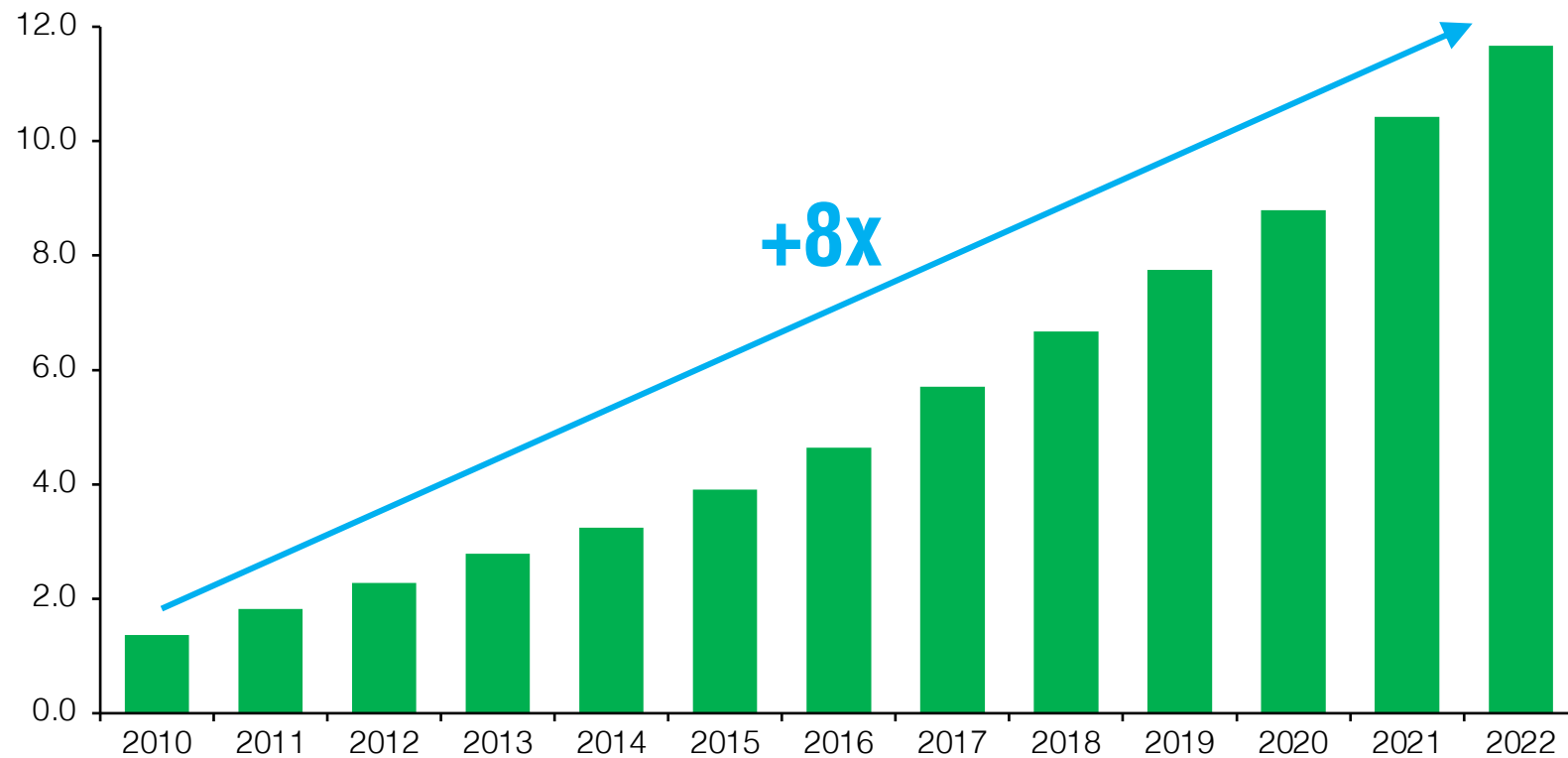




# “Record Levels” in Chart Form

## Wind & Solar as a Percentage of Total Global Primary Energy Consumption<sup>1</sup>

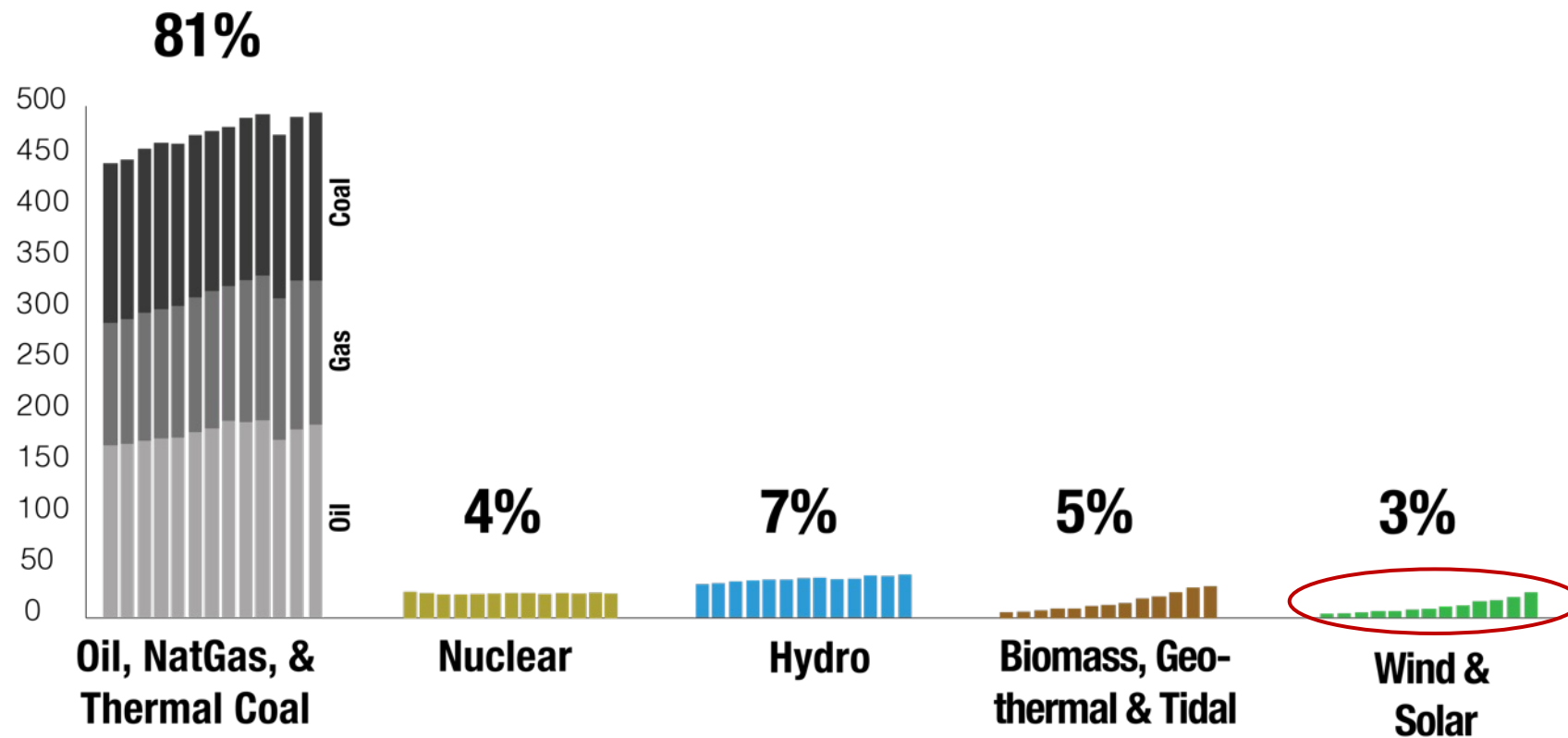
2010 - 2022, Exajoules per year



# “Record Levels” Put Into Perspective

## Global Primary Energy Consumption Per Fuel Type<sup>1</sup>

2010 - 2022, Exajoules per year



1. BP Statistical Review of World Energy

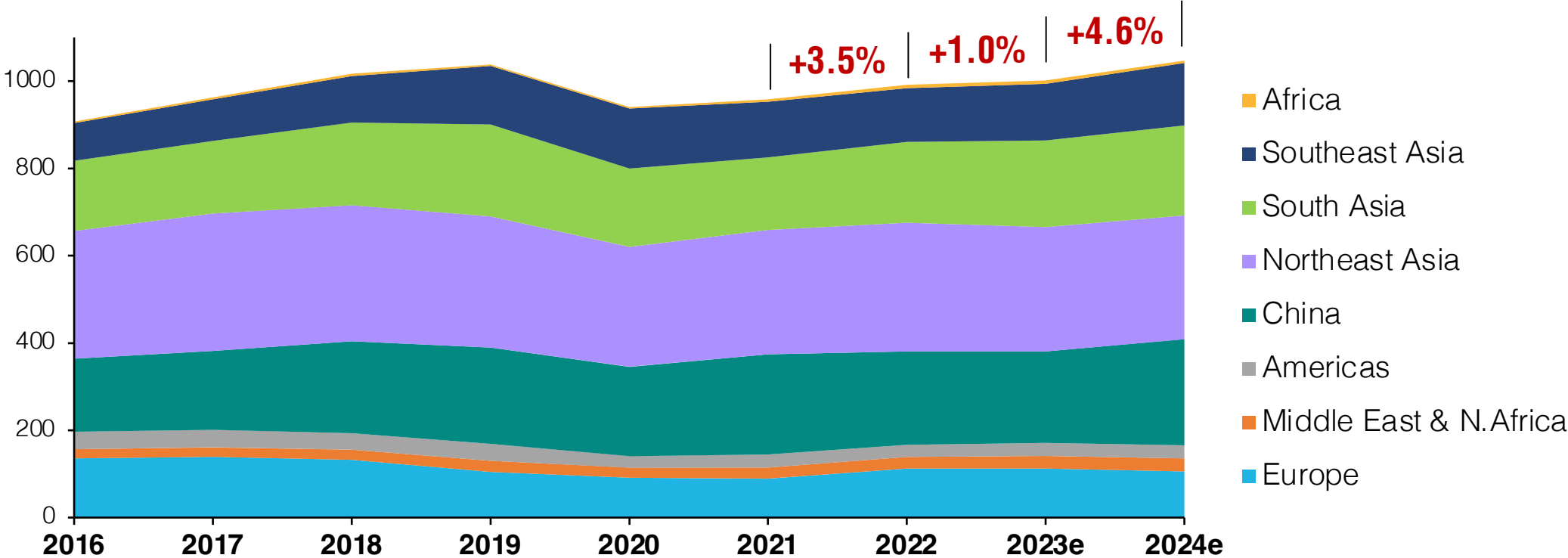




# Growing Seaborne Thermal Coal Trade

## Seaborne Thermal Coal Import Demand

2016 - 2024, Million tonnes



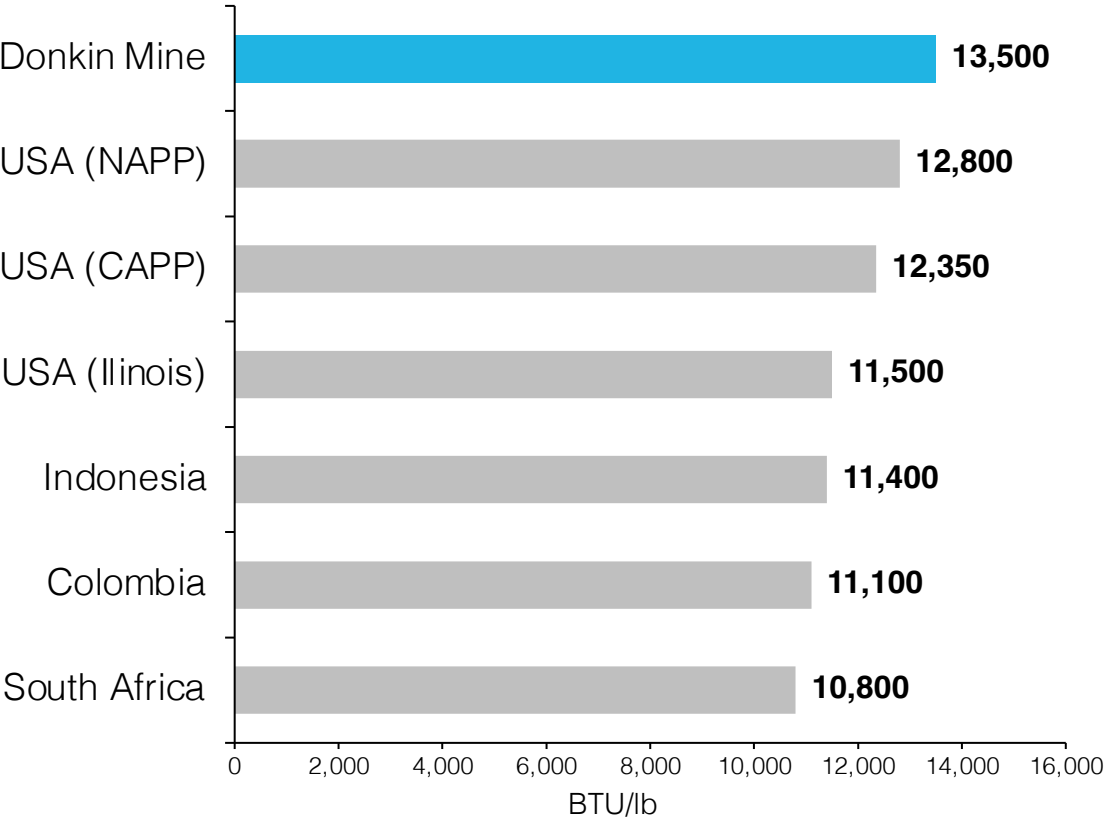
Source: Argus Global Coal Outlook, April 27, 2023



# Demand for High Energy Thermal Coal

## Coal Seam Energy Content

BTU/lb, gross as received basis



“High energy coal prices are likely to remain elevated, as Russia supplies over a quarter of the high-energy coal in the global market.”

**Rory Simington**

Principal Analyst Wood  
Mackenzie

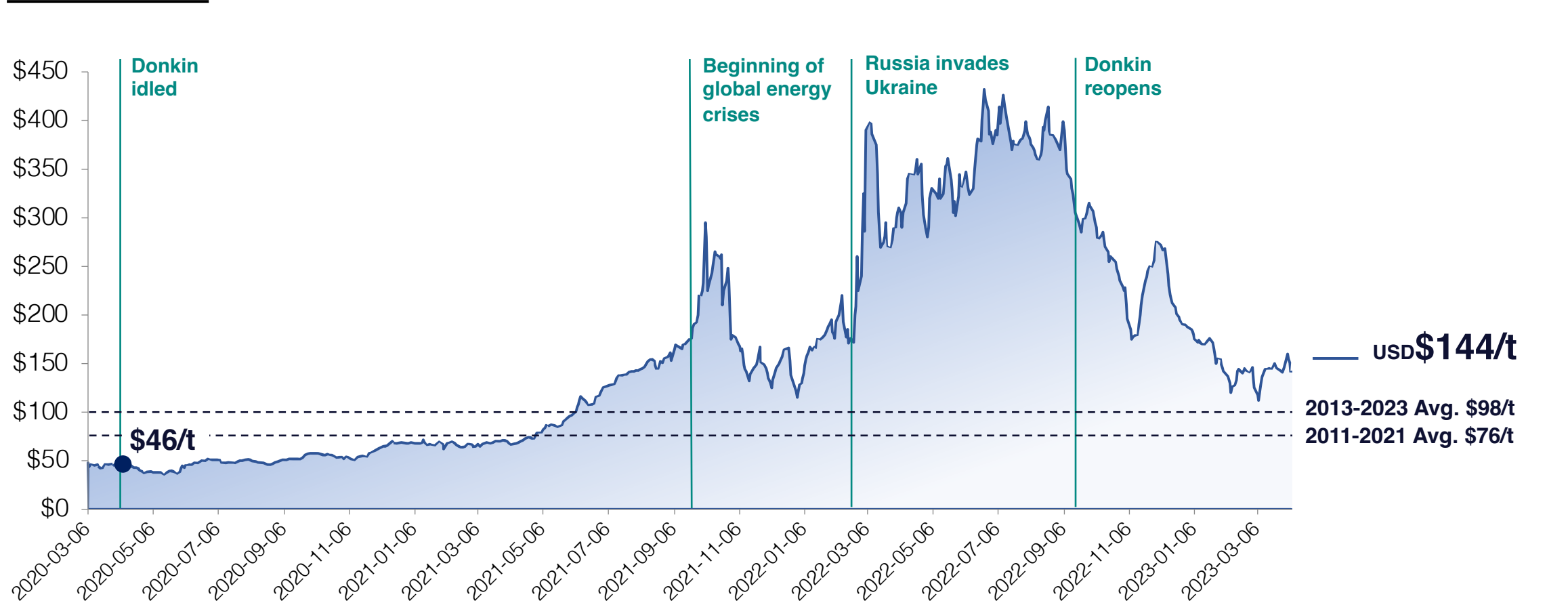




# Thermal Coal Price Chart Since Donkin Was Idled

## Thermal Coal Price Since Donkin Was Idled<sup>1</sup>

2020 - 2023, \$USD per tonne



Source: S&P Global Platts daily price for European (CIF ARA) thermal coal



Why Invest in  
**Morien Resources**



# Hope (vs. Analytics)

Advanced Target Continuity at Depth  
Experienced Management Team World Class District  
Prospective Land Position Tier 1 District Resource Expansion  
Simple Metallurgy High-Grade Surface Results  
Assays Pending Exploration Upside  
Untested Target Open at Depth Supportive Jurisdiction  
Large-Scale Mineralization High-Grade Zones District-Scale Potential  
Permit Imminent Proven Track Record  
Simple Geology Access to Capital



# Morien Analytics - A Clear Investment Case

Investor's Perceptions	Description	Investor's Perception	Reality
<b>Punitive Donkin Discount Rate</b>	Implied investor discount rate applied on future Donkin cashflows	<b>28% IRR</b>	Industry norm: 8% to 12%
<b>Discounted Coal Price</b>	Investor inferred coal price required on future Donkin sales	<b>C\$80 per tonne</b>	Current prices: C\$300/t (metallurgical); C\$200/t (thermal)
<b>Over-Discounted Dividend</b>	Investor's perceived long-term Morien dividend	<b>6c flat</b>	Detailed modelling predicts rapid growth, achieving materially higher levels than 6c
<b>Low Probability of Success</b>	Investor's handicapped probability that Donkin will advance to full production	<b>34% probability of success</b>	Mine is in production, ramping up, sales underway, over \$300 mln in spent capital

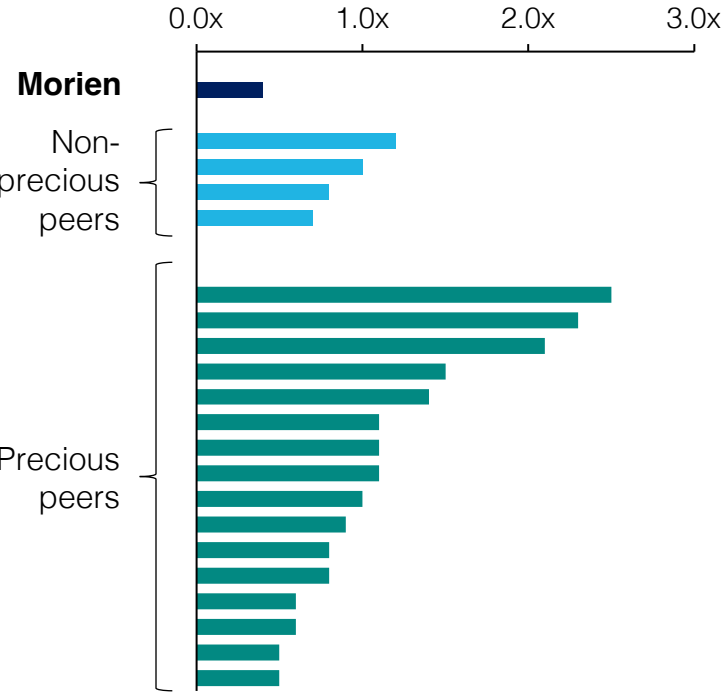
Table for illustrative purposes only. Primary assumptions: Share price of \$0.56; 10% discount for Donkin (where applicable); maximum Donkin production of 3 million saleable tonnes achieved in 2025; See Footnotes in Appendix for additional detail.



# Morien Offers Exceptional Value to Peers

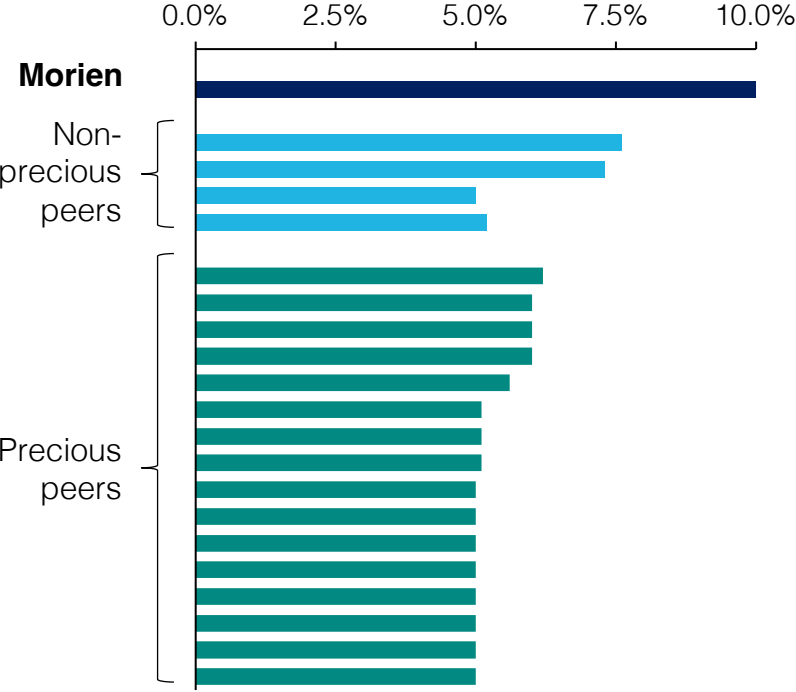
## P/NAV

Peer Group in footnotes



## Discount Rate Used in NAV

Peer Group in footnotes



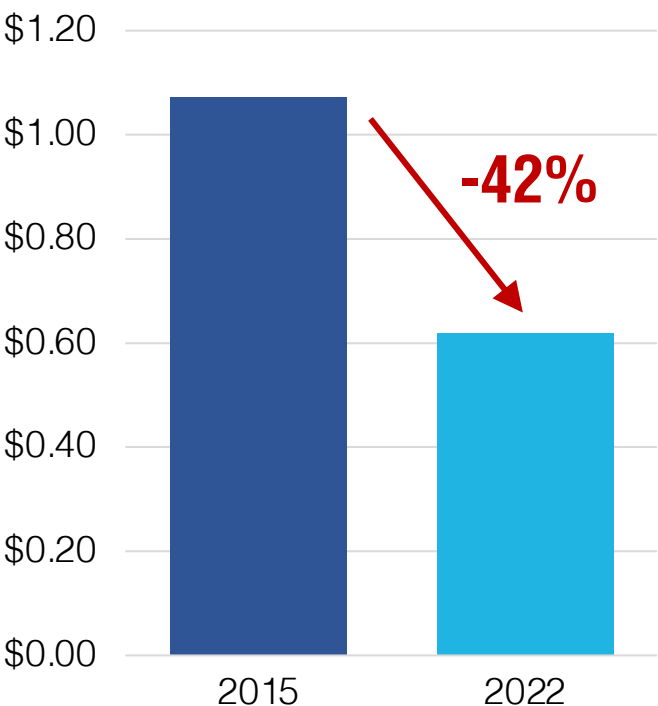
Peer group (alphabetical): Altius Minerals, Deterra Royalties, Ecora Resources, Elemental-Altus, Empress Royalty, EMX Royalty, Franco Nevada, Gold Royalty, Labrador Iron Ore Royalty, Maverix Metals, Metalla Royalty, Nova Royalty, Orogen Royalties, Osisko Gold, Royal Gold, Sandstorm Gold, Trident Royalties, Triple Flag Precious Metals, Vox Royalty, and Wheaton Precious Metals.  
\* Morien NAV assumptions: C\$200/t coal price, 10% discount rate, peak production in 2026, 0.4% coal price inflator, and full production of 3 mln tonnes.



# Unique Level of Shareholder Alignment

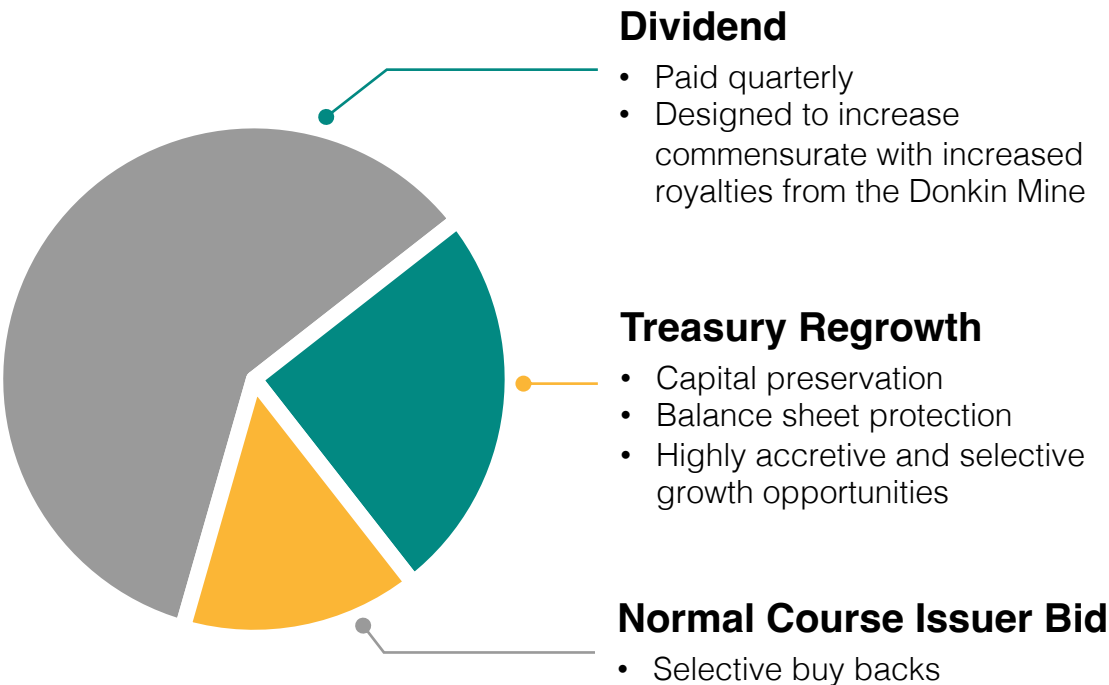
## Business Discipline

Corporate overheads, millions \$CAD



## Capital Allocation Going Forward

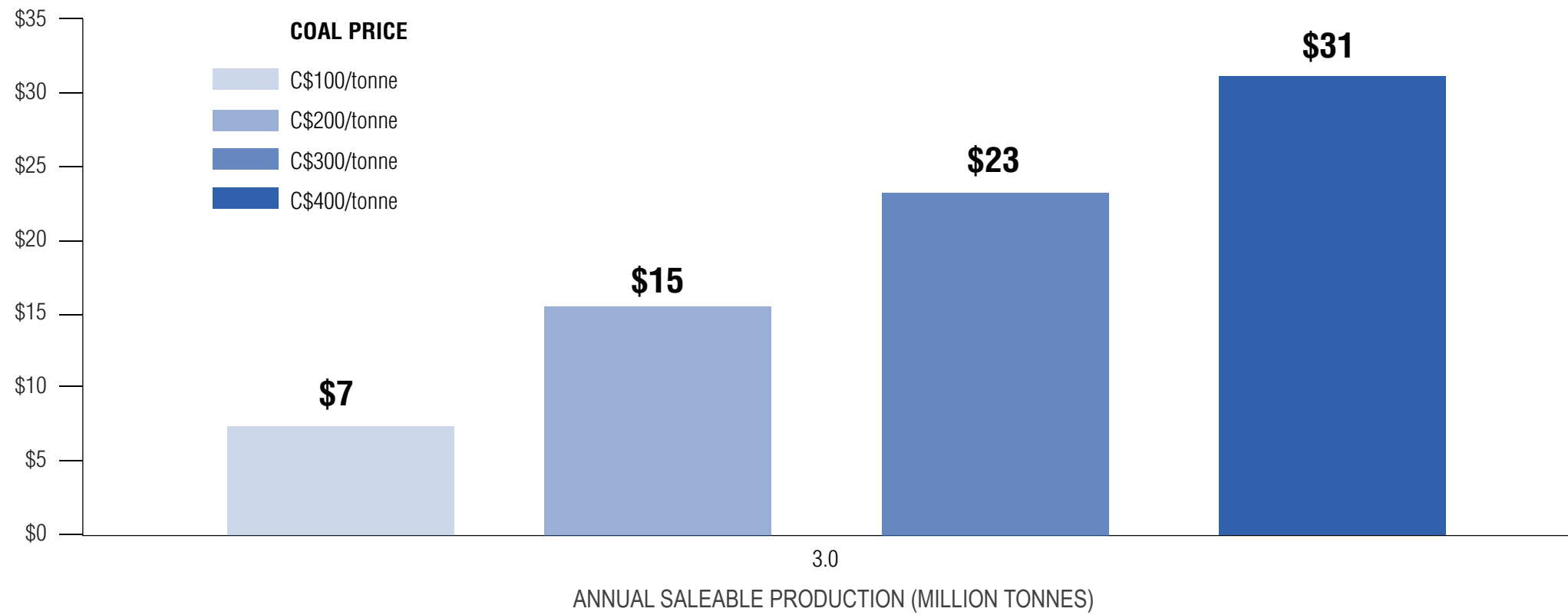
Simplified model for illustrative purposes



# Donkin Projected Royalty Revenue

## Annual Royalty at 3 Million Tonnes Saleable Production<sup>1</sup>

\$CAD Millions



1) Donkin permitted for 3.6 mln tonnes run-of-mine which is anticipated to wash to approximately 3 mln saleable tonnes

# Delivering Dividends

- Reinstated quarterly dividend program in advance of receiving first royalty cheque
- Declared a special dividend of \$0.005/share in December 2022
- Quarterly dividend of \$0.0025/share commenced in Q1-2023
- Dividend is designed to scale with increases in the Donkin royalty

## Dividend Calculator on Morien Website

For illustrative purposes only

Donkin Coal Sale Price (USD \$/tonne)	\$200	\$60	<input type="range"/>	\$500
Est. Transportation & Related Deductions (USD \$/tonne)	(\$10)			
Net Coal Price (USD \$/tonne)	\$190			
USD / CAD Exchange Rate	1.30	1.00	<input type="range"/>	1.50
Net Coal Price (CAD \$/tonne)	\$247			
Donkin Saleable Production (mln tonnes/year)	3.00	0.5	<input type="range"/>	3.00
Royalty @ 2% / 4% (CAD \$ mln)	\$19.76			
G&A (CAD \$ mln)	(\$0.5)			
Taxes at 31% (CAD \$ mln)	(\$6.0)			
Net After Tax (CAD \$ mln)	\$13.29			
Payout of Free Cash Flow (%)	80%	50%	<input type="range"/>	90%
Total Dividend (CAD \$ mln)	\$10.63			
Morien Shares Outstanding (mln)	50.5			
Estimated Annual Dividend Per Share	\$0.211			



# Morien is *More Business Than Mining*

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## **Cash-In, Cash-Out Model**

Clear track record of wealth redistribution to shareholders; dividends and buy backs

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## **Shareholder Alignment**

18% ownership, recent insider buying, low corporate overheads, no debt

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## **High Demand Sectors**

Bulk commodities; steelmaking coal and aggregate (high demand, limited supply)

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## **High Quality Assets**

Long-life (25-50 years), advanced status (producing or permitted), stable jurisdiction (Canada)

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## **Stock Re-Rate Potential**

Exceptional shareholder return potential as Donkin Mine scales up production

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**MOX**