Morien Resources Corp.

Consolidated Financial Statements

For the years ended December 31, 2024 and 2023

(Canadian dollars)

Independent Auditor's Report

To the Shareholders of Morien Resources Corp.:

Opinion

We have audited the consolidated financial statements of Morien Resources Corp. and its subsidiary (the "Company"), which comprise the consolidated statement of financial position as at December 31, 2024, and the consolidated statements of loss and comprehensive loss, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at December 31, 2024, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. We have determined that there are no key audit matters to communicate in our report.

Other Matter

The consolidated financial statements for the year ended December 31, 2023 were audited by another auditor who expressed an unmodified opinion on those statements on February 26, 2024.

Other Information

Management is responsible for the other information. The other information comprises Management's Discussion and Analysis.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS® Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Company as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Kate Duholke.

Vancouver, British Columbia

MNP LLP

February 25, 2025

Chartered Professional Accountants

MORIEN RESOURCES CORP.

Consolidated Statements of Loss and Comprehensive Loss

(Canadian dollars)

	For the Years Ended December 31	
	2024	2023
	$	$
Royalty revenue [note 9]	**82,367**	**962,283**
Operating expenses		
Corporate and administration [note 10]	**672,078**	**843,164**
Evaluation	**58,937**	**9,392**
Share-based compensation [note 7]	**229,645**	**485,550**
Foreign exchange (gain) loss	**(66,510)**	**22,453**
	894,150	**1,360,559**
Interest income [note 4]	**61,668**	**63,583**
Loss from operations	**(750,115)**	**(334,693)**
Other income	**28,400**	**—**
Realized gain on investment [note 4]	**19,140**	**—**
Unrealized gain on investment [note 4]	**89,375**	**27,000**
Net and comprehensive loss	**(613,200)**	**(307,693)**
Basic and diluted loss per share	**(0.01)**	**(0.01)**
Weighted average number of common shares outstanding *[000's]*		
Basic and diluted	**51,292**	**51,144**

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

MORIEN RESOURCES CORP.

Consolidated Statements of Financial Position

(Canadian dollars)

	December 31 2024	December 31 2023
	$	$
ASSETS		
Current		
Cash and cash equivalents	**477,416**	373,110
Short-term investment [note 4]	**588,105**	1,007,730
Trade and other receivables	**56,455**	38,733
Prepaid expenses	**1,069**	19,752
Non-current assets		
Investments [note 4]	**91,375**	27,000
TOTAL ASSETS	**1,214,420**	1,466,325
LIABILITIES		
Current liabilities		
Trade and other payables	**41,512**	61,699
Non-current liabilities		
Unearned revenue [note 5]	**905,208**	753,371
Total liabilities	**946,720**	815,070
SHAREHOLDERS' EQUITY		
Share capital [note 6]	**4,762,329**	4,762,329
Contributed surplus	**2,642,505**	2,412,860
Deficit	**(7,137,134)**	(6,523,934)
Total shareholders' equity	**267,700**	651,255
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**1,214,420**	1,466,325

Commitments [note 14]

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

ON BEHALF OF THE BOARD:

"John P. A. Budreski", *Director* **"Mary C. Ritchie",** *Director*

MORIEN RESOURCES CORP.

Consolidated Statement of Changes in Shareholders' Equity

(Canadian dollars)

	Common shares #	Share capital $	Contributed surplus $	Deficit $	Total shareholders' equity $
Balance at January 1, 2023	50,374,114	4,424,098	2,053,754	(5,690,605)	787,247
Net and comprehensive loss	—	—	—	(307,693)	(307,693)
Dividends paid to shareholders [note 6]	—	—	—	(383,212)	(383,212)
Share-based compensation [note 7]	—	—	485,550	—	485,550
Options exercised	1,200,000	366,444	(126,444)	—	240,000
Normal course issuer bid purchase of common shares [note 6]	(282,114)	(28,213)	—	(142,424)	(170,637)
At December 31, 2023	**51,292,000**	**4,762,329**	**2,412,860**	**(6,523,934)**	**651,255**
Net and comprehensive loss	**—**	**—**	**—**	**(613,200)**	**(613,200)**
Share-based compensation [note 7]	**—**	**—**	**229,645**	**—**	**229,645**
At December 31, 2024	**51,292,000**	**4,762,329**	**2,642,505**	**(7,137,134)**	**267,700**

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

MORIEN RESOURCES CORP.

Consolidated Statements of Cash Flows

(Canadian dollars)

	For the Years Ended December 31	
	2024	2023
	$	$
OPERATING ACTIVITIES		
Net and comprehensive loss	**(613,200)**	(307,693)
Items not involving cash:		
Share-based compensation	**229,645**	485,550
Foreign exchange (gain) loss	**(66,510)**	22,453
Additions to unearned revenue [note 5]	**151,837**	139,914
Interest income	**(61,668)**	(63,583)
Unrealized gain on investment	**(89,375)**	(27,000)
Realized gain on investment	**(19,140)**	—
Changes in non-cash working capital:		
(Increase) decrease in trade and other receivables	**(17,722)**	157,329
Decrease in prepaid expenses	**18,683**	6,136
Decrease in trade and other payables	**(20,187)**	(22,041)
Cash (used in) provided by operating activities	**(487,637)**	391,065
FINANCING ACTIVITIES		
Proceeds on exercise of options	**—**	240,000
Dividends paid	**—**	(383,212)
Purchase of shares for cancellation and transaction costs	**—**	(170,637)
Cash used in financing activities	**—**	(313,849)
INVESTING ACTIVITIES		
Proceeds from sale of short-term investment	**485,125**	—
Increase in short-term investment	**—**	(43,290)
Interest income	**61,668**	63,583
Proceeds from disposal of investments	**44,140**	—
Cash provided by investing activities	**590,933**	20,293
Effect of exchange rate fluctuations on cash held in foreign currency	**1,010**	(1,129)
Increase in cash	**104,306**	96,380
Cash and cash equivalents, beginning of year	**373,110**	276,730
Cash and cash equivalents, end of year	**477,416**	373,110

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

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 168 Hobson's Lake Drive, Suite 301, Beechville, Nova Scotia, B3S 0G4. The consolidated financial statements of the Corporation as at and for the years ended December 31, 2024 and 2023 comprise the Corporation and its wholly owned subsidiary, Advanced Primary Minerals USA Corp ("APMUSA"). The principal business of the Corporation is the identification and purchase of mineral interests and projects.

2. Basis of presentation

a) Statement of compliance

These consolidated financial statements have been prepared in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards" or "IFRS").

The consolidated financial statements were authorized for issuance by the Board of Directors on February 24, 2025.

b) Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis except where a different basis of accounting is identified in the summary of material accounting policies.

The functional and presentation currency of the Corporation and its subsidiary is the Canadian dollar.

c) Use of estimates and judgments

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. Actual results may differ from these estimates. The more significant areas requiring the use of management estimates and assumptions are discussed below.

Going concern

Management uses its judgment in assessing whether the Corporation will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business. In assessing whether the going concern assumption is appropriate, management considers all available information about the future, which is at least, but is not limited to, twelve months from the end of the reporting period.

Investments

The Corporation's accounting policy is to account for investments at fair value through profit and loss. Cost may be an appropriate estimate of fair value if there is insufficient more recent information available to measure fair value. The Corporation uses significant judgment in determining if there is sufficient more recent information available to measure fair value at an amount other than cost.

2. Basis of presentation (continued)

Income taxes

The Corporation's accounting policy for taxation requires management's judgment in assessing whether deferred tax assets and certain deferred tax liabilities are recognized on the statement of financial position. Deferred tax assets, including those arising from tax loss carryforwards, 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 production and sales volumes underlying the Corporation's royalties, commodity prices, reserves, capital expenditures, 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 deferred tax assets and deferred tax liabilities recognized on the statement of financial position and the amount of other tax losses and temporary differences not yet recognized. In such circumstances, some or the entire carrying amount of recognized deferred tax assets and liabilities may require adjustment, resulting in a corresponding credit or charge to income.

3. Summary of material accounting policies

The accounting policies applied in these 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, 2023. The accounting policies have been applied consistently by the Corporation's subsidiary.

a) Basis of consolidation

The consolidated financial statements include those of Morien and its wholly owned subsidiary, Advanced Primary Minerals USA Corp., incorporated under the laws of Delaware, USA.

i. Subsidiaries

Subsidiaries are those entities over which the Corporation has the power to govern the financial and operating policies to obtain benefits from their activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether a Corporation controls another entity.

The financial statements of the subsidiary are prepared for the same reporting period as the parent company. Subsidiaries are fully consolidated from the date on which control is transferred to the Corporation and cease to be consolidated from the date on which control is transferred out of the Corporation. A change in the ownership interest of a subsidiary that does not result in a loss of control is accounted for as an equity transaction.

ii. Transactions eliminated on consolidation

Inter-company balances and transactions, and any unrealized income and expenses arising from inter-company transactions, are eliminated in preparing the consolidated financial statements.

b) Foreign currency

Transactions in foreign currencies are initially recorded in the entity's functional currency as the rate on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the closing rate as at the reporting date.

3. Summary of material accounting policies (continued)

c) Financial instruments

Fair value

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. Investments in common shares that have direct listings on an exchange are classified as Level 1.

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 (for example, interest rate and yield curves observable at commonly quoted intervals, forward pricing curves used to value currency and commodity contracts, volatility measurements used to value option contracts and observable credit default swap spreads to adjust for credit risk where appropriate), 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).

The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs.

The Corporation recognizes financial assets and financial liabilities on the date the Corporation becomes party to the contractual provisions of the instruments. A financial asset is derecognized either when the Corporation has transferred substantially all the risks and rewards of ownership of the financial assets or when cash flows expire. A financial liability is derecognized when the obligation specified in the contract is discharged, cancelled or expired.

The Corporation classifies and measures financial assets and liabilities on initial recognition as described below:

- Cash and cash equivalents includes cash, term deposits, treasury bills and money market investments with original maturities of less than 90 days and are classified as and measured at amortized cost.
- Short-term investment includes term deposits and treasury bills with original maturities of greater than 90 days held for short-term cash management purposes. Short-term investment is classified and measured at amortized cost.
- Trade and other receivables are classified as and measured at amortized cost using the effective interest method less any allowance for impairment.
- Investments, including equity instruments of non-public entities, are measured as Fair Value Through Profit and Loss and are recorded at fair value on settlement date unless the asset is not held for trading purposes and the Corporation makes an irrevocable election to designate the asset as Fair Value Through Other Comprehensive Income ("FVTOCI"). This election is made on an instrument-by-instrument basis. Subsequent to initial recognition, changes in fair value are recognized in income. The Corporation may determine cost to be an appropriate estimation of fair value if there is insufficient more recent information available to measure fair value.

3. Summary of material accounting policies (continued)

- The Corporation uses the expected credit loss (“ECL”) model in assessing impairment of financial instruments measured at amortized cost or FVTOCI. This impairment model is applied at each statement of financial position date. The Corporation uses a practical expedient to determine ECL on receivables using a provision matrix based on various assumptions and other factors such as historical credit loss experiences and current and expected economic conditions to estimate lifetime ECL. Impairment losses, if incurred, would be recorded in the consolidated statement of comprehensive loss with the carrying amount of the financial asset or group of financial assets reduced using impairment allowance accounts. In periods subsequent to the impairment where the impairment loss has decreased, and such decrease can be related objectively to conditions and changes in factors occurring after the impairment was initially recognized, the previously recognized impairment loss would be reversed through the consolidated statement of comprehensive loss. The impairment reversal would be limited to the lesser of the decrease in impairment or the extent that the carrying amount of the financial asset at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized, after the reversal.
- Trade and other payables are classified and measured at amortized cost. A financial liability is derecognized when the obligation specified in the contract is discharged, cancelled or expired.

d) Income taxes

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognized in profit or loss except to the extent that it relates to a business combination, or items recognized directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax basis of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the reporting date and are expected to apply when the related deferred income tax asset is realized, or the deferred income tax liability is settled.

Deferred income tax assets are recognized to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized. Deferred tax is not recognized for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences. Differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future are also not recognized. In addition, deferred tax is not recognized for taxable temporary differences arising on the initial recognition of goodwill.

Deferred income tax assets and deferred income tax liabilities of the same taxable entity are offset when they relate to taxes levied by the same taxation authority and the entity has a legally enforceable right to set off current tax assets against current tax liabilities. The principal temporary differences arise from tax losses carried forward and fair value adjustments on assets acquired in business combinations.

3. Summary of material accounting policies (continued)

e) Share-based compensation

Equity-settled share-based awards to employees and others providing similar services are measured at fair value of the equity instruments at the date of grant. Fair value is measured using the Black-Scholes option pricing model. The fair value determined at the grant date of the equity-settled share-based payments is expensed as services are rendered over the vesting period, based on the Corporation's estimate of the shares that will eventually vest and adjusted for the effect of non-market-based vesting conditions. For share-based awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no-true-up for differences between expected and actual outcomes.

f) Revenue

Revenue is comprised of revenue earned in the period from royalty interests. The Corporation has identified the performance obligations in its royalty contracts and recognizes revenue when a performance obligation is satisfied.

In accordance with IFRS 15, the Corporation recognizes revenue to depict the transfer of the relevant commodity to customers in an amount that reflects the consideration to which the Corporation expects to be entitled in exchange for those commodities. Revenue is measured at the fair value of the consideration received or receivable when management can reliably estimate the amount, pursuant to the terms of the royalty agreement.

Under the terms of the Black Point Aggregate Project ("Black Point") royalty agreement with Vulcan Materials Company ("Vulcan"), the Corporation receives advanced minimum royalty payments ("Advanced Payments") until the project goes into production. Black Point is not currently in production; at such time when production starts, the unearned revenue from the Advanced Payments will be recorded as revenue as the production royalties are earned (see note 6 – Unearned revenue).

Under the terms of the Donkin royalty agreement with Kameron, the coal sales price used to calculate Morien's royalty revenue is subject to certain deductions for handling and transportation costs.

g) Earnings (loss) per share

Basic earnings (loss) per share is calculated by dividing the profit or loss attributable to common shareholders of the Corporation by the weighted average number of common shares outstanding during the period. Diluted earnings per share, if applicable, is calculated using the treasury stock method, thereby assuming that outstanding stock options with an average market price that exceeds the average exercise prices of the options are exercised and the proceeds are used to repurchase shares of the Corporation at the average market price of the common shares for the year.

3. Summary of material accounting policies (continued)

Accounting pronouncements issued but not yet adopted

On April 9, 2024, the IASB issued IFRS 18 "Presentation and Disclosure in the Financial Statements" ("IFRS 18") replacing IAS 1. IFRS 18 introduces categories and defined subtotals in the statement of profit or loss, disclosures on management-defined performance measures, and requirements to improve the aggregation and disaggregation of information in the financial statements. As a result of IFRS 18, amendments to IAS 7 "Statements of Cash Flows" ("IAS 7") were also issued to require that entities use the operating profit subtotal as the starting point for the indirect method of reporting cash flows from operating activities and also to remove presentation alternatives for interest and dividends paid and received. Similarly, amendments to IAS 33 "Earnings per Share" were issued to permit disclosure of additional earnings per share figures using any other component of the statement of profit or loss, provided the numerator is a total or subtotal defined under IFRS 18. IFRS 18 is effective for annual reporting periods beginning on or after January 1, 2027, and is to be applied retrospectively, with early adoption permitted. The Company is currently assessing the impact of the standard on its consolidated financial statements.

4. Investments

a) Short term investment

Short-term investment includes guaranteed investment certificates ("GIC") denominated in US dollars with terms of less than year. For the year ended December 31, 2024, interest earned on the GICs of $48,077 (December 31, 2023 – $44,084) is recorded within the net and comprehensive loss as interest income for the year in addition to interest earned on cash balances.

b) Investments

The Corporation purchased publicly traded shares in 2016 that were split into public and non-public entity shares. Fair value of the investments as at December 31, 2024 and 2023 are as follows:

	December 31 2024 $	December 31 2023 $
Buchans Resources Limited	**—**	—
Minco Exploration plc	**—**	—
Canterra Minerals Corporation	**91,375**	27,000
	91,375	27,000

Buchans Resources Limited ("Buchans") and Minco Exploration plc ("Minco") are unlisted companies. In December 2023, Buchans sold certain assets in exchange for shares in Canterra Minerals Corporation ("Canterra") which were distributed to its shareholders in 2024. A portion of Canterra shares were sold for a realized gain of $19,140 in the current year (December 31, 2023 – $nil). The Canterra shares have been ascribed a value of $91,375 as at December 31, 2024 (December 31, 2023 – $27,000), recognizing $89,375 as an unrealized gain (December 31, 2023 – $27,000). As at December 31, 2024, Minco and Buchans have an estimated fair value of $nil (December 31, 2023 – $nil) due to insufficient more recent information available. Buchans and Minco are classified as Level 3 instruments and Canterra is classified as Level 1 within the fair value hierarchy as at December 31, 2024.

(Canadian dollars)

5. Unearned revenue

The Corporation received advanced payments in 2024 of $151,837 (2023 – $139,914), in relation to its interest in 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 December 31, 2024 and 2023. They are classified as long-term liabilities in the likelihood production at Black Point will not occur in the next fiscal year.

6. Share capital

The Corporation has an unlimited number of common shares authorized for issue without par value.

Under the terms of a normal course issuer bid, Morien purchased and cancelled nil shares in the year ended December 31, 2024 (2023 – 282,114) at a total cost of $nil (2023 – $170,637), including $nil in transaction costs (2023 – $5,896). In 2023, the total cost of $170,637 reduced share capital by $28,213 and increased the deficit by $142,424.

The Corporation declared and paid $nil in dividends for the year ended December 31, 2024 and $383,212 for the year ended December 31, 2023.

7. 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-V. Options granted under the Morien 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.

The following table summarizes the changes in the outstanding stock options for years ended December 31, 2024 and 2023:

	Number of options	**Weighted average exercise price $**
At January 1, 2023	4,050,000	0.42
Exercised	(1,200,000)	0.20
Expired	(2,100,000)	0.60
Issued	2,150,000	0.60
At December 31, 2023	**2,900,000**	**0.52**
Expired	(200,000)	0.48
At December 31, 2024	**2,700,000**	**0.52**

The weighted average share price, at the time of exercise, for those shares that were exercised during the year ended December 31, 2023 was $0.59.

The following is a summary of the outstanding stock options as at December 31, 2024:

	Number of options		**Outstanding**
Expiry date	**Outstanding**	**Vested**	**life (years)**
May 20, 2025	550,000	550,000	0.38
May 25, 2028	2,150,000	1,433,334	3.40
At December 31, 2024	**2,700,000**	**1,983,334**	**2.79**

(Canadian dollars)

7. Stock options (continued)

The weighted average exercise price of the number of options outstanding and vested as at December 31, 2024 is $0.52 and $0.49, respectively.

During the year ended December 31, 2023, 2,150,000 options granted to officers and directors gave rise to share-based compensation of $229,645 in 2024 (2023 – $485,550). The fair value of each option granted is estimated at the time of grant using the Black-Scholes option pricing model with weighted-average assumptions for grants as follows:

	For the Year Ended December 31, 2023
Share price at grant date	$0.51
Exercise price	$0.60
Risk-free interest rate	3.52%
Expected dividend yield	2.10%
Expected life (years)	5.0
Expected volatility	111%
Weighted average grant date fair value	$0.36

Expected volatility is estimated by considering historic average share price volatility. All options granted in the period vest over a two-year period (one-third on each of the date of grant and the first and second anniversaries of grant) and have a five-year term.

8. Income taxes and deferred tax liability

The Corporation's provision for income taxes differs from the amount computed by applying the combined Canadian federal and provincial income tax rates to income (loss) before income taxes as a result of the following:

	For the Years Ended December 31	
	2024	2023
	$	$
Loss before income taxes	**(613,200)**	(334,693)
Statutory tax rates	**29.0%**	29.0%
Income taxes (recovery) computed at the statutory rates	**(177,828)**	(97,061)
Effect of foreign jurisdiction tax rates	**(3,924)**	(1,520)
Change in unrecognized temporary differences	**185,909**	(42,650)
Impact of foreign exchange	**(132,598)**	—
Non taxable portion capital gain	**(15,735)**	—
Expenses not deductible for tax purposes	**66,837**	141,231
Provision to return adjustments and other	**77,339**	—
Provision for income taxes	**—**	—

The enacted or substantively enacted tax rate in Canada of 29.00% (2023 - 29.00%) and in the USA of 25.54% (2023 – 25.54%) where the Corporation operates are applied in the tax provision calculation.

(Canadian dollars)

8. Income taxes and deferred tax liability (continued)

The tax effects of temporary differences that give rise to significant portions of the deferred tax assets and (liabilities) are presented below:

	For the Years Ended December 31	
	2024	2023
	$	$
Non-capital losses carried forward	**370,869**	246,922
Investments	**(13,250)**	(3,915)
Unrealized foreign exchange	**(357,619)**	(243,007)
	—	—

The following temporary differences, capital and non-capital losses have not been recognized in the consolidated financial statements.

			2024			2023
	Canada	**USA**	**Total**	Canada	USA	Total
	$	$	$	$	$	$
Non-capital losses carried forward	**4,947,951**	**11,404,296**	**16,352,247**	4,984,713	10,561,999	15,546,712
Property, plant & equipment	**9,834**	**—**	**9,834**	9,834	—	9,834
Charitable donations	**40,250**	**—**	**40,250**	—	—	—
Intangible assets	**724,214**	**—**	**724,214**	724,214	—	724,214
Resource properties	**872,166**	**—**	**872,166**	1,128,299	—	1,128,299
Unearned revenue	**905,208**	**—**	**905,208**	753,371	—	753,371
	7,499,623	**11,404,296**	**18,903,919**	7,600,431	10,561,999	18,162,430

As at December 31, 2024, the Corporation has non-capital losses available to be carried forward and applied against taxable income of future years. The non-capital losses expire from 2028 to 2044.

9. Royalty revenue

	For the Years Ended December 31	
	2024	2023
	$	$
Donkin Mine (Kameron Collieries)	**82,367**	962,283

The Corporation owns a life-of-mine, gross production royalty for Donkin of 2% on the revenue from the first 500,000 tonnes of coal sales per calendar quarter, net of certain coal handling and transportation costs, and 4% on the revenue from any coal sales from quarterly tonnage above 500,000 tonnes, net of certain coal handling and transportation costs. The Donkin royalty is payable to the Corporation on a quarterly basis based on sales from production from the mine.

On March 30, 2020, Kameron Collieries announced that it was ceasing production operations at the Donkin Mine due to adverse geologic conditions. The Mine had been maintained during an idled phase of care and maintenance until it reopened in September 2022 after receiving regulatory approval from the Nova Scotia Department of Labour, Skills and Immigration (“DOL”), the province’s regulator. The Mine recommenced commercial sales during the fourth quarter of 2022.

(Canadian dollars)

9. Royalty revenue (continued)

On July 15, 2023, DOL issued a Stop Work Order ("SWO") at Donkin in response to a roof fall that occurred on July 15, 2023. On November 10, 2023, in consideration of uncertainty surrounding the timing for release of the SWO, Kameron placed Donkin into an idled state with no timeline to resume operations. Kameron continues to work with DOL to resolve all issues related to the SWO, however there is no scheduled date of reopening as of the date of this report. Royalty revenue received during the idled state in 2024 relates to the coal stockpile from 2023 operations.

10. Corporate and administration expenses

	For the Years Ended December 31	
	2024	2023
	$	$
Employee costs	**352,981**	458,385
Investor relations and communications	**80,039**	130,515
Office and sundry	**42,303**	36,846
Professional fees	**80,317**	89,282
Regulatory compliance	**116,438**	128,136
	672,078	843,164

11. Related parties

Key management personnel:

The Corporation has defined key management personnel as senior executive officers, as well as the Board of Directors. The total remuneration of key management personnel was as follows:

	For the Years Ended December 31	
	2024	2023
	$	$
Director's fees and benefits	**52,180**	76,434
Senior executive officers' compensation and benefits	**342,390**	446,575
Share-based compensation – directors	**66,757**	141,148
Share-based compensation – senior executive officers	**162,888**	344,402
	624,215	1,008,559

As of December 31, 2024, the Corporation had $3,710 owing to related parties (December 31, 2023 – $2,763).

12. Capital management

The Corporation's objective when managing its capital is to safeguard its ability to continue as a going concern so that it can continue to finance its business plans and ensure the Corporation remains in sound financial position. The Corporation defines capital that it manages as its equity attributable to common shareholders of the Corporation, which is comprised of share capital, contributed surplus, and deficit.

The Corporation manages the capital structure and adjusts it considering changes in economic conditions and the risk characteristics of the underlying assets and the Corporation's working capital requirements. In order to maintain or adjust the capital structure, the Corporation (upon approval from its Board of Directors, as required) may issue additional capital, primarily through equity financings. The Board of Directors reviews and approves any material transaction out of the ordinary course of business, including proposals on acquisitions, major investments, as well as annual capital and operating budgets. The Corporation is not subject to externally imposed capital requirements.

13. 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:

	December 31, 2024	December 31, 2023
	$	$
Cash and cash equivalents	**477,416**	373,110
Short-term investment	**588,105**	1,007,730
Trade and other receivables	**56,455**	38,733
Investments	**91,375**	27,000
	1,213,351	1,446,573

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 two customers who the Corporation has strong working relationships with and are reputable large international companies with a history of timely payment. The Corporation has an allowance for doubtful accounts at year-end of $nil (2023 – $nil), as management considers the credit risk to be low. No amounts were written off during the year (2023 – $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 December 31, 2024, the Corporation had a cash and short-term investment balance of $1,065,521 (December 31, 2023 – $1,380,840) to settle current liabilities of $41,512 (December 31, 2023 – $61,699).

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.

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.

13. Financial instruments (continued)

The Corporation's exposure to US dollar currency risk was as follows:

	December 31, 2024	December 31, 2023
	$	$
Cash and cash equivalents	**36,146**	2,142
Short-term investment	**588,105**	1,007,730
	624,251	1,009,872

Sensitivity to a plus or minus 10% change in the US dollar exchange rate would affect comprehensive loss and deficit by approximately $62,425 (2023 – $100,730).

c) Commodity price risk

The Corporation is exposed to commodity price risk in that the current royalties it receives is predicated on underlying world prices denominated in US dollars but received in Canadian dollars. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatility. The Corporation monitors prices for the commodities underlying the Corporation's royalties. As at December 31, 2024, the Corporation has not entered into any hedging to offset risk.

d) Equity price risk

The Corporation holds three equity instruments in the mining category; two do not have a quoted market price in an active market and one is traded on a Canadian securities market. Management has assessed the value of those instruments at $91,375 fair value as at December 31, 2024 (2023 – $27,000).

Fair value

During the year ended December 31, 2024 there was a transfer of an equity instrument from Level 3 to Level 1 classified assets and liabilities.

Assets measured at fair value on a recurring basis:

		December 31, 2024			December 31, 2023	
	Level 1	**Level 2**	**Level 3**	Level 1	Level 2	Level 3
	$	**$**	**$**	$	$	$
Investments (unlisted)	**—**	**—**	**—**	—	—	—
Investments	**91,375**	**—**	**—**	—	—	27,000

The fair values of the Corporation's remaining financial assets and liabilities, which include cash and cash equivalents, short-term investment, 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.

14. Commitments

The Corporation leases shared office space on a short-term basis. Total future minimum lease payments for this space, due in 2025, are $9,000.