Management’s Discussion and Analysis
Year ended December 31, 2021

This Management Discussion and Analysis (“MD&A”) dated February 28, 2022 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 audited consolidated financial statements as at and for the years ended December 31, 2021 and 2020 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 March 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 14 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.

Year-End 2021 Update

During the year ended December 31, 2021 the Corporation:

- Continued to dedicate significant resources to advocating for conditions that are favorable to restarting operations at the Donkin Mine and reducing, where possible, potential barriers to such a restart;
- Pursued various cost savings initiatives resulting in a 17% ($108,117) decrease in corporate and administration expenses for 2021;
- Received Advanced Payments totaling $115,667 from Vulcan Materials Company related to the Black Point project (2021 Q4 - $29,514);
- Recognized an unrealized gain on an equity investment of $173,000;
- Purchased and cancelled 524,000 shares at an average price of $0.21 for a total cost of $118,581 under the Corporation's NCIB (2021 Q4 - 325,000 shares at an average price of $0.23 for a total cost of $75,905); and
- Ended the quarter with approximately $2.3 million in working capital[1] (2021 Q3 - $2.3 million).

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

[1] Working capital is determined by deducting current liabilities from current assets on the Corporation's statement of financial position.

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 not uncommon 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 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[2], 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[3].

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.

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 (including roof bolting) at the Mine. On February 14, 2020, NS LAE stated in a local media publication that MSHA, who have toured

[2] U.S. Mining Safety and Health Administration

[3] Workers Compensation Board of Nova Scotia

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 unknown 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;
- Between 2017 and 2020, when the Mine was operational, its coal was marketed overseas primarily as a high-volatile, semi-soft B type steelmaking coal (low ash, high vitrinite content, high fluidity, high crucible swell number), and overseas and domestically as a low ash (3%), high energy (>14,000 BTU/lb) thermal coal;
- The Mine is a short, 30-kilometre truck haul 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 2020, PEV acquired, and received delivery of, a large barge-mounted ship loader to allow for expedited loading of coal onto ocean-going vessels, and finished dredging the sea floor around its export facility to a depth of approximately 16.5 metres to accommodate larger, Capesize vessels to significantly reduce the cost of transporting Donkin coal to overseas markets;
- In 2021, the Canadian Coast Guard announced that it will be moving forward with a $4.5 million upgrade to the navigational aid lights in the Port of Sydney, the last remaining component to being able to receive Capesize vessels in Sydney Harbour;

- In 2021, Kameron announcement that it would be voluntarily funding the installation of noise dampeners on the Mine's ventilation fans to reduce background noise in nearby communities;
- As detailed below, coal markets have continued to improve since the mine was idled, with Atlantic-region "Semi-Soft B" coal, the metallurgical coal index which closely resembles Donkin, trading for $340 USD/tonne, a 3.5x increase since Donkin was idled, and Atlantic-region thermal coal trading for $195 USD/tonne, a 5.5x increase since Donkin was idled; 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[5].

Morien's Royalties from Kameron

Morien recognized the following royalties from Kameron between Q1 2019 and Q4 2021:

Expressed in thousands of Canadian dollars

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

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.

Description of Mine and Royalty Payment Potential

The Donkin Mine is 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 (CAD $80 to $250 per tonne), royalty payments to Morien, should the Donkin Mine recommence production, could be in the order of CAD $5 to $20 million annually. Morien incurs general and administrative expenses in respect of the administration and preparation of regulatory filings as a public company and from the collection of royalty revenues. 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[4].

Market Update – Metallurgical (Steelmaking) Coal

Metallurgical coal is a critical ingredient in the production of steel, one of the most widely used building materials on Earth. Thus, its demand closely follows that of global manufacturing and steel production. To illustrate this point, approximately 0.8 tonnes of metallurgical coal is required to produce one tonne of steel[5].

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[4] 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

[5] World Steel Association

While some kinds of steel can be made by other processes, including using scrap steel in electric arc furnaces, approximately 73% of global steel production currently relies on metallurgical, or steelmaking, coal[6]. This is forecast to drop to 65% by 2040 as electric arc furnaces increase market share due to increased scrap availability and an increasing focus on reducing carbon emissions[6].

In response to the COVID-19 pandemic, global steel production decreased 0.2% in 2020 year-over-year ("yoy")[5]. This in turn resulted in a 2% decrease in the global demand for seaborne steelmaking coal which fell from 292 to 286 million tonnes[6,7].

However, in 2021, global manufacturing and industrial production grew rapidly in all major regions, facilitating strong growth in the steel sector, with global demand increasing by 3.7%[5]. As a result, the demand for seaborne steelmaking coal increased by approximately 1% in 2021 to 289 million tonnes[7].

In response to increased steel demand in the latter part of 2021 and into 2022, prices for steelmaking coal are up amid tight availability. Atlantic-origin, high-volatile semi-soft B coal, a similar grade of steelmaking coal to which resides at the Donkin Mine, has rebounded from a low of US$97 per tonne in 2020 to US$340 per tonne at the time of writing this report, a 3.5x increase[8].

Longer-term, global steel demand is forecast to grow at a compound annual growth rate ("CAGR") of 0.6% from 2020 to 2040, reaching nearly 2 billion tonnes by 2040[6]. Steel demand in China, which accounts for nearly half of global steel demand, is expected to peak in the 2020's as the economy shifts from being driven by investment and industrial production to consumption and services. In the Indian economy, its vast growth aspirations are central to the next 20 years of steel demand outlook, where urbanization and electrification for a massive and growing population are expected to result in steel demand increasing by more than threefold to over 250 million tonnes by 2040[6]. Additionally, in the Southeast Asia region, steel demand growth is forecast to increase at a CAGR of 3.5% to 2040[6].

As a result of steady growth in markets like India, Southeast Asia and Brazil, the demand for seaborne steelmaking coal is forecast to reach 390 million tonnes in 2040[6]. For the semi-soft coal variety, seaborne demand is forecast to increase at a CAGR of 1.6% in the 2020 to 2040 period[6]. According to global energy analytics firm, Wood Mackenzie, new steelmaking coal projects will need to be developed as a significant gap between seaborne steelmaking coal supply and demand emerges over the next decade[6].

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

Market Update – Thermal (Electrical) Coal

While steelmaking coal is used to manufacture steel, thermal coal is used to generate electricity. Unlike steelmaking coal, thermal coal has competition in the form of natural gas, nuclear, oil, and renewable energies, particularly wind and solar.

However, despite all the capacity additions in renewable energy generation, the amount of power currently generated by renewables is still not enough to meet the annual increases in global electricity demand that arise from population growth and urbanization, primarily in the developing world. Global electricity demand grew by 6% in 2021 after a smaller than expected decline of 1% in 2020[9]. The 6% growth in 2021 was the

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[6] Wood Mackenzie, Metallurgical Coal Market Overview and Donkin Assessment, August 2021

[7] International Energy Agency, Coal 2021 Report - Analysis and Forecast to 2024, December 2021

[8] S&P Global Platts, Coal Trader International

[9] International Energy Agency, Electricity Market Report, January 2022

largest ever annual increase in absolute terms and the largest percentage increase since 2010 after the global financial crisis[9].

Thermal coal-fired electricity generation delivered more than 50% of the increase in global demand[9]. As a result, thermal coal demand hit an all-time high in 2021, growing by 9%, the largest increase since 2011, resulting in thermal coal's share of the global power mix increasing to 36% (2020 – 35%; 2019 – 37%)[9]. Thermal coal's demand was also supported by high natural gas prices, which prompted gas-to-coal switching in several power markets. As a result, natural gas demand grew by just 2% in 2021[9]. Renewables grew strongly, by 6%, despite growth being limited by unfavorable weather conditions, while nuclear increased by 3.5%, almost reaching its 2019 levels[9].

According to global energy analytics firm, S&P Global Platts, the global supply of renewable energy will grow by 35 gigawatts ("GW") from 2021 to 2022, but global power demand growth will go up by 100 GW over the same period.

The International Energy Agency ("IEA") has forecast a 3% increase in electricity demand in 2022 and has forecast an average growth rate for the 2022 to 2024 period of 2.4%[9]. Thermal coal demand trends will continue to be largely shaped by China, India, and Southeast Asia, which account for over two-thirds of global thermal coal consumption. The IEA estimates thermal coal-fired power generation during 2021-2024 to increase 4.1% in China, 11% in India and 12% in Southeast Asia. Over the same period, a return to declining trajectories is expected in the U.S. (-21%) and the European Union (-30%)[9].

In China, the world's largest coal market, thermal coal generated 64% of its electricity in 2021, followed by hydropower at 16%, wind at 7% and nuclear at 5%[9]. In India, the world's third-largest energy market, as a result of rising incomes and improving living standards, total energy demand has doubled since 2000, with 74% of the country's electricity demand currently coming from thermal coal[9]. Even at relatively modest assumed urbanization rates, India is expected to add approximately 270 million people to its urban population from 2020 to 2040, the equivalent of adding a new city the size of Los Angeles every year[10]. To meet this growth in electricity demand, India will need to add a power system the size of the European Union to what it has now[10].

To meet increased energy demand, several countries are in the process of constructing new coal generation plants, albeit at slower rates than in the past decade. In 2020, the world added 50 GW of new coal plants to the global grid. Approximately 140 GW of new coal plants are currently under construction and more than 400 GW are at various stages of planning[11]. To put that into perspective, there is approximately 2,100 GW of coal-fired capacity in operation today[11]. Eighteen countries currently using thermal coal for electricity generation have agreed to phase out its use. However, these 18 countries collectively cover only 4.1% of global coal-fired generation[12].

According to the IEA, existing thermal coal-fired power plants in emerging markets and developing economies are relatively young (average age of 13 years) versus the developed world (average age of 35 years). The IEA estimates that more than US$1 trillion of capital has yet to be recovered in younger thermal coal generation plants in the Asia-Pacific region, which accounts for two-thirds of global capacity.

Seaborne thermal coal markets remained very strong throughout 2021. As of the date of this MD&A, the assessed price of thermal coal in the Atlantic region has risen over 5.5x to approximately US$195 per tonne from its 2020 low of $36 per tonne[13].

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

[11] International Energy Agency, World Energy Outlook 2021, October 2021

[12] International Energy Agency, Coal-Fired Power, November 2021

[13] S&P Global Platts, Coal Trader International

Although seaborne thermal coal demand remains high, the commodity still faces challenges over the long-term from competing fossil fuels, particularly natural gas, and a secular shift toward renewable energy. However, continued annual growth in global electricity demand, primarily in the Asia-Pacific region, is expected to continue supporting thermal coal's longevity as a competing fuel source[14].

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 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 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[15]. All Advanced Payments are recorded by Morien as unearned revenue and will be credited against future production royalties from Black Point.

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[14] BP Statistical Review of World Energy 2020, 69th Edition

[15] In Q3 2020, the Advanced Payment was adjusted for PPI to $28,319.

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 deep-water marine terminal for aggregate shipment to the United States *;
- 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 U.S. 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 southeastern U.S. 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.

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 deteriorating infrastructure, ranked 13th globally[16]. Aggregate, or 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)[17].

Dodge Data and Analytics ("Dodge"), is a provider of construction project data for the U.S. aggregate market. Throughout the year, Dodge benchmarks the construction economy using two measurements: monthly construction starts, and the Dodge Momentum Index ("DMI"). Construction starts measure the value of construction projects across the U.S. The DMI measures non-residential building projects in the planning stage, which have been shown to lead construction spending for non-residential buildings by a full year. Together, they are thought to reflect the market conditions of the U.S. construction industry as a whole.

In 2020, total construction starts in the U.S. decreased 10% as a result of economic uncertainty caused by the pandemic. However, in 2021, construction activity in the U.S. was supported by robust fiscal stimulus and a general reopening of the American economy, resulting in total construction starts growing by 12% compared to 2020[18]. The DMI had a strong 2021, rising 23% from 2020 and reaching levels not seen in nearly 14 years[18]. According to the U.S. Geological Survey, roughly 1,400 companies, operating 3,400 quarries, produced 1.5 billion tons of crushed stone product in 2021, a 3% increase over 2020, and a 14-year high[17].

Looking into 2022, the DMI declined 7% in January 2022 to a four-month low of 153 from 164 in December[18]. Dodge attributes the decline to rising costs, logistical problems and shortages of skilled labor.

As of January 2022, the U.S economy was operating at 91% of where it was pre-pandemic in early March 2020, according to the Moody's Analytics/CNN Business Back to Normal Index[19].

In November 2021, U.S. President Joe Biden signed into law the US$1.2 trillion Infrastructure Investment and Jobs Act ("IIJA"). The IIJA represents the largest U.S. infrastructure investment in decades, consisting of US$550 billion in new spending over five years, with the remaining investment comprised of previously

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[16] White House briefing note - The American Jobs Plan, March 2021
[17] U.S. Geological Survey
[18] Dodge Data & Analytics
[19] Moody's Analytics, Back to Normal Index, January 21, 2022

authorized funding, including the US$303 billion highway bill passed in May 2021[20]. Importantly, the $550 billion in new spending is largely dedicated to physical infrastructure projects, such as roads, bridges, and rail. The White House has stated the IIJA is the largest federal investment in public transit in U.S. history, providing the largest federal investment in passenger rail since the creation of Amtrak, and represents the single largest dedicated bridge investment since the construction of the interstate highway system[21].

Project Generation

From 2017 to 2019, as the Donkin Mine went into production and as the Corporation's royalty payments grew, Morien evaluated multiple royalty assets to purchase to complement its existing royalty portfolio. The Corporation 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		
	2021	2020	2019
Revenues	**61**	249	810
Corporate and administration expenses	**520**	628	700
Exploration and evaluation expenses	**88**	—	138
Loss from operations	**(538)**	(561)	(45)
Gain on sale of land	—	—	938
Unrealized gain on investments	**173**	—	—
Net income (loss) for the year	**(365)**	(561)	893
Basic and diluted income (loss) per share	**(0.01)**	(0.01)	0.02
Additions to unearned revenue	**116**	112	111
Purchase of shares for cancellation	**119**	431	772
Increase (decrease) in cash	**(520)**	(1,486)	168
Working capital at year-end	**2,278**	2,645	3,467
Cash dividends declared	—	132	532
Cash dividends declared per share	—	0.0025	0.01

[20] Reuters, What's in the U.S. Senate's bipartisan $1 trillion infrastructure bill?, August 3, 2021

[21] White House Update: Bipartisan Infrastructure and Investment Jobs Act, August 2, 2021

Discussion of Operations

Years ended December 31, 2021 and 2020

The Corporation recognized $60,776 in royalty revenue in 2021 (2020 - $249,235) from Kameron related to Donkin coal sales. For the year ended 2021, additions to unearned revenue from Black Point-related Advanced Payments received are $115,667 (2020 - $112,226) for cumulative unearned revenue of $488,826 as at December 31, 2021 (2020 - $373,159).

Corporate and administration expenses amounted to $519,652 in 2021 (2020 - $627,769), a decrease of $108,117. The decrease in ongoing costs year-over-year is largely attributable to reduced investor relations activity and reduced contract costs in the current year.

The table below provides a breakdown of the corporate and administration expenses for the years ended December 31, 2021 and 2020.

	For the Years Ended December 31		
	2021	2020	Change
	$	$	$
Employee costs	**296,858**	335,456	(38,598)
Investor relations and communications	**42,984**	73,850	(30,866)
Office and sundry	**33,655**	37,741	(4,086)
Professional fees	**55,337**	75,200	(19,863)
Regulatory compliance	**90,818**	105,522	(14,704)
	519,652	627,769	(108,117)

In addition, non-cash, share-based compensation, which is not included in the above amounts, was $nil for the year ended December 31, 2021 (2020 - $189,676).

Exploration and evaluation expenses were $88,248 for the year ended December 31, 2021 (2020 - $nil) related to the Corporation's on-going Donkin-related advocacy efforts, which included independent, technical analyses of Donkin's overseas marketability as a steelmaking coal product.

One of the equity investments the Corporation held at December 31, 2021 and 2020 was 865,000 shares of Canadian Manganese Company Inc. that was listed on a publicly traded exchange subsequent to year-end, enabling management to ascribe a value of $173,000 on the statement of financial position and recognize an unrealized gain of $173,000 (2020 - $nil). There were subsequent dispositions of the shares of Canadian Manganese Company Inc. after year-end to the date of this report of 475,500 shares for total cash proceeds of $108,388.

Net loss for the years ended December 31, 2021 was $364,868 or ($0.01) per share compared to net loss of $560,834 or ($0.01) per share in 2020.

Summary of Quarterly Results

Expressed in thousands of Canadian dollars except per share amounts

	Fiscal 2021				Fiscal 2020			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Revenue	**—**	—	—	61	43	—	—	206
Corporate and administration expenses	**108**	111	146	154	125	146	153	204
Share-based compensation	**—**	—	—	—	—	—	190	—
Exploration and evaluation expenses	**13**	44	31	—	—	—	—	—
(Loss) income from operations	**(118)**	(131)	(187)	(101)	(122)	(162)	(377)	101
Unrealized gain on investments	**173**	—	—	—	—	—	—	—
Net (loss) income	**55**	(187)	(187)	(101)	(122)	(162)	(377)	101
Basic and diluted income (loss) per share	**—**	—	—	—	—	—	(0.01)	—
Additions to unearned revenue	**30**	30	28	28	28	28	28	28
Purchase of shares for cancellation	**76**	1	8	34	19	146	54	212
(Decrease) increase in cash	**(186)**	(133)	(75)	(126)	(154)	(1,194)	(5)	(133)
Working capital at period end	**2,278**	2,269	2,372	2,538	2,645	2,758	3,038	3,252
Cash dividends declared	**—**	—	—	—	—	—	—	132
Cash dividends declared per share	**—**	—	—	—	—	—	—	.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, gain on sale of investments and corporate and administration support required with respect to its core assets.

Fourth Quarter

In the fourth quarter of 2021 the Corporation purchased and cancelled 325,000 shares (2020 – 120,500 shares) at an average weighted price of $0.23 for a total cost of $75,905 (2020 – $18,621) under the Corporation's NCIB.

The Corporation earned royalty revenue of $nil (2020 – $42,885) from Donkin and unearned revenue in the form of an Advanced Payment of $29,514 (2020 – $28,319) from Vulcan Materials Company related to Black Point.

Management was able to recognize an unrealized gain in an equity investment of an entity that was listed on a publicly traded exchange subsequent to year-end. The unrealized gain was estimated at $173,000 in the quarter, taking into consideration the initial listing price, less a discount based on liquidity considerations. There were subsequent dispositions of the shares of Canadian Manganese Company Inc. after year-end up to the date of this report of 475,500 shares for total cash proceeds of $108,388.

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

Liquidity and Capital Resources

At December 31, 2021, the Corporation had working capital of $2.3 million, compared to $2.7 million at December 31, 2020.

As of the date of this MD&A, the Corporation had working capital of approximately $2.2 million, which is considered more than sufficient to meet the Corporation's operating requirements beyond 2022. 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 by Vulcan 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 to $20 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.

In 2016, the Corporation bought shares in Minco plc, a publicly traded company. As the result of a 2017 takeover of Minco plc, the Corporation received a combination of public shares in Dalradian Resources Inc. valued at market price and non-public entity shares in Buchans Resources Limited that were ascribed a $nil fair value. Morien subsequently sold the public shares in Dalradian Resources Inc. in 2018. In 2019, Buchans Resources Limited was split into three unlisted companies: Buchans Resources Limited, Minco Exploration plc and Canadian Manganese Company Inc. Due to a lack of market information and lack of observable inputs for two of the unlisted entities, Buchans Resources Limited and Minco Exploration plc, 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 December 31, 2021 and 2020. The third company, Canadian Manganese Company Inc., was listed on the NEO Exchange subsequent to year end. Management has accordingly 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. The fair value of this investment has been 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.

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 the non-public entity shares in 2022, those investments are classified as non-current assets whereas Canadian Manganese Company Inc. shares are classed as 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 directly impacted Morien’s future royalty revenues. However, Morien has a cash and short-term investments balance of $2.1 million and low corporate overhead expenses, in addition to an Advanced Payment from Vulcan for the BP Project, which collectively 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 ongoing focus and strategy is on advocating for conditions that are favorable to restarting operations at the Donkin Mine and reducing, where possible, potential barriers to such a restart. These efforts include, but are not limited to, correcting misconceptions in regard to differences between steelmaking and thermal coal, Donkin's value as an exported, steelmaking coal that does not impede Canada's clean energy transition, the Mine's significant socio-economic contribution to Nova Scotia, strong community support, and the Mine'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. If production at the Mine resumes, the Corporation intends to continue its evaluation of additional royalty assets to purchase to complement its existing assets.

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.

Contractual Obligations

For the 2022 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, 2021, 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 year ended December 31, 2021, the Corporation purchased and cancelled 524,000 shares (2020 – 1,791,000 shares) at an average weighted price of $0.23 per share (2020 – $0.24).

Share Capital

As of the date of this MD&A, the Corporation has 50,586,114 common shares issued and outstanding.

Stock Options

As of the date of this MD&A, the Corporation had 4,225,000 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.

Investments

The valuation of investments utilizes a fair value hierarchy to establish levels to classify the inputs of valuation techniques used to measure fair value. Where inputs are unobservable or markets inactive, management will assess other facts and circumstances available to determine whether there is enough certainty to ascribe a fair value in either Level 2 or Level 3.

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 income.

Future Changes in Accounting Policies

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

New Standards or Amendments	Effective date
Annual Improvements to IFRS Standards 2018-2020	January 1, 2022
Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16)	January 1, 2022
Presentation of Financial Statements (Amendment to IAS 1)	January 1, 2022
Reference to the Conceptual Framework (Amendments to IFRS 3)	January 1, 2022
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

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 year ended December 31, 2020, there were no transfers between Level 1, Level 2, and Level 3 classified assets and liabilities. During the year ended December 31, 2021, there was a transfer from Level 3 to Level 2 in the investments category due to the public listing of Canadian Manganese Company Inc. subsequent to year-end.

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:

	December 31, 2021 **$**	December 31, 2020 $
Cash and cash equivalents	**1,233,577**	1,753,729
Short-term investments	**908,735**	894,349
Trade and other receivables	**6,103**	49,318
Investments	**173,000**	—
	2,321,415	2,697,396

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 year-end of $nil (2020 – $nil), as management considers the credit risk to be low. No amounts were written off during the year (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 December 31, 2021, the Corporation had cash and short-term investments of $2,142,312 (2020 – $2,648,078) to settle trade and other payables of $77,536 (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 $915,079 as at December 31, 2021 (2020 – $934,084). Sensitivity to a plus or minus 10% change in the USD dollar exchange rate would affect comprehensive loss and deficit by approximately $91,510 (2020 – $93,410).

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 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 December 31, 2021 and December 31, 2020. The third equity instrument has been valued at the estimated market price as at the date of this report (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 is 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.