



## **Morien Signs Definitive Sale Agreement for Donkin Coal Project**

### **Special Meeting of Shareholders Set For February 10, 2015**

**January 13, 2015 – Halifax, Nova Scotia – Morien Resources Corp. ("Morien" or the "Company") (TSXV:MOX)**, is pleased to announce it has entered into a definitive purchase and sale agreement (the "Agreement") with Kameron Collieries ULC ("Kameron"), an affiliate of The Cline Group LLC ("Cline"), for the sale of Morien's 25% interest in the Donkin Coal Project ("Donkin" or the "Project") in Cape Breton, Nova Scotia ("Transaction"). Kameron currently holds a 75% interest in Donkin, having acquired it from Glencore PLC on December 3, 2014.

A Special Meeting of Shareholders ("Meeting") will be held on February 10, 2015, when the Company's shareholders ("Shareholders") will be asked to approve a special resolution ("Transaction Resolution") authorizing the Transaction. The material terms of the Transaction will be set forth in a Management Information Circular ("Circular") to be mailed out to Shareholders and filed on SEDAR on or about January 14, 2015. Pursuant to the terms of the Agreement, Kameron has agreed to pay Morien aggregate cash consideration of \$5.5 million; \$2 million on closing, \$2 million on or before the 2nd anniversary of closing, and \$1.5 million on or before the 3rd anniversary of closing. Morien is also entitled to a gross production royalty of 2% on the first 500,000 tonnes of coal sales per calendar quarter, and 4% on any coal sales from quarterly tonnage above 500,000 tonnes.

After careful consideration, including a thorough review of the Agreement, Morien's board of directors (the "Board") unanimously determined that the Transaction is in the best interest of the Company and recommends that Shareholders vote in favour of the Transaction.

In the course of coming to this conclusion, the Board reviewed information and considered a number of factors including, among other things:

#### **Prospective Royalty Payments**

Morien management and its Board analysed the potential annual royalties to be received from Donkin and believe the Transaction will bring significant value to Shareholders. Based on the current permitted production rate of 2.75 million sales tonnes per year for Donkin, and on current and forecasted coal prices for coal, the Board considered royalty payments that could range from \$4.6 million to \$6.7 million annually. These values are

only estimates, based on judgements made by the Board and Morien management, and would be achieved only when the Project commences and reaches maximum permitted production levels. Actual results and royalties received, if any, may vary from those considered by the Board and Morien management (see the advisory regarding Forward-Looking Statements below).

### **Minimizing Shareholder Dilution**

The Transaction is believed to be more favourable, with less financial risk, than the value in retaining Morien's working interest. If Morien were to retain its working interest, the Company would need to raise funds through the issuance of additional equity, likely resulting in significant Shareholder dilution, in order to fund its 25% share of the costs required to bring Donkin into production. Although Kameron has not provided estimates of future capital costs for the development of the Project, previous studies prepared by Glencore suggested total capital development costs in excess of \$300 million, excluding sustaining capital. At that level, Morien's 25% of these costs would be in excess of \$75 million.

### **Upside Exposure Without Direct Operating Risk**

Shareholders are able to benefit in the event of higher production and coal prices but will not be exposed to the direct capital and operating risks associated with operating a coal mine.

### **Strong Financial Position and Growth Opportunities**

The cash payment from Kameron on the closing of the Transaction, combined with Morien's existing funds, will result in the Corporation having a total cash position of approximately \$4.5 million. Funds from the two anticipated future milestone payments from Kameron, totalling \$3.5 million, in addition to existing royalties from Banks Island Gold Ltd., and an anticipated milestone payment from Vulcan Materials Co. of \$800,000 in early 2016, related to the Black Point Aggregate Project, will further strengthen the Company's financial position. These funds will allow Morien to pursue growth opportunities at an opportune time in a period of low valuations in the resource sector.

### **Reputation and Expertise of Cline**

Cline has a strong reputation as a high quality mine developer, and is currently operating three of the four most productive underground coal mines in the United States. Cline's development experience in both continuous miner and longwall coal mining, coupled

with its marketing expertise for similar quality coal to Donkin, provide great synergy. The Board believes Kameron has the potential to establish a safe, efficient and economically viable long-term operation at Donkin.

### **Diversified Royalty Portfolio**

The Donkin royalty will further diversify Morien's portfolio. Morien has two existing royalty arrangements; a 1.5% net smelter return royalty from the Yellow Giant gold mine owned by Banks Island Gold Ltd., which currently provides payments to Morien in the order of \$200,000 per year; and a production royalty from the Black Point Aggregate Project to be provided by Vulcan Materials Co., which is anticipated to commence sometime after 2018 and to be in the range of \$250,000 to \$750,000 per year over the project's expected 50 year life.

### **Special Meeting of Shareholders**

The Meeting will be held at the offices of McInnes Cooper, Suite 1300-1969 Upper Water Street, Halifax, Nova Scotia, on Tuesday, February 10, 2015 at 10:30 a.m. (Atlantic Time). Specific details of the matters proposed to be put before the Meeting will be set forth in detail in the Circular, expected to be mailed to Shareholders and posted to SEDAR, as well of the Company's website, on or about January 14, 2015. The record date for determining the Shareholders entitled to vote at the Meeting has been fixed as the close of business on Tuesday, January 6, 2015.

### **About Morien**

Morien is a Canadian mining exploration and development company, focussed on unique mineral industry opportunities in North America with current interests in:

**Donkin Coal Project:** Morien currently holds a 25% minority interest in one of the largest undeveloped coal deposits in North America, which is the subject of the proposed Transaction. The Project is fully permitted, including approval for construction of an on-site barge-loading facility to access deep tidewater in Cape Breton, Nova Scotia. Approximately \$43 million has been invested in the Project since 2006, including \$15 million by Morien.

**Black Point Aggregate Project:** Vulcan Materials Company, the United State's largest producer of construction aggregates, purchased Morien's rights to the Black Point Aggregate Project in Q2 2014 and is currently permitting the Project for eventual production within the 2018 to 2020 period. Morien received \$1 million in payment from Vulcan on signing, and is entitled to receive an additional payment of \$800,000 on the successful environmental permitting of the Project, anticipated in Q1 2016. Morien and Vulcan are working jointly towards the successful completion of the Environmental Assessment process. Morien has an industry competitive royalty for the life of mine which is expected to continue for over 50 years.

**Banks Island Gold Project:** Morien holds a 1.5% NSR Royalty over the marketable metal, ores, minerals and concentrates produced and shipped from a 1,987 hectare area within the producing Yellow Giant Gold property located 105 kilometres south of Prince Rupert, British Columbia.

**U.S.A. Industrial Mineral Interests:** Morien holds various direct and indirect interests in industrial mineral properties in the United States.

Morien has 59,942,248 issued and outstanding common shares and a fully diluted position of 65,658,975. Further information is available at [www.MorienRes.com](http://www.MorienRes.com).

### **Forward-Looking Statements**

Some of the statements in this news release may constitute "forward-looking information" as defined under applicable securities laws. These statements reflect Morien's current expectations of future revenues and business prospects and opportunities and are based on information currently available to Morien. Morien cautions that actual performance will be affected by a number of factors, many of which are beyond its control, and that future events and results may vary substantially from what Morien currently foresees. Factors that could cause actual results to differ materially from those in forward-looking statements include risks and uncertainties described in Morien's annual information form filed with the Canadian Securities regulators on SEDAR ([www.sedar.com](http://www.sedar.com)). Morien cautions that its royalty revenue will be based on production by third party property owners and operators who will be responsible for determining the manner and timing for the properties forming part of Morien's royalty portfolio. These third party owners and operators are also subject to risk factors that could cause actual results to differ materially from those predicted herein including: volatility in financial markets or general economic conditions; capital requirements and the need for additional financing; fluctuations in the rates of exchange for the currencies of Canada and the United States; prices for commodities including gold, coal and aggregate; unanticipated changes in production, mineral reserves and mineral resources, metallurgical recoveries and/or exploration results; changes in regulations and unpredictable political or economic developments; loss of key personnel; labour disputes; and ineffective title to mineral claims or property. There are other business risks and hazards associated with mineral exploration, development and mining. Although Morien believes that the forward-looking information contained herein is based on reasonable assumptions, readers cannot be assured that actual results will be consistent with such statements. Morien expressly disclaims any intention or obligation to update or revise any forward-looking information in this news release, whether as a result of new information, events or otherwise, except in accordance with applicable securities laws.

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**For more information, please contact:**

John P.A. Budreski, President and CEO

Phone: (416) 930-0914

or

Dawson Brisco, Manager Corporate Development

Phone: (902) 466-7255

[info@MorienRes.com](mailto:info@MorienRes.com)

[www.MorienRes.com](http://www.MorienRes.com)