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MORIEN PROVIDES UPDATE ON DONKIN COAL MINE

May 21, 2019 – Halifax, Nova Scotia – Morien Resources Corp. (“Morien” or the “Company”) (TSXV:MOX), is pleased to announce that it has received notice from Kameron Collieries ULC (“Kameron”), the owner and operator of the Donkin Coal Mine (“Donkin” or “Mine”) in Cape Breton, Nova Scotia, that it has been granted approval by the Nova Scotia Department of Labour and Advanced Education (“LAE”) for a revised ground control procedure which allows for the continuation of mining and development operations at Donkin.

Kameron announced in early January 2019 that LAE had rescinded its approval of the existing ground control procedure at Donkin due to a fall of ground. No workers were injured nor equipment damaged. Kameron submitted a revised ground control procedure and mine plan to LAE in late January and was subsequently granted approval to recommence mining on a limited scale. Since that time, Kameron has operated on a limited basis at a reduced capacity using the interim ground control plan.

With the re-commencement of normal operations at Donkin, Kameron currently has two fully operating coal sections. These include one section with a recently installed flexible conveyor train, which is a continuous haulage, mobile conveyor belt that replaced the shuttle car fleet in that section. The second coal section is using a traditional shuttle car fleet. Both coal sections are actively developing the Mine’s main underground infrastructure and first production panel.

Morien owns a gross production royalty for the Mine 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 royalty is payable to Morien on a quarterly basis over the anticipated 30+ year mine life.

Morien’s royalty payments from Kameron increased from \$4k in Q2 2017, when production at Donkin commenced, to \$298k in Q4 2018. During Q1 2019, while production was temporarily suspended and while Kameron operated at a reduced capacity, Morien’s Donkin royalty decreased to \$169k. At full production of 2.75 to 3.0 million saleable tonnes per year (1,2), and using a wide range of coal pricing (CAD \$60 to \$120 per tonne), royalty payments to Morien could be in the order of CAD \$5.0 to \$9.0 million annually (2).

In January 2019, it was reported that Provincial Energy Ventures Ltd. (“PEV”) is proceeding with the first phase of its \$75 million expansion of its export facility in Sydney, Cape Breton. PEV is located approximately 30 kilometres from the Mine and is currently responsible for handling all of the exported coal from Donkin. Once complete, the PEV port will be capable of accommodating larger vessels and is expected to have the capacity to export up to 3.0 million tonnes of Donkin coal annually. A new, dedicated coal haul road that will by-pass certain communities along the current truck route between Donkin and PEV is expected to be complete during the first half of 2019.

Footnotes:

- (1) 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 November 2012, found on Morien’s SEDAR profile.
- (2) These values are only estimates based on assumptions Morien management consider reasonable, as of Q2 2019, and would only be achieved if and when Donkin reaches permitted production levels. Actual results and royalties received, if any, subject primarily to production rates and coal pricing, may vary from those estimated by Morien. Morien incurs general and administrative expenses in respect of the administration and preparation of filing of regulatory filings as a public company, collection of revenues from the aforementioned royalties and seeking and acquiring new mineral projects.

Qualified Person

Dawson Brisco, P.Geo. (Nova Scotia), President and CEO of Morien, is a Qualified Person as that term is defined in National Instrument 43-101 and has reviewed and approved the scientific and technical information contained in this news release.

About Morien

Morien is a Canada based, dividend paying, mining development company that holds royalty interests in two, long life, world class, tidewater accessed projects. The Donkin Coal Mine commenced production in 2017 and the Black Point Aggregate Project was permitted in 2016 and is progressing toward a development decision. Morien’s management team exercises ruthless discipline in managing both the assets and liabilities of the Company. The Company’s management and its Board of Directors consider shareholder returns to be paramount over corporate size, number or scale of assets and industry recognition. Morien has 53,793,864 issued and outstanding common shares and a fully diluted position of 57,220,614. Further information is available at 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) on April 26, 2016. 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. All dollar values discussed herein are in Canadian dollars. Any financial outlook or future-oriented financial information in this news release, as defined by applicable securities laws, has been approved by management of Morien as of the date of this news release. 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 news release.

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

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For all employment applications related to the Donkin Coal Mine please contact Mr. Wayne Sheller at wayne@gmar.ca.

For all other enquiries related to Morien, please fill out the contact form below:

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