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ASX ANNOUNCEMENT

By Electronic Lodgement

GRANITE BELT PROJECT MOVES TOWARDS RESTART

Highlights

- **Significant progress made on mining lease and other approvals**
- **Decision on strategy to restart mining/mineral processing in June quarter**
- **Reinterpretation of historic data to aid in exploration planning**

Moreton Resources Limited (ASX:MRV) ("Moreton", "the Company") is pleased to provide an update on the significant progress that has been made by MRV Metals Pty Ltd, a wholly owned subsidiary of the Company, in advancing the Granite Belt Project near the township of Texas in southern Queensland.

The Granite Belt Project comprises a 180km² portfolio of tenements including the Twin Hills silver mine formerly owned by Alcyone Resources and several other advanced silver and polymetallic exploration targets. Moreton's due diligence on Twin Hills indicates there may be an opportunity to recover significant quantities of metal from processing ponds at the site. This opportunity will be thoroughly assessed for possible inclusion in a restart strategy scheduled for release in the June quarter 2017.

Moreton lodged a Mining Lease Application for the Granite Belt Project (MLA 100106) with the Queensland Department of Natural Resources and Mines in July 2016 and has achieved the following milestones as it seeks to have the application granted:

- **Native Title:** The legislative Native Title process in regards to MLA 100106 was published on 2 November, 2016 with a notification date of 23 November, 2016 being determined. Following this date, applicants or interested parties had three months in which to notify as a "native title party". The notification period ended on 23 February, 2017, with no submissions or notifications pursuant to the Native Title Process. There are no further Native Title considerations relating to MLA 100106.
- **Mining Lease Application:** The public notification period for MLA 100106 opened on 13 February, 2017 and ran for 20 business days. During this time, all interested parties were given the opportunity to provide comment on the MLA to the Department of Natural Resources and Mines. Following the end of this period, Moreton can confirm that no objections to the grant of the mining lease were received.
- **Environmental Authority Application:** The application for Environmental Authority EPML04238116 was lodged simultaneously with MLA 100106 in July 2016. The public notification period for the proposed Environmental Authority ran concurrently with the MLA notification for 20 business days from 13 February, 2017. It should also be noted that the

Environmental Authority application has been available on the Queensland Department of Environment and Heritage Protection and MRV Metals websites since September 2016.

Again, following the end of the notification period, Moreton can confirm there were no registered submissions or objections to the mining tenure being granted on environmental grounds. Consequently, the application process will continue and a draft Environmental Authority should be granted to the applicant, MRV Metals Pty Ltd.

In addition to passing these milestones, MRV Metals has taken a number of steps to satisfy legislative requirements and meet expectations in regards to attaining a social licence to operate in the Texas region. An update on these activities is provided below:

- **Financial Assurance:** Whilst not a pre-requisite for the grant of a mining lease or environmental authority, Moreton is well advanced in discussions about the financial assurance required for the Twin Hills site. The Department of Environment and Heritage Protection has a standard system for calculation of financial assurance, which is linked to the company's plan of operations. Moreton's draft plan of operations has been completed, enabling the company to work with third parties on the validation and costing of the appropriate financial assurance for the Granite Belt Project. The Company will continue these discussions, with the intent of having the matter finalised by late May or early June 2017.
- **Consents for Restricted Land:** MRV Metals Pty Ltd was required to gain consent for restricted land for the subjected area of the MLA 100106, for those areas that qualify as restricted land under the Mineral Resources Act 1989. The Company can confirm it has attained all private land holder consents for restricted land.
- **Compensation:** Prior to the grant of the MLA, the Company is required to have attained compensation agreements that provide the rights to the land covered by the MLA area. To date, Moreton has attained approximately 50% of those consents. The Company continues to have open and constructive dialogue in negotiating all other required consents and is of the belief, it will attain these without any referral to the land court to determine final compensation.
- **Reserve Land Consents:** Moreton is working with the Goondiwindi Regional Council and a number of Queensland Government Departments to gain "Reserve Land" consents and these processes are ongoing and progressing in line with expectations. The Company does not foresee any significant issues arising out of this obligation, which is consent from the relevant authority over Crown and Reserve Land Areas.
- **Regional Support:** Moreton's plans for resuming mining and mineral processing activity at the Granite Belt Project have enjoyed significant support from the Goondiwindi Regional Council, directly and indirectly affected landowners, and more broadly the community of Texas and surrounding townships. The Company has committed to a model that promotes the co-existence of mining, agriculture, industry and communities in a sustainable manner. This high level of support is extremely appreciated and will hopefully be maintained for the life of the project.

Overall, the Moreton Board is extremely happy with the progress of MRV Metals in advancing the Granite Belt Project and believes the mining lease could be granted within 3-6 months. The Board also expects to consider a fully costed restart strategy within the next 3-4 weeks, with a final investment decision to be made shortly thereafter (subject to Government approvals and funding).

Granite Belt Exploration

As previously indicated to the market, Moreton has committed to advancing the exploration and potential development of additional deposits and prospects within the broader Granite Belt Project.

The Company enjoys a significant landholding with secure tenure, and as part of the acquisition that was finalised in June 2016, gained access to geological reports dating back to the 1950s that contain valuable data that is currently being collated and reassessed.

These activities, along with further exploration work on the Project, are expected to drive significant news flow in the months ahead.

In anticipation of a positive approvals outcome and to allow for an accelerated ramp-up, the MRV Metals Pty Ltd business, under the stewardship of CEO Mr Nigel Slonker, will be formally relocated to the Texas business district in April 2017.

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Further information

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