



7 April 2017

## ASX ANNOUNCEMENT

By Electronic Lodgement

### **MRV METALS PTY LTD CONFIRM STATUS OF TWIN HILLS HEAP LEACH STOCK PILES**

- ❖ Assays results released from heap leach auger sampling program at Twin Hills
- ❖ Results confirm leach pads contain non-JORC 2012 compliant resource of 1.99Mt of crushed **ore averaging a grade of 38.5g/t silver for 2.56Moz of contained silver**
- ❖ Reprocessing of heaps will be low cost, only requiring minor rehandling to promote cyanide leachate process

Significant step in finalising Strategy for restarting potential mineral processing production at Twin Hills

Moreton Resources Limited (ASX:MRV) ("Moreton", "the Company") is pleased to announce the results of assay analyses conducted on auger samples taken from heap leach pads at the former Twin Hills Mining Operation, near the township of Texas in south-western Queensland.

The sampling program was completed as part of the due diligence process undertaken by Moreton for the potential purchase of the asset in early 2015. The samples were submitted to ALS Global in February 2015 and whilst the information was utilised previously in a commercial in confidence basis for our attempted purchase in 2015, with further verification work, now form a major part of the MRV Metals restart strategy.

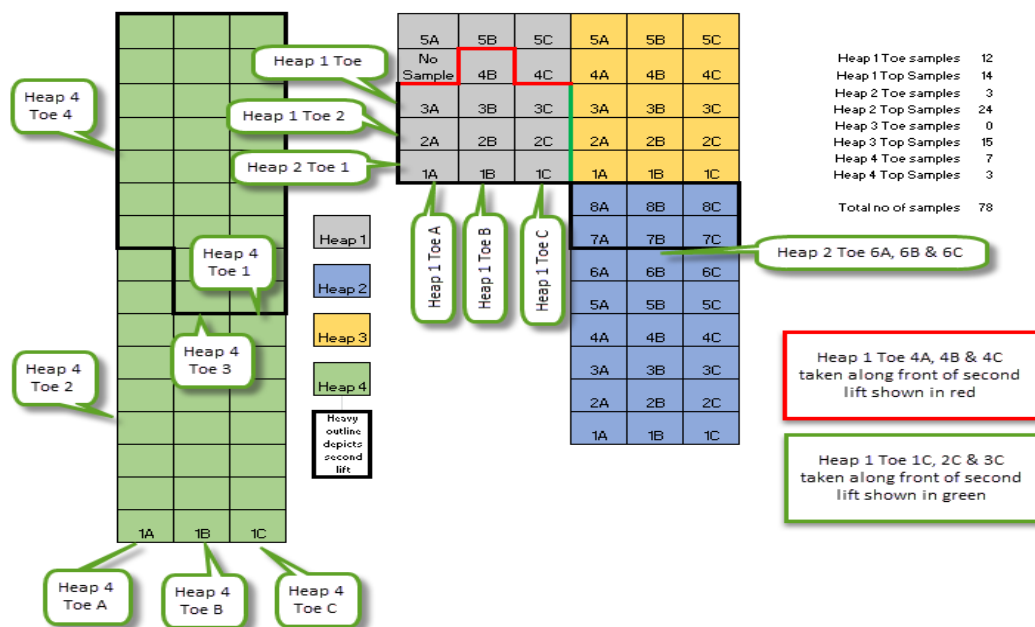
The data below is derived from the Ore Reserves quoted by Alcyone Resources, the most recent former owner of Twin Hills, in its ASX announcement 29 March 2012 and prior announcements of Ore Reserves by Alcyone and MacMin Limited. MacMin owned and operated Twin Hills before Alcyone.

Moreton's wholly owned subsidiary MRV Metals Pty Ltd has recently reviewed the results from the auger sampling program on heap leach dumps 1 to 4. A total of 78 samples were drilled and collected (26 samples from heap 1; 27 samples from heap 2; 15 samples from heap 3 and 10 samples from heap 4) (See Figure 1 below):

- Heap leach pads 1, 2, 3 and 4 are depicted as grey, blue, orange and green blocks;
- Samples were taken at an approximate spacing of 30m x 30m, 20m x 30m, 30m x 30m and 40m x 20m for heaps 1, 2, 3 and 4 respectively;
- Additional samples were taken along the eastern toes of heap 1 (toe 3, toe 2 and toe 1 – three samples); along the northern toes (toe A, toe B and toe C - three samples), along the western toes of the second lift (toe 1C, toe 2C and toe 3C – three samples) and along the southern toes of the second lift (toe 4A, toe 4B and toe 4C – three samples);

- Additional samples were taken along the northern toes of the second lift of Heap 2 (toe 6A, toe 6B and toe 6C – three samples);
- Additional samples were taken along the eastern toes of heap 4 (toe 1, toe 2 and toe 3 – three samples) and along the northern toes (toe A, toe B and toe C – three samples);
- Submitted sample sizes varied between 1.79kg and 4.70kg;
- A total of 78 samples were submitted to the laboratory for sample preparation and Ag, Cu, Pb and Zn analysis;
- The survey data applied in the calculations of the Non-JORC Compliant Resource (Table 1) for the material currently on the Heap Leach pads was acquired by survey and historical production data at close of operations. No material change has occurred since;
- This survey data was then cross referenced with assay results from the drill and blast pit holes on an every second hole basis, and further cross correlated with assay results from stacked heap leach materials, minus factual recoveries of silver to date;
- Currently, the heap leach pads hold a non-JORC compliant resource of 1.994Mt of crushed ore grading 38.5g/t Ag (**equating to approximately 2,556,740oz Ag**).

Similar to the production pond assay results announced by Moreton on 3 April 2017, the heap leach assay results have provided further evidence in support of MRV Metals' envisioned strategy for restarting mineral production at Twin Hills, and are slightly higher than expectation with the additional data used from historic production records to help verify their current status.



**Figure 1: Schematic display of the In-situ Heap leach pad sampling program and sampling locality descriptions.**

| HEAP LEACH PADS | t         | Grade<br>(Ag g/t) | Grade<br>(Pb %) | Grade<br>(Zn %) |
|-----------------|-----------|-------------------|-----------------|-----------------|
| 1               | 668,000   | 38.7              | 0.022           | 0.036           |
| 2               | 371,309   | 26.3              | 0.023           | 0.020           |
| 3               | 335,114   | 29.0              | 0.026           | 0.025           |
| 4               | 569,782   | 60.0              | 0.031           | 0.062           |
|                 | 1,944,205 | 38.5              |                 |                 |

**Table 1: Summary of non-JORC Compliant Resource on the Twin Hills Heap Leach Pads**

This data, along with ALS Global laboratory test results on potential recoveries grades from the above samples, form a key component of the potential early restart of the Twin Hills operation, and as such will be incorporated into the restart strategy due to be released by the Company in the June quarter.

Importantly, re-processing of the heaps will not incur any mining, crushing or screening costs, with only minor rehandling costs required to promote positive and active percolation of the cyanide leachate process. Of interest and significant benefit to the Company is that average grades are equal to or higher than the established mining cut-off grades in our declared JORC Resources on Twin Hills and Mt Gunyan of 26.5 g/t, which will also be a key feature of our base case restart strategy due out shortly.

Additional Gold Assay results are due in the coming weeks as to notification upon progress of the Companies Environmental Authority application for MLA100106.

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