

16 May 2017

## ASX ANNOUNCEMENT

By Electronic Lodgement

### MARKET UPDATE – GRANITE BELT PROJECT

- Environmental Authority for proposed Granite Belt Project issued by Queensland Department of Environment and Heritage Protection
- Significant interest in providing debt funding for Granite Belt Project Restart
- Strong support from existing shareholders seeking to increase potential equity and limit dilution

Moreton Resources Limited (**ASX:MRV**) ("Moreton", "the Company") is pleased to advise of significant progress made by its fully owned subsidiary, MRV Metals Pty Ltd ("MRV Metals"), in regards to securing the necessary approvals and funding to restart production at the Granite Belt polymetallic project, near the township of Texas in southern Queensland.

The Queensland Department of Environment and Heritage Protection (**DEHP**) this week issued MRV Metals with **Environmental Authority No EPML04238116**, providing environmental consent for the resumption of mining and mineral processing at The Granite Belt Project. The EA will become effective upon the receipt of the Mining Lease, which is the only significant regulatory approval outstanding for the project and is anticipated in the coming months.

MRV Metals worked closely with the DHEP in advancing the EA and would like to thank the Department for its professionalism and efficiency in processing the application.

In recent weeks, Moreton has received significant interest from parties capable of providing debt funding to assist in meeting the modest capital expenditure required to bring the Granite Belt project back into production, and a facility is currently being negotiated with sophisticated investors.

In addition, a number of existing Moreton shareholders have expressed their desire to maintain or increase their respective holdings. The Company is eager to facilitate this in the most fair and equitable way and as such is considering a non-renounceable rights issue to meet the equity component of funding for the Granite Belt project.

Executive Chairman Mr Jason Elks said: *"Whilst we still have a lot of work to do in terms of closing out funding offers, I am encouraged by the progress we have made towards realising the full potential of this compelling project and I believe that is starting to be recognised by the broader investment community."*

*"The Granite Belt project is not only significant for Moreton but also for the region in which it is located. As it is looking more likely to proceed, the Company is looking forward to contributing to economic development of Texas and the surrounding communities."*

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**Further Information:**

Jason Elks  
Executive Chairman  
Moreton Resources Limited  
+61 411 808 759

Luke Forrester  
Account Director  
Media + Capital Partners  
+61 411 479 144

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