

22 May 2017

ASX ANNOUNCEMENT

By Electronic Lodgement

MARKET UPDATE – FUNDING OF ADVANCEMENT PROJECTS

- Granite Belt Restart Project is to be Fully Funded from existing Commitments
- Final Debt/Equity mix determined by board to be announced in coming days
- Potential for rapid advancement of value add projects

Moreton Resources Limited (**ASX:MRV**) ("Moreton", "the Company") is pleased to advise that it has received to date, sufficient commitment in support of the Company financing efforts (pending the finalisation of executed contracts and distributed funds), that will see its subsidiary Company MRV Metals Pty Ltd, advance the Granite Belt Project fully funded into operations, pending the Mining Lease approval, which is currently following the due process of assessment and consideration.

Further to this, and dependent upon the final total funds forthcoming from these financing efforts, the board is seeking to fast track the following activities, which it would like to have completed within the next six months:

- **Twin Hills Deeps** exploration to follow up on high grade silver intersects from the former operators of the site, which has potential to add significant longevity and seek to lower the total over all cash costs of the operations.
- Advancement of the **South Burnett Coal project** being large diameter drilling to finalise the technical aspects of the project, for use of the proposed dry separation technologies.
- Advancement and potential defining of a resource from the **Hornet Advanced Exploration Target**, as announced to the market on 19 July 2016 "MRV Metals Confirms Significant Target at Hornet" which identified a **potential range of 500,000 to 1,500,000 at 1% to 2% Copper with possible extension.**
- Advancement and potential defining of a resource from the **Harrier Advanced Exploration Target**, as announced to the market on 18 July 2016 "MRV Metals Confirms Harrier Prospect Potential" which identified a **potential range of 500,000 to 1,500,000 at 1.5% to 2.5% Copper and 80g/t to 120g/t Silver.** Again with possible extensions of this target.
- Advancement and potential defining of a resource from the **Harrier Advanced Exploration Target**, as announced to the market on 18 July 2016 "Hawker Prospect" which identified a **potential range of 100,000 to 500,000 at 1.0% to 1.5% Copper and 30g/t to 60g/t Silver.** Again with possible extensions of this target

The Company continues to field approaches and to entertain dialog around a myriad of financing and advancement considerations, which are over and above the committed funds. The Company is confident of its financial capability to advancing these key projects and bring the Granite Belt Project into operation, pending the forthcoming regulatory approvals.

Competent Persons Statement

This announcement relies upon the Competent Persons statements as made in the relevantly referred announcements within this release. The Company is not aware of any modifying or material factors or events which have transpired since the date of the initial releases quoted, being the Harrier, Hornet or Hawker Advanced Exploration Target releases and therefore relies upon the Competent Persons Statements made within those ASX announcements and releases.

Forward Looking Statements

The Board of Moreton Resources Limited, being the ASX Listed parent Company of MRV Metals Pty Ltd is fully aware of its obligations pertaining to forward looking statements concerning the potential advancement of these projects, to which it is obligated to ensure there are reasonable grounds for such statements. The Board of Moreton Resources Limited believes all statements are fully justifiable, reasonable and of a sound basis to which it is updating and notifying the market of material events and issues.

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Further Information:

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

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

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