

13 June 2017



\$4.66 Million Rights Issue and

Notice under Section 708AA of the Corporations Act 2001

The directors of Moreton Resources Limited (**ASX Code: "MRV"**) are pleased to announce a one (1) for five (5) non-renounceable pro rata rights issue at an issue price of \$0.011 per new Moreton Resources Limited (**Moreton**) share to raise up to approximately \$4.66 million (before costs and expenses) (**Rights Issue**).

The proceeds of the Rights Issue, after payment of the costs and expenses of the Rights Issue, will be used for the following purposes:

- Seeking to mobilize and commission the "Granite Belt Project" post final approvals;
- Advancement of the "South Burnett Coal Projects" via a large diameter drill campaign ;
- Advancement of Twin Hills Deeps and potentially 3 Copper Deposits; and
- Ongoing corporate costs.

Shareholders who are registered as holders of shares with registered addresses in Australia or New Zealand as at 7pm Sydney time on **Friday, 16 June 2017 (Record Date)** will be eligible to participate in the Rights issue (**Eligible Shareholders**).

The Rights Issue is underwritten, and all Directors have committed to take up their full entitlement. The Company through this and the recent debt facility has enjoyed significant support by First Samuel Limited and we will certainly welcome them to the register as a holder of Moreton Resources Equity. Therefore total funds sort are already committed with a commitment form First Samuel Limited of up to \$5 Million which is in excess of our offer.

The Rights Issue will be conducted without a prospectus in accordance with section 708AA of the *Corporations Act 2001* (Cth), as modified by ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84 and ASIC Corporations (Disregarding Technical Relief) Instrument 2016/73 (Corporations Act).

Full details of the Rights Issue and key dates for the Rights Issue, are set out in the Offer Memorandum and Appendix 3B lodged with ASX today. **The Offer Memorandum is expected to be sent to Eligible Shareholders on Wednesday 21st June 2017.**

A summary of the key details of the Rights Issue is provided below.

RIGHTS ISSUE — KEY DETAILS

- Under the Rights Issue, Eligible Shareholders will be entitled to apply for one (1) new Moreton share for every five (5) Moreton shares they hold as at the Record Date, at \$0.011 per new share.
- The issue price for the Rights Issue represents the current market price, if not slightly higher, however due to the opportunities before the Company and the limited ability to accumulate shares on market, the Board sees no need to discount our offering.
- The maximum number of shares to be issued under the Rights Issue is 423,709,361 (based on the undiluted share capital of Moreton as at 13 June 2017, without taking into account the impact of rounding down and assuming no options or performance rights are converted into shares by the Record Date).
- Shareholders with registered addresses in countries outside of Australia and New Zealand will not be eligible to participate in the Rights Issue.
- Moreton shares will be quoted on an "ex" basis from Thursday 15 June 2017 and therefore any Moreton shares bought or sold on market on and from this date will not carry entitlements under the Rights Issue.
- The Rights Issue is non-renounceable. This means that shareholders' right to subscribe for new Moreton shares under the Rights Issue are not transferable.
- All unallocated rights will be up taken by our underwriter First Samuel Limited, with a minimum allocation of \$1,000,000.

SECTION 708AA NOTICE

Moreton gives notice under section 708AA(2)(f) of the Corporations Act that:

- (1) the securities being offered under the Rights Issue will be offered for issue without disclosure to investors under Part 6D.2 of the Corporations Act;
- (2) as at the date of this announcement Moreton has complied with the provisions of Chapter 2M of the Corporations Act as they apply to Moreton and section 674 of the Corporations Act;
- (3) as at the date of this announcement there is no information that is excluded information under section 708AA(8) and (9) of the Corporations Act;
- (4) the potential effect the Rights Issue will have on the control of Moreton will depend on the extent shareholders take up their entitlements:
 - (a) if all Eligible Shareholders take up their entitlements in full the Rights Issue will have no effect on the control of Moreton;
 - (b) the proportional interests in Moreton of those Eligible Shareholders who do not take up their full entitlement in the Rights Issue will be diluted by the full take up of the offer, due to the existing underwriting agreement in place;
 - (c) the proportional interests in Moreton of shareholders who are ineligible to participate in the Rights Issue will be diluted because those ineligible shareholders are not entitled to participate in the Rights Issue;
 - (d) based on Moreton's share register as at 13 June 2017, only one shareholder has voting power of 20% or more being Non-Executive Director Mr Tony Feitelson. Mr Feitelson currently has voting power of approx. 28.5%. Mr Feitelson has committed to take up his full entitlement under the Rights Issue;
 - (e) The voting power of Mr Feitelson will remain the same;
 - (f) as no other shareholder will obtain or exceed voting power of 20% as a result of the Rights Issue, Moreton does not consider there will be any other consequences for the control of Moreton.

Shareholders with any queries about the Rights Issue should contact the Company on 07 3831 6088.

IMPORTANT INFORMATION

This announcement made today does not constitute an offer to sell, or a solicitation of an offer to buy, securities outside of Australia or New Zealand, including the United States or in any other jurisdiction in which such an offer would be illegal. The securities referred to in this document have not been and will not be registered under the United States Securities Act of 1933 (the US Securities Act), or under the securities laws of any state or other jurisdiction of the United States and may not be offered or sold, directly or indirectly, within the United States, unless the securities have been registered under the US Securities Act or an exemption from the registration requirements of the US Securities Act is available.

This document may not be distributed or released in the United States.

Yours faithfully

MR JASON ELKS

EXECUTIVE CHAIRMAN