

# **MORETON RESOURCES LIMITED**

**ACN 060 111 784**

13 June 2017

## **OFFER MEMORANDUM**

For a pro-rata non-renounceable one (1) for five (5) rights issue of up to approximately 437.7 million New Shares at an issue price of \$0.011 per New Share, to raise approximately \$4.6 million.

**CLOSING DATE:** 5.00pm Sydney time on Friday, 7 July 2017

### **IMPORTANT NOTICE**

**This is an important document and requires immediate attention. It should be read in its entirety. If you do not understand it, or are in doubt as to how to act, you should consult your financial or other professional adviser.**

**Not for distribution or release in the United States or to, or for the account or benefit of, U.S. persons.**

## Corporate Directory

### Directors

Mr. Alexander Jason Elks	Executive Chairman
Mr. Anthony Feitelson	Non-Executive Director
Mr. Valeri Melik	Executive Director

### Share Registry

Link Market Services Limited  
Level 15, ANZ Building  
324 Queen Street  
Brisbane, Queensland, 4000  
Australia  
Telephone: 1300 554 474

### Company Secretary

Ms. Kate O'Donohue  
Company Matters  
Level 15, ANZ Building  
324 Queen Street  
Brisbane, Queensland, 4000  
Australia

### Underwriter

First Samuel Limited  
AFSL 225405  
Level 11  
350 Collins Street  
Melbourne VIC 3000

### Registered Office and Principal Place of Business

29 High Street  
Texas Queensland 4385  
Australia  
Telephone: + 61 7 3831 6088

### Website

[www.moretonresources.com.au](http://www.moretonresources.com.au)

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## Important Notices

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### Reliance on Offer Memorandum

This Offer Memorandum has been prepared by Moreton Resources Limited (**Company** or **Moreton**). It is not a prospectus and has not been lodged with ASIC. It has been prepared in accordance with section 708AA of the Corporations Act, as modified by ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84 and ASIC Corporations (Disregarding Technical Relief) Instrument 2016/73, which relates to rights issues by certain companies that do not require the provision of a prospectus or other disclosure document. The level of disclosure in this Offer Memorandum is therefore considerably less than that required in a prospectus and this Offer Memorandum does not contain all of the information which an investor may require to make an informed investment decision.

In deciding whether or not to accept the Offer, you should rely on your own knowledge of Moreton, disclosures made by Moreton to the ASX (which are available on the ASX website at [www.asx.com.au](http://www.asx.com.au) using the Company's code MRV) and the advice of your professional adviser.

### Forward looking statements

This Offer Memorandum includes forward looking statements that have been based on current expectations about future acts, events and circumstances. These forward looking statements are, however, subject to risks, uncertainties and assumptions that could cause those acts, events and circumstances to differ materially from the expectations described in such forward looking statements. These factors include, among other things, the risk factors out in section 6 of this Offer Memorandum and other risks associated with the meeting of objectives and other investment considerations, as well as other matters not yet known to the Company or not currently considered material by the Company.

### No offer outside Australia and New Zealand

No offer is made by this Offer Memorandum in any jurisdiction other than Australia and New Zealand. For the avoidance of doubt, the Offer and the New Shares will not be registered under the U.S. Securities Act and New Shares may not be offered or sold in the United States to, or for the account or benefit of, a U.S. Person (as defined in US Securities Act) nor will Shares be offered to a person outside of Australia and New Zealand.

This offer to New Zealand investors is an offer made under Australian and New Zealand law. In Australia, this is the Corporations Act 2001 (Cth) and regulations made under that Act. In New Zealand, this is subpart 6 of Part 9 of the Financial Markets Conduct Act 2013 and Part 9 of the Financial Markets Conduct Regulations 2014.

This offer and the content of the offer document are principally governed by Australian rather than New Zealand law. In the main, the Corporations Act 2001 (Cth) and the regulations made under that Act set out how the offer must be made.

There are differences in how financial products are regulated under Australian law.

The rights, remedies, and compensation arrangements available to New Zealand investors in Australian financial products may differ from the rights, remedies, and compensation arrangements for New Zealand financial products.

Both the Australian and New Zealand financial markets regulators have enforcement responsibilities in relation to this offer. If you need to make a complaint about this offer, please contact the Financial Markets Authority, New Zealand (<http://www.fma.govt.nz>). The Australian and New Zealand regulators will work together to settle your complaint.

The taxation treatment of Australian financial products is not the same as for New Zealand financial products.

If you are uncertain about whether this investment is appropriate for you, you should seek the advice of an appropriately qualified financial adviser.

The Offer may involve a currency exchange risk. The currency for the financial products is not New Zealand dollars. The value of the financial products will go up or down according to changes in the exchange rate between that currency and New Zealand dollars. These changes may be significant.

If you expect the financial products to pay any amounts in a currency that is not New Zealand dollars, you may incur significant fees in having the funds credited to a bank account in New Zealand in New Zealand dollars.

If the financial products are able to be traded on a financial product market and you wish to trade the financial products through that market, you will have to make arrangements for a participant in that market to sell the financial products on your behalf. If the financial product market does not operate in New Zealand, the way in which the market operates, the regulation of participants in that market, and the information available to you about the financial products and trading may differ from financial product markets that operate in New Zealand.

### **Disclaimer**

No person is authorised to give any information or to make any representation in connection with the Offer which is not contained in this Offer Memorandum. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with the Offer.

Except as required by law, and only to the extent so required, neither Moreton nor any other person warrants the future performance of Moreton or any return on any investment made under the Offer.

To the maximum extent permitted by law, Moreton and its related bodies corporate and their respective directors, officers, partners, employees, representatives or agents exclude and disclaim all liability for any expenses, losses, damages or costs incurred by Shareholders as a result of participation in the Offer.

### **Not investment or financial product advice**

This Offer Memorandum is not financial product advice and has been prepared without taking into account your investment objectives, financial circumstances or particular needs. Moreton is not licensed to provide financial product advice in respect of the New Shares.

### **Investment Risks**

There are a number of risk factors that could potentially impact on Moreton and its subsidiaries and associated assets. Please refer to the risks outlined in Section 6 of this Offer Memorandum for further details.

### **Defined terms**

Expressions used in this Offer Memorandum with an upper case initial letter have defined meanings which are set out at the end of this Offer Memorandum.

### **Queries**

If you have not received a personalised Acceptance Form or have any queries on how to complete the Acceptance Form, please contact the Company on:

- Telephone (within Australia): 07 3831 6088
- Telephone (from outside Australia): +61 7 3831 6088

## Key Dates

The indicative timetable for the Rights Issue is as follows:

EVENT	DATE
Announcement of Rights Issue — Offer Memorandum, ASX Appendix 3B and Cleansing Notice lodged with ASX. Option holders advised of the Rights Issue	Tuesday 13 June 2017
Notice to Shareholders — notice of Offer sent to Shareholders containing information required by Appendix 3B.	Wednesday 14 June 2017
Ex date — the date on which Shares commence trading without the entitlement to participate in the Offer	Thursday 15 June 2017
Record Date — the date for determining entitlements of Shareholders to participate in the Offer	7pm (Sydney time) on Friday 16 June 2017
Offer Memorandum sent to Shareholders — dispatch of Offer Memorandum and Acceptance Forms — Offer opens for acceptance	Wednesday 21 June 2017
Closing Date — the last day for receipt of Acceptance Forms or BPAY payment	5pm (Sydney time) on Friday 7 July 2017
Expected commencement of normal trading in New Shares on ASX	Thursday 3 <sup>rd</sup> of August 2016
Issue date — allotment of New Shares and dispatch of holding statements	Thursday 3 <sup>rd</sup> of August 2016

This timetable is indicative only. Subject to the ASX Listing Rules, the Directors reserve the right to vary the dates for the Offer at their discretion. Should this occur, the variation will have a consequential effect on the anticipated date of issue and normal trading of the New Shares.

## Chairman's Letter

Dear Shareholder

I am pleased on behalf of Moreton Resources Limited (**Company** or **Moreton**), to offer to existing shareholders a chance to participate in this pro-rata non-renounceable rights issue at an issue price of \$0.011 (1.1 cents) per New Share, to raise up to approximately \$4.6 million (before costs and expenses).

The Rights Issue offers you the right to take up one (1) New Share for every five (5) Shares you hold as at 7pm (Sydney time) on Friday 16 June 2017 at an issue price of \$0.011 (1.1 cents) per New Share. This Offer is fully underwritten by First Samuel Limited. The Underwriter will subscribe for all New Shares not accepted under this Offer. The Underwriter is not entitled to any fees, however, it will be offered a minimum of \$1,000,000 of Shares at a price of \$0.011 either through the underwriting of this Offer or by a separate issue by Moreton.

The Company is extremely pleased to have the backing of First Samuel Limited not only through a recent debt facility program, but also through their underwriting of this Rights Issue.

The Company intends to utilise the funds from this Rights Issue for the following purposes:

- Move the Granite Belt Project into operations (pending final ML approval);
- Advancement of the "South Burnett Coal Projects" environmental and mining studies; and
- Advancement of Twin Hills Deeps Exploration and follow up of multiple Copper prospects.

The benefits that are sought to be achieved by the continuation of these objectives are outlined in Moreton Resources Limited investor presentation lodged with ASX on 13 June 2017, a copy of which is available on the ASX website at [www.asx.com.au](http://www.asx.com.au), using Moreton's code MRV.

The Rights Issue provides you with an opportunity to either sustain or increase your proportionate investment in Moreton in a market with minimal share turnover.

My fellow Directors and I are pleased to offer Shareholders the opportunity to participate in this capital raising. All current Directors have committed to take up all of their respective Entitlements. This represents an **immediate take up upon offer, of approximately 40%** of the offer under this Rights Issue.

You are encouraged to read this Offer Memorandum and the accompanying Acceptance Form fully. If you have any questions about the Offer, you should consult your stockbroker or other professional adviser.

On behalf of the Directors, I thank you for your ongoing support.

Yours Sincerely

Alexander JASON ELKS

EXECUTIVE CHAIRMAN



## Key Questions Regarding The Offer

What is the Offer?	The Offer is an offer to Eligible Shareholders of 1 New Share for every 5 Shares held at a price of \$0.011 (1.1 cents) per New Share	Section 1.1
Who can participate in the Offer	Only Shareholders with a registered address in Australia or New Zealand at the Record Date may participate.	Section 1.5
What is the issue price?	The price for each New Share is \$0.011 (1.1 cents)	Section 1.1
Do I have to subscribe for my full Entitlement?	No, you can subscribe for all or part of your Entitlement.	Section 1.2
Can I subscribe for more than my Entitlement?	No, this is a fully underwritten Offer and so the Underwriter will subscribe for all Entitlements not accepted under this Offer.	Section 1.2 and 1.3
What are the terms of the New Shares	The New Shares will rank equally with all existing Shares.	Section 1.1
What is the purpose of the Offer?	<p>Proceeds from the Offer will be used to fund, in part, the following activities:</p> <p>The final permitting and approvals of the “Granite Belt Project”;</p> <p>The advancement of the “South Burnett Coal Project”; and</p> <p>Advancement of Twin Hills Deeps and multiple Copper prospects.</p> <p>Additional funds will be used to meet day to day corporate costs.</p>	Section 2.1
Is the Offer underwritten?	Yes. First Samuel Limited AFSL 225405 has agreed to underwrite the Offer.	Section 4

What are the risks associated with applying for New Shares under the Offer?	<p>There are a number of general risks associated with an investment in the share market, including that the price of New Shares may rise or fall.</p> <p>There are also a number of risks specific to Moreton, which may affect the value of New Shares or the operational or financial performance of the Company.</p>	Section 6
What are my options?	<p>You may:</p> <ul style="list-style-type: none"> <li>(a) subscribe for all of your Entitlement;</li> <li>(b) subscribe for part of your Entitlement and allow the balance of your Entitlement to lapse; or</li> <li>(c) allow all your Entitlement to lapse.</li> </ul>	Section 1.2
How do I accept my Entitlement	Eligible Shareholders can accept the Offer by completing and returning an Acceptance Form with the required application monies, or by submitting payment of the application monies through BPAY.	Section 3
Can I sell my Entitlement?	No, the Offer is non-renounceable and Entitlements cannot be traded.	Section 2.4
How can I obtain further information?	You should seek advice from your financial or professional adviser if you are unsure whether to apply for New Shares under the Offer.	

## 1. DETAILS OF THE OFFER

### 1.1 The Offer

The Company offers existing Shareholders the opportunity to subscribe for New Shares under a pro-rata non-renounceable Rights Issue. Each Eligible Shareholder is entitled to subscribe for one (1) New Share for every five (5) Shares held by that Shareholder as at the Record Date at an issue price of \$0.011 (1.1 cents) per New Share.

Shareholders should be aware that the market price of Shares may rise and fall between the date of this Offer Memorandum and the date of issue of the New Shares. Accordingly, the price paid per New Share under the Offer may be either higher or lower than the market price of Shares at the date the New Shares are issued. The highest price for Moreton's Shares on the ASX in the 12 months preceding the date of this Offer Memorandum was \$0.014 and the lowest was \$0.003.

The New Shares will be fully paid and will rank equally in all respects with existing Shares on issue.

Moreton has applied to the ASX for quotation of the New Shares.

If a Shareholder becomes entitled to a fraction of a Share, the entitlement will be rounded down to the nearest whole number.

The Offer is fully underwritten by First Samuel Limited.

### 1.2 What is my Entitlement?

The number of New Shares which you are entitled to subscribe for under the Offer (Entitlement) is shown in the accompanying Acceptance Form.

You may:

- a) subscribe for all of your Entitlement;
- b) subscribe for part of your Entitlement and allow the balance of your Entitlement to lapse;
- c) allow all your Entitlement to lapse.

If you choose not to accept all of your Entitlement under the Offer, your overall shareholding in Moreton will be diluted.

Detailed instructions on how to accept all or part of your Entitlement are set out in section 3. All applications, once received, are irrevocable.

Excluded Shareholders may not take any of the steps described above. Refer to sections 1.6 for information relating to Excluded Shareholders.

### 1.3 Opening and closing dates

The Offer opens for receipt of acceptances on Wednesday 21<sup>st</sup> June 2017. The Closing Date and time for acceptances and payments is 5:00pm Sydney time on Friday 7 July 2017, subject to any variation of the Closing Date by the Directors in accordance with the ASX Listing Rules.

### 1.4 Who is entitled to participate in the Offer?

Each Shareholder with a registered address in Australia or New Zealand, who is registered as the holder of Shares at 7pm Sydney time on Friday 16 June 2017 is entitled to participate in the Offer in respect of the number of Shares for which that Shareholder is then registered as the holder.

Existing Option holders may only participate in the Offer in respect of the Shares to be issued on exercise of the Options held by them if they exercise their Options prior to the Record Date and are registered as the holder of the underlying Shares on the Record Date.

### 1.5 Offer not made to Excluded Shareholders

Moreton has decided that it is unreasonable to make the Offer to Shareholders who have a registered address in a country outside of Australia or New Zealand having regard to the number of such Shareholders, the number and value of New Shares that would otherwise be offered to them and the substantial costs of complying with the legal and regulatory requirements in those jurisdictions. The number of Shares held by Shareholders who have registered addresses in countries outside of Australia and New Zealand as at close of trading on 9 June 2017 was 3,231,240.

This Offer Memorandum does not constitute an offer to Excluded Shareholders and the Offer Memorandum will not be sent to Excluded Shareholders.

Shareholders holding Shares on behalf of persons who are residents outside of Australia or New Zealand are responsible for ensuring that subscribing for the New Shares under the Offer does not breach regulations in the relevant overseas jurisdiction. Return of a duly completed Acceptance Form or payment of the issue price by BPAY will constitute a representation that there has been no breach of such regulations.

### 1.6 No cooling off rights

Cooling off rights do not apply to an investment in New Shares. You cannot withdraw your Acceptance Form once it has been submitted or once you have paid the application monies by B PAY.

### 1.7 Brokerage Fees and Stamp Duty

No brokerage fees are payable by Eligible Shareholders who accept their Entitlement. No stamp duty is payable for subscribing for New Shares under the Offer.

## 2. FURTHER INFORMATION IN RELATION TO THE OFFER

### 2.1 Use of funds raised from the Offer

The total number of New Shares to be issued by the Company will raise funds of \$4,660,803 (before offer costs and expenses).

Once the maximum amount is raised, the Company intends to use the funds raised from the Offer as follows:

Use of Proceeds	Amount
Continuation of "Granite Belt Project" permitting process	\$1.6 million
Advancement of the "South Burnett Coal Project" environmental and mining studies	\$1.5 million
Advancement of the Twin Hills Deeps Exploration and copper prospects	\$ 1 million
General corporate expenses	\$0.5 million
<b>Total</b>	<b>\$4.6 million</b>

The Company's announcements in relation to these projects and issues are available on the ASX website at [www.asx.com.au](http://www.asx.com.au), using the Company's code MRV. This is in addition to the **already committed funds via the recent debt facility of \$6,000,000** (with approx. \$2,750,000 subject to Shareholder approval).

### 2.2 Issue of New Shares

Moreton has applied to ASX for quotation of the New Shares being offered pursuant to this Offer Memorandum.

Moreton expects that New Shares will be issued and allotted by no later than Thursday 3<sup>rd</sup> of August 2017. New Shares will only be issued after permission for their quotation on ASX has been granted.

### 2.3 No nominee for Excluded Shareholders

No nominee has been appointed for Excluded Shareholders under section 615 of the Corporations Act. As such, Shareholders will not be able to rely on the exception to the takeovers threshold for rights issues in item 10 of section 611 of the Corporations Act.

Based on the Company's share register as of the date of this Offer Memorandum, no Shareholder would exceed the 20% voting power threshold under the takeovers provisions of the Corporations Act if they were to take up their full pro-rata entitlement and no other Shareholder participated in the Rights Issue.

### 2.4 Non-Renounceable Offer

The Offer is non-renounceable. This means that your right to subscribe for New Shares under the Offer is not transferable. Any Entitlements not taken up by Shareholders will be taken up by the underwriter First Samuel Limited.

### 3. HOW TO ACCEPT THE OFFER

#### 3.1 How to take up all or part of your Entitlement

To subscribe for all or part of your Entitlement, please:

- a) complete the accompanying Acceptance Form in respect of that part of your Entitlement you wish to accept according to the instructions on that form; and
- b) forward the completed form together with payment of the appropriate application monies (at 1.1 cents per New Share subscribed for) to the Company's Share Registry in the manner provided in section 3.4 by no later than 5.00pm Sydney time on Friday 7 July 2017.

Alternatively, if you wish to apply via BPAY, you do not need to return the Acceptance Form, you simply need to make payment in accordance with the instructions on the accompanying Acceptance Form, for the number of New Shares you wish to apply for, multiplied by the issue price of 1.1 cents.

Acceptances will not be valid if they are received after the Closing Date.

Please note that all applications, once received, are irrevocable, except as permitted by law.

#### 3.2 Lapse of Entitlement

If you decide not to accept all or part of your Entitlement, or fail to accept your Entitlement by the Closing Date, your Entitlement will lapse.

#### 3.3 Payment

Payment must be made with your acceptance by 5.00pm Sydney time on 7 July 2017, or such later date as the Directors advise, and must be in Australian currency and made by:

- a) cheque drawn on and payable at any Australian bank;
- b) bank draft drawn on and payable at any Australian bank
- c) money order drawn in Australian currency; or
- d) BPAY.

Your Acceptance Forms, together with your cheque or a bank draft or money order for the appropriate application monies (at 1.1 cents per New Share subscribed for) must be sent to Moreton's Share Registry, Link Market Services Limited, at:

By Post:

Moreton Resources Non-Renounceable Rights Issues

c/- Link Market Services Limited

GPO Box 3560 Sydney

NSW 2001 Australia

so that they reach the registry by no later than 5.00pm Sydney time on 7 July 2017, or such later date as the Directors advise.

Alternatively, if you wish to pay by BPAY, you do not need to return the Acceptance Form, you simply need to follow the instructions on the Acceptance Form. Different financial institutions may implement earlier cut off times with regards to electronic payment, so please take this into consideration when making payment. It is your responsibility to ensure that funds submitted through BPAY are received by the Closing Date.

Acceptances will not be valid if they are received after the Closing Date.

Your Cheque, money order or bank draft must be made payable to 'Moreton Resources Limited Rights Issue' and crossed 'Not Negotiable'. Cash payments will not be accepted and receipts for payment will not be provided.

You should ensure that sufficient funds are held in relevant account(s) to cover the application monies. If the amount of your cheque is insufficient to pay in full for the number of New Shares you have applied for in your Acceptance Form, you will be taken to have applied for such lower number of whole New Shares as your cleared application monies will pay for (and to have specified that number of New Shares on your Acceptance Form). Alternatively, your application will not be accepted.

### **3.4 Effect of making Application**

By returning an Acceptance Form or otherwise arranging for payment for your New Shares through BPAY in accordance with the instructions on the Acceptance Form, you will be deemed to have:

- (a) represented that you are a Shareholder;
- (b) acknowledged that you have fully read and understood both this Offer Memorandum and the Acceptance Form in their entirety, you have acted in accordance with the terms of the Offer detailed in this Offer Memorandum and you agree to all of the terms and conditions as detailed in this Offer Memorandum and the Acceptance Form;
- (c) agreed to be bound by the terms of Company's constitution;
- (d) authorised the Company to register you as the holder of the New Shares allotted to you;
- (e) declared that all of the details and statements in the Acceptance Form are complete and accurate;
- (f) declared that you are over 18 years of age and have full legal capacity and power to perform all your rights and obligations under the Acceptance Form;
- (g) acknowledged that once the Company receives your Acceptance Form or any payment of application monies via BPAY you may not withdraw your application except as allowed by law;
- (h) agreed to apply for and be issued up to the number of New Shares specified in the Acceptance Form, or for which you have submitted payment of any application monies via BPAY, at the issue price of \$0.011 per New Share;
- (i) authorised the Company, its Share Registry and their respective officers or agents to do anything on your behalf necessary for the New Shares to be issued to you, including to act on instructions of the Share Registry upon using the contact details set out in your Acceptance Form;
- (j) declared that you were a registered holder(s) at the Record Date of the Shares indicated in the Acceptance Form as being held by you on the Record Date;
- (k) represented and warranted that you are a resident of Australia or New Zealand;
- (l) acknowledged that the information contained in this Offer Memorandum and your Acceptance Form is not investment advice nor a recommendation that the New Shares are suitable for you given your investment objectives, financial situation or particular needs;

- (m) acknowledged that this Offer Memorandum is not a prospectus, does not contain all of the information that you may require in order to assess an investment in the Company and is given in the context of the Company's past and ongoing continuous disclosure announcements to ASX;
- (n) acknowledged that investments in the Company are subject to risk, including the risks outlined in section 6;
- (o) acknowledged that none of the Company or its related bodies corporate or directors, officers, employees, representatives, agents, consultants or advisers, guarantees the performance of the Company, nor do they guarantee the repayment of capital;
- (p) agreed to provide (and direct your nominee or custodian to provide) any requested substantiation of your eligibility to participate in the Offer and your holding of Shares on the Record Date;
- (q) authorised the Company to correct any errors in your Acceptance Form or other form provided by you;
- (r) represented and warranted that the law of any place does not prohibit you from being given this Offer Memorandum and the Acceptance Form, nor does it prohibit you from making an application for New Shares;
- (s) represented and warranted that if you are acting as a nominee or custodian, each beneficial holder on whose behalf you are submitting the Acceptance Form is resident in Australia or New Zealand, and you have not sent this Offer Memorandum, the Entitlement and Acceptance Form or any information relating to the Offer to any person who is not a resident of Australia and New Zealand; and
- (t) acknowledged that New Shares have not been, and will not be, registered under the U.S. Securities Act and that New Shares may not be offered or sold in the United States or to, or for the account or benefit of, a U.S. Person (as defined in the U.S. Securities Act) nor will Shares be offered to any person outside of Australia and New Zealand.



## 4 SHORTFALL SHARES

A Shortfall under the Offer may arise if applications received for New Shares under the Offer from Eligible Shareholders, are less than the total number of New Shares offered.

First Samuel Limited, as Underwriter, has agreed to subscribe for any Shortfall. The Company has also agreed to issue \$1,000,000 of Shares to First Samuel Limited, at \$0.011 per Share, from the Shortfall. If there is an insufficient Shortfall then those Shares will be issued to First Samuel Limited in addition to the Offer.

## 5. EFFECT OF THE OFFER

### 5.1 Effect on capital structure

The capital structure of the Company as at the date of this Offer Memorandum is summarised below:

Securities	Number	Vesting date	Exercise Price
<b>Shares</b>	2,118,546,808	-	-
<b>Options</b>	8,057,250	30/12/17	0.016 cents
	666,666	30/12/17	Nil
<b>Total Options</b>	8,723,916		

There are no Options that may be exercised prior to the Record Date.

Following the full subscription without taking into account the impact of rounding down, the capital structure following completion of the Offer (assuming the maximum number of New Shares is issued) will be as shown in the table above, however the number of Shares on issue will increase by 423,709,361 Shares from 2,188,546,808 to 2,542,256,169 Shares.

If an additional \$1,000,000 of Shares are issued to First Samuel Limited at an issue price of \$0.011 per Share, then the number of Shares on issue will increase by another 90,909,091 Shares from 2,626,256,169 to 2,633,165,260 Shares.

### 5.2 Effect on balance sheet

The effect of the Rights Issue upon the balance sheet will be the the Company will raise approximately \$4.6 million.

Post costs, fees and charges of the Rights Issue, it is expected the Company will have approx. \$7.9 million at bank and a further \$2.75 million owing, pending shareholder approval of a related party loan from the Directors of the Company.

## 6. RISKS

### 6.1 General

The New Shares should be considered speculative because of the nature of the Company's business. There are numerous risk factors involved. Some of these risks can be mitigated by the use of safeguards and appropriate systems and controls, but some are outside the control of the Company and cannot be mitigated.

Accordingly, an investment in the Company carries no guarantee with respect to the payment of dividends, return of capital or price at which New Shares will trade.

The following is a summary of the more material matters to be considered and should be read in conjunction with specific matters referred to in the Company's announcements and reports. The summary is not exhaustive and potential investors should examine the contents of this Offer Memorandum and the Company's previous announcements and reports and consult their professional advisors before deciding whether to take up New Shares under the Offer.

## **6.2 Company's Projects**

The Company's projects may be affected by various factors, including failure to receive appropriate approvals, failure to achieve predicted operational outcomes if operations commence, operational and technical difficulties encountered in production, difficulties in maintaining government or regulatory approvals, difficulties in commissioning and operating plant and equipment, mechanical failure or plant breakdown, adverse weather conditions, industrial and environmental accidents, force majeure events by suppliers, industrial disputes and unexpected shortages or increases in the costs of consumables, spare parts, commodities, plant and equipment.

No assurances can be given that the Company will achieve commercial viability through the successful development and/or production of its projects.

## **6.3 Resources and Reserves**

Estimates of reserves and resources are expressions of judgment based on knowledge, experience and industry practice. Estimates, which were valid when originally calculated, may change significantly when new information or techniques become available. In addition, by their nature, reserves and resources estimates are imprecise and depend to some extent on interpretations, which may prove to be inaccurate. As further information becomes available through additional fieldwork and analysis, the estimates are likely to change.

This may result in alterations to development plans, which may, in turn, either benefit or adversely affect the Company's potential operations, financial position, viability and Share price.

## **6.4 Metals and Coal price volatility and exchange rate**

If the Company achieves success in commissioning a mining operation (which may not occur), the revenue it may derive through the sale of metals or coal exposes the potential income of the Company to commodity price risks. Commodities fluctuate and are affected by many factors beyond the control of the Company.

Such factors include supply and demand fluctuations, technological advancements, forward selling activities and other macro-economic factors.

Furthermore, material levels of current and near-term expenditures are or will be incurred in United States dollars while, the income and expenditure of the Company are and will be taken into account in Australian currency, exposing the Company to the fluctuations and volatility of the rate of exchange between the United States dollar and the Australian dollar as determined in international markets.

## **6.5 Litigation risks**

The Company is exposed to possible litigation risks including, without limitation, title claims, tenure disputes, environmental claims, occupational health and safety claims and employee and other industrial claims. Further, the Company may be involved in disputes with other parties in the future which may result in litigation.

Any such claim or dispute if proven, may impact adversely on the Company's operations, viability, financial performance and financial position. The Company through its Annual Report has highlighted 2 potential disputes of a contractual nature whereby claims have been made and the Company has put forward or is in the process of putting forward counter claims. We also have fully disclosed the AusIndustry and ATO matters.

## **6.6 General Economic Climate**

Factors such as inflation, currency fluctuation, interest rates, government legislation or intervention, levels of taxation, industrial disruption, natural disasters, social upheaval or war in Australia or elsewhere and supply and demand have an impact on operating costs, commodity prices, revenues and stock market prices and returns to shareholders. The Company's future revenues and the market price for its listed securities may be affected by these factors, as well as by fluctuations in the price of coal or metals, which are beyond the Company's control.

## **6.7 Political and Regulatory**

The possibility exists that new legislation and/or new regulations may be adopted that adversely affect the Company's current and proposed operations or cost structure.

## **6.8 Key Management**

The Company is dependent on a skilled team to undertake the business of the Company. The current board and management team have specialist skills and the Company may be adversely affected if any of the Directors or management team leave the Company, as the Company may find it difficult to secure suitable replacements within a reasonable period of time or at all. Further, the Company may incur additional expenses to recruit, train and retain personnel should they be available.

Consequently, the production and development programs and the management of the Company could be affected by the lack of suitable Directors, managers, employees or staff.

## **6.9 Tenure**

The tenements held by the Company are subject to periodic renewal. There are no guarantees that those tenements or interests will be renewed or that the Company will be granted further or additional rights or tenements required for the conduct of operations. If a tenement is not renewed for any reason, the Company may suffer significant damage through the loss of the opportunity to develop that tenement.

## **6.10 Tax issues**

There may be tax implications arising from the acquisition of New Shares and any subsequent disposal of New Shares. Tax liabilities are the responsibility of individual investors and all investors should carefully consider the tax implications and obtain advice from a qualified professional advisor if required. The Company will not be responsible for any tax or related penalties.

## **6.11 Share market Conditions**

The market price of the Company's securities may be subject to varied and unpredictable influences on the market for equities in general and mining stocks in particular.

## **6.12 Environmental Risks**

The operations and proposed activities of the Company are subject to both Australian Federal and State laws and regulations concerning the environment. As with most development or production operations, the Company's activities are expected to have an impact on the environment, particularly if advanced development or production proceeds.

It is the Company's practice to conduct its activities to the highest standard of environmental obligation, including compliance with all environmental laws. Nevertheless, there are certain risks inherent in the Company's activities such as accidental harm, or other unforeseen circumstances, which could subject the Company to extensive liability.

### **6.13 Unforeseen Expenditure**

Expenditure may need to be incurred that has not been taken into account by the Company. Although the Company is not aware of any such additional expenditure requirements, if such expenditure is subsequently incurred, this may adversely affect the financial position of the Company.

### **6.14 Access to future funding**

The Company's projects are early stage and will require additional drilling, evaluation and feasibility study work before development. There can be no assurance that the Company will be able to obtain the funds necessary to complete that work or develop its projects.

## **7. ADDITIONAL INFORMATION**

### **7.1 Continuous Disclosure**

Moreton is a disclosing entity for the purposes of the Corporations Act. As such, it is subject to regular reporting and disclosure obligations including an obligation under the ASX Listing Rules (subject to certain exceptions) to disclose to ASX any information of which it is or becomes aware concerning Moreton and which a reasonable person would expect to have a material effect on the price or value of Shares. All such disclosures are available at [www.asx.com.au](http://www.asx.com.au) under Moreton's code 'MRV'. You have the opportunity to access any information about Moreton that has been disclosed to ASX.

### **7.2 Directors Discretion**

The Directors may make determinations in any manner they think fit in relation to any difficulties, anomalies or disputes which may arise in connection with or by reason of the operation of the Offer whether generally or in relation to any Shareholder. Any determinations by the Board will be conclusive and binding on all Shareholders and other persons to whom the determination relates.

The Directors reserve the right, at their discretion, to vary, suspend or cancel the Offer at any time, subject to the Corporations Act and the Listing Rules. Any variation, suspension or cancellation will be binding on Shareholders. If the Offer is cancelled, any application monies received by Moreton Resources Limited will be refunded in accordance with the Corporations Act, without interest, as soon as reasonably practicable after the cancellation.

### **7.3 Governing law**

This Offer Memorandum, the Offer and the contracts formed on acceptance of valid applications to subscribe for New Shares pursuant to the Offer, are governed by the law of Queensland, Australia. Each Shareholder who has applied to subscribe for New Shares in accordance with this Offer Memorandum submits to the exclusive jurisdiction of the courts of Queensland, Australia.

## 8. DEFINED TERMS

This Offer Memorandum relies upon the following defined terms, when interpreting and reading this document:

<b>Acceptance Form</b>	The personalised form accompanying this Offer Memorandum
<b>ASIC</b>	Australian Securities and Investment Commission
<b>ASX</b>	Australian Securities Exchange
<b>ASX Listing Rules</b>	The official listing rules of the ASX
<b>Business Day</b>	Has the same meaning as in ASX Listing Rules
<b>Closing Date</b>	5.00pm Sydney time, 7 June 2017
<b>Company or Moreton</b>	Moreton Resources Limited ACN 060 111 784
<b>Corporations Act</b>	Corporations Act 2001 (Cth)
<b>Directors</b>	Directors of Moreton Resources Limited
<b>Eligible Shareholder</b>	A Shareholder who is entitled to participate in the Offer, as determined in accordance with section 1.5
<b>Entitlement</b>	1 New Share for every 5 Shares held upon the Record Date
<b>Excluded Shareholder</b>	A Shareholder with a registered address outside Australia and New Zealand
<b>New Shares</b>	Shares issued pursuant to this Offer Memorandum
<b>Offer</b>	The offer of New Shares.
<b>Offer Memorandum</b>	This document dated 13 June 2017
<b>Offer Period</b>	The period for which the Offer remains open
<b>Option</b>	An option to subscribe for a Share
<b>Record Date</b>	7pm (Sydney time) on Friday 16 June 2017
<b>Rights Issue</b>	The issue of New Shares pursuant to the Entitlement
<b>Share</b>	A fully paid ordinary share in the capital of Moreton
<b>Share Registry</b>	Link Market Services Limited
<b>Shareholder</b>	A registered holder of Shares
<b>Shortfall</b>	Those New Shares offered which are not taken up under an Entitlement
<b>Underwriter</b>	First Samuel Limited AFSL 225405

References to currency in this Offer Memorandum are to the lawful currency of the Commonwealth of Australia.

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