

16 August 2017

ASX ANNOUNCEMENT

By Electronic Lodgement

MARKET UPDATE – IN HOUSE GEOLOGICAL CAPABILITY

- **Group wide Geological Hub Set Up at the Granite Belt Project.**
- **Appointment of Coal and Metals Geological Expertise**
- **Appointment of Data Base Management Expertise for all Geological Data**
- **Seeking rapid advancement of multiple Exploration and Increased Resource Confidence programs, ranging from Coal to Copper within the next 12 months**

Moreton Resources Limited (ASX:MRV) ("Moreton", "the Company") is pleased to provide an update on the progress of our Group wide capability in the Geological area. These advancements will allow the Group to focus upon the key projects and Assets of the Company over the next 3 years, with significant activity expected within the next 12 months.

This is based upon the Boards view, that the Assets the Company currently holds have significant potential as per our numerous ASX announcements in the last 12 to 24 months. This coupled with our belief of the Granite Belt Project potentially being commissioned in the near future, subject to Government approvals, has given the Board the ability to allocate significant funds to Exploration and advancement over the next three years.

To accelerate this program of works, the Company has recently on taken a lease of premises in the hub of the Granite Belt Exploration Project area, and as such has mobilised its Exploration team and resources to this area, that will now become the base for all Geological Services, across the Moreton Resources Limited Group. This is another significant boost to jobs and growth in the Southern Downs Region where our operations and expansion plans, are fully supported by the regional community and business owners in this proven coexistence of Community, Agriculture and Mining.

The key appointments to this team are:

Mr Corey Jago

Mr Jago joins the team with a Bachelor of Science and a Masters of Economic Geology and holds membership with the Australian Institute of Geoscientists, Society of Economic Geology, Association of Applied Geochemists and Geological Society of Australia. Mr Corey Jago is experienced across a broad range of metalliferous minerals.

Mr Deddi Handiko

Mr Handiko has a wide range of experience across gold, silver, copper, iron ore, zinc, nickel and coal commodities. He holds a Bachelor of Geology. Mr Deddi Handiko also holds membership with the Australasian Institute of Mining and Metallurgy (AusIMM) and Australian Institute of Geoscientists (AIG).

Mr Cameron Meiklejohn

Mr Cameron Meiklejohn has a Bachelor of Science (Geology) degree and is an accredited Acquire Practitioner. Mr Cameron Meiklejohn has joined the team as our Geology Database Management specialist.

As is evident from this team, we now have the inhouse capability for Exploration, Interpretation, Modelling, Resources Estimation and Data Base Management that will allow us to advance upon multiple fronts, with our already known opportunities.

These include the following programs:

Project	Owner	Estimated Time Line	Purpose
Twin Hills Deeps High Grade Clarification	MRV Metals Pty Ltd	Immediate Priority	Attempt to identify high grade Silver deposits at Depth below former Twin Hills Pit
South Burnett Coal Project Large Diameter Drilling	MRV Tarong Basin Coal Pty Ltd	Immediate Priority	To collect sufficient Coal Samples for final validation of FGX, Dry Separation Process
Harrier Prospect	MRV Metals Pty Ltd	Within next 4 months	To quantify existing Advanced Exploration Target of Copper and Silver intercepts, and seek to test strike between Apache Prospect and Harrier Prospect which are separated by approx. 800m
Hawker Prospect	MRV Metals Pty Ltd	Within next 6 months	To further advance this Exploration Target of Copper intercepts
Hornet Prospect	MRV Metals Pty Ltd	Within next 6 months	To quantify existing Advanced Exploration Target of Copper and Silver intercepts, and seek to test strike between Hornet and Hornet North which is approx. 1km in distance
Mt Gunyan	MRV Metals Pty Ltd	Within next 12 months	To further advance this JORC Resource at depth for further potential Silver and Gold intercepts
Mt Gunyan North	MRV Metals Pty Ltd	Within next 12 months	To further advance this Exploration Target of Silver and Gold intercepts
Mackenzie Project	MRV Bowen Basin Pty Ltd	Within next 18 months	Seek to rectify inconsistencies and issues derived out of 2015 drill program of the Mackenzie Asset.

Taking into account these 8 considerable projects, and the numerous others that have been identified by the Company, but considered early stage advancement prospects, the Company foresees advancement across multiple commodities and sites, within the next 12 months due to a sizable exploration investment.

The Board is aware of the decline and/or stabilisation of drilling activity throughout the sector in what is a significant low, however these advancements will also support significant contracting and business support activities not only from the Southern Downs Region, but afar due to the size, nature and complexity of many of these programs of work.

The Board has a fundamental belief that inhouse resources and capabilities will not only give efficiencies of scale, but also protect the integrity of our data and management of our programs, which has been an issue in earlier years due to lack of available resources. However, we will seek to continue with our more recent Geological Partners in a collaborative advancement consultancy and QA/Audit Capacity, of our programs and results into the future.

This commitment for Exploration and Development of our strong pipe line of projects and prospects, into what it believes is a rising Metals and Coal Market in 2018 and beyond, is supported by the current increase in potential restart activities being discussed across the sector. Of course, it is important to note the commencement of these Exploration activities are dependent upon the final determination of the Mining Lease Grant for ML100106 and the agreement of our Financial Assurance for start up activities, based upon the legislative requirements, and hence the Company awaits the final decision upon the potential ML grant, which it believes is imminent.

- ENDS -

Further Information:

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