

7 November 2017

ASX ANNOUNCEMENT

By Electronic Lodgement

Funding update following Company AGM

- Additional \$2,750,000 available in funding for the Granite Belt Project
- Commissioning progressing at the Granite Belt Project
- Major Ancillary Mining Fleet purchases for the Granite Belt Project

The Board of Moreton Resources Limited is please to advise that following the Companies AGM upon the 27th of October 2017, and approval of two resolutions pertaining to Directors interest, the Company now has an additional \$2.75 Million at its disposal for recommissioning and start up works.

This follows the Debenture Agreement Deed which was voted upon by Shareholders at the Annual General Meeting whereby the resolution pertaining to Mr Anthony Feitelson was approved. The effect of this was that he is to be granted equity through his loan to the Company of \$1,750,000, whereby \$437,500 will be converted to equity and the remaining, \$1,312,500 will be a loan to the Company upon a 10% interest rate, payable quarterly at 5% cash and 5% equity.

In addition to this, Chairman Mr Alexander Jason Elks also entered such an agreement upon the same terms, which sees his loan arrangements to the Company of \$1,000,000, in which \$250,000 will be converted into equity and the remaining \$750,000 will be a loan facility with 10% interest, attracting a 5% cash quarterly payment and a 5% equity payment to make up the 10% interest agreement.

Both of these loans are for the period of 2 years.

Since this approval, Moreton Resources Limited has sort to approval capital purchases and funding for its fully owned subsidiary MRV Metals Pty Ltd, with specific focus upon the Granite Belt Project. In saying this the subsidiary has moved to acquire several major pieces of ancillary mining fleet including a 2012 14M Caterpillar Grader and a 2011 980H Front End Loader, which are significant enablers in the reinstatement of the Heap Leaches and the commissioning of the site.

To date significant works have been undertaken at the Granite Belt Project in the reshaping of the Heap Leaches moving batters from in some instances 50 degrees back to 37 degrees, which will ensure safety but also more effective operations with greater coverage for the recovery process when it is commenced.

Heap Leach 4 is now complete in these early works and recommissioning is underway with commissioning expected in early December 2017, as the company is currently seeking to raise the PH levels and introduce Cyanide by late November 2017.

Also the Companies ponds project is underway with equipment commissioning and we expect to be trialling the potential liberations of the stranded metals within the ponds, within the next 7 days.

Should this be successful, it is expected to run for approx. 20 days in duration for potential metals recoveries. We will update the market upon this outcome in due course.

Finally, as outlined in earlier announcements, our first Silver from the commissioning and reinstatement of the Silver Room and drying processes was sent from site two weeks ago and we expect first revenues from this, albeit modest within the coming week.

Regards

Jason Elks
Executive Chairman
Moreton Resources Limited

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