2 March 2018

ASX RELEASE

MRV TARONG BASIN COAL ANNOUNCES SIGNIFICANT RESULTS FROM INFILL DRILLING OF SOUTH BURNETT COAL PROJECT - MLA700015

- Infill drilling program exceeds expectations with 3-cored holes returning excellent results.
- Early indications support the mine plan review being undertaken to move to working section selection and selective mining, which is currently underway and is expected to be finished in March 2018.
- Selective mining and working section selection has the potential to half the overall ash content and significantly increase calorific values, whilst reducing the overall targeted coal Reserves.

The Moreton Resources board is pleased to update the market upon our fully owned subsidiary, MRV Tarong Basin Coal Pty Ltd, recent drill program. The drill program in the South Burnett, has delivered exceptional results, based upon a ply by ply analysis of our currently declared Resource which will dramatically increase the potential of this Asset.

By way of background, historically of some 660 holes identified in the region, the majority of the holes have been sampled upon a composite sample basis, which is a top to bottom of seam concept that includes all coal partings, and consequently the overall ash content is over represented whilst the calorific values under stated, compared to a selective mining operation targeting low ash coal sections within coal seam.

By way of example, a recently drilled hole (hole ID-6002C) from the top to the bottom the coal seams represent 32.6m of thick coal throughout the deposit, and taking a selective mining approach and maintain a minimum working section of 2m, the following results have been achieved within this single hole;

> **Hole 6002C indicates 25.6m of coal at a weighted average ash lower than 26%** *InSitu* (out of the 32.6m total thickness) which is a significant decrease compared to the total ash reported during 2015 and 2017 (JORC Resource Statements), which reported ashes between 39%-53%. This approach (selective mining and working section selection) could result in up to 50% reduction in ash throughout the deposit.

Interestingly, holes 6001C and 6003C also support this significant variance by applying a ply by ply approach to Coal selection, however maintaining a minimum working section of 2m in thickness.

Further to this, the results which were better than expected, given we were seeking to locate sections across the deposit which on a ply by ply review, supported a 30% ash or lower, were targeted to determine the FGX performance have now required a significant review of the potential increase in marketable and viability of a superior Coal product.

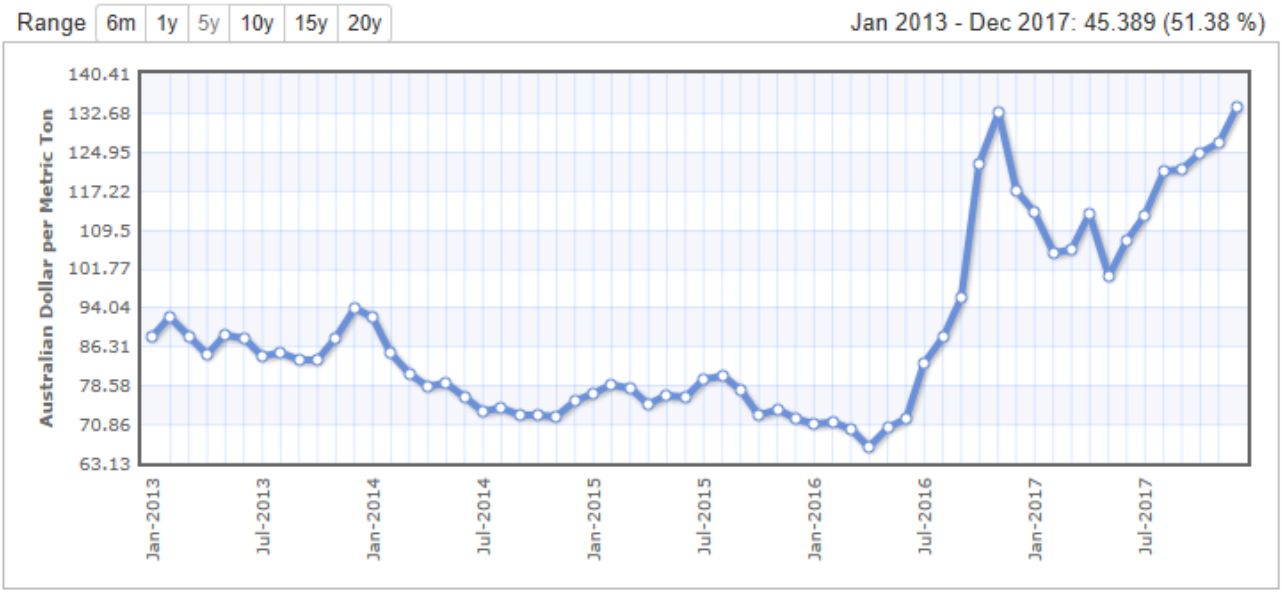
29 High Street l Texas | Qld | 4385
PO Box 161 | High Street | Texas QLD | 4385
Australia

T: +61 (7) 4653 1769
E: admin@moretonresources.com.au
W: www.moretonresources.com.au

We now believe the potential exists for a premium product being equal to or to be sub 17% ash, and a primary product of 22% ash being our bulk product coal, with a low value product of 28% ash, being imminently achievable. This at a time when global pricing continues to strengthen and whilst the below is a premium product Thermal Coal. It indicates the sharp rise in demand and pricing, that MRV Tarong Basin Coal Pty Ltd sees continuing given global demand and the focus upon high energy low emissions Coal.

https://www.indexmundi.com/commodities/?commodity=coal-australian&months=60&currency=aud

Coal, Australian thermal coal Monthly Price - Australian Dollar per Metric Ton



Description: Coal (Australia), thermal GAR, f.o.b. piers, Newcastle/Port Kembla from 2002 onwards , 6,300 kcal/kg (11,340 btu/lb), less than 0.8%, sulfur 13% ash; previously 6,667 kcal/kg (12,000 btu/lb), less than 1.0% sulfur, 14% ash

Unit: Australian Dollar per Metric Ton

Composite in situ samples have projected approx. energy of 5,000 – 5,500 kcal/kg (adb) which will present a quality, well sought after and marketable product, taking into account current global demand and Coal characteristics on Australia export Coal. With further refinement and planning we expect Ash to potentially lower again through our mine planning and Kcal/kg to improve further.

In addition to this, current estimates of CO2 emissions which are the subject to considerable focus globally due to greenhouse gas emissions for this product, at approx. **950** kg/MWh.

This has the potential as the below slide indicates (issued by the Department of Mines and Energy in April 2008), to be not only at the lower emissions of CO2 globally but also one of the lowest CO2 emitting Coals in Australia. Which is why Globally Australia, is a focus for clean coal, and the potential product being identified in the South Burnett Coal Project as one of the superior Coals throughout Australia in this regard.

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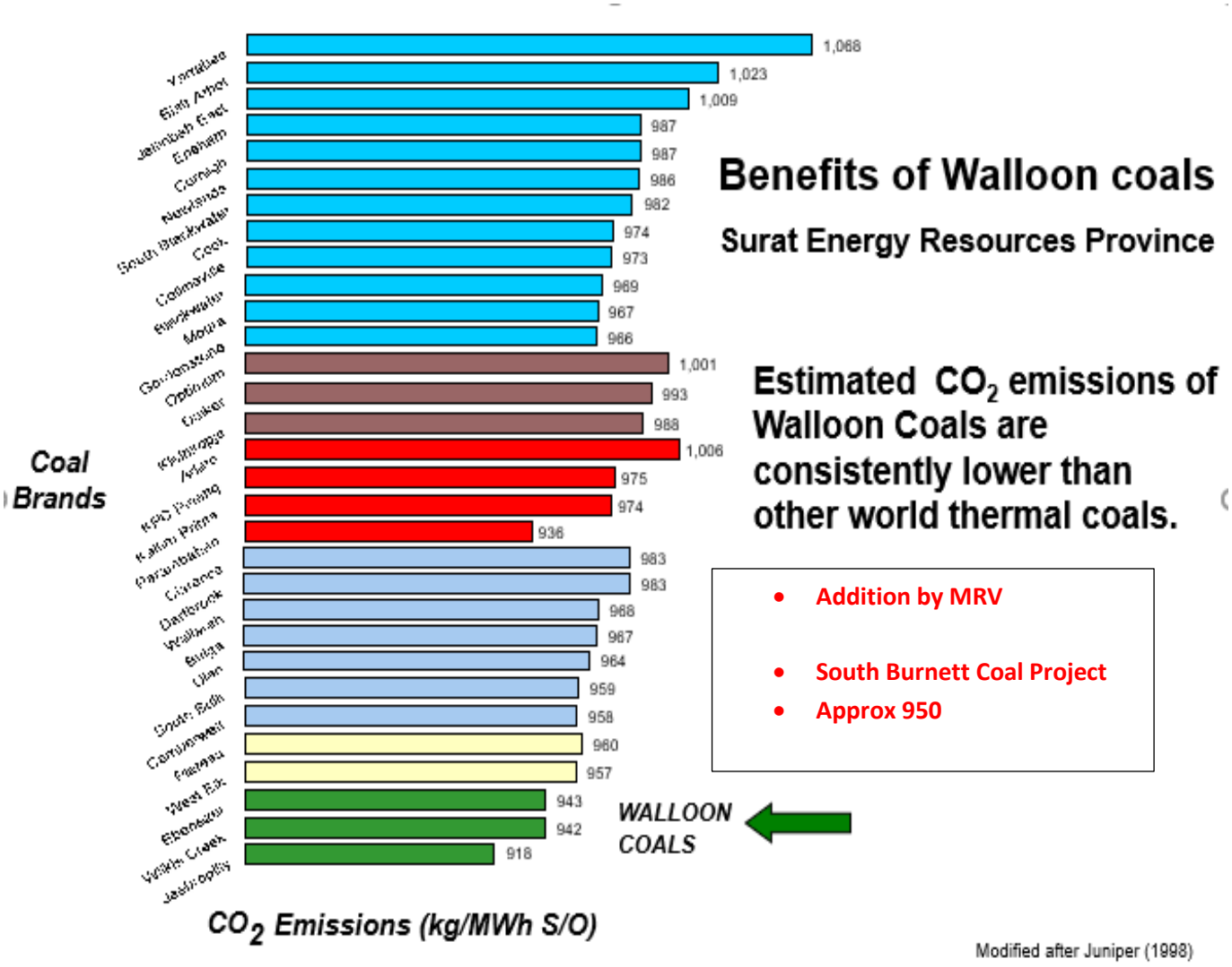
E: admin@moretonresources.com.au
W: www.moretonresources.com.au



Recent analysis from eight (8) coal composites on 6001C, 6002C and 6003C drill holes also shows the following results:

Element	Units	All Coal Limit 1 Jan 2015	MRV Coal Min Value	MRV Coal Max Value
Arsenic	ppm	80	0.4	1.0
Chlorine	%	0.3	<0,01	<0.01
Fluorine	ppm	200	85	215
Mercury	ppm	0.6	<0.01	0.02
Phosphorus	%	0.15	0.004	0.012
Iron in Coal	%		0.2	1.4

It is on this basis we are rapidly advancing our mine planning review, which we expect will have significant flow on affects to our PFS results, Net Present Value but also our potential customer range for the products we are seeking to identify.

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E: admin@moretonresources.com.au
W: www.moretonresources.com.au

Since 2015, we have been aware of the potential of this asset, however we have been limited by inconsistencies in historic data and methods used for sampling of those historic holes, and by the level of rigor that is required by the JORC code to fully inform the market. We now believe we will have sufficient new data and sufficient comparative data from prior ply by ply holes, to remodel and develop a robust mine plan moving forward.

Base data about our Asset

The Coal Resource estimate for MRV Tarong Basin Coal Pty Ltd, reported on an in-situ basis, has identified within the boundary of MLA700015 a **total resource estimate of 517.5Mt** having the following categories of confidence; 134Mt Measured, 383.5Mt Indicated and 6.6Mt Inferred as released to market upon the ASX on 15 December 2017.

Figure 1 Tenements for South Burnett Coal Project

Tenement	Type	Status	Date lodged	Date Granted	Expiry date	Area (ha)
MLA 700015	Mining Lease Application	under application	10/10/2016	In progress	-	1,527.5
MDL 385	Mineral Development License	granted	6/12/2007	22/02/2009	28/02/2019	899
EPC 882	Exploration Permit Coal	granted	2/2/2004	27/09/2004	26/09/2017	7,355

On that basis we are pleased to announce the following three infill exploration holes, as Exploration Targets as defined by the JORC code. Thickness of potential working sections containing low ash coal are highlighted in grey color and are displayed within this announcement and Table 1 following.

In Summary –

The exploration results from three holes, being 6001C, 6002C and 6003C ranging from various depths of 141m to 233m which were obtained from the South Burnett Coal Project drilling program, undertaken in January and February of 2018, has identified significant seam thickness, continuity of Coal and qualities, which indicate considerable enhancement to current results taken upon a composite basis. Coal qualities range in value as per the below tables but average ash on a weighted average is reporting between 24% and 30% ash. Equally energy of 5,000 – 5,500 kcal/kg (adb).

Competent Persons Statement

The information pertaining to the reported Coal Resource in relation to the South Burnett Project (MLA700015) is based on information compiled by Mr. Deddi Handiko who is a full-time employee of Moreton Resources and holds the position of Geological Lead Coal. Mr Handiko is a qualified Geologist and Member of the AusIMM. He possesses the necessary qualifications, professional membership and has sufficient relevant experience to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person in reporting the tabled Coal Exploration results included in this report as defined in the 2012 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves"

Moreton Resources

MRV Tarong Basin Coal

6001C Drill Hole

Seam Name	Depth From (m)	Depth To (m)	Thickness (m)	Ash % (ad)
KUNIOON UPPER	107.28	107.58	0.30	47.8
	107.58	107.88	0.30	25.1
	108.28	108.78	0.50	24.2
	109.88	110.18	0.30	24.9
	110.18	110.68	0.50	34.8
	110.68	111.18	0.50	12.0
	111.18	111.68	0.50	14.8
	111.78	112.38	0.60	14.9
	112.38	112.80	0.42	25.5
LOW	113.28	114.38	1.10	36.4
	114.38	114.78	0.40	15.3
SWAIN	159.19	159.39	0.20	47.3
	159.39	159.59	0.20	61.6
	159.59	160.39	0.80	32.1
	160.39	161.29	0.90	16.9
	161.29	161.99	0.70	30.4
	161.99	162.19	0.20	32.5
	162.49	163.29	0.80	20.2
	163.29	163.69	0.40	35.5
	163.69	163.79	0.10	18.8
	163.79	163.99	0.20	74.8
	163.99	164.10	0.11	18.1
	164.10	164.40	0.30	67.0
	164.40	164.45	0.05	16.3
	164.45	164.66	0.21	72.0
	164.66	164.76	0.10	21.9
	164.76	165.19	0.43	71.3
	165.15	165.35	0.20	33.0
	165.35	166.35	1.00	19.2
	166.15	166.75	0.60	60.3
	166.75	167.45	0.70	23.5
	167.45	167.65	0.20	34.2

6002C Drill Hole

Seam Name	Depth From (m)	Depth To (m)	Thickness (m)	Ash % (ad)
KUNIOON UPPER	115.69	116.44	0.75	25.6
	116.44	116.64	0.20	33.4
	116.64	118.03	1.39	20.3
	118.03	118.79	0.76	41.9
	118.79	118.89	0.10	25.9
KUNIOON LOWER	118.89	119.39	0.50	57.9
	119.39	120.39	1.00	11.7
	120.39	120.43	0.04	55.5
	120.43	121.23	0.80	14.9
	121.23	121.33	0.10	52.5
	121.33	121.53	0.20	16.7
	121.53	121.68	0.15	48.0
	121.68	121.99	0.31	8.0
	126.14	126.74	0.60	15.2
	126.74	127.14	0.40	57.3
	127.14	127.44	0.30	30.6
SWAIN	165.54	165.60	0.06	34.3
	165.60	165.79	0.19	37.3
	165.79	166.49	0.70	37.2
	166.49	166.60	0.11	19.3
	166.60	166.62	0.02	62.4
	166.62	167.14	0.52	28.4
	167.14	167.20	0.06	62.6
	167.20	168.34	1.14	23.6
	168.34	168.40	0.06	45.8
	168.40	168.99	0.59	12.5
	168.99	169.09	0.10	56.6
	169.09	169.39	0.30	17.3
	169.39	169.49	0.10	73.1
	169.49	169.59	0.10	15.9
	169.59	170.79	1.20	30.7
	170.29	171.99	1.70	28.7
	171.99	173.09	1.10	59.3
	220.64	221.04	0.40	47.5
GOODGER	221.04	221.74	0.70	24.5
	221.74	221.84	0.10	54.6
	221.84	221.94	0.10	25.3
	221.94	222.44	0.50	14.3
	222.44	222.94	0.50	27.6
	222.94	223.44	0.50	27.7
	223.44	223.94	0.50	34.5
	223.94	224.01	0.07	64.2
	224.01	224.21	0.20	46.4
	224.21	224.41	0.20	59.6
	224.94	225.44	0.50	23.9
	225.44	225.69	0.25	47.9
	225.69	226.19	0.50	36.7
	226.19	226.69	0.50	16.1
	226.69	227.19	0.50	23.5
	227.19	227.69	0.50	25.0
	227.69	227.74	0.05	19.5
	227.74	227.94	0.20	72.7
	227.94	228.14	0.20	32.2
	228.14	228.34	0.20	29.0
	228.34	228.84	0.50	33.2
	228.84	229.34	0.50	30.1
	229.34	229.84	0.50	32.1
	229.84	230.34	0.50	28.4
	230.34	230.94	0.60	28.6
	230.94	231.64	0.70	27.6
	231.64	232.64	1.00	31.4
	232.64	232.74	0.10	62.5
	232.74	233.44	0.70	27.0
	233.44	233.84	0.40	36.9
	233.84	233.94	0.10	53.8

6003C Drill Hole

Seam Name	Depth From (m)	Depth To (m)	Thickness (m)	Ash % (ad)
SWAIN	73.62	74.52	0.90	24.9
	74.52	75.12	0.60	28.6
	75.12	75.32	0.20	48.0
	75.32	75.37	0.05	35.2
GOODGER	134.08	134.28	0.20	33.3
	134.28	134.70	0.42	23.9
	134.70	135.14	0.44	13.7
	135.14	136.14	1.00	24.8
	136.14	136.64	0.50	24.4
	136.64	136.84	0.20	27.3
	136.84	137.04	0.20	61.7
	137.04	137.14	0.10	39.8
	137.14	137.24	0.10	80.1
	137.24	138.14	0.90	57.8
	138.14	138.34	0.20	15.9
	138.34	138.74	0.40	59.1
	138.74	139.24	0.50	20.9
	139.24	139.74	0.50	17.8
	139.74	139.94	0.20	27.5
	139.94	140.64	0.70	17.0
	140.64	140.84	0.20	63.3
	140.84	141.14	0.30	20.7

29 High Street l Texas | Qld | 4385
PO Box 161 | High Street | Texas QLD | 4385
Australia

T: +61 (7) 4653 1769
E: admin@moretonresources.com.au
W: www.moretonresources.com.au

Table 1- JORC Code, 2012 Edition
Section 1 Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Sampling techniques	*Nature and quality of sampling (e.g. cut channels, random chips, or specific specialized industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc.). These examples should not be taken as limiting the broad meaning of sampling.*	Direct sampling of coal seams for coal quality across the Project6001C, 6002C and 6003 holes was achieved through the drilling of 63mm cored boreholes. Sampling was undertaken by a collection of multiple samples within the coal seams... Sampling of the boundaries of coal seams and surrounding rocks was achieved through direct logging of chips and core samples and honouring the lithotype variation within the coal seam Indirect measurement through downhole wireline geophysical logging was undertaken on 6001C and 6002C to supplement and support lithological logging in cored boreholes.
	Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.	Analysis of this data has been completed which has considered core losses throughout holes and individual seams to ensure the data utilized has not been skewed by poor sample recovery Geophysical wireline logging incorporates gamma-gamma logging supported by gamma-density, caliper logs.
	Aspects of the determination of mineralization that are Material to the Public Report.	Coal intervals of 6001C and 6002C have been determined through a combination of lithological logging of chip and core samples combined with downhole geophysical wireline data. Where geophysical logs are available, coal seams have been corrected to geophysics. Where chip data is only available without geophysics the data has only been used for referencing the seams approximate position.
	In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverized to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralization types (e.g. submarine nodules) may warrant disclosure of detailed information.	Coal analysis was undertaken on RAW samples to provide in-situ coal qualities. Analysis largely includes proximate analysis measurement of ash, moisture, calorific value, volatile matter, fixed carbon, relative density and sulphur content on an air dried basis to each sample. Ash analysis and limited trace element analysis were undertaken on composite basis.
Drilling techniques	*Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc.) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc.).*	Drilling is a partially cored drilling using HQ-size (63mm) core diameter. Measurement of drill hole verticality in 6002C showed an inclination of less than 3%.

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W: www.moretonresources.com.au

Criteria	JORC Code explanation	Commentary
Drill sample recovery	*Method of recording and assessing core and chip sample recoveries and results assessed.*	Core recovery was calculated using a combination of core sample intervals and down-hole geophysical logsCore recoveries are greater than 95%.
	Measures taken to maximize sample recovery and ensure representative nature of the samples.	Coring was completed using HQ-size core barrel.
	Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.	Sampling was completed on lithology basis that produced multiple ply samples. Excellent core recovery of > 95% provide “clean’ core sample showing distinct boundary on lithotype change. Core sample could be sampled to avoid any dilution.
Logging	*Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.*	Logs consist of lithology, shade, hue, color and grainsize information with a relative description of coal brightness in cored boreholes and to a lesser extent some chip holes. Information is also recorded on weathering; estimated strength; mechanical state; sedimentary features; mineral and fossil types and their relative abundance; bedding dip angles; basal contacts; texture; core state; defect types, spacing and dip; and lithological interrelationships.
	Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography.	Boreholes have been logged via direct observation of chipped and cored intervals. 6001C and 6002C have supportive information in the form of downhole wireline logging. 6001C, 6002C and 6003C drill holes include photographic records of cored sections.
	The total length and percentage of the relevant intersections logged.	Some historical exploration programs undertaken as chip holes provide insufficient information in terms describing the internal makeup of the seam (i.e., description of the individual thickness of coal plies and parting bands) and rather report the entire interval as one with relative percentages of the constituent lithologies. This still provides sufficient detail to determine roof and floor position of the main seam group, however it will not allow in its own right to define possible working section intervals within the main seam, unless geophysical wireline logs are available also. Insufficient information in some areas of the subcrop exists to establish the depth of weathering in some historical boreholes.

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PO Box 161 | High Street | Texas QLD | 4385
Australia

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E: admin@moretonresources.com.au
W: www.moretonresources.com.au

Criteria	JORC Code explanation	Commentary
Sub-sampling techniques and sample preparation	*If core, whether cut or sawn and whether quarter, half or all core taken.*	Coal samples have been derived from cored sections. Full section of coal cored were logged and sampled on-site. Samples were stored in tape-secured heavy-duty sample bags with identification number.
	If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.	Chip samples of non-coal lithology were collected to obtain 1m sample interval. Core samples of non-coal lithology of roof and floor of the coal cored sections were also logged and sampled on lithology basis for waste rock characterisation analysis.
	For all sample types, the nature, quality and appropriateness of the sample preparation technique.	Coal sample preparation was undertaken by ALS Coal Laboratory in Richland, Queensland.
	Quality control procedures adopted for all sub-sampling stages to maximize representivity of samples.	Coal samples from 6001C, 6002C and 6003C were analyzed by ALS in their Richland Coal laboratories using the relevant Australian Standards.
	Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.	Coal samples are collected from Glider Seam, Kunioon Seam, Swain Seam and Goodger Seam. Entire coal seams have been sampled to obtain a vertical section of the seam.
	Whether sample sizes are appropriate to the grain size of the material being sampled.	Samples all are 63 mm in diameter. A minimum thickness of sample is 5 cm..
Quality of assay data and laboratory tests	*The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.*	Coal analysis was undertaken by ALS in their Richland coal laboratory. ALS is an accredited coal laboratory based in Queensland, Australia.
	For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.	Downhole geophysical logging was undertaken by Geolog, a contractor based in Queensland Australia specialising in wireline logging services for coal exploration and mining. 6001C and 6002C were geophysically logged, excluding 6003C.
	Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether	Coal quality analysis was carried out by reputable laboratories reportedly to relevant Australian Standards.

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Criteria	JORC Code explanation	Commentary
	acceptable levels of accuracy (i.e. lack of bias) and precision have been established.	
Verification of sampling and assaying	*The verification of significant intersections by either independent or alternative company personnel.*	The intersection position of coal seams was determined by Deddi Handiko, Geological Lead Coal of Moreton Resources using a combination of direct observation of chips and downhole geophysical logs.
	The use of twinned holes.	No twinned hole was used. Coring was commenced at a pre-determined depth above the coal section.
	Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.	All primary data has been entered into a Microsoft Access database using the CoalLog (v2.0) template. Descriptive information was recoded using appropriate translations and English Logs reproduced then compared against original QDEX reports for consistency. Coal quality analysis results have been transcribed into the Access database. Validation tests have been carried out to access coding compliance with the template, along with measures such as increasing depth, hole location and survey elevation comparison, location position to historic plans and parish map descriptions, summation of key analysis variables, regression analysis of test work results.
	Discuss any adjustment to assay data.	No adjustment was made to assay data.
Location of data points	*Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.*	Collar coordinates of 6001C, 6002C and 6003C drill holes were surveyed using certified surveyors with differential GPS by competent surveyor.
	Specification of the grid system used.	All data has been converted into MGA94 Zone 56.
	Quality and adequacy of topographic control.	Topographic surface across the Project area is predominantly derived from SRTM data with an average level of accuracy of ±7 m.
Data spacing and distribution	*Data spacing for reporting of Exploration Results.*	Borehole location spacing is approximately 200m.

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	Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.	In general, close spaced drilling is generally confined to east-west oriented roads allowing for testing of the down dip orientation of coal seams and the prior UCG area developed by CXY.
	Whether sample compositing has been applied.	Compositing has only been applied to obtain ash analysis and trace element analysis.
Orientation of data in relation to geological structure	*Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.*	Verticality log was undertaken in 6002C. The borehole achieved an inclination of less than 3%.
	If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.	No sample bias is expected with sample intersections expected to be approximately normal to the seams dip.
Sample security	*The measures taken to ensure sample security.*	Field samples processed and dispatched by a documented methodology. Follow-up was required to ensure all laboratory reports were issued as final.
Audits or reviews	*The results of any audits or reviews of sampling techniques and data.*	In general, sampling technique followed industry standard to segregate coal seam into lithology basis to obtain vertical section of the coal seam. The data an results have been viewed and audited internally within Moreton Resources.

Section 2 Reporting of Exploration Results

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	*Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.*	Tenements EPC 882 and MDL 385 are100% owned and held by MRV Tarong Basin Ltd. MLA 700015 is under application by Moreton Resources Ltd. Native title representative for Project is QLD Sth Native Title Services Ltd. Wakka Wakka people have regional area under application ref:QC2012/004. ILUA ref:QI2008/027 covers project area.
	The security of the tenure held at the time of reporting along with any known impediments to obtaining a license to operate in the area.	The Project area comprises a mixture of agriculture (grazing and mixed cultivation), urban (residential and industrial) land use. Project area is largely classified as comprising non-remnant vegetation. Scattered areas of Category B endangered regional ecosystems and areas of concern regional ecosystems largely across western fringe and southern portions of EPC 882.

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Criteria	JORC Code explanation	Commentary
		MLA 700015 is outside of Urban Restricted Area RA384. Part of the RA384 area also contains the Kingaroy Airport.
Exploration done by other parties	*Acknowledgment and appraisal of exploration by other parties.*	Historical exploration has been carried out by a number of parties including CRA Exploration, New Hope Collieries and Pacific Australia Coal. More recent drilling was completed by Metallica Minerals and Cougar Energy.
Geology	*Deposit type, geological setting and style of mineralization.*	The Project area is located with the Tarong Basin which has been described previously by others as a narrow, elongate structure, approximately 70 km long and 10 km wide. The basin trends in a NNW-SSE direction and stretches from Kingaroy in the north to a point 20km south-southwest of Yarraman in the south. The Tarong Coal Measures lie unconformably on the Palaeozoic basement of the Yarraman Block. The basin is bounded on the east by units of the Middle Palaeozoic Yarraman Block which consists mainly of the Devonian-Carboniferous aged Maronghi Beds comprising of weakly metamorphosed mudstone, shale, arenite, jasper and acid to basic metavolcanics. The western side of the basin is bounded predominately by the Late Permian-Early Triassic Boondoomba Igneous Complex. This unit is comprised of granodiorite, adamellite, granite, tonalite, diorite and gabbro. The Tarong basin is filled with Triassic aged sediments which have a preserved thickness of approximately 450 m and consist of sandstone, conglomerate, siltstone, mudstone, claystone and coal. The coarse clastic beds in the sequence consist of labile, arkosic to sub-arkosic, fine to very coarse grained, poorly sorted sandstones and generally matrix supported polymictic conglomerates (Pegrem, 1995 and Jell, 2012).
Drill hole Information	*A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:* • *easting and northing of the drill hole collar* • *elevation or RL (Reduced Level – elevation above sea level in meters) of the drill hole collar* • *dip and azimuth of the hole* • *down hole length and interception depth* • *hole length.* *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*	A summary of drill holes is provided in the following table. The following provides a summary of coal quality results and working sections of ash content less than 28% (highlighted in grey) of 6001C, 6002C and 6003C drill holes.

Hole Number	MGA94 Zone 56 Easting	MGA94 Zone 56 Northing	Elevation (m)	Dip	Azimut	Hole Depth (m)	Downhole Geoph Depth (m)
6001C	384857.510	7055849.403	459.367	-90	0	220	217
6002C	384917.989	7056219.859	452.028	-90	0	234	234
6003C	384055.108	7056070.259	448.841	-90	0	142	-

29 High Street l Texas | Qld | 4385
PO Box 161 | High Street | Texas QLD | 4385
Australia

T: +61 (7) 4653 1769
E: admin@moretonresources.com.au
W: www.moretonresources.com.au

Criteria	JORC Code explanation	Commentary

6001C drill hole

Seam Name	Depth From (m)	Depth To (m)	Thickness (m)	Ash % (ad)
KUNIOON UPPER	107.28	107.58	0.30	47.8
	107.58	107.88	0.30	25.1
	108.28	108.78	0.50	24.2
	109.88	110.18	0.30	24.9
	110.18	110.68	0.50	34.8
	110.68	111.18	0.50	12.0
	111.18	111.68	0.50	14.8
	111.78	112.38	0.60	14.9
	112.38	112.80	0.42	25.5
LOW	113.28	114.38	1.10	36.4
	114.38	114.78	0.40	15.3
SWAIN	159.19	159.39	0.20	47.3
	159.39	159.59	0.20	61.6
	159.59	160.39	0.80	32.1
	160.39	161.29	0.90	16.9
	161.29	161.99	0.70	30.4
	161.99	162.19	0.20	32.5
	162.49	163.29	0.80	20.2
	163.29	163.69	0.40	35.5
	163.69	163.79	0.10	18.8
	163.79	163.99	0.20	74.8
	163.99	164.10	0.11	18.1
	164.10	164.40	0.30	67.0
	164.40	164.45	0.05	16.3
	164.45	164.66	0.21	72.0
	164.66	164.76	0.10	21.9
	164.76	165.19	0.43	71.3
	165.15	165.35	0.20	33.0
	165.35	166.35	1.00	19.2
	166.15	166.75	0.60	60.3
	166.75	167.45	0.70	23.5
	167.45	167.65	0.20	34.2

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Criteria	JORC Code explanation	Commentary

6002C drill hole

Seam Name	Depth From	Depth To (m)	Thickness	Ash % (ad)
KUNIOON UPPER	115.69	116.44	0.75	25.6
	116.44	116.64	0.20	33.4
	116.64	118.03	1.39	20.3
	118.03	118.79	0.76	41.9
	118.79	118.89	0.10	25.9
KUNIOON LOWER	118.89	119.39	0.50	57.9
	119.39	120.39	1.00	11.7
	120.39	120.43	0.04	55.5
	120.43	121.23	0.80	14.9
	121.23	121.33	0.10	52.5
	121.33	121.53	0.20	16.7
	121.53	121.68	0.15	48.0
	121.68	121.99	0.31	8.0
	126.14	126.74	0.60	15.2
	126.74	127.14	0.40	57.3
	127.14	127.44	0.30	30.6
SWAIN	165.54	165.60	0.06	34.3
	165.60	165.79	0.19	37.3
	165.79	166.49	0.70	37.2
	166.49	166.60	0.11	19.3
	166.60	166.62	0.02	62.4
	166.62	167.14	0.52	28.4
	167.14	167.20	0.06	62.6
	167.20	168.34	1.14	23.6
	168.34	168.40	0.06	45.8
	168.40	168.99	0.59	12.5
	168.99	169.09	0.10	56.6
	169.09	169.39	0.30	17.3
	169.39	169.49	0.10	73.1
	169.49	169.59	0.10	15.9
	169.59	170.79	1.20	30.7
	170.29	171.99	1.70	28.7
	171.99	173.09	1.10	59.3
	220.64	221.04	0.40	47.5
GOODGER	221.04	221.74	0.70	24.5
	221.74	221.84	0.10	54.6
	221.84	221.94	0.10	25.3
	221.94	222.44	0.50	14.3
	222.44	222.94	0.50	27.6
	222.94	223.44	0.50	27.7
	223.44	223.94	0.50	34.5
	223.94	224.01	0.07	64.2

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Australia

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W: www.moretonresources.com.au

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	224.01	224.21	0.20	46.4
	224.21	224.41	0.20	59.6
	224.94	225.44	0.50	23.9
	225.44	225.69	0.25	47.9
	225.69	226.19	0.50	36.7
	226.19	226.69	0.50	16.1
	226.69	227.19	0.50	23.5
	227.19	227.69	0.50	25.0
	227.69	227.74	0.05	19.5
	227.74	227.94	0.20	72.7
	227.94	228.14	0.20	32.2
	228.14	228.34	0.20	29.0
	228.34	228.84	0.50	33.2
	228.84	229.34	0.50	30.1
	229.34	229.84	0.50	32.1
	229.84	230.34	0.50	28.4
	230.34	230.94	0.60	28.6
	230.94	231.64	0.70	27.6
	231.64	232.64	1.00	31.4
	232.64	232.74	0.10	62.5
	232.74	233.44	0.70	27.0
	233.44	233.84	0.40	36.9
	233.84	233.94	0.10	53.8

6003C drill hole

Seam Name	Depth From (m)	Depth To (m)	Thickness (m)	Ash % (ad)
SWAIN	73.62	74.52	0.90	24.9
	74.52	75.12	0.60	28.6
	75.12	75.32	0.20	48.0
	75.32	75.37	0.05	35.2
GOODGER	134.08	134.28	0.20	33.3
	134.28	134.70	0.42	23.9
	134.70	135.14	0.44	13.7
	135.14	136.14	1.00	24.8
	136.14	136.64	0.50	24.4
	136.64	136.84	0.20	27.3
	136.84	137.04	0.20	61.7
	137.04	137.14	0.10	39.8
	137.14	137.24	0.10	80.1
	137.24	138.14	0.90	57.8
	138.14	138.34	0.20	15.9
	138.34	138.74	0.40	59.1

Criteria	JORC Code explanation	Commentary
		<table><tr><td>138.74</td><td>139.24</td><td>0.50</td><td>20.9</td></tr><tr><td>139.24</td><td>139.74</td><td>0.50</td><td>17.8</td></tr><tr><td>139.74</td><td>139.94</td><td>0.20</td><td>27.5</td></tr><tr><td>139.94</td><td>140.64</td><td>0.70</td><td>17.0</td></tr><tr><td>140.64</td><td>140.84</td><td>0.20</td><td>63.3</td></tr><tr><td>140.84</td><td>141.14</td><td>0.30</td><td>20.7</td></tr></table>
Data aggregation methods	*In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.*	Density is weighted by length, with other analyses for RAW coal types. No data cutting exists.
	Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.	Coal was separated and sampled for every change in lithology, physical properties
	The assumptions used for any reporting of metal equivalent values should be clearly stated.	Not applicable to this style of mineralisation.
Relationship between mineralization widths and intercept lengths	*These relationships are particularly important in the reporting of Exploration Results.*	Boreholes were sampled for both waste and coal within coal seams. If parts of coal seams were deemed to be of a quality insufficient to mine and not sampled these areas have not been calculated as part of the coal inventory and subsequent Resource. As such coal seam quality and tonnage results are mutually representative.
	If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.	Seam dips are generally shallow, and the expectation is that boreholes are largely normal in intersection orientation to the seam.
	If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').	True width not known, although expected to be similar to down hole length based on interpreted seam orientation and borehole angle of drilling.
Diagrams	*Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	Diagram of drill hole collar locations is included in the report.
Balanced reporting	*Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	Details of depth and thickness ranges for each seam is included in the database.
Other substantive	*Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical*	Coal intersections of Glider Seam, Kunioon Seam, Swain Seam and Goodger Seam in these holes provides a continuation of the coal seams throughout the project. The coal seams were intersected at depths that are

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exploration data	*survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	relatively close to the predetermined depth from the geological model. Therefore, the horizontal and vertical distribution of the coal seams are well understood. Massive sandstone is intersected between Kunioon Seam and Swain Seam that potential to cause drilling difficulties.
Further work	*The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).*	Further work is required to obtain infill coal quality information in the project. The coal quality program should be carried out to collect quality data of coal on ply basis.. Large diameter test work is required to provide adequate information into practical sizing distributions and yield expectations from ROM coal.
	Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.	Future exploration drilling is presently considered commercial in confidence.

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