

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity

MORETON RESOURCES LTD

ABN

75 060 111 784

Quarter ended ("current quarter")

30 June 2018

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers		92
1.2 Payments for		
(a) exploration & evaluation	(11)	(971)
(b) development	(651)	(3,060)
(c) production		
(d) staff costs	(650)	(2,533)
(e) administration and corporate costs	(142)	(1,043)
1.3 Dividends received (see note 3)		
1.4 Interest received	1	52
1.5 Interest and other costs of finance paid	(83)	(277)
1.6 Income taxes paid		
1.7 Research and development refunds		
1.8 Other (provide details if material)		
1.9 Net cash from / (used in) operating activities	(1,536)	(7,740)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(1)	(2,304)
(b) tenements (see item 10)		
(c) investments		
(d) other non-current assets		(5,000)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	119	311
	(b) tenements (see item 10)		
	(c) investments		
	(d) other non-current assets	534	534
2.3	Cash flows from loans to other entities		
2.4	Dividends received (see note 3)		
2.5	Other (provide details if material)		
2.6	Net cash from / (used in) investing activities	(652)	(6,459)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares		7,015
3.2	Proceeds from issue of convertible notes		
3.3	Proceeds from exercise of share options		48
3.4	Transaction costs related to issues of shares, convertible notes or options		
3.5	Proceeds from borrowings	2,000	5,725
3.6	Repayment of borrowings		
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Other (provide details if material)		
3.10	Net cash from / (used in) financing activities	2,000	12,788

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	135	2,661
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,536)	(7,740)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	652	(6,458)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	2,000	12,788
4.5	Effect of movement in exchange rates on cash held		
4.6	Cash and cash equivalents at end of period	1,251	1,251

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	1,251	135
5.2 Call deposits		
5.3 Bank overdrafts		
5.4 Other (provide details)		
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	1,251	135

6. Payments to directors of the entity and their associates

**Current quarter
\$A'000**

6.1 Aggregate amount of payments to these parties included in item 1.2

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6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3

6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

Directors salary and fees

7. Payments to related entities of the entity and their associates

**Current quarter
\$A'000**

7.1 Aggregate amount of payments to these parties included in item 1.2

7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3

7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

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8.	Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1	Loan facilities	8,750	8,750
8.2	Credit standby arrangements		
8.3	Other (please specify)		
8.4	Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

Secured Debenture	Balance \$A'000
Lender	
First Samuel Limited	4,800
Director related parties	2,250
	7,050

The company executed a secured debenture deed on 26th May 2017. Debentures are secured by all the assets of the Company and a guarantee by wholly-owned subsidiary MRV Metals Pty Ltd. The debenture deed has a 2-year term, interest rate of 10% per annum (payable quarterly) and original total facility of \$5.25M (excluding equity issues) that during the year was extended to \$7.05M. Interest payments are made 50% cash and 50% equity (at \$0.011 per share). As some of the debentures were taken up by directors the initial issue of shares and part payment of interest by issue of shares was approved at the AGM in October 2017.

Short Term Loans	Balance \$A'000
1. Director	500
2. First Samuel Limited	1,200
	1,700

1. Director debt facility announced market 1 May 2018
2. Frist Samuel debt facility announced to market 12 June 2018

9.	Estimated cash outflows for next quarter	\$A'000
9.1	Exploration and evaluation	200
9.2	Development	600
9.3	Production	
9.4	Staff costs	600
9.5	Administration and corporate costs	260
9.6	Other (provide details if material)	
9.7	Total estimated cash outflows	\$1,660

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10.	Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1	Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced				
10.2	Interests in mining tenements and petroleum tenements acquired or increased				

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here: Alexander Jason Elks.....
(Director)

Date:31 July 2018

Print name: ALEXANDER JASON ELKS

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.