



9 October 2018

ASX ANNOUNCEMENT

Appeal to Federal Court against AAT decision on R&D

On behalf of the Board of Moreton Resources Limited (**ASX: MRV**), I advise that the Company lodged an appeal yesterday with the Federal Court of Australia from a decision of the Administrative Appeals Tribunal (**AAT**) made on 10 September 2018. The AAT had affirmed the internal review decision of Innovation and Science Australia which found that the Company's activities registered under the Industry Research and Development Act 1986 (Cmth) in the financial years ended 2012, 2013 and 2014 were not "R&D activities", as defined under the relevant Act. The Company has appealed from the whole of the decision of the AAT.

In the event of a final adverse decision, the amount of the debt owing by the Company to the Australian Taxation Office (**ATO**) would be approximately \$9M. The Company has arrangements in place with the ATO which provide the Company with time to have its rights determined through the appeals process before any monies become due and payable.

Terry (KT) Bourke
Chief Executive Officer
Moreton Resources Limited

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