+Rule 5.5

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 Limited**

ABN 75 060 111 784

Quarter ended ("current quarter")

30 September 2018

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (3 months) $A'000**
1.	**Cash flows from operating activities**		
1.1	Receipts from customers		
1.2	Payments for		
	(a) exploration & evaluation		
	(b) development	(1,481)	(1,481)
	(c) production		
	(d) staff costs-incl termination paid to former CEO	(716)	(716)
	(e) administration and corporate costs	(261)	(261)
1.3	Dividends received (see note 3)		
1.4	Interest received	47	47
1.5	Interest and other costs of finance paid	(92)	(92)
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**	**(2,503)**	**(2,503)**

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

+ See chapter 19 for defined terms

Consolidated statement of cash flows		Current quarter $A'000	Year to date (3 months) $A'000
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	495	495
	(b) tenements		
	(c) investments		
	(d) other non-current assets		
2.3	Cash flows from loans to other entities		
2.4	Dividends received (see note 3)		
2.5	Other		
2.6	**Net cash from / (used in) investing activities**	**495**	**495**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of shares	2,227	2,227
3.2	Proceeds from issue of convertible notes		
3.3	Proceeds from exercise of share options		
3.4	Transaction costs related to issues of shares, convertible notes or options		
3.5	Proceeds from borrowings		
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**	**2,227**	**2,227**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	1,251	1,251
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(2,503)	(2,503)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	495	495
4.4	Net cash from / (used in) financing activities (item 3.10 above)	2,227	2,227
4.5	Effect of movement in exchange rates on cash held		
4.6	**Cash and cash equivalents at end of period**	**1,470**	**1,470**

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	1,470	1,251
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)**	**1,470**	**1,251**

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	185
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

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

8.	**Financing facilities available** *Add notes as necessary for an understanding of the position*	**Total facility amount at quarter end $A'000**	**Amount drawn at quarter end $A'000**
8.1	Loan facilities	9,050	9,050
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.

The Financing Facilities are a Secured Debenture of $7,050,000 and Short-Term loans of $2,000,000.

The Debentures Lenders are:

First Samuel Limited	$4.80 million
Director Related parties	$2.25 million
Total	$7.05 million

The terms of the Debentures are:

- Secured over all the assets of the Company, and guarantee by subsidiary MRV Metals Pty. Ltd
- 2 year term from 26 May 2017
- Interest at 10% per annum payable quarterly (50% in cash, and 50% in shares at $0.011 per share).

The Short Term loan lenders are:

First Samuel Limited	$1.50 million
Director	$0.50 million
Total	$2.00 million

The terms of the Short Term loans are:

- Unsecured
- The First Samuel Limited loan is currently repayable on 13 November 2018. Discussions are underway to potentially extend the Term of this loan.
- Interest is payable on the First Samuel Limited loan at 10% per annum, payable quarterly.
- The Director loan is repayable on demand.
- Interest is payable on the Director loan at 13% per annum, payable on repayment of the loan principal.

9.	**Estimated cash outflows for next quarter Note:**	**$A'000**
9.1	Exploration and evaluation	
9.2	Development-including tenement rentals	1,310
9.3	Production	
9.4	Staff costs	730
9.5	Administration and corporate costs	160
9.6	Other (provide details if material)-Financing Costs See Note below also	235
9.7	**Total estimated cash outflows** Note: As set out in Item 8 above, discussions are underway to potentially extend the First Samuel Limited unsecured loan of $1.5 million currently payable on 13 November 2018. The repayment of this loan is not included in the above cash outflows.	**2,435**

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: (Company secretary) Date: 31 October 2018

Print name: John Haley

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.