

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")

31 December 2018

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers		
1.2 Payments for		
(a) exploration & evaluation		
(b) development	(1,335)	(2,816)
(c) production		
(d) staff costs	(472)	(1,188)
(e) administration and corporate costs	(299)	(560)
1.3 Dividends received (see note 3)		
1.4 Interest received		47
1.5 Interest and other costs of finance paid	(102)	(194)
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	(2,208)	(4,711)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(4)	(4)
(b) tenements (see item 10)		
(c) investments		-
(d) other non-current assets		

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment		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	(4)	491

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares		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	1,500	1,500
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	1,500	3,727

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	1,470	1,251
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(2,208)	(4,711)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(4)	491
4.4	Net cash from / (used in) financing activities (item 3.10 above)	1,500	3,727

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.5	Effect of movement in exchange rates on cash held		
4.6	Cash and cash equivalents at end of period	758	758

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	758	1,470
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)	758	1,470

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	
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	177
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

8.1 Loan facilities

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.

Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
10,250	10,250

The Financing Facilities are a Secured Debenture of \$7,050,000 and Short-Term loans of \$3,200,000.

The Debentures Lenders are:

First Samuel Limited	\$4.80 million
Director Related parties	<u>\$2.25 million</u>
Total	<u>\$7.05 million</u>

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 (\$3 million) and 2 June 2017 (\$4.05 million)
- 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	\$2.70 million
Director	<u>\$0.50 million</u>
Total	<u>\$3.20 million</u>

The terms of the Short Term loans are:

- Unsecured
- The First Samuel Limited loan is currently repayable on 1 April 2019.
- Interest is payable on the First Samuel Limited loan at 10% per annum.
- The Director loan is repayable on 29 March 2019.
- 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	271
9.3 Production	579
9.4 Staff costs	434
9.5 Administration and corporate costs	115
9.6 Other (provide details if material)-Loan repayments due 29 March 2019 and interest	631
9.7 Total estimated cash outflows Note: The company expects cash inflows from silver sales to commence in the 31 March 2019 quarter	2,030

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: 17 January 2019

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.