

8 February 2019

ASX ANNOUNCEMENT

By Electronic Lodgement

MRV METALS PTY LTD OPERATIONAL UPDATE

Moreton Resources Limited (**ASX:MRV**) (“the Company”) would like to update the market on its progress at the Granite Belt Project, under the management of its fully owned subsidiary MRV Metals Pty Ltd.

As outlined to the market in January 2019, the Company believed it had identified and developed a plan to overcome the operational issues pertaining to excessively high Copper content within the sub-base of Heap Leach 4. Therefore, over the last two months the operational team has removed the ore from the existing Heap Leach areas known as Heap Leach 4 lower, and by doing so they have rectified several key issues that were encountered in our operational restart and that had stopped the site from achieving the desired pH level. Upon rectification of this, testing of the sub-base and irrigation of high pH water has been undertaken and progressively upon cell 1 and cell 2, total correction through the sub-base has been achieved.

Given this correction and verification process, the site has substantially progressed in restacking of the lower section of heap leach 4. Whilst the ore was removed, majority was tested and identified as pH positive with only a minor sections above the sub base reporting negative pH results. These areas have been corrected with lime to ensure it was a suitable pH for restacking and as such only positive pH ore is being restacked.

Additionally, operations have also moved beyond the stacking of cell 1, and irrigation has already begun through the sprinkler systems and the circuit in preparation for final commissioning of cell 1, shortly followed by cell 2. The pH ranges from cell 1 have maintained and we are comfortable the issues have been addressed that have hampered our recommissioning in the last 12 months.

In addition to this progress, the site has undertaken multiple tests within the on-site laboratory and all test work has shown positive Silver leaching outcomes, that are in line with expectation of normal operating parameters of the heap leach system.



Therefore, following the completion of the stacking process of cell 2, which is anticipated to be in the coming days, the site will move to irrigation of cell 2, whilst undertaking final commissioning and testing of the Meryl Crowe Circuit and associated infrastructure. This is anticipated to be undertaken in the week of the 11th of February 2019. Once this has been undertaken and successfully run for several days, a decision as to the operational readiness, via the review of all safety and environmental management system will be confirmed, and the site will seek to move into production based leaching operations, shortly after.

As previously outlined, the Company will continue to update the market and as such the next announcement regarding the Granite Belt Project will likely pertain to the successful commissioning and subsequent achievement of silver production, followed by commercial quantities of concentrate being sold. Following this mile stone, the Company will then fall into normal quarterly reporting with the forecast production and achievements of the site due in April 2019, as part of the Companies quarterly reporting and forecasting obligations.

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