

14 February 2019

ASX ANNOUNCEMENT

By Electronic Lodgement

DEBT FUNDING AGREEMENTS SECURED THROUGH TO 2022

Moreton Resources Limited (**ASX:MRV**) ("the Company") would like to update the market upon its recent refinancing of its major debt agreements, with its long time financing partner First Samuel Limited (FSL). After a lengthy negotiation which also considered the current makeup of the Company Board, the position of the company via its prospects and the intended strategy moving forward, the Company has gained the ongoing support of First Samuel Limited based upon our renewal plans and advancement activities.

As the market is aware First Samuel Limited has been a long-time supporter of Moreton Resources Limited and as such, continuing its already 3 years journey with the Company, FSL has agreed to a total restructuring of their debt totalling \$7,500,000 into a new facility which is broken into three tranches. In addition to this, the company has also negotiated an addition \$1,000,000 in funding which is expected to bring the Company into commissioning and operations at its fully owned subsidiary of the Granite Belt Project, under the MRV Metals Pty Ltd banner.

This debt will be payable under commercial terms at 12% interest: FSL has the option to convert up to 50% of that interest into equity, on a month by month basis at an agreed \$0.007 which has been pre-set, and at the time of this agreement, this represents a 20% uplift in the average 5-day price prior to the signing of the agreement. The total term of the debt agreement runs to April 2022 and additional payments are at the discretion of the Company to reduce this debt. At FSL election, they may seek to convert up to \$2,000,000 of the debt to equity, at the fixed conversion price of \$0.007, subject to shareholder vote and acceptance, at any stage within the first 12 months of this agreement.

The Company has also agreed that the debt will be repaid via a minimum of 50% of the free cash flow per month, after all total Company operating expenses, across the total group being operating, advancement and Corporate activities.

The Company would like to thank its long term financier First Samuel Limited, as this partnership is designed at supporting the Company in not only the commissioning and operations at our fully owned subsidiary of MRV Metals Pty Ltd, but it also supports our advancement plans across all of our other subsidiary advancement Companies, by way of MRV Tarong Basin Coal Pty Ltd, MRV Surat Basin Coal Pty Ltd and MRV Bowen Basin Coal Pty Ltd.

The Company looks forward to updates to the market in the coming quarter, which will pertain to both operational and advancement activities of the group.

- END -