

26 April 2019

ASX ANNOUNCEMENT

By Electronic Lodgement

MRV METALS OPERATIONS UPDATE

Moreton Resources Limited (**ASX:MRV**) is pleased to provide the following presentation for update to the market. This presentation is an update upon our activities at the Granite Belt Project, being a fully owned subsidiary of Moreton Resources Limited and operated by MRV Metals Pty Ltd.

The Company is pleased with our recent advancement and we look forward to giving further details within the quarterly reporting cycle in the coming days.

- END -



RAMPING UP PRODUCTION, CASH FLOW, MAJOR PROJECT ADVANCEMENT AND EXPLORATION



Important Information

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This document contains certain “forward-looking statements”. The words “forecast”, “estimate”, “like”, “anticipate”, “project”, “opinion”, “should”, “could”, “may”, “target” and other similar expressions are intended to identify forward looking statements. Indications of, and guidance on, future earnings and financial position and performance are also forward-looking statements. You are cautioned not to place undue reliance on forward looking statements. Although due care and attention has been used in the preparation of forward looking statements, such statements, opinions and estimates are based on assumptions and contingencies that are subject to change without notice, as are statements about market and industry trends, which are based on interpretations of current market conditions. Forward looking statements including projections, guidance on future earnings and estimates are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance. Recipients of the document must make their own independent investigations, consideration and evaluation. By accepting this document, the Recipient agrees that if it proceeds further with its investigations, consideration or evaluation of investing in the Company it will make and rely solely upon its own investigations and inquiries and will not in any way rely upon this document.

COMPETENT PERSON STATEMENT: The information in this report that relates to ASX announcements containing competent person statements in “MRV Metals confirms Harrier Prospect Potential 18 July 2016, MRV Metals confirms Significant Target at Hornet 19 July 2016 and Hawker Prospect 18 July 2016.” The announcement also relies upon the ASX release upon the 16th of August 2017 stating “JORC Compliant Processing Ponds Release” and also an ASX announcement dated the 21st of April 2017 stating “Re-release of heap leach stock piles data”. These announcements contain a separate Competent Person Statement and are available to view on the Company’s website: www.moretonresources.com.au and the ASX.

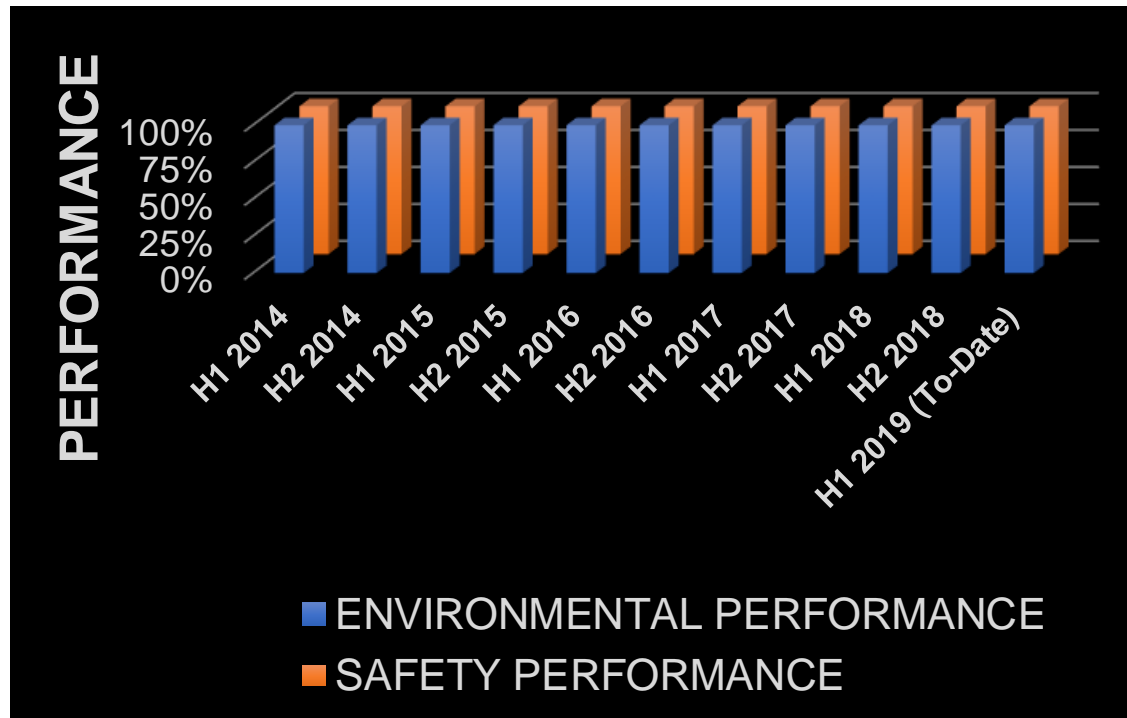
The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements and, in the case of estimates of Mineral Resources or Ore Reserves that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person’s findings are presented have not been materially modified from the original market announcement.



Re-Commissioning of the Site Completed



Environment and Safety Outcomes



Safety

- ✓ Continued strong performance of Nil Lost Time Injuries within the Group of Companies, including MRV Metals Pty Ltd despite commissioning, rehabilitation, drilling and ramp up activities.

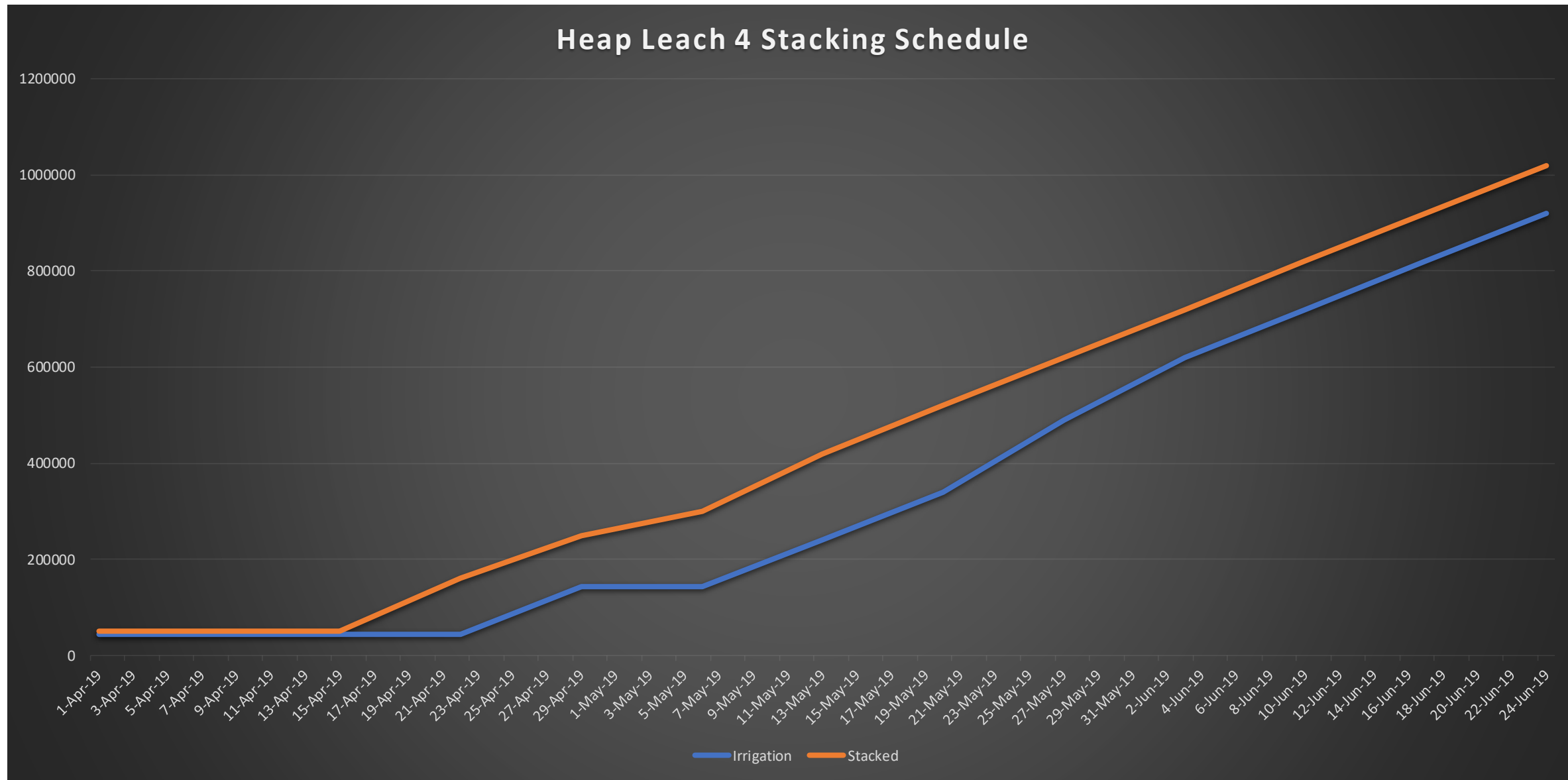
Environmental

- ✓ Significant enhancement of environmental value across the Granite Belt Project Site with reduced water balances, increased water qualities, re-instatement of drainage channels and environmental protection mechanisms.

Strong Forward Cash Flow Forecast Through The Granite Belt Project

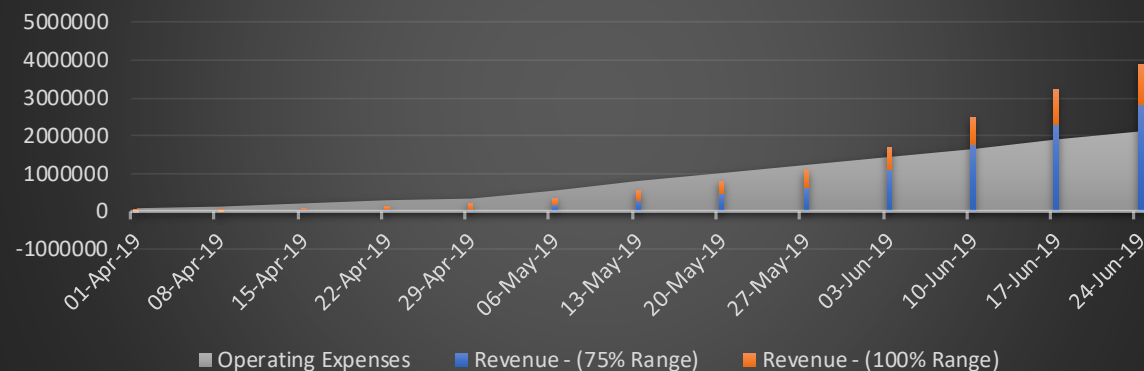


KEY MILESTONES



DE-RISKING THE BUSINESS DAY BY DAY

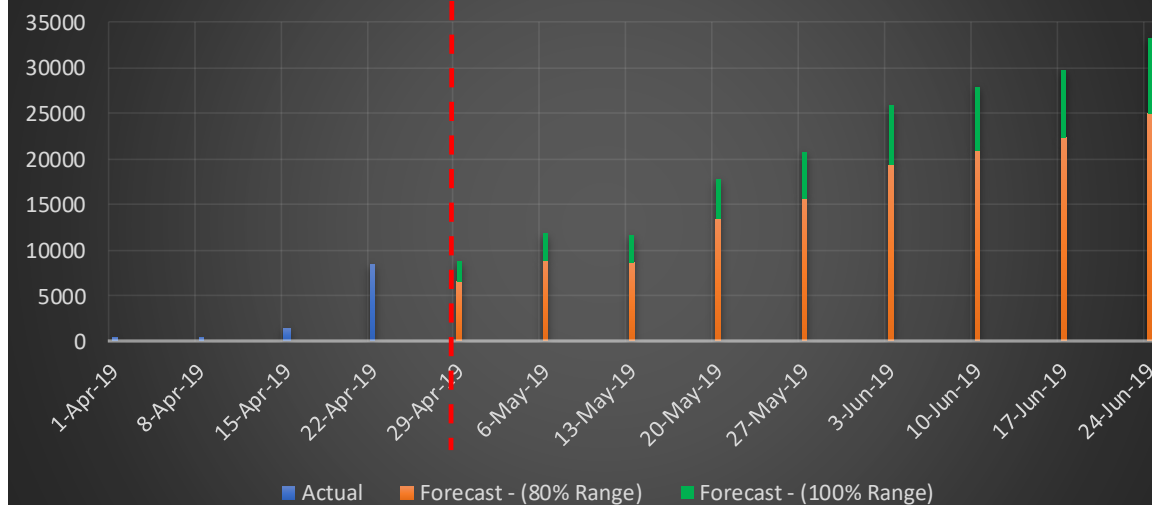
Forecast Revenue Range verse Forecast Operating Expenses Range (Accumulative)



Outline of forecast revenues and silver shipments based upon actual to date at the time of this release, plus forecast. Reliant upon prior released JORC announcements pertaining to grade and tonnes on existing heap leaches

(16th of August 2017 stating “JORC Compliant Processing Ponds Release” and also an ASX announcement dates the 21st of April 2017 stating “Re-release of heap leach stock piles data”)

Forecast Ag Concentrate Shipments



Existing grade returns from Heap Leach 4 cells 1 and 2, are in advance of projections and have shown significant increase week upon week of operation. Heap Leach 4 was the most problematic of our heaps and concerning due to copper content and acidic leach. This has been corrected and the end to end process has now been confirmed as proven and fully operational.

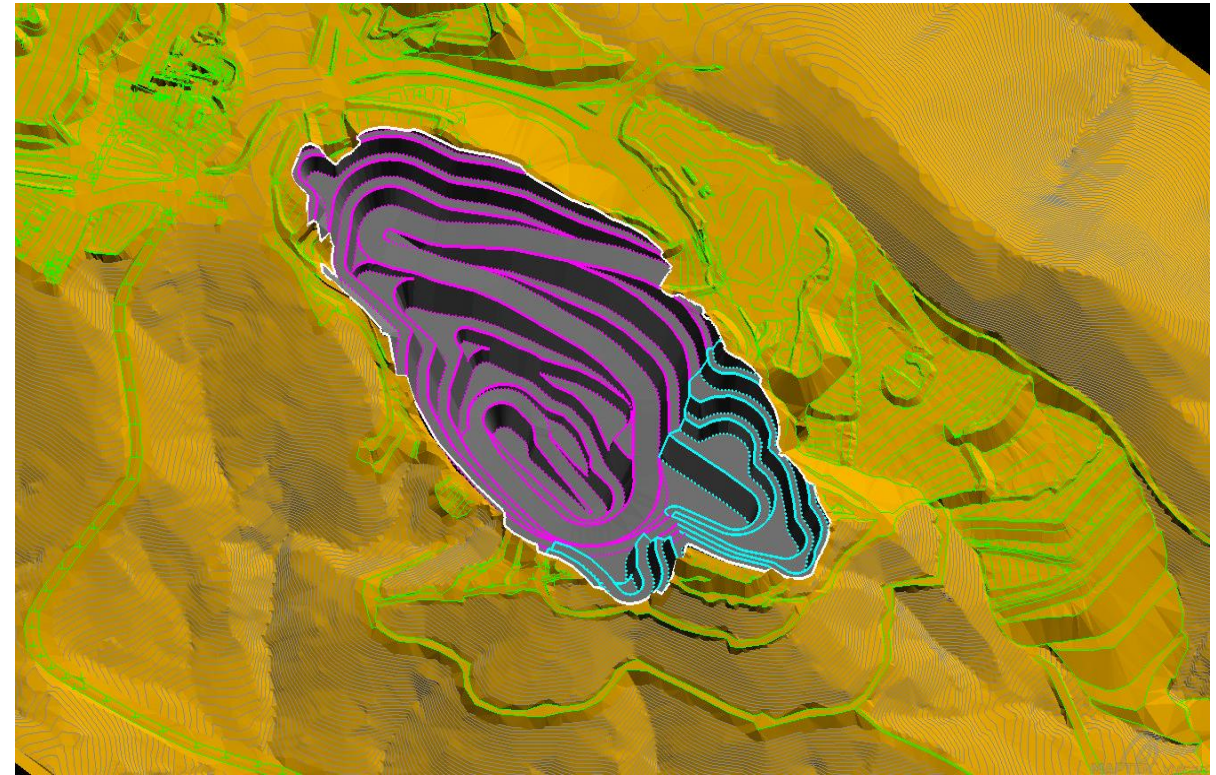
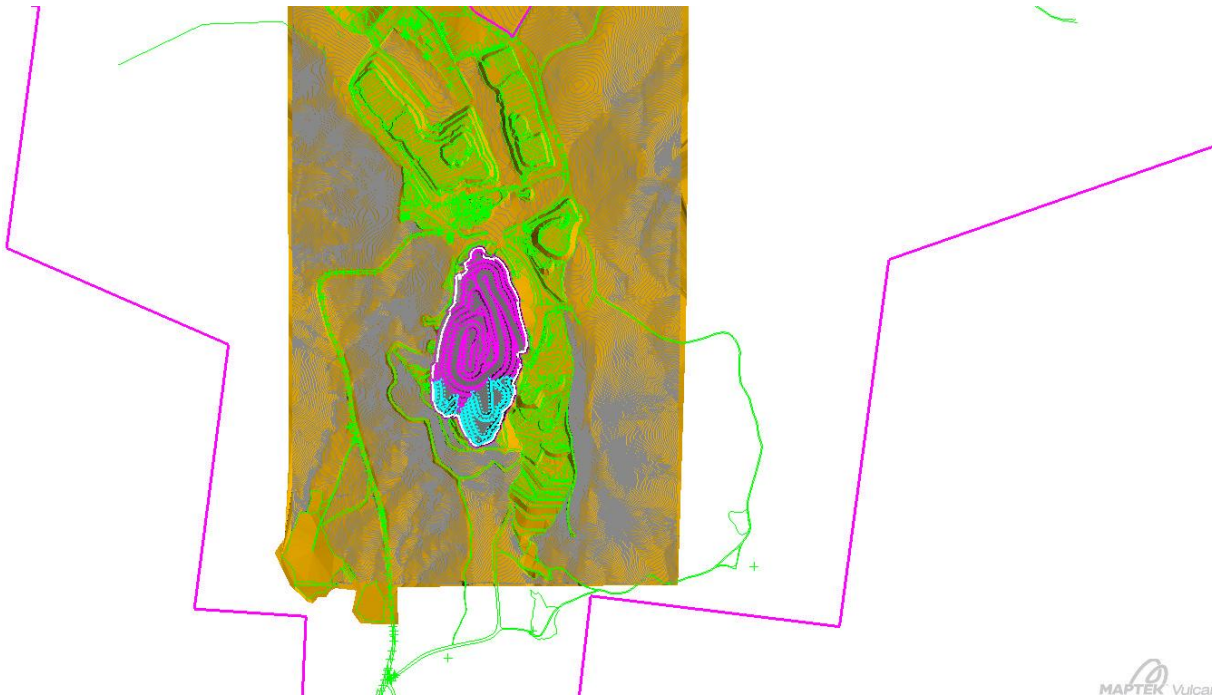
IMMEDIATE POTENTIAL



Finalisation of our mine plan, determining final design of crushing be it mobile or fixed, future heap leach strategy and consideration of longer term options for processing to be determined.

Updated Mine Plan for commencement late 2019

Final mine plan beyond restart strategy base case, shows substantive upside



As per market release upon the ASX 22 Nov 2018 "Progress Report MRV Metals Pty Ltd" mine planning has moved from a strip ratio of 1.7/1 waste to ore, to 1/1 of waste to ore, with forecast drop in operating costs to flow from this outcome. This has also increased the minable ore forecast to 4.4Mt from Twin Hills with an average grade of 56.7g/t with no credit in grade for minor gold recoveries through processing.

Start Up**0-3 Months**

Commission Treatment Area of Heap Leach 4
 Correct HL4 ore to pH positive neutralisation
 Advance clean out of subbase across entire HL4 area
 Civil Works and Environmental Focus continues across site
 Minor Capital Fleet, Recruitment planning continuing
 Irrigation underway, recoveries positive and currently above forecast
 Continue the positive discussions with Department of Environment and Science, to finalise Financial Assurance matters

Ramp Up**3-12 Months**

Heap Leach 4	Heap Leach 1
Heap Leach 3	
Crusher refurbishment	Existing Ore Stockpiles

Mining and Production 9 – 81 Months

Contract Fleet currently operating on site, HL4
 Look to advance the extraction of 4.4Mt at 56.7g/t
 3 years of mining at Twin Hills (3 extension at Mt Gunyan)
 4 years of crushing and 6 years of leaching at current Twin Hills extension by 3 years with Mt Gunyan

First 2 years of Operation

Multiple Metal Stock Pile Inventories to draw from, giving significant flexibility and de-risking start up options including high value sludge additions to heaps.

Crushing refurbishment and commissioning be it mobile or fixed, as both have advantages upon start up however long term outcome will dictate final decision.

Treatment Options to overlay production targets and outputs of already in-situ Heap Leach stockpiles give the operations the flexibility to ramp up or down production without being constrained by through put of front end operations, such as mining or crushing, as these are existing crushed heap leaches, thereby stripping out mining and crushing costs and only being subject to treatment costs for production of ounces.

Within the next 12 months we will be stacking fresh ore from pit whilst advancing next steps for additional ore at depth or progress of Mt Gunyan for next source of Silver ore.

Years 3 to 6

Seeking to advance multiple exploration targets potentially into resources and potential pits sounding the existing operations.

Many of these areas are already within the approved ML footprint and if successful in bringing to resources categories, look to transition to mining potential through EA amendments rather than total approvals processes.

Look to advance our Copper, Zinc, Gold and Lead prospects, ideally with partnership arrangements on offtake and technical assistance

Aspirational “Targeting 75,000-100,000 Oz per month average for 6 years”



Exploration Strategy and Geological Overview

Upside Potential Awaiting to be unlocked



Granite Belt Project Overview

Ag

Cu

Zn

Pb

Au

Under-explored belt of rocks prospective for a variety of commodity and deposit styles

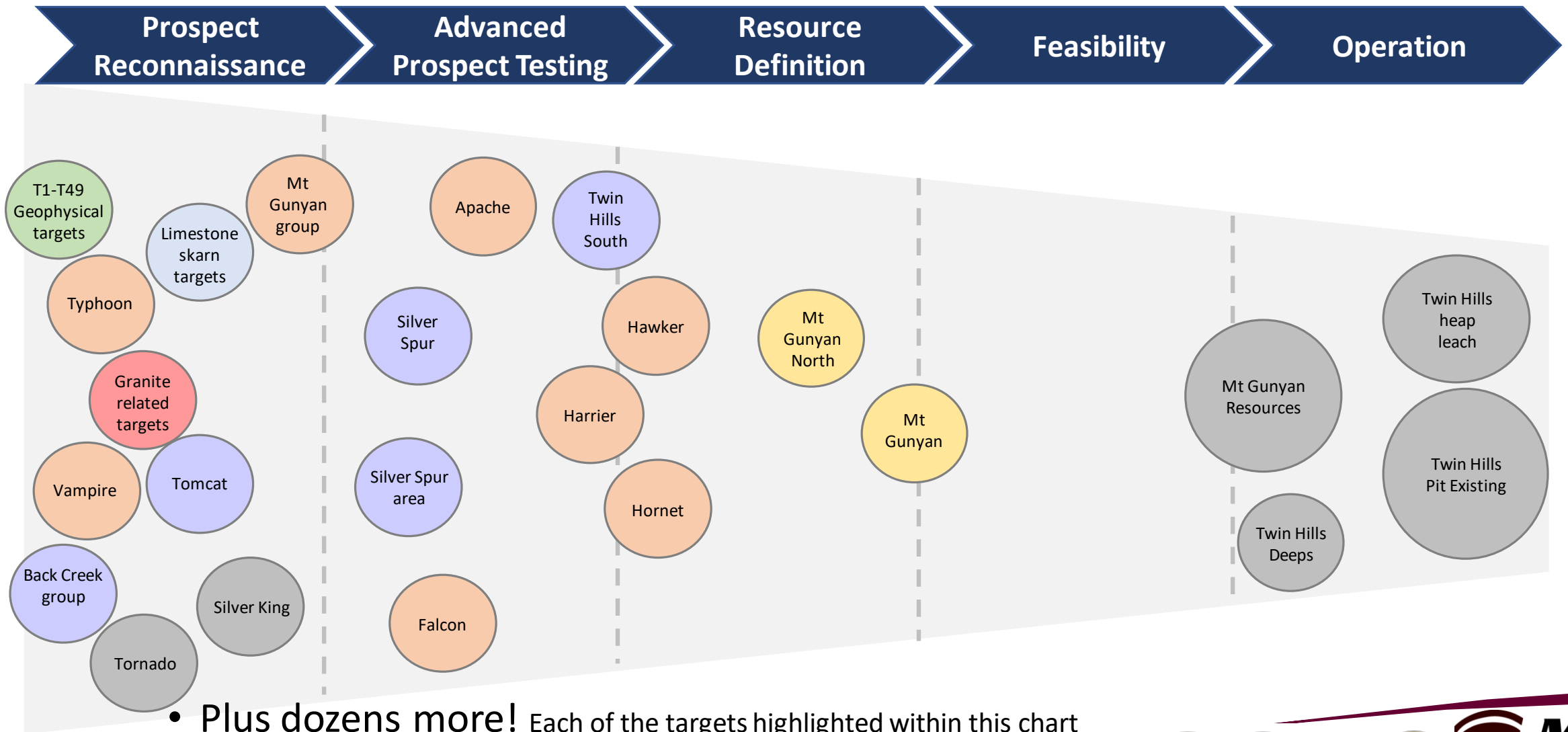
- Low sulfidation epithermal (Twin Hills-type silver-gold + base metals)
- Stratiform base metal (zinc-lead Silver Spur-type)
- Granite related mineralisation at depth (copper-gold, etc)
 - IRGS or Porphyry
 - Greisen
 - Skarn
 - Epithermal

Granite Belt Project Overview

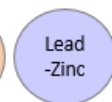
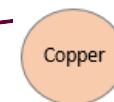
- No large scale or unified geological, geophysical or multi-element geochemical studies undertaken
- No drill data below 200m vertical (near-Twin Hills, 260m at Hornet and Silver Spur).
 - No “deep” drilling completed.
 - Vast potential for addition to known deposits.
 - Small percentage of the tenement package drill tested
- Geology somewhat overlooked, stratigraphy and structure appears to play important role in mineralisation control
- Correct real estate for discovery – known economic deposits exist!



Granite Belt Project Pipeline



- **Plus dozens more!** Each of the targets highlighted within this chart are covered by existing MRV Metals Pty Ltd tenure portfolio.



Granite Belt Project Exploration Strategy

Copper Story

Copper Story with follow up various silver and zinc / lead prospects

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Copper Story

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Copper Story

Copper Story with follow up various silver and zinc / lead prospects

Granite Belt Project Exploration Strategy

- Several underlying strategies in place;
 - Copper
 - Follow up various silver and zinc/lead prospects
 - Test favourable geochemical and geophysical targets (dozens of untested targets!)
 - Ensure tenement expenditure is occurring but with value-adding techniques to advance prospects and understanding – mapping, desktop studies, soil sampling, geophysics (SWIR, ground surveys)

