

23 October 2019

ASX ANNOUNCEMENT

By Electronic Lodgement



AGM and Notice of Meeting

The Board of Moreton Resources is pleased to announce that it will hold its annual general meeting upon the 20th November 2019 at 10.00am. This meeting will be held at our share registry being Link Market Services Limited Board Room, Level 21, 10 Eagle St, Brisbane Queensland.

Also, please find attached the Notice of Meeting that has been issued already to all registered shareholders. Postal and email notifications to all shareholders took place upon or before 21st of October 2019.

- END -



MORETON RESOURCES LTD
ACN 060 111 784

Notice of Annual General Meeting and Explanatory Memorandum

Notice is hereby given that a General Meeting of Shareholders of **Moreton Resources Limited** (the 'Company') will be held on **Wednesday 20, November 2019** commencing at 10.00am (Brisbane time).

Venue details:

Link Market Services Limited
Boardroom
Level 21, 10 Eagle Street,
Brisbane, Queensland, 4000

ORDINARY BUSINESS

FINANCIAL STATEMENTS AND REPORTS

To receive and consider the Company's financial reports and the report of the Directors and the Auditor contained in the Company's Financial Report for the financial year ended 30 June 2019.

RESOLUTIONS

1. ADOPTION OF REMUNERATION REPORT

To consider and, if thought fit, pass the following advisory resolution of the Company:

"That the Remuneration Report contained in the Company's Financial Report for the financial year ended 30 June 2019 be adopted."

Note: This resolution is advisory only and does not bind the Directors or the Company.

2. TO ELECT PHILLIP BRYANT AS A DIRECTOR

To consider, and if thought fit, pass the following as an Ordinary Resolution:

"That Phillip Bryant, a director of the Company appointed to fill a casual vacancy since May 2019, who is required to retire in accordance with Rule 9.1(d) of the Company's constitution and ASX Listing Rule 14.4, and being eligible for election, be elected as a director of the Company with effect from the close of this meeting."

3. TO ELECT BRETT GARLAND AS A DIRECTOR

To consider, and if thought fit, pass the following as an Ordinary Resolution:

"That Brett Garland, a director of the Company appointed to fill a casual vacancy since July 2019, who is required to retire in accordance with Rule 9.1(d) of the Company's constitution and ASX Listing Rule 14.4, and being eligible for election, be elected as a director of the Company with effect from the close of this meeting."

4. TO ELECT TRISTAN GARTHE AS A DIRECTOR

To consider, and if thought fit, pass the following as an Ordinary Resolution:

"That Tristan Garthe, a director of the Company appointed to fill a casual vacancy since October 2019, who is required to retire in accordance with Rule 9.1(d) of the Company's constitution and ASX Listing Rule 14.4, and being eligible for election, be elected as a director of the Company with effect from the close of this meeting."

SPECIAL BUSINESS

5. APPROVAL OF ADDITIONAL SHARE ISSUE CAPACITY UNDER ASX LISTING RULE 7.1A

To consider and, if thought fit, pass the following
as a special resolution of the Company:

“That, pursuant to and in accordance with ASX Listing Rule 7.1A and for all other purposes, the shareholders of the Company approve the issue of equity securities up to 10% of the issued capital of Moreton Resources Ltd (at the time of the issue) calculated in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 and on the terms and conditions described in the Explanatory Memorandum which forms part of the Notice of Meeting.

VOTING EXCLUSIONS

Resolutions 1 and 5 are subject to the Voting Exclusion requirements set out below.

VOTING EXCLUSION STATEMENTS

Resolution 1

A vote on Resolution 1 must not be cast (in any capacity) by, or on behalf of, the following persons:

- a. a member of the Key Management Personnel (KMP) whose remuneration details are included in the 2019 Remuneration Report; or
- b. a closely related party of such a KMP (including close family members and companies the KMP controls).

However, a person described above may cast a vote on Resolution 1 as a proxy if the vote is not cast on behalf of a person described above and either:

- a. *the proxy appointment is in writing that specifies the way the proxy is to vote (e.g. for, against, abstain) on the resolution; or*
- b. *the vote is cast by the chair of the Meeting and the appointment of the chair as proxy:*
 - i. *does not specify the way the proxy is to vote on the resolution; and*
 - ii. *expressly authorises the chair to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the KMP.*

“Key management personnel” and “closely related party” have the same meaning as set out in the Corporations Act 2001 (Cth).

Resolution 5

In accordance with ASX Listing Rule 14.11, the Company will disregard any votes cast on Resolution 5 by a person who may participate in the 10% placement facility and a person who might obtain a material benefit, except a benefit solely in the capacity of a holder of shares, if this resolution is passed and any associates of those persons. As at the date of this Notice of Meeting, there are no potential allottees to whom shares may be issued under this resolution. On that basis, no shareholders are currently excluded from voting.

However, the Company need not disregard a vote cast on Resolution 5 if:

- a. it is cast by a person as proxy for a person who is entitled to vote in accordance with the directions on the proxy form; or
- b. it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Shareholders should be aware that any undirected proxies given to the chairperson will be cast by the chairperson and counted **in favour of** all Resolutions.

EXPLANATORY MEMORANDUM

THIS EXPLANATORY MEMORANDUM SHOULD BE READ IN ITS ENTIRETY. IF SHAREHOLDERS ARE IN DOUBT AS TO HOW THEY SHOULD VOTE, THEY SHOULD SEEK ADVICE FROM THEIR ACCOUNTANT, SOLICITOR OR OTHER PROFESSIONAL ADVISER PRIOR TO VOTING.

The Explanatory Memorandum has been prepared for the information of Shareholders in connection with the business to be conducted at the Annual General Meeting of Shareholders to be held on Wednesday 20 November 2019 at 10.00am (Brisbane time) ("**the Meeting**" or "**Annual General Meeting**" or "**AGM**").

This Explanatory Memorandum should be read in conjunction with the accompanying Notice.

Terms used in this Explanatory Memorandum are defined in Schedule 1 of this Explanatory Memorandum.

Financial Statements and Reports & Annual Report

Section 317 of the Corporations Act requires the Directors of the Company to lay before the Annual General Meeting the Financial Report, Director's Report (including the Remuneration Report) and the Auditor's Report for the last financial year that ended before the AGM.

In accordance with section 250S of the Corporations Act, Shareholders will be provided with a reasonable opportunity to ask questions or make statements in relation to those reports but no formal resolution to adopt the reports will be put to Shareholders at the AGM (save for Resolution 1 for the adoption of the Remuneration Report).

Shareholders will be given a reasonable opportunity to ask the auditor questions about the conduct of the audit and the preparation and content of the Auditor's Report. In addition to taking questions at the AGM, written questions to the Chairman about the management of the Company, or the Company's Auditor regarding:

- a) the preparation and content of the Auditor's Report;
- b) the conduct of the audit;
- c) accounting policies adopted by the Company in relation to the preparation of the financial statements; and
- d) the independence of the Auditor in relation to the conduct of the audit,

may be submitted no later than 5 business days before the AGM to the registered office of the Company.

The following matters should be noted in respect of the various items of business:

RESOLUTIONS

Background to Resolution 1 (Ordinary) - Adoption of Remuneration Report

Pursuant to Section 250R of the Corporations Act, the Company is required to put the Remuneration Report to the vote of Shareholders. The Corporations Act provides that Resolution 1 need only be an advisory vote of

Shareholders and does not bind the Directors of the Company.

The Board has submitted its Remuneration Report to Shareholders for consideration and adoption by way of a non-binding Advisory Resolution.

The Remuneration Report is set out in the Directors' Report section of the Annual Report.

The Remuneration Report, amongst other things:

- a) explains the Board's policy for determining the nature and amount of remuneration of Key Management Personnel of the Company;
- b) explains the relationship between the Board's remuneration policy and the Company's performance;
- c) sets out remuneration details for each Key Management Personnel of the Company, including details of performance related remuneration and options granted as part of remuneration; and
- d) details and explains any performance conditions applicable to the remuneration of Key Management Personnel of the Company.

A reasonable opportunity will be provided for discussion of the Remuneration Report at the meeting.

Background to Resolution 2 (Ordinary) – To elect Mr. Phillip Bryant as an Executive Director

Following the appointment of Phillip to the role of CEO of Moreton Resources Limited, in May of 2019, the Directors appointed Mr. Phillip Bryant to the Board to fill a casual vacancy.

Rule 9.1(d) of the Constitution and Listing Rule 14.4 provide that a Director who has been appointed by the other Directors or to fill a casual vacancy or as an addition to the Board only holds office to the end of the next annual general meeting and is then eligible to stand for election at that annual general meeting.

Mr. Bryant's has been CEO of the Company since May 2019, after joining to transition with the prior CEO in March 2019.

Mr Bryant has a long history in the Mining Industry and is a qualified Geologist with Competent Person qualifications in the Coal Industry.

Recommendation of Directors:

The Directors, with Mr. Bryant abstaining, recommend that the Shareholders vote in favour of

the resolution to appoint Mr. Phillip Bryant as a Director of the Company.

Background to Resolution 3 (Ordinary) – To elect Mr. Brett Garland Non-Executive Director

Following the resignation of a Director on July 2019, the Directors appointed Mr. Brett Garland to the Board to fill a casual vacancy in July 2019. More recently in late September 2019, Mr Garland has ontaken the role as Chair of the Board.

Rule 9.1(d) of the Constitution and Listing Rule 14.4 provide that a Director who has been appointed by the other Directors or to fill a casual vacancy or as an addition to the Board only holds office to the end of the next annual general meeting, is then eligible to stand for election at that annual general meeting.

Mr Garland has a long history of Mining Industry experience predominantly in the Coal Mining Industry, with a particular focus in the recent decade upon Health and Safety within the Industry.

Recommendation of Directors:

The Directors, with Mr. Garland abstaining, recommend that the Shareholders vote in favour of the resolution to appoint Mr. Garland as a Director of the Company

Background to Resolution 4 (Ordinary) – To elect Mr. Tristan Garthe Non-Executive Director

Following the resignation of a Director in October 2019, the Directors appointed Mr. Tristan Garthe to the Board to fill a casual vacancy in October 2019.

Rule 9.1(d) of the Constitution and Listing Rule 14.4 provide that a Director who has been appointed by the other Directors or to fill a casual vacancy or as an addition to the Board only holds office to the end of the next annual general meeting and is then eligible to stand for election at that annual general meeting.

Mr Garthe has significant experience in the Mining Industry across Coal and minerals throughout Australia and overseas, with a focus on financial and commercial management. He is a qualified CPA, holds formal qualifications in Commerce and holds an MBA.

Recommendation of Directors:

The Directors, with Mr. Garthe abstaining, recommend that the Shareholders vote in favour of the resolution to appoint Mr. Garthe as a Director of the Company

Background to Resolution 5 (Special) - To approve the additional Share issue capacity under ASX Listing Rule 7.1A

ASX Listing Rule 7.1A enables mid to small cap listed companies to seek shareholder approval by special resolution to issue equity securities equivalent to an additional 10% of the number of ordinary securities on issue by way of placement

over a 12 month period (**10% Placement Facility**). This is in addition to the existing 15% placement capacity permitted by ASX Listing Rule 7.1.

A company is eligible to seek shareholder approval for this additional placement capacity if it satisfies both of the following criteria at the date of the AGM:

- a. it has a market capitalisation of \$300 million or less; and
- b. it is not included in the S&P/ASX 300 Index.

The Company currently satisfies both the above criteria, and it is anticipated that it will satisfy both these criteria at the date of the AGM.

Accordingly, Resolution 5 is seeking approval of ordinary Shareholders by special resolution for the issue of such number of equity securities as calculated under the formula in ASX Listing Rule 7.1A.2, at an issue price as permitted by ASX Listing Rule 7.1A.3 to such persons as the Board may determine, on the terms as described in this Explanatory Memorandum.

At the date of this Notice, the Company has on issue 3,129,818,153 fully paid ordinary shares and a capacity to issue:

- a. 469,472,722 equity securities under ASX Listing Rule 7.1 (15%); and
- b. 0 equity securities under ASX Listing Rule 7.1A (10%).

The actual number of equity securities that the Company will have capacity to issue under ASX Listing Rule 7.1A will be calculated at the date of issue of the equity securities in accordance with the formula prescribed in ASX Listing Rule 7.1A.2.

The effect of Resolution 5 will be to allow the Directors to issue equity securities under ASX Listing Rule 7.1A during a 10% placement period, without using the Company's 15% placement capacity under ASX Listing Rule 7.1.

Further information in relation to Resolution 5 required to be disclosed to Shareholders under Listing Rule 7.3A is set out in Schedule 2 to this Notice.

A Voting Exclusion Statement is set out under the Resolution in the Notice of Meeting. Potential allottees under the 10% Placement Facility (should it be approved) have not been identified as at the date of this Notice, but may include existing Shareholders and/or parties who are not currently Shareholders and are not related parties or associates of the Company.

Resolution 5 is a special resolution. For a special resolution to be passed, at least 75% of the votes cast by Shareholders present and entitled to vote on the resolution must be in favour of the resolution.

Recommendation of Directors: The Directors unanimously recommend Shareholders vote in favour of this Resolution.

SCHEDULE 1 – DEFINITIONS

In this Explanatory Memorandum and Notice terms defined in the Corporations Act have the same meaning when used in this document (unless the context otherwise requires) and the following words have the following meanings:

“Annual Report” means the Company’s annual report for the period ending 30 June 2019.

“ASX” means ASX Limited ACN 008 624 691 or the securities exchange operated by it (as the case requires).

“Board” means the board of Directors of the Company.

“Company” or **“Moreton”** or **“Moreton Resources”** means Moreton Resources Ltd ACN 060 111 784.

“Constitution” means the Company’s constitution.

“Corporations Act” means the Corporations Act 2001 (Cth).

“Director” means a director of the Company.

“Explanatory Memorandum” means the explanatory memorandum to this Notice.

“Listing Rules” means the Listing Rules of ASX.

“Meeting” or **“Annual General Meeting”** or **“AGM”** means the meeting convened by the Notice.

“Notice” means this notice of meeting including the Explanatory Memorandum and the Proxy Form.

“Proxy Form” means the proxy form attached to the Notice.

“Resolution” means a resolution for the consideration of Shareholders at the Meeting.

“Remuneration Report” means the report of that name set out in the Annual Report.

“Schedule” means a schedule to this Notice.

“Share” means a fully paid ordinary share in the capital of the Company.

“Shareholder” means a registered holder of a Share.

Words importing the singular include the plural and vice versa.

SCHEDULE 2 – Further information in relation to Resolution 5.

For the purposes of ASX Listing Rule 7.3A, the following information is provided:

- It should be noted that as per ASX Listing Rule 7.1A, for the previous twelve months the Company has not issued an additional 10% of equity securities.
- The minimum price at which the equity securities will be issued will be no less than 75% of the volume weighted average price for ordinary shares calculated over the 15 trading days on which trades are recorded immediately before:
 - a. the date on which the price at which the shares are to be issued is agreed; or
 - b. if the shares are not issued within 5 trading days of the date in paragraph a., the date on which the shares are issued.
- If Resolution 5 is approved by Shareholders and the Company issues equity securities under the 10% Placement Facility, the existing ordinary Shareholders face the risk of economic and voting dilution as a result of the issue of equity securities which are the subject of this Resolution, to the extent that such equity securities are issued, including:
 - a. the market price of equity securities may be significantly lower on the issue date than on the date on which this approval is being sought; and
 - b. the equity securities may be issued at a price that is at a discount to the market price for those equity securities on the issue date,

which may have an effect on the amount of funds raised by the issue of the equity securities.

- The following table gives examples of the potential dilution of existing ordinary Shareholders on the basis of the current market price of shares and the current number of ordinary securities for variable “A”, calculated in accordance with the formula in ASX Listing Rule 7.1A.2 as at the date of the Notice.

The table also shows:

- a. two examples where variable “A” has increased by 50% and 100%. Variable “A” is based on examples only. The number of ordinary securities on issue may increase as a result of issues of ordinary securities that do not require Shareholder approval (for example, a pro rata entitlements issue or scrip issued under a takeover offer) or future specific placements under ASX Listing Rule 7.1 that are approved at a future Shareholders’ meeting; and
- b. two examples of where the issue price of ordinary securities has decreased by 50% and increased by 100% as against the current market price.

No. of Shares on Issue Example only ¹	Dilution Examples Only			
	Issue price (per Share)	\$0.002 50% decrease in Issue Price	\$0.004 Issue Price	\$0.008 100% increase in Issue Price
1,829,167,072 (Example Only)	Shares issued	182,916,707	182,916,707	182,916,707
	Funds raised	\$365,833	\$731,666	\$1,463,333
2,743,750,608 (50% increase Example Only)	Shares issued	274,375,060	274,375,060	274,375,060
	Funds raised	\$548,750	\$1,097,500	\$2,195,000
3,658,334,144 (100% increase Example Only)	Shares issued	365,833,414	365,833,414	365,833,414
	Funds raised	\$731,666	\$1,463,333	\$2,926,667

¹ Variable “A” in Listing Rule 7.1A.2

- The table Examples have been prepared on the following assumptions:
 - a. the Company issues the maximum number of equity securities available under the 10% Placement Facility in ASX Listing Rule 7.1A;
 - b. no unlisted Options in ordinary shares are exercised before the date of issue of ordinary shares under ASX Listing Rule 7.1A;
 - c. the 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%;
 - d. the table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Facility, based on that Shareholder's holding at the date of the AGM;
 - e. the table shows only the effect of issues of equity securities under ASX Listing Rule 7.1A, not under the 15% placement capacity under ASX Listing Rule 7.1;
 - f. the issue of equity securities under the 10% Placement Facility consists only of shares; and
 - g. the issue price is \$0.003 per share¹, being the closing price of the shares on ASX on 30 August 2016.
- If any of the shares being approved by this Resolution are issued, they will be issued during the placement period, that is, within 12 months of the date of the AGM (i.e. by 20 November 2020) and the approval being sought under Resolution 5 will cease to be valid if ordinary Shareholders approve a transaction under ASX Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking) prior to 20 November 2020.
- The shares will be issued for the purpose of raising working capital for the Company, which includes continuation of the Company's exploration activities, the assessment and evaluation of new business development opportunities and general working capital purposes. A proportion of the shares may be issued for non-cash consideration and in such circumstances the Company will provide a valuation of the non-cash consideration as required by ASX Listing Rule 7.1A.3.
- The Company will comply with the disclosure obligations under ASX Listing Rules 7.1A.4 and 3.10.5A upon issue of any equity securities.
- The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Facility. The identity of allottees of any equity securities that may be issued have not been determined as at the date of this Notice, but may include existing Shareholders and/or parties who are not currently Shareholders and are not related parties or associates the Company. Any potential allottees will be determined on a case-by-case basis having regard to factors including, but not limited to, the following:
 - a. the methods of raising funds available to the Company (including but not limited to, rights issue or other issues in which existing security holders can participate), while balancing interest from potential allottees with the interests of existing Shareholders;
 - b. the effect of the issue of equity securities on the control of the Company and balancing the interests of existing Shareholders. Allocation will be subject to takeover thresholds;
 - c. the financial situation and solvency of the Company and its need for working capital at any given time; and
 - d. advice from corporate, financial and broking advisors (if applicable).

¹ Closing price on 30 September 2019, was \$0.005 per share.

VOTING

Moreton Resources has determined that for the purpose of voting at the meeting, or adjourned meeting, shareholders who are recorded in Moreton's register of shareholders as at 7.00pm (Brisbane time), Monday 18 November 2019 will be taken, for the purpose of the Annual General Meeting, to be entitled to attend and vote at the meeting.

APPOINTMENT BY PROXY

The Proxy Form must be completed and lodged at Moreton's share registry at Link Market Services (together with the power of attorney (if any) under which the Proxy Form is signed), in accordance with the instructions set out in the Proxy Form, at least 48 hours before the meeting (i.e. lodgment must occur not later than 10.00am (Brisbane time) on 18 November 2019).

CORPORATE REPRESENTATIVE

A corporation may elect to appoint a representative, rather than appoint a proxy, in accordance with the Corporations Act in which case the Company will require written proof of the representative's appointment which must be lodged with or presented to the Company before the meeting.

VOTING ENTITLEMENT

A person's entitlement to vote at the Meeting will be determined by reference to the number of fully paid shares registered in the name of that person (reflected in the register of Shareholders) as at 7.00pm (Brisbane time), Monday 20 November 2019.

IMPORTANT

The business of the Meeting affects your shareholding and your vote is important. To vote in person, attend the Meeting on the date and at the place set out above.

To vote by proxy, please complete and sign the enclosed Proxy Form and return **it not later than 10.00am** (Brisbane time) on 18 November 2019 to Link Market Services and in accordance with the instructions set out on the Proxy Form.

This Notice of Meeting should be read in its entirety. If shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

Shareholders are required to contact the Company on +61 7 3184 7919 if they have any queries in respect of the matters set out in these documents.

18 October 2019

By order of the Board

Phil Bryant

Chief Executive Office

ENQUIRIES