

MORETON RESOURCES LIMITED

ACN 060 111 784

25 November 2016

OFFER MEMORANDUM

For a pro-rata non-renounceable one (1) for three (3) rights issue of up to approximately 609.7 million New Shares at an issue price of \$0.004 per New Share, to raise approximately \$2.4 million.

CLOSING DATE: 5.00pm Sydney time on Friday, 16 December 2016

IMPORTANT NOTICE

This is an important document and requires immediate attention. It should be read in its entirety. If you do not understand it, or are in doubt as to how to act, you should consult your financial or other professional adviser.

Not for distribution or release in the United States or to, or for the account or benefit of, U.S. persons.

Corporate Directory

Directors

Mr. Alexander Jason Elks	Executive Chairman
Mr. Anthony Feitelson	Non-Executive Director
Mr. Valeri Melik	Executive Director

Share Registry

Link Market Services Limited
Level 15, ANZ Building
324 Queen Street
Brisbane, Queensland, 4000
Australia
Telephone: 1300 554 474

Company Secretary

Ms. Kate O'Donohue
Company Matters
Level 15, ANZ Building
324 Queen Street
Brisbane, Queensland, 4000
Australia

Registered and Principal Office

Suite 8, Level 2
113 Wickham Terrace
Spring Hill, Queensland, 4000
Australia
Telephone: + 61 7 3831 6088

Website

www.moretonresources.com.au

Table of Contents

Important Notices.....	5
Key Dates	7
Chairman's Letter.....	8
Key Questions Regarding The Offer	9
1. DETAILS OF THE OFFER.....	11
1.1 The Offer	11
1.2 What is my Entitlement?	11
1.3 Top-Up Facility	11
1.4 Opening and closing dates	12
1.5 Who is entitled to participate in the Offer?	12
1.6 Offer not made to Excluded Shareholders.....	12
1.7 No cooling off rights	13
1.8 Brokerage Fees and Stamp Duty.....	13
2. FURTHER INFORMATION IN RELATION TO THE OFFER	13
2.1 Use of funds raised from the Offer.....	13
2.2 Issue of New Shares	13
2.3 No nominee for Excluded Shareholders	14
2.4 Non-Renounceable Offer	14
3. HOW TO ACCEPT THE OFFER	14
3.1 How to take up all or part of your Entitlement.....	14
3.2 How to apply for additional New Shares under the Top-Up Facility	14
3.3 Lapse of Entitlement	15
3.4 Payment	15
3.5 Effect of making Application.....	16
4. SHORTFALL SHARES	18
5. EFFECT OF THE OFFER.....	18
5.1 Effect on capital structure	18
5.2 Effect on balance sheet	18
6. RISKS	19
6.1 General	19
6.2 Company's Projects	19
6.3 Resources and Reserves.....	19
6.4 Metals and Coal price volatility and exchange rate	19

6.5 Litigation risks	20
6.6 General Economic Climate	20
6.7 Political and Regulatory	20
6.8 Key Management	20
6.10 Tax issues	20
6.11 Share market Conditions	20
6.12 Environmental Risks	21
6.13 Unforeseen Expenditure	21
7. ADDITIONAL INFORMATION	21
7.1 Directors Discretion	21
7.2 Governing law	21
8. DEFINED TERMS	22

Important Notices

Reliance on Offer Memorandum

This Offer Memorandum has been prepared by Moreton Resources Limited (**Company** or **Moreton**). It is not a prospectus and has not been lodged with ASIC. It has been prepared in accordance with section 708AA of the Corporations Act, as modified by ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84 and ASIC Corporations (Disregarding Technical Relief) Instrument 2016/73, which relates to rights issues by certain companies that do not require the provision of a prospectus or other disclosure document. The level of disclosure in this Offer Memorandum is therefore considerably less than that required in a prospectus and this Offer Memorandum does not contain all of the information which an investor may require to make an informed investment decision.

In deciding whether or not to accept the Offer, you should rely on your own knowledge of Moreton, disclosures made by Moreton to the ASX (which are available on the ASX website at www.asx.com.au using the Company's code MRV) and the advice of your professional adviser.

Forward looking statements

This Offer Memorandum includes forward looking statements that have been based on current expectations about future acts, events and circumstances. These forward looking statements are, however, subject to risks, uncertainties and assumptions that could cause those acts, events and circumstances to differ materially from the expectations described in such forward looking statements. These factors include, among other things, the risk factors out in section 6 of this Offer Memorandum and other risks associated with the meeting of objectives and other investment considerations, as well as other matters not yet known to the Company or not currently considered material by the Company.

No offer outside Australia and New Zealand

No offer is made by this Offer Memorandum in any jurisdiction other than Australia and New Zealand. For the avoidance of doubt, the Offer and the New Shares will not be registered under the U.S. Securities Act and New Shares may not be offered or sold in the United States to, or for the account or benefit of, a U.S. Person (as defined in the US Securities Act) nor will Shares be offered to any person outside of Australia and New Zealand.

The New Shares being offered under this Offer Memorandum are being offered to Shareholders with registered addresses in New Zealand in reliance on the Financial Markets Conduct Act 2013 (New Zealand) and the Securities Act (Overseas Companies) Exemption Notice 2013 (New Zealand). This Offer Memorandum is not an investment statement or prospectus under New Zealand law and is not required to, and may not, contain all the information that an investment statement or prospectus under New Zealand law is required to contain.

Disclaimer

No person is authorised to give any information or to make any representation in connection with the Offer which is not contained in this Offer Memorandum. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with the Offer.

Except as required by law, and only to the extent so required, neither Moreton nor any other person warrants the future performance of Moreton or any return on any investment made under the Offer.

To the maximum extent permitted by law, Moreton and its related bodies corporate and their respective directors, officers, partners, employees, representatives or agents exclude and disclaim all liability for any expenses, losses, damages or costs incurred by Shareholders as a result of participation in the Offer.

Not investment or financial product advice

This Offer Memorandum is not financial product advice and has been prepared without taking into account your investment objectives, financial circumstances or particular needs. Moreton is not licensed to provide financial product advice in respect of the New Shares.

Investment Risks

There are a number of risk factors that could potentially impact on Moreton and its subsidiaries and associated assets. Please refer to the risks outlined in Section 6 of this Offer Memorandum for further details.

Defined terms

Expressions used in this Offer Memorandum with an upper case initial letter have defined meanings which are set out at the end of this Offer Memorandum.

Queries

If you have not received a personalised Acceptance Form or have any queries on how to complete the Acceptance Form, please contact the Company on:

- Telephone (within Australia): 07 3831 6088
- Telephone (from outside Australia): +61 7 3831 6088

Key Dates

The indicative timetable for the Rights Issue is as follows:

EVENT	DATE
Announcement of Rights Issue — Offer Memorandum, ASX Appendix 3B and Cleansing Notice lodged with ASX	Friday 25 November 2016
Notice to Shareholders — notice of Offer sent to Shareholders containing information required by Appendix 3B. Option holders advised of the Rights Issue	Monday 28 November 2016
Ex date — the date on which Shares commence trading without the entitlement to participate in the Offer	Tuesday 29 November 2016
Record Date — the date for determining entitlements of Shareholders to participate in the Offer	7pm (Sydney time) on Wednesday 30 November 2016
Offer Memorandum sent to Shareholders — dispatch of Offer Memorandum and Acceptance Forms — Offer opens for acceptance	Friday 2 December 2016
Closing Date — the last day for receipt of Acceptance Forms or BPAY payment	5pm (Sydney time) on Friday 16 December 2016
Deferred settlement trading commences — New Shares commence quotation on ASX on deferred settlement basis	Monday 19 December 2016
Notification of under subscriptions to ASX	Wednesday 21 December 2016
Issue date — allotment of New Shares and dispatch of holding statements Deferred settlement trading ends	Friday 23 December 2016
Expected commencement of normal trading in New Shares on ASX	Wednesday 28 December 2016

This timetable is indicative only. Subject to the ASX Listing Rules, the Directors reserve the right to vary the dates for the Offer at their discretion. Should this occur, the variation will have a consequential effect on the anticipated date of issue and normal trading of the New Shares.

Chairman's Letter

Dear Shareholder

I am pleased on behalf of Moreton Resources Limited (**Company** or **Moreton**), for the first time in over three years, to offer existing shareholders a chance to participate in this pro-rata non-renounceable rights issue at an issue price of \$0.004 (.4 cents) per New Share, to raise up to approximately \$2.4 million (before costs and expenses).

The Rights Issue offers you the right to take up one (1) New Share for every three (3) Shares you hold as at 7pm Sydney time on Wednesday 30 November 2016 at an issue price of \$0.004 (0.4 cents) per New Share. In addition, Moreton is offering Eligible Shareholders the opportunity to apply for New Shares in excess of their Entitlement under a 'Top-Up Facility' at the same issue price as the Entitlement, capped at a total offering of 25% of the total share capital of Moreton.

The Company intends to utilise the funds from this Rights Issue for the following purposes:

- Seeking to move toward finalization of the "Granite Belt Project" on all issues pertaining to approvals for environmental and mining permits (and partial land holder compensation agreements);
- Advancement of the "South Burnett Coal Projects" environmental and mining studies; and
- Completion of the Administrative Appeals Tribunal matters set down for February 2017.

The benefits that are sought to be achieved by the continuation of these objectives are outlined in Moreton Resources Limited investor presentation lodged with ASX on 25 November 2016, a copy of which is available on the ASX website at www.asx.com.au, using Moreton's code MRV.

The Rights Issue provides you with an opportunity to either sustain or increase your proportionate investment in Moreton in a market with minimal share turnover.

My fellow Directors and I are pleased to offer Shareholders the opportunity to participate in this capital raising. All current Directors have committed to take up all of their respective Entitlements. This represents an **immediate take up upon offer, of approximately 40%** of the offer under this Rights Issue. In compliance with the ASX Listing Rules, Directors will not be applying for Shares under the Top-Up Facility.

You are encouraged to read this Offer Memorandum and the accompanying Acceptance Form fully. If you have any questions about the Offer, you should consult your stockbroker or other professional adviser.

On behalf of the Directors, I thank you for your ongoing support.

Yours Sincerely

Alexander JASON ELKS

EXECUTIVE CHAIRMAN

Key Questions Regarding The Offer

What is the Offer?	The Offer is an offer to Eligible Shareholders of 1 New Share for every 3 Shares held at a price of \$0.004 (0.4 cents) per New Share	Section 1.1
Who can participate in the Offer	Only Shareholders with a registered address in Australia or New Zealand at the Record Date may participate.	Section 1.5
What is the issue price?	The price for each New Share is \$0.004 (0.4 cents)	Section 1.1
Do I have to subscribe for my full Entitlement?	No, you can subscribe for all or part of your Entitlement.	Section 1.2
Can I subscribe for more than my Entitlement?	Yes, if you take up your Entitlement in full, you can apply for additional New Shares under the Top-Up Facility.	Section 1.2 and 1.3
What are the terms of the New Shares	The New Shares will rank equally with all existing Shares.	Section 1.1
What is the purpose of the Offer?	<p>Proceeds from the Offer will be used to fund, in part, the following activities:</p> <p>The permitting and approvals of the “Granite Belt Project”;</p> <p>The advancement of the “South Burnett Coal Project”; and</p> <p>The finalization of the AAT procedural matters set down for February 2017.</p> <p>Additional funds will be used to meet day to day corporate costs.</p>	Section 2.1
Is the Offer underwritten?	No, however a Top-Up-Facility is available should any shortfall occur.	Section 4

What are the risks associated with applying for New Shares under the Offer?	<p>There are a number of general risks associated with an investment in the share market, including that the price of New Shares may rise or fall.</p> <p>There are also a number of risks specific to Moreton, which may affect the value of New Shares or the operational or financial performance of the Company.</p>	Section 6
What are my options?	<p>You may:</p> <ul style="list-style-type: none"> (a) subscribe for all of your Entitlement and, if you do so, you may apply for a nominated number of New Shares in excess of your Entitlement under the Top-Up Facility; (b) subscribe for part of your Entitlement and allow the balance of your Entitlement to lapse; (c) allow all your Entitlement to lapse. 	Section 1.2
How do I accept my Entitlement	Eligible Shareholders can accept the Offer by completing and returning an Acceptance Form with the required application monies, or by submitting payment of the application monies through BPAY.	Section 3
Can I sell my Entitlement?	No, the Offer is non-renounceable and Entitlements cannot be traded.	Section 2.4
How can I obtain further information?	You should seek advice from your financial or professional adviser if you are unsure whether to apply for New Shares under the Offer.	

1. DETAILS OF THE OFFER

1.1 The Offer

The Company offers existing Shareholders the opportunity to subscribe for New Shares under a pro-rata non-renounceable Rights Issue. Each Eligible Shareholder is entitled to subscribe for one (1) New Share for every three (3) Shares held by that Shareholder as at the Record Date at an issue price of \$0.004 (0.4 cents) per New Share.

Shareholders should be aware that the market price of Shares may rise and fall between the date of this Offer Memorandum and the date of issue of the New Shares. Accordingly, the price paid per New Share under the Offer may be either higher or lower than the market price of Shares at the date the New Shares are issued. The highest price for Moreton's Shares on the ASX in the 12 months preceding the date of this Offer Memorandum was \$0.006 and the lowest was \$0.003.

The New Shares will be fully paid and will rank equally in all respects with existing Shares on issue.

Moreton has applied to the ASX for quotation of the New Shares.

If a Shareholder becomes entitled to a fraction of a Share, the entitlement will be rounded to the nearest whole number.

1.2 What is my Entitlement?

The number of New Shares which you are entitled to subscribe for under the Offer (Entitlement) is shown in the accompanying Acceptance Form.

You may:

- a) subscribe for all of your Entitlement and, if you do so, you may apply for a nominated number of New Shares in excess of your Entitlement under the Top-Up Facility (refer section 1.3);
- b) subscribe for part of your Entitlement and allow the balance of your Entitlement to lapse;
- c) allow all your Entitlement to lapse.

If you choose not to accept all of your Entitlement under the Offer, your overall shareholding in Moreton will be diluted.

Detailed instructions on how to accept all or part of your Entitlement are set out in section 3. All applications, once received, are irrevocable.

Excluded Shareholders may not take any of the steps described above. Refer to sections 1.6 for information relating to Excluded Shareholders.

1.3 Top-Up Facility

If you accept your Entitlement in full you may apply for additional New Shares under the Top-Up Facility in the manner detailed in section 3.2.

New Shares will only be issued under the Top-Up Facility if the Offer is undersubscribed, and will only be issued to the extent necessary to make up any shortfall in subscriptions. If Moreton receives applications for New Shares under the Top-Up Facility that would result in the Offer being oversubscribed, then the Company will not accept such oversubscriptions and will reject or scale back applications at its absolute discretion. The Company will not return any funds subscribed for over subscriptions of less than \$5, due to the administrative effort and cost of returning such small amounts.

The Directors reserve the right to reject any application for New Shares under the Top-Up Facility or to allot a lesser number of New Shares than the number applied for under the Top-Up Facility. Application monies received but not applied towards subscriptions for additional New Shares under the Top-Up Facility will be refunded as soon as practicable. No interest will be paid on application monies held and returned. The Company will not return any funds subscribed for applications that are rejected of less than \$5, due to the administrative effort and cost of returning such small amounts.

Moreton will not issue New Shares under the Top-Up Facility where circumstances may arise that should Moreton do so, it would result in a breach of the Corporations Act or the ASX Listing Rules. Shareholders wishing to apply for additional New Shares under the Top-Up Facility must consider whether the issue of the New Shares applied for would breach the Corporations Act or the ASX Listing Rules having regard to their own circumstances (including the existence of any associates).

Directors and related parties of the Company are not eligible to apply for any New Shares under the Top-Up Facility.

1.4 Opening and closing dates

The Offer opens for receipt of acceptances on Friday 2 December 2016. The Closing Date and time for acceptances and payments is 5:00pm Sydney time on Friday 16 December 2016, subject to any variation of the Closing Date by the Directors in accordance with the ASX Listing Rules.

1.5 Who is entitled to participate in the Offer?

Each Shareholder with a registered address in Australia or New Zealand, who is registered as the holder of Shares at 7pm Sydney time on Wednesday 30 November 2016 is entitled to participate in the Offer in respect of the number of Shares for which that Shareholder is then registered as the holder.

Existing Option holders may only participate in the Offer in respect of the Shares to be issued on exercise of the Options held by them if they exercise their Options prior to the Record Date and are registered as the holder of the underlying Shares on the Record Date.

1.6 Offer not made to Excluded Shareholders

Moreton has decided that it is unreasonable to make the Offer to Shareholders who have a registered address in a country outside of Australia or New Zealand having regard to the number of such Shareholders, the number and value of New Shares that would otherwise be offered to them and the substantial costs of complying with the legal and regulatory requirements in those jurisdictions. The number of Shares held by Shareholders who have registered addresses in countries outside of Australia and New Zealand as at close of trading on 16 November 2016 was 4,931,240.

This Offer Memorandum does not constitute an offer to Excluded Shareholders and the Offer Memorandum will not be sent to Excluded Shareholders.

Shareholders holding Shares on behalf of persons who are residents outside of Australia or New Zealand are responsible for ensuring that subscribing for the New Shares under the Offer does not breach regulations in the relevant overseas jurisdiction. Return of a duly completed Acceptance Form or payment of the issue price by BPAY will constitute a representation that there has been no breach of such regulations.

1.7 No cooling off rights

Cooling off rights do not apply to an investment in New Shares. You cannot withdraw your Acceptance Form once it has been submitted or once you have paid the application monies by B PAY.

1.8 Brokerage Fees and Stamp Duty

No brokerage fees are payable by Eligible Shareholders who accept their Entitlement. No stamp duty is payable for subscribing for New Shares under the Offer.

2. FURTHER INFORMATION IN RELATION TO THE OFFER

2.1 Use of funds raised from the Offer

If the maximum number of New Shares is issued the Company will raise funds of \$2,438,889 (before offer costs and expenses).

Assuming the maximum amount is raised, the Company intends to use the funds raised from the Offer as follows:

Use of Proceeds	Amount
Continuation of "Granite Belt Project" permitting process	\$0.8 million
Advancement of the "South Burnett Coal Project" environmental and mining studies	\$0.8 million
Advancement of the Administrative Appeals Tribunal matter	\$0.3 million
General corporate expenses	\$0.5 million
Total	\$2.4 million

The Company's announcements in relation to these projects and issues are available on the ASX website at www.asx.com.au, using the Company's code MRV.

2.2 Issue of New Shares

Moreton has applied to ASX for quotation of the New Shares being offered pursuant to this Offer Memorandum.

Moreton expects that New Shares will be issued and allotted by no later than Friday 23 December. New Shares will only be issued after permission for their quotation on ASX has been granted.

If you apply for additional New Shares under the Top-Up Facility then, subject to the Company's discretion to scale back your allocation of such additional New Shares (in whole or in part), it is expected you will be issued those additional New Shares by Friday 23 December 2016.

2.3 No nominee for Excluded Shareholders

No nominee has been appointed for Excluded Shareholders under section 615 of the Corporations Act. As such, Shareholders will not be able to rely on the exception to the takeovers threshold for rights issues in item 10 of section 611 of the Corporations Act.

Based on the Company's share register as of the date of this Offer Memorandum, no Shareholder would exceed the 20% voting power threshold under the takeovers provisions of the Corporations Act if they were to take up their full pro-rata entitlement and no other Shareholder participated in the Rights Issue.

Investors that may be at risk of exceeding the 20% voting power threshold in section 606 of the Corporations Act as a result of application for New Shares under the Top-Up Facility should seek professional advice before applying for additional New Shares.

2.4 Non-Renounceable Offer

The Offer is non-renounceable. This means that your right to subscribe for New Shares under the Offer is not transferable. Any Entitlements not taken up by Shareholders may be subscribed for under the Top-Up Facility or may be dealt with in accordance with section 4 of this Offer Memorandum.

3. HOW TO ACCEPT THE OFFER

3.1 How to take up all or part of your Entitlement

To subscribe for all or part of your Entitlement, please:

- a) complete the accompanying Acceptance Form in respect of that part of your Entitlement you wish to accept according to the instructions on that form; and
- b) forward the completed form together with payment of the appropriate application monies (at 0.4 cents per New Share subscribed for) to the Company's Share Registry in the manner provided in section 3.4 by no later than 5.00pm Sydney time on Friday 16 December 2016.

Alternatively, if you wish to apply via BPAY, you do not need to return the Acceptance Form, you simply need to make payment in accordance with the instructions on the accompanying Acceptance Form, for the number of New Shares you wish to apply for, multiplied by the issue price of 0.4 cents.

Acceptances will not be valid if they are received after the Closing Date.

Please note that all applications, once received, are irrevocable, except as permitted by law.

3.2 How to apply for additional New Shares under the Top-Up Facility

If you wish to accept your Entitlement in full and apply for additional New Shares under the Top-Up Facility, complete the Acceptance Form and also fill in the number of additional New Shares you wish to apply for in the space provided on the Acceptance Form. You must make payment for the appropriate application monies as set out in section 3.4.

Alternatively, if you wish to apply for your full Entitlement and additional New Shares under the Top-Up Facility via BPAY, you do not need to return the Acceptance Form, you simply need to make payment in accordance with the instructions on the accompanying Acceptance Form, for the total number of New Shares you wish to apply for, multiplied by the issue price of 0.4 cents.

Please refer to section 1.3 for further details in relation to the issue of New Shares under the Top-Up Facility.

3.3 Lapse of Entitlement

If you decide not to accept all or part of your Entitlement, or fail to accept your Entitlement by the Closing Date, your Entitlement will lapse.

3.4 Payment

Payment must be made with your acceptance by 5.00pm Sydney time on 5 December 2016, or such later date as the Directors advise, and must be in Australian currency and made by:

- a) cheque drawn on and payable at any Australian bank;
- b) bank draft drawn on and payable at any Australian bank
- c) money order drawn in Australian currency; or
- d) BPAY.

Your Acceptance Forms, together with your cheque or a bank draft or money order for the appropriate application monies (at 0.4 cents per New Share subscribed for) must be sent to Moreton's Share Registry, Link Market Services Limited, at:

By Post:

Moreton Resources Non-Renounceable Rights Issues

c/- Link Market Services Limited

GPO Box 3560 Sydney

NSW 2001 Australia

so that they reach the registry by no later than 5.00pm Sydney time on 16 December 2016, or such later date as the Directors advise.

Alternatively, if you wish to pay by BPAY, you do not need to return the Acceptance Form, you simply need to follow the instructions on the Acceptance Form. Different financial institutions may implement earlier cut off times with regards to electronic payment, so please take this into consideration when making payment. It is your responsibility to ensure that funds submitted through BPAY are received by the Closing Date.

Acceptances will not be valid if they are received after the Closing Date.

Your Cheque, money order or bank draft must be made payable to 'Moreton Resources Limited Rights Issue' and crossed 'Not Negotiable'. Cash payments will not be accepted and receipts for payment will not be provided.

You should ensure that sufficient funds are held in relevant account(s) to cover the application monies. If the amount of your cheque is insufficient to pay in full for the number of New Shares you have applied for in your Acceptance Form, you will be taken to have applied for such lower number of whole New Shares as your cleared application monies will pay for (and to have specified that number of New Shares on your Acceptance Form). Alternatively, your application will not be accepted.

Moreton will treat you as applying for as many New Shares as your payment will pay for in full, subject to any scale-back the Directors may determine to implement in respect of New Shares applied for under the Top-Up Facility. Amounts received by Moreton in excess of your Entitlement may be treated as an application to apply for as many additional New Shares under the Top-Up Facility as that excess amount will pay for in full.

3.5 Effect of making Application

By returning an Acceptance Form or otherwise arranging for payment for your New Shares through BPAY in accordance with the instructions on the Acceptance Form, you will be deemed to have:

- (a) represented that you are a Shareholder;
- (b) acknowledged that you have fully read and understood both this Offer Memorandum and the Acceptance Form in their entirety, you have acted in accordance with the terms of the Offer detailed in this Offer Memorandum and you agree to all of the terms and conditions as detailed in this Offer Memorandum and the Acceptance Form;
- (c) agreed to be bound by the terms of Company's constitution;
- (d) authorised the Company to register you as the holder of the New Shares allotted to you, including any New Shares allotted to you under the Top-Up Facility;
- (e) declared that all of the details and statements in the Acceptance Form are complete and accurate;
- (f) declared that you are over 18 years of age and have full legal capacity and power to perform all your rights and obligations under the Acceptance Form;
- (g) acknowledged that once the Company receives your Acceptance Form or any payment of application monies via BPAY you may not withdraw your application except as allowed by law;
- (h) agreed to apply for and be issued up to the number of New Shares and any additional New Shares applied for under the Top-Up Facility specified in the Acceptance Form, or for which you have submitted payment of any application monies via BPAY, at the issue price of \$0.004 per New Share;
- (i) authorised the Company, its Share Registry and their respective officers or agents to do anything on your behalf necessary for the New Shares and any additional New Shares applied for under the Top-Up Facility to be issued to you, including to act on instructions of the Share Registry upon using the contact details set out in your Acceptance Form;
- (j) declared that you were a registered holder(s) at the Record Date of the Shares indicated in the Acceptance Form as being held by you on the Record Date;
- (k) represented and warranted that you are a resident of Australia or New Zealand;

- (l) acknowledged that the information contained in this Offer Memorandum and your Acceptance Form is not investment advice nor a recommendation that the New Shares are suitable for you given your investment objectives, financial situation or particular needs;
- (m) acknowledged that this Offer Memorandum is not a prospectus, does not contain all of the information that you may require in order to assess an investment in the Company and is given in the context of the Company's past and ongoing continuous disclosure announcements to ASX;
- (n) acknowledged that investments in the Company are subject to risk, including the risks outlined in section 6;
- (o) acknowledged that none of the Company or its related bodies corporate or directors, officers, employees, representatives, agents, consultants or advisers, guarantees the performance of the Company, nor do they guarantee the repayment of capital;
- (p) agreed to provide (and direct your nominee or custodian to provide) any requested substantiation of your eligibility to participate in the Offer and your holding of Shares on the Record Date;
- (q) authorised the Company to correct any errors in your Acceptance Form or other form provided by you;
- (r) represented and warranted that the law of any place does not prohibit you from being given this Offer Memorandum and the Acceptance Form, nor does it prohibit you from making an application for New Shares including any additional New Shares under the To-Up Facility;
- (s) represented and warranted that if you are acting as a nominee or custodian, each beneficial holder on whose behalf you are submitting the Acceptance Form is resident in Australia or New Zealand, and you have not sent this Offer Memorandum, the Entitlement and Acceptance Form or any information relating to the Offer to any person who is not a resident of Australia and New Zealand; and
- (t) acknowledged that New Shares have not been, and will not be, registered under the U.S. Securities Act and that New Shares may not be offered or sold in the United States or to, or for the account or benefit of, a U.S. Person (as defined in the U.S. Securities Act) nor will Shares be offered to any person outside of Australia and New Zealand.

4 SHORTFALL SHARES

A Shortfall under the Offer may arise if applications received for New Shares under the Offer from Eligible Shareholders, including additional New Shares under the Top-Up Facility (if any), are less than the total number of New Shares offered.

The Directors reserve the right to issue the Shortfall Shares in their absolute and sole discretion. Any Shortfall Shares so issued will, in accordance with the ASX Listing Rules, be issued within 2 months after the Closing Date and will be issued at a price that is not less than the issue price of the New Shares under the Offer.

5. EFFECT OF THE OFFER

5.1 Effect on capital structure

The capital structure of the Company as at the date of this Offer Memorandum is summarised below:

Securities	Number	Vesting date	Exercise Price
Shares	1,829,167,072		
Options	8,057,250	30/12/16	0.012 cents
	8,057,250	30/12/17	0.016 cents
	666,666	30/12/2017	Nil
Total Options	16,781,166		

There are no Options that may be exercised prior to the Record Date.

Assuming that the Offer is fully subscribed and without taking into account the impact of rounding down, the capital structure following completion of the Offer (assuming the maximum number of New Shares is issued) will be as shown in the table above, however the number of Shares on issue will increase by 609,722,357 Shares from 1,829,167,072 to 2,438,889,429 Shares.

5.2 Effect on balance sheet

The effect of the Rights Issue upon the balance sheet will be substantial if the maximum amount is raised and the Company will be in a strong position to advance its interest throughout the 2017 calendar year. A key focus of the Company is the Administrative Appeals Tribunal hearing of the R&D dispute with AusIndustry, which will bring the AusIndustry and ATO issues to an end, and should this be a positive outcome for the Company, those funds combined with the funds raised under this Offer, will leave the Company well placed to pursue its objectives.

Post costs, fees and charges of the Rights Issue, it is expected the Company will have between \$1.5-2.5 Million in cash and cash equivalents on its balance sheet, with a target raise at \$1.5 Million expected.

6. RISKS

6.1 General

The New Shares should be considered speculative because of the nature of the Company's business. There are numerous risk factors involved. Some of these risks can be mitigated by the use of safeguards and appropriate systems and controls, but some are outside the control of the Company and cannot be mitigated. Accordingly, an investment in the Company carries no guarantee with respect to the payment of dividends, return of capital or price at which New Shares will trade.

The following is a summary of the more material matters to be considered and should be read in conjunction with specific matters referred to in the Company's announcements and reports. The summary is not exhaustive and potential investors should examine the contents of this Offer Memorandum and the Company's previous announcements and reports and consult their professional advisors before deciding whether to take up New Shares under the Offer.

6.2 Company's Projects

The Company's projects may be affected by various factors, including failure to receive appropriate approvals, failure to achieve predicted operational outcomes if operations commence, operational and technical difficulties encountered in production, difficulties in maintaining government or regulatory approvals, difficulties in commissioning and operating plant and equipment, mechanical failure or plant breakdown, adverse weather conditions, industrial and environmental accidents, force majeure events by suppliers, industrial disputes and unexpected shortages or increases in the costs of consumables, spare parts, commodities, plant and equipment.

No assurances can be given that the Company will achieve commercial viability through the successful development and/or production of its projects.

6.3 Resources and Reserves

Estimates of reserves and resources are expressions of judgment based on knowledge, experience and industry practice. Estimates, which were valid when originally calculated, may change significantly when new information or techniques become available. In addition, by their nature, reserves and resources estimates are imprecise and depend to some extent on interpretations, which may prove to be inaccurate. As further information becomes available through additional fieldwork and analysis, the estimates are likely to change.

This may result in alterations to development plans, which may, in turn, either benefit or adversely affect the Company's potential operations, financial position, viability and Share price.

6.4 Metals and Coal price volatility and exchange rate

If the Company achieves success in commissioning a mining operation (which may not occur), the revenue it may derive through the sale of metals or coal exposes the potential income of the Company to commodity price risks. Commodities fluctuate and are affected by many factors beyond the control of the Company.

Such factors include supply and demand fluctuations, technological advancements, forward selling activities and other macro-economic factors.

Furthermore, material levels of current and near-term expenditures are or will be incurred in United States dollars while, the income and expenditure of the Company are and will be taken into account in Australian currency, exposing the Company to the fluctuations and volatility of the rate of exchange between the United States dollar and the Australian dollar as determined in international markets.

6.5 Litigation risks

The Company is exposed to possible litigation risks including, without limitation, title claims, tenure disputes, environmental claims, occupational health and safety claims and employee and other industrial claims. Further, the Company may be involved in disputes with other parties in the future which may result in litigation.

Any such claim or dispute if proven, may impact adversely on the Company's operations, viability, financial performance and financial position. The Company through its Annual Report has highlighted 2 potential disputes of a contractual nature whereby claims have been made and the Company has put forward or is in the process of putting forward counter claims. We also have fully disclosed the AusIndustry and ATO matters.

6.6 General Economic Climate

Factors such as inflation, currency fluctuation, interest rates, government legislation or intervention, levels of taxation, industrial disruption, natural disasters, social upheaval or war in Australia or elsewhere and supply and demand have an impact on operating costs, commodity prices, revenues and stock market prices and returns to shareholders. The Company's future revenues and the market price for its listed securities may be affected by these factors, as well as by fluctuations in the price of coal or metals, which are beyond the Company's control.

6.7 Political and Regulatory

The possibility exists that new legislation and/or new regulations may be adopted that adversely affect the Company's current and proposed operations or cost structure.

6.8 Key Management

The Company is dependent on a skilled team to undertake the business of the Company. The current board and management team have specialist skills and the Company may be adversely affected if any of the Directors or management team leave the Company, as the Company may find it difficult to secure suitable replacements within a reasonable period of time or at all. Further, the Company may incur additional expenses to recruit, train and retain personnel should they be available.

Consequently, the production and development programs and the management of the Company could be affected by the lack of suitable Directors, managers, employees or staff.

6.9 Tenure

The tenements held by the Company are subject to periodic renewal. There are no guarantees that those tenements or interests will be renewed or that the Company will be granted further or additional rights or tenements required for the conduct of operations. If a tenement is not renewed for any reason, the Company may suffer significant damage through the loss of the opportunity to develop that tenement.

6.10 Tax issues

There may be tax implications arising from the acquisition of New Shares and any subsequent disposal of New Shares. Tax liabilities are the responsibility of individual investors and all investors should carefully consider the tax implications and obtain advice from a qualified professional advisor if required. The Company will not be responsible for any tax or related penalties.

6.11 Share market Conditions

The market price of the Company's securities may be subject to varied and unpredictable influences on the market for equities in general and mining stocks in particular.

6.12 Environmental Risks

The operations and proposed activities of the Company are subject to both Australian Federal and State laws and regulations concerning the environment. As with most development or production operations, the Company's activities are expected to have an impact on the environment, particularly if advanced development or production proceeds.

It is the Company's practice to conduct its activities to the highest standard of environmental obligation, including compliance with all environmental laws. Nevertheless, there are certain risks inherent in the Company's activities such as accidental harm, or other unforeseen circumstances, which could subject the Company to extensive liability.

6.13 Unforeseen Expenditure

Expenditure may need to be incurred that has not been taken into account by the Company. Although the Company is not aware of any such additional expenditure requirements, if such expenditure is subsequently incurred, this may adversely affect the financial position of the Company.

6.14 Access to future funding

The Company's projects are early stage and will require additional drilling, evaluation and feasibility study work before development. There can be no assurance that the Company will be able to obtain the funds necessary to complete that work or develop its projects.

7. ADDITIONAL INFORMATION

7.1 Continuous Disclosure

Moreton is a disclosing entity for the purposes of the Corporations Act. As such, it is subject to regular reporting and disclosure obligations including an obligation under the ASX Listing Rules (subject to certain exceptions) to disclose to ASX any information of which it is or becomes aware concerning Moreton and which a reasonable person would expect to have a material effect on the price or value of Shares. All such disclosures are available at www.asx.com.au under Moreton's code 'MRV'. You have the opportunity to access any information about Moreton that has been disclosed to ASX.

7.2 Directors Discretion

The Directors may make determinations in any manner they think fit in relation to any difficulties, anomalies or disputes which may arise in connection with or by reason of the operation of the Offer whether generally or in relation to any Shareholder. Any determinations by the Board will be conclusive and binding on all Shareholders and other persons to whom the determination relates.

The Directors reserve the right, at their discretion, to vary, suspend or cancel the Offer at any time, subject to the Corporations Act and the Listing Rules. Any variation, suspension or cancellation will be binding on Shareholders. If the Offer is cancelled, any application monies received by Moreton Resources Limited will be refunded in accordance with the Corporations Act, without interest, as soon as reasonably practicable after the cancellation.

7.3 Governing law

This Offer Memorandum, the Offer and the contracts formed on acceptance of valid applications to subscribe for New Shares pursuant to the Offer, including under the Top-Up Facility, are governed by the law of Queensland, Australia. Each Shareholder who has applied to subscribe for New Shares in accordance with this Offer Memorandum submits to the exclusive jurisdiction of the courts of Queensland, Australia.

8. DEFINED TERMS

This Offer Memorandum relies upon the following defined terms, when interpreting and reading this document:

Acceptance Form	The personalised form accompanying this Offer Memorandum
ASIC	Australian Securities and Investment Commission
ASX	Australian Securities Exchange
ASX Listing Rules	The official listing rules of the ASX
Business Day	Has the same meaning as in ASX Listing Rules
Closing Date	5.00pm Sydney time, 16 December 2016
Company or Moreton	Moreton Resources Limited ACN 060 111 784
Corporations Act	Corporations Act 2001 (Cth)
Directors	Directors of Moreton Resources Limited
Eligible Shareholder	A Shareholder who is entitled to participate in the Offer, as determined in accordance with section 1.5
Entitlement	1 New Share for every 3 Shares held upon the Record Date
Excluded Shareholder	A Shareholder with a registered address outside Australia and New Zealand
New Shares	Shares issued pursuant to this Offer Memorandum
Offer	The offer of New Shares.
Offer Memorandum	This document dated 25 November 2016
Offer Period	The period for which the Offer remains open
Option	An option to subscribe for a Share
Record Date	7pm Sydney time on Wednesday 30 November 2016
Rights Issue	The issue of New Shares pursuant to the Entitlement
Share	A fully paid ordinary share in the capital of Moreton
Share Registry	Link Market Services Limited
Shareholder	A registered holder of Shares
Shortfall	Those New Shares offered which are not taken up under an Entitlement or the Top Up Facility
Top-Up Facility	The facility described in section 1.3

References to currency in this Offer Memorandum are to the lawful currency of the Commonwealth of Australia.

- END -