

20 January 2017



ASX ANNOUNCEMENT

By Electronic Lodgement

CEO ROLE TO TRANSITION TO PART TIME

The Board of Moreton Resources Limited would like to announce that it has come to agreement with the incumbent CEO upon a transition plan through to mid-2017. As outlined by the Company, the incumbent CEO some time ago had put an offer to the board about transitioning from the role to an alternate structure, to which the board agreed is a more appropriate utilisation of resources and finances, in advancement of our subsidiary's activities.

Therefore from 1st of July 2017, Mr Alexander Jason Elks will continue in the capacity of CEO and Executive Chairman of Moreton Resources Limited for 1 day per week. His current salary and arrangements will be reduced accordingly to reflect this move. As at the 1st of July he will be paid out any contractual entitlements against his fulltime role according to STI and LTI commitments, as it has been determined the business imperatives have shifted extensively and therefore a part time role is more suited to the Company's needs and demands moving forward. Given his transition there are no notice or other payments due to Mr Elks through this transition.

This announcement comes off the back of the recent announcements pertaining to the appointment of a CEO to its wholly owned subsidiary in MRV Metals Pty Ltd, who will be responsible for the continuation and advancement of the Granite Belt Project. In addition to this, the Company has also announced the appointment of a Project Manager for its wholly owned subsidiary MRV Tarong Basin Coal Pty Ltd, and this role will have the responsibility to advance and deliver the South Burnett Coal Projects EIS that is currently underway.

The board believes this strategy in enabling its subsidiaries to appropriately resource and act independently will be the best interest of Moreton Resources Ltd. Accordingly, the board feels the role of CEO within the parent can be reduced dramatically and its CEO will be freed to focus upon the relevant governance aspects of Moreton Resources Limited, whilst the subsidiaries have full remit and focus upon their respective projects. Moving forward, it is anticipated that there will be a significant reduction in corporate costs for the Company.

Mr Elks commented that *"the role I on took in November 2013, supported by several other key people was to seek to stabilise the Company, look to optimise the assets we had, and seek to find a path forward that can potentially deliver for the shareholders."* He further stated *"I believe Moreton Resources Limited is now in an extremely strong position to advance and dictate its own future, pending the outcome of the AAT matter, however even taking this issue into account, the assets, opportunities and advancements being made now are significant and will set a very strong platform moving forward. This focus is operational and therefore we need to transition and ensure we have the right people in the right roles to deliver for the shareholders of Moreton Resources."*

The Company will seek to assess its need for a fulltime CEO mid-year, and will update the market pending any alternate views that are dictated by operational demands. In the interim and given the significant additional resources being appointed to the subsidiaries, Mr Elks will seek to reduce his weekly hours as at the 20th of March 2017, to utilise all annual leave entitlements prior to the new arrangements taking effect and therefore will be working effectively a part time role in the office.

The board would like to extend its thanks to Mr Elks over the period in which he has acted firstly as interim CEO and subsequently as full time CEO and Executive Chairman. Under his stewardship, he has substantially moved the Company from solely focusing on UCG to that of a genuine near term mining holding company, with significant interests in coal, silver, copper and gold through its subsidiaries.

The Board

Moreton Resources Limited

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