



28 August 2014

Dean Litis  
Principal Adviser Listings Compliance (Melbourne)  
ASX Compliance Pty Ltd  
Level 4 North Tower Rialto  
525 Collins Street  
MELBOURNE VIC 3000

Dear Mr Litis

**Moreton Resources Limited (the "Company") – Appendix 3Y lodged 8 August 2014 for Mr Alexander Elks.**

We thank you for your letter sent on Tuesday 26 August 2014 regarding the above matter and below is the Company's response to your queries:

**1. Please explain why the Director's Interest Notice was lodged late.**

Through a routine internal audit, and in the compilation of the annual report, an anomaly was identified in regard to Mr Alexander Elks' holdings. Our listed securities, as at the date of our review and the last 3Y notice, showed there was a 4,000,000 share discrepancy, and that is our records indicated Mr Alexander Elks had shares totaling 161,855,823, and the last 3Y nominated by the Director was 157,855,823.

This discrepancy was identified on 8 August by the Company, the Director acted accordingly on 8 August and the market was notified on 8 August 2014. Therefore the Company is of the view, it has not breached its obligations.

**2. What arrangements does the Company have in place with its directors to ensure that it is able to meet its disclosure obligations under listing rule 3.19A?**

The Company, at each board meeting reminds all board members of their obligations to declare any purchases or transactions, and as such this has been a monthly process. In addition, each director upon joining the Company, is advised of their responsibilities as a director of the Company and is also provided with a copy of the Company's policies and procedures.

Over and above this, at the preparation of half and full year financial accounts, an internal audit process takes place to reconcile director's interests and disclosures. It was through this process that this discrepancy was identified and rectified accordingly.



**3. If the current arrangements are inadequate or not being enforced, what additional steps does the Company intend to take to ensure compliance with listing rule 3.19B?**

The Company intends to take no further additional steps as the above matter was identified through the internal audit process and the review of director's interests. The appropriate process was actioned and the director was requested to confirm his holdings. Once confirmation was received by the Company of the correct holdings, it was acted upon and the market was informed immediately.

If you have any further questions, please do not hesitate to contact me.

Yours faithfully

A handwritten signature in dark ink, appearing to read 'Caroline Edwards', is written over a light blue horizontal line.

**CAROLINE EDWARDS**  
Company Secretary (Acting)  
Moreton Resources Ltd



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26 August 2014

Caroline Edwards  
Company Secretary & Corporate Services Manager  
Moreton Resources Limited  
3/269 Abbotsford Road  
Bowen Hills QLD 4006

By email only

Dear Caroline

**Moreton Resources Limited (the "Company")- Appendix 3Y- Lodged 8 August 2014- Mr Alexander Elks**

We refer to the following;

1. The Appendix 3Y lodged by the Company with ASX on 8 August 2014 for Mr Alexander Jason Elks (the "Director's Interest Notice").
2. Listing rule 3.19A.2 which requires an entity to tell ASX the following:
  - 3.19A.2 A change to a notifiable interest of a director of the entity (or in the case of a trust, a director of the responsible entity of the trust). The entity must complete Appendix 3Y and give it to ASX no more than 5 business days after the change occurs.
3. Listing rule 3.19B which states as follows.

An entity must make such arrangements as are necessary with a director of the entity (or in the case of a trust, a director of the responsible entity of the trust) to ensure that the director discloses to the entity all the information required by the entity to give ASX completed Appendices 3X, 3Y and 3Z within the time period allowed by listing rule 3.19.A. The entity must enforce the arrangements with the director.

The Director's Interest Notice indicates that a change in Mr Elks' notifiable interest occurred on 17 June 2014. It appears that the Director's Interest Notice should have been lodged with ASX by 24 June 2014. Consequently, the Company may be in breach of listing rules 3.19A and/or 3.19B. It also appears that Mr Elks may have breached section 205G of the Corporations Act.

Reference to the 'Date of last notice' in the Appendix 3Y also refers to 6 June 2014 when it appears that the date of last notice lodged with ASX in relation to Mr Elks was 11 June 2014.

Please note that ASX is required to record details of breaches of the listing rules by listed companies for its reporting requirements.

ASX reminds the Company of its contract with ASX to comply with the listing rules. In the circumstances ASX considers that it is appropriate that the Company make necessary arrangements to ensure there is not a reoccurrence of a breach of the listing rules.

Having regard to listing rules 3.19A and 3.19B and Guidance Note 22: "Director Disclosure of Interests and Transactions in Securities - Obligations of Listed Entities", we ask that you answer each of the following questions:

1. Please explain why the Director's Interest Notice was lodged late.
2. What arrangements does the Company have in place with its directors to ensure that it is able to meet its disclosure obligations under listing rule 3.19A?
3. If the current arrangements are inadequate or not being enforced, what additional steps does the Company intend to take to ensure compliance with listing rule 3.19B?

Your response should be sent to me by e-mail. It should not be sent to the Market Announcements Office.

A response is requested as soon as possible and, in any event, not later than half an hour before the start of trading (ie before 9.30 a.m. A.E.S.T.) on **Friday 29 August 2014**.

Under listing rule 18.7A, a copy of this query and your response will be released to the market, so your response should be in a form suitable for release and should separately address each of the questions asked. If you have any queries or concerns, please contact me immediately

Yours sincerely

[Sent electronically, without signature]

Dean Litis

**Principal Adviser  
Listings Compliance (Melbourne)**