03 March 2015

ASX Announcement

Via Electronic Lodgement

Low Volatile PCI Coal Identified at Mackenzie Coal Project

As advised to the market in September 2014, the Company has commenced an exploration drilling program at Mackenzie (EPC 1445 / MDL 503) with a Board approved budget of $1 million. The objectives of this program are to increase the potential JORC estimates and also to move 50% of the Resource to an Indicated status.

While high rainfall events slowed progress from mid December through to February, the Company is pleased to advise that the drill rigs have been able to return to site and that the program recommenced on 28 February 2015. Drilling is expected to be completed in this quarter, although final results may not be available to the market until late into next quarter.

Whilst this program is still in its early stages, indications to date are extremely encouraging:

- Initial results from the first core hole for which clean coal composite results have been received (MCK004C), are indicative of a **Low Volatile PCI Coal** product coal quality specification.

- **Theoretical yields** for the F1.4/F1.6 float fraction composites, range between **65% and 82%** for the two main target seams intersected in MCK004C (Aries Upper and Castor Upper) over composite widths of 1.52m to 1.73m respectively, and at depths below surface of between 350m and 400m.

- To date, 7 drill holes have been drilled in the Phase 2 exploration program which has confirmed the continuity of coal seams from the Late Permian Rangal Coal Measures, across 4 main seams; Aries, Castor, Pollux and Pisces, between depths ranging **from 250m and 450m** below surface.

- Drilling on this Project will continue in 2015 and Morten Resources plan to deliver an updated Resource Estimate for EPC1445 / MDL 503 in the second Quarter of 2015 for coal seams potentially amenable to underground mining methods.

The Company is extremely encouraged by these early indications, both in terms of the confirmation of coal seam continuity and in identifying clean coal composite results indicative of a **low volatile PCI coal quality**.

Suite 8, Level 2 l 113 Wickham Terrace | Spring Hill | Brisbane | Qld | 4000
PO Box 10684 | Adelaide Street | Brisbane |Qld | 4000
Australia

T: +61 (7) 3831 6088
E: enquiries@moretonresources.com.au
W: www.moretonresources.com.au

The Mackenzie Coal Project (EPC 1445; MDL 503) is located approximately 25 km northeast of Blackwater in central Queensland's Bowen Basin and is situated between the current operating mines of Yarrabee to the northeast, Jellinbah to the southwest, and Mackenzie South to the northwest. A separate report containing all information material to the current Phase 2 exploration results for Mackenzie is contained in Appendix 1 and 2 to this announcement.

Moreton's Managing Director, Mr Jason Elks commented "we are encouraged by the recent coal quality results for the Mackenzie Project which indicates that a Low Volatile PCI product coal quality is achievable at potentially economic yields, which can conceivably be mined using underground mining methods".

"Given the significant shift in the market around costs associated with mining and infrastructure, we believe these results will allow us to progress talks with third parties upon potential options to advance this project further, however the programs total results will be a key indicator and enabler of these discussions and our own advancement plans."

Moreton, together with HDR, who are providing on site geological, coal quality submission, tracking, QAQC and database management services to Moreton Resources, are working to complete the Phase 2 drilling programme. Despite the disruptions to drilling and with the collaboration of HRD, the Company has been able to control the costs associated with drilling and evaluation, ensuring that the current program will be completed within the approved budget.

-Ends-

Jason Elks
Chief Executive Officer
Moreton Resources Limited

Competent Persons Statement:

The information in the report, to which this statement is attached, that relates to the Reporting of Exploration Results for the Mackenzie Coal Project, is based on information compiled and reviewed by Mr Craig Williams, who is a Member of the Australian Institute of Mining & Metallurgy and works full time for HDR, an independent consulting firm.

Mr Williams, Principal Consultant - Geology and a full time employee of HDR, has sufficient experience that is relevant to the style of mineralisation under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" (the JORC Code). Mr Williams consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

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Appendix 1

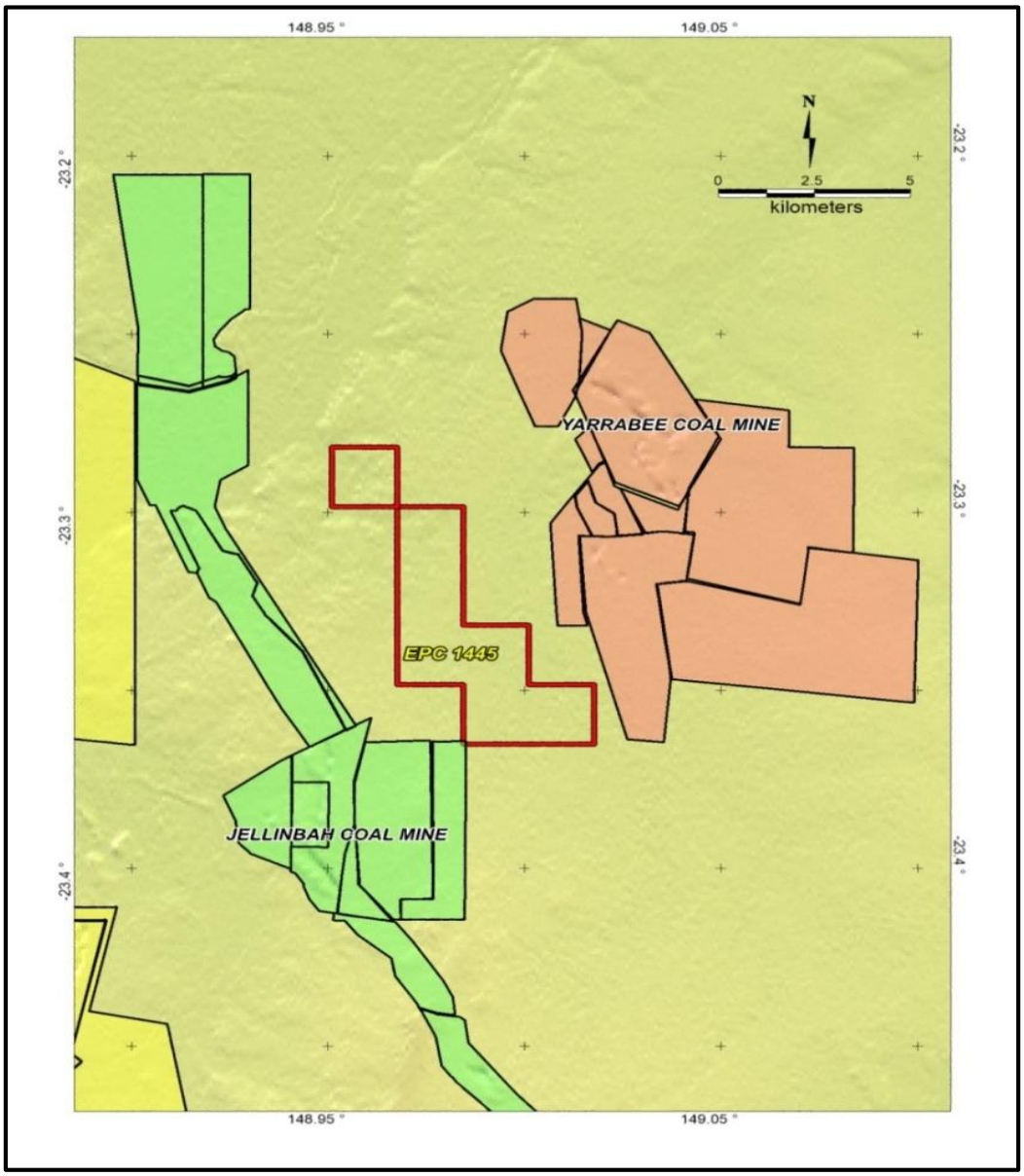
HDR REPORT – MACKENZIE COAL PROJECT

In 2013, 7 Phase 1 drill holes were drilled and a JORC compliant inferred Coal Resource of 201 Mt was reported.

The current Phase 2 exploration program commenced in September 2014 with a 16 hole program.

The main objectives of the Phase 2 exploration are to carry out extensive coal quality and geotechnical testing as well as to increase the confidence in the structural model.

Figure 1 Location of Mackenzie Project between Yarrabee Coal Mine and Jellinbah Coal Mine



Geology & Geological Interpretation

Structurally the Mackenzie Project lies east of the Jellinbah Thrust Belt. The Jellinbah Fault defines the western margin of the Jellinbah Thrust Belt and runs to the west of the Jellinbah Coal Mine in an approximate north-westerly direction, where the Rangal Coal Measures (RCM) are uplifted to the east of this fault. The Yarrabee thrust fault is just outside the eastern boundary of EPC1445 / MDL 503 and runs in an approximate northwest direction, between the EPC and the Yarrabee Coal Mine, where the RCM are up thrown on the eastern side of this fault.

Exploration

In 2010 Bow Energy Ltd. drilled a series of exploration holes within the overlapping tenement, EPP 1025, for the measurement of gas content, gas desorption and net coal thickness within the target formations of the RCM and Fort Cooper Coal Measures. The drill holes reached a total depth of between 400 m and 700 m, intersecting the Aries seam between 181 to 294 m and the Pisces seam between 342 to 375 m.

In 2013 Moreton Resources conducted a drilling programme. Six holes were drilled during the 2013 field program on three sites including two HQ size core holes, one redrill of the Aries seam, one rotary chip hole and two pilot holes. Although the main targets were the Aries, Pollux Upper and the Pisces seams, the Pollux Lower and Castor seams were also sampled in some holes.

In September 2014 Moreton Resources commissioned HDR to conduct the second phase of drilling in the Mackenzie Coal Project. The key objectives are to increase the confidence in the Resource Estimate, both in terms of coal seam continuity and by determining the likely product coal quality specification and yield distribution across the deposit.

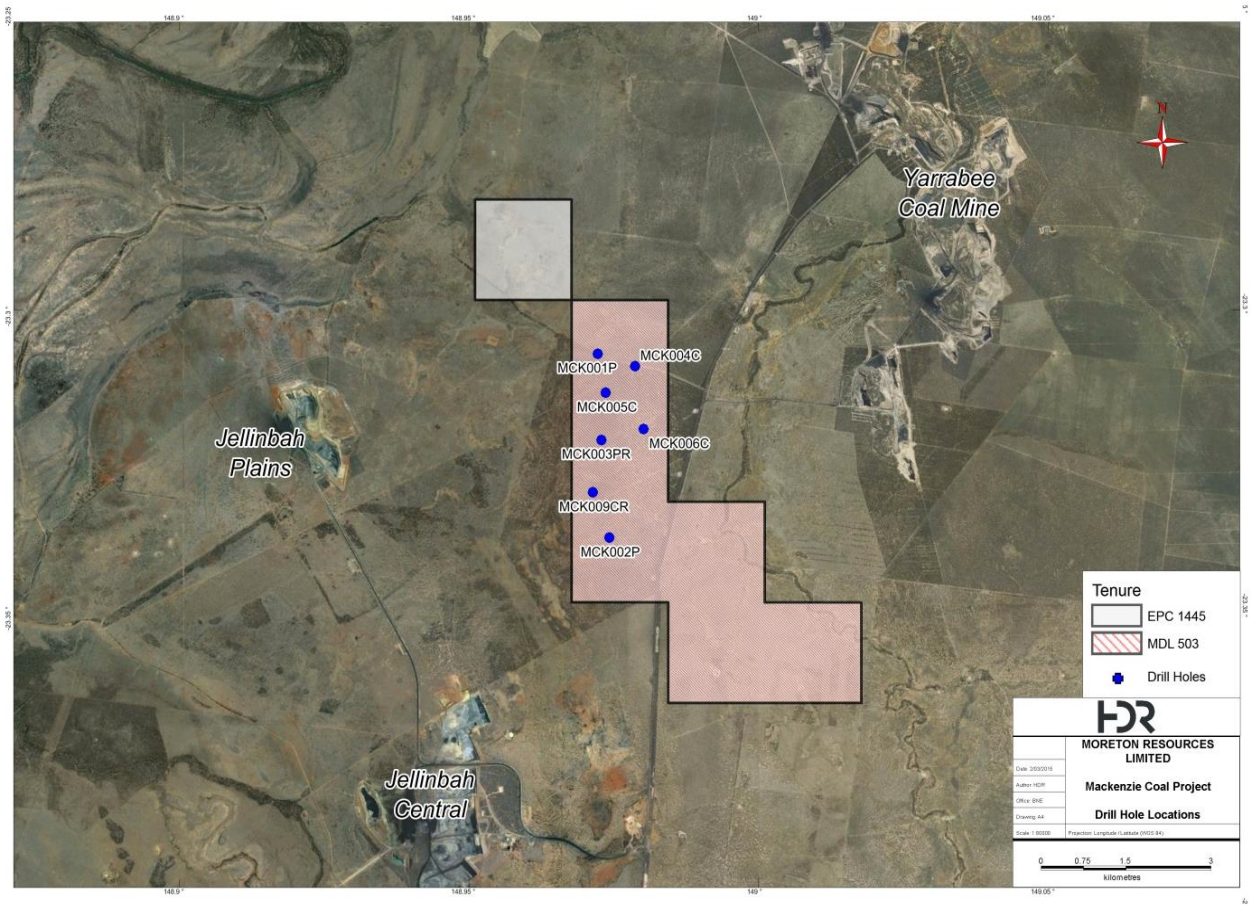
Drilling, Sampling & Analysis

- The drilling program conducted by HDR to date in 2014/2015 intercepted Aries, Castor, Pollux and Pisces seams.
- A total of 7 holes (excludes redrills and pilot holes) have been drilled in 2014 during the second phase of exploration with a total of 3536.95 m drilled.
- In general the drill hole final depths varied from 380 m to 447 m.
- 3 holes were drilled with the primary purpose of stratigraphy and 4 holes were drilled as HQ3 core holes for coal quality purposes.
- MCK003PR and MCK009CR are redrills of MCK003P and MCK009C respectively.
- Drill hole MCK006C also had a pilot hole drilled to determine the start of the coring depth.
- All holes were geophysically logged with a minimum suite of geophysical tools which involved Density, Gamma, Caliper and Verticality.
- Drill cores were sampled on a “ply-by-ply” basis based on physical inspection of the cores.
- Coal sample depths and thicknesses were reconciled against geophysical logs.
- Geophysical logging of the holes gives confidence in seam picks and correlations which are a preliminary step for coal resource estimation.
- Core holes have been submitted for raw coal quality, float sink analysis and preparation and testing of clean coal composite samples.

Table 1 Drill hole collars for Phase 2 exploration

Hole Number	Easting	Northing	Elevation	Purpose	Chip (m)	Core (m)	TD (m)
MCK001P	701683	7421091	130	Stratigraphy	420.00		420.00
MCK002P	701841	7417720	145	Stratigraphy	447.00		447.00
MCK003P	701730	7419510	137	Stratigraphy	432.00		432.00
MCK003PR	701730	7419510	137	Stratigraphy	380.00		380.00
MCK004C	702338	7420856	135	Coal Quality	231.46	213.08	444.54
MCK005C	701818	7420373	133	Coal Quality	251.00	124.20	375.20
MCK006C	702475	7419698	139	Coal Quality	265.00		405.71
MCK009C	701561.7	7418550	140	Coal Quality	250.00		200.00
MCK009CR	701561.7	7418550	140	Coal Quality	198.00	234.50	432.50

Figure 2 Drill hole location plan



Coal Quality

Coal quality testing took place on all coal seams greater than 0.30m in thickness, and included partings up to 10cm in thickness. Where parting is greater than 10cm thick the parting is sampled separately. In no instances is there a gap in sampling within a parent/daughter seam associated with internal seam parting. All samples were double bagged on site. Samples were assigned individual sample numbers and accompanied by a sample advice sheet. Whole cores were delivered to ALS Coal Division laboratory in Richlands Queensland for weighing and testing.

Coal quality analysis is complete for MCK004C and in progress for MCK005C and MCK006C. Intersection depths, the current seam pick interpretation and associated raw coal quality results for the three coal quality holes submitted for analysis to date are shown in Table 3 (Note the lack of coal quality results for some seams is due to low core recoveries necessitating redrills still to be completed). The clean coal composite results for MCK004C are shown below in Table 2. Results are indicative of a low volatile PCI product coal quality with low volatile contents ranging between 12-14%, product ash contents generally below 10% and product yields ranging from 25% to 82 %. Significantly in the case of two of the thicker seams intersected (the Aries Upper (ARU) and Castor Upper (CASU) seams), product yields range between 65% and 82% over composite widths of 1.52m to 1.73m respectively at depths below surface of between 350m and 400m.

Table 2 QF1.40 (+2mm) and QF1.60 (+0.125mm to -2mm) Clean Coal Composite Results for MCK004C, adb basis.

Hole Number	Composite Type	Seam Name	Client sample	From (m)	To (m)	Thickness (m)	Yield %	Moisture %	Ash %	Volatile %	Fixed Carbon %	Total Sulphur %	CV kcal/kg	CSN
MCK004C	F1.40/ F1.60	ARU	MCK004C_181202_06	355.34	356.86	1.52	82.3	1.6	6.3	13.7	78.4	0.54	7999	<1
MCK004C	F1.40/ F1.60	ARL	MCK004C_181211_15	364.59	365.77	1.18	49.6	1.77	9.1	12.9	76.2	0.58	7730	<1
MCK004C	F1.40/ F1.60	ARL1	MCK004C_181221	368.51	368.89	0.38	39.8	1.46	10.9	13.2	74.5	0.57	7567	<1
MCK004C	F1.40/ F1.60	ARL2	MCK004C_181224_29	369.49	371.10	1.61	48.1	1.57	9.7	13.1	75.6	0.58	7674	<1
MCK004C	F1.40/ F1.60	CASU	MCK004C_181232_36	391.81	393.54	1.73	64.7	1.68	8.2	12.9	77	0.52	7823	<0.5
MCK004C	F1.40/ F1.60	CASL	MCK004C_181239_40	394.02	394.47	0.45	38.7	1.57	9.8	13.3	75.4	0.58	7669	<1
MCK004C	F1.40/ F1.60	PLU	MCK004C_181246_47	424.06	425.00	0.94	25.8	1.6	10.7	12.9	74.8	0.71	7586	<1
MCK004C	F1.40/ F1.60	PLU	MCK004C_181248_50	425.00	426.88	1.88	46.1	1.57	8.6	12.6	77.2	0.6	7784	<1
MCK004C	F1.40/ F1.60	PLL	MCK004C_181253_54	433.93	434.90	0.97	38.9	1.75	9.4	12.1	76.7	0.6	7702	<0.5

Table 3 Drill hole raw coal quality sample results for Phase 2 exploration

Hole Number	Seam Name	Sample Number	From m	To m	Free Moisture %	Total Moisture %	MHC	Moisture %	Ash %	Volatile %	Fixed Carbon %	Total Sulphur %	Calorific Value MJ/kg	Calorific Value kcal/kg	Calorific Value MJ/kg	Relative Density	CSN	Chlorine %	Phos %
MCK004C	ARU	MCK004C_181202_03	355.34	355.75	1.1	2.8	2.7	1.7	21.4	14.5	62.4	0.55	27.01	6452	35.12	1.50	1.0	0.02	0.079
MCK004C	ARU	GT044/181204	355.75	356.31	0.4	1.7	3.5	1.3	10.0	13.6	75.1	0.53	32.01	7646	36.09	1.39	1.5	0.02	0.140
MCK004C	ARU	MCK004C_181205_06	356.31	356.86	0.7	2.2	2.1	1.5	8.3	14.3	75.9	0.61	32.66	7800	36.21	1.37	2.5	0.02	0.076
MCK004C	ARL	MCK004C_181211	364.59	364.68	0.4	2.0	2.7	1.6	26.7	16.9	54.8	0.91	23.82	5690	33.22	1.58	1.0	0.00	0.023
MCK004C	ARL	GT047/181212	364.68	365.05	0.8	2.6	3.0	1.8	19.2	13.3	65.7	0.55	28.18	6730	35.67	1.48	0.5	0.00	0.319
MCK004C	ARL	MCK004C_181213_14	365.05	365.48	1.1	3.0	3.6	1.9	25.9	13.3	58.9	0.49	25.30	6042	35.04	1.54	0.5	0.02	0.145
MCK004C	ARL	MCK004C_181215	365.48	365.77	0.9	2.7	3.5	1.8	16.2	12.7	69.3	0.55	29.31	7000	35.74	1.45	1.0	0.02	0.148
MCK004C	ARL1	MCK004C_181221	368.51	368.89	2.2	3.6	3.2	1.4	28.2	14.7	55.7	0.45	24.67	5892	35.04	1.59	0.0	0.02	0.199
MCK004C	ARL2	MCK004C_181224	369.49	369.62	0.8	2.3	2.3	1.5	28.6	17.2	52.7	0.47	22.91	5472	32.78	1.60	0.5	0.00	0.014
MCK004C	ARL2	MCK004C_181225	369.72	369.97	1.0	2.5	2.0	1.5	17.1	14.4	67.0	0.56	29.20	6974	35.87	1.46	1.0	0.02	0.217
MCK004C	ARL2	MCK004C_181226	370.12	370.33	1.1	2.9	2.9	1.8	28.4	12.2	57.6	0.47	24.73	5906	35.43	1.57	1.0	0.02	0.148
MCK004C	ARL2	MCK004C_181227	370.33	370.53	3.4	4.8	3.5	1.4	17.9	13.1	67.6	0.52	28.81	6882	35.70	1.48	1.0	0.02	0.235
MCK004C	ARL2	MCK004C_181228	370.53	370.83	1.2	2.8	3.4	1.6	24.7	13.4	60.3	0.48	26.15	6246	35.48	1.54	0.5	0.01	0.287
MCK004C	ARL2	MCK004C_181229	370.83	371.10	0.8	2.3	3.1	1.5	13.2	12.8	72.5	0.56	30.78	7352	36.08	1.43	1.0	0.02	0.121
MCK004C	CASU	MCK004C_181232	391.81	392.11	0.8	2.4	2.8	1.6	25.0	12.9	60.5	0.74	25.87	6180	35.25	1.55	0.5	0.01	0.013
MCK004C	CASU	GT057/181233	392.11	392.52	0.4	1.8	3.6	1.4	17.7	14.7	66.2	0.52	28.34	6770	35.03	1.47	1.0	0.02	0.005
MCK004C	CASU	MCK004C_181234	392.52	392.77	0.9	2.4	3.5	1.5	10.3	13.3	74.9	0.55	31.75	7584	36.00	1.40	0.5	0.03	0.080
MCK004C	CASU	MCK004C_181235	392.77	393.16	0.9	2.7	4.2	1.8	10.3	12.1	75.8	0.52	31.77	7588	36.14	1.40	0.0	0.03	0.006
MCK004C	CASU	MCK004C_181236	393.16	393.54	0.7	2.3	3.1	1.6	15.6	12.7	70.1	0.52	29.82	7122	36.01	1.44	1.0	0.01	0.139
MCK004C	CASL	MCK004C_181239	394.02	394.17	3.0	4.4	2.6	1.4	17.0	12.5	69.1	0.50	29.33	7006	35.94	1.46	1.0	0.02	0.157
MCK004C	CASL	MCK004C_181240	394.17	394.47	1.0	2.7	3.6	1.7	29.5	12.6	56.2	0.44	24.32	5808	35.35	1.58	0.5	0.01	0.085
MCK004C	PLU	MCK004C_181246	424.06	424.24	1.4	3.1	3.2	1.7	42.0	11.3	45.0	0.36	19.15	4574	34.01	1.72	0.0	0.00	0.056
MCK004C	PLU	MCK004C_181247	424.24	425.00	1.8	3.5	2.9	1.7	26.4	12.3	59.6	0.48	25.51	6094	35.48	1.56	0.0	0.01	0.245
MCK004C	PLU	MCK004C_181248	425.00	425.75	1.4	3.1	2.8	1.7	17.9	14.4	66.0	0.50	28.32	6764	35.22	1.49	0.0	0.02	0.047
MCK004C	PLU	MCK004C_181249	425.75	426.30	1.4	3.1	3.3	1.7	13.9	12.0	72.4	0.53	30.60	7308	36.26	1.43	0.0	0.02	0.065
MCK004C	PLU	MCK004C_181250	426.30	426.88	1.1	2.9	3.7	1.8	22.6	11.7	63.9	0.48	27.17	6490	35.94	1.51	0.5	0.01	0.232

Hole	Seam	Sample	From	To	Free Moisture	Total Moisture	MHC	Moisture	Ash	Volatile	Fixed Carbon	Total Sulphur	Calorific Value	Calorific Value	Calorific Value	Relative Density	CSN	Chlorine	Phos
MCK004C	PLL	MCK004C_181253_54	433.93	434.90	1.4	3.2	3.8	1.8	20.1	13.0	65.1	0.50	27.47	6562	35.17	1.51	0.0	0.00	0.016
MCK005C	ARU		249.94	251.94															
MCK005C	ARL	MCK005C_187506_07	264.40	265.05	0.7	2.4	3.6	1.7	28.2	12.7	57.4	0.51	24.76	5912	35.34	1.57	0.5	0.03	0.245
MCK005C	ARL	MCK005C_187508	265.05	265.55	1.1	2.8	2.7	1.7	19.2	12.7	66.4	0.54	28.43	6790	35.91	1.49	0.5	0.03	0.090
MCK005C	ARL	MCK005C_187509	265.55	265.94	1.0	3.2	3.9	2.2	66.1	8.9	22.8	0.21	10.41	2486	32.82	2.07	0.0	0.02	0.029
MCK005C	CASU	MCK005C_187511_12	281.85	282.30	0.6	2.4	3.5	1.8	25.2	14.4	58.6	0.44	25.45	6078	34.87	1.56	0.5	0.03	0.027
MCK005C	CASU	MCK005C_187513	282.30	282.71	1.2	2.8	3.4	1.6	16.6	15.2	66.6	0.45	28.72	6858	35.10	1.47	0.5	0.03	0.125
MCK005C	CASU	MCK005C_187514	282.71	283.11	1.2	2.9	3.5	1.7	12.7	14.1	71.5	0.48	30.65	7320	35.77	1.44	0.5	0.04	0.046
MCK005C	CASU	MCK005C_187515	283.11	283.38	1.3	3.2	3.6	1.9	26.9	12.0	59.2	0.41	25.41	6068	35.68	1.57	0.5	0.03	0.227
MCK005C	CASU	MCK005C_187516	283.38	283.59	0.9	2.7	3.1	1.8	36.5	14.4	47.3	0.35	20.66	4934	33.48	1.69	0.5	0.03	0.082
MCK005C	CASL	MCK005C_187518	284.41	284.71	0.9	2.8	4.1	1.9	40.3	14.4	43.4	0.34	19.01	4540	32.87	1.71	0.5	0.02	0.023
MCK005C	CASL	MCK005C_187519	284.71	284.79	0.4	1.4	3.8	1.4	43.4	20.8	34.4	0.26	15.43	3686	27.95	1.87	0.5	0.02	0.011
MCK005C	PLU		311.76	314.86															
MCK005C	PLL	MCK005C_187529	321.55	322.06	3.1	4.7	2.9	1.6	20.4	12.2	65.8	0.57	27.77	6632	35.58	1.50	0.5	0.04	0.134
MCK005C	PLL	MCK005C_187530	322.06	322.40	4.0	5.4	4.3	1.5	72.5	13.1	12.9	0.02	6.07	1450	23.33	2.34	0.0	0.03	0.049
MCK005C	PIU	MCK005C_187531	358.04	358.33	5.0	7.6	9.5	2.7	83.5	6.9	6.9	0.19	3.39	810	24.65	2.45	0.0	0.03	0.074
MCK005C	PIU	MCK005C_187532	358.33	358.53	2.6	4.0	3.2	1.4	31.3	15.9	51.4	0.34	21.91	5232	32.53	1.65	0.5	0.04	0.004
MCK005C	PIU	MCK005C_187533	358.53	359.13	5.5	6.7	3.6	1.3	19.7	13.0	66.0	0.41	28.01	6690	35.43	1.50	0.5	0.04	0.009
MCK005C	PIU	MCK005C_187534	359.13	359.61	0.4	1.7	2.5	1.3	23.6	11.7	63.4	0.41	27.10	6472	36.04	1.51	0.5	0.04	0.006
MCK005C	PIU	MCK005C_187535	359.61	359.72	0.4	1.5	3.0	1.1	65.3	7.3	26.3	0.12	11.06	2640	32.86	2.02	0.0	0.04	0.010
MCK005C	YT	MCK005C_187536	359.72	360.04	3.7	6.2	9.5	2.6	91.4	4.6	1.4	0.00	1.07	256	17.87	2.57	0.0	0.06	0.023
MCK005C	YT	MCK005C_187537	360.15	360.58	3.0	5.1	7.0	2.2	88.6	9.1	0.1	0.00	0.43	102	4.67	2.66	0.0	0.02	0.008
MCK005C	PIL	MCK005C_187538	360.58	360.95	1.8	2.6	1.8	0.8	56.8	10.5	31.9	0.21	13.81	3298	32.61	1.94	0.0	0.02	0.013
MCK006C	ARU	181304	282.47	282.92	4.5	6.2	3.8	1.6	9.4	14.1	74.9	0.62	32.06	7658	36.00	1.41	1.0	0.07	0.020
MCK006C	ARU	181305	282.92	283.35	3.6	5.5	3.5	1.6	9.0	14.1	75.3	0.51	32.24	7700	36.07	1.40	1.0	0.07	0.048
MCK006C	ARU	181306_07	283.35	283.96	2.1	3.8	3.2	1.5	8.5	14.9	75.1	0.54	32.21	7692	35.80	1.39	1.0	0.05	0.072
MCK006C	ARL	181311_12	292.20	292.69	0.5	2.1	3.7	1.6	33.6	16.6	48.2	0.37	21.39	5108	33.04	1.67	0.5	0.04	
MCK006C	ARL	181313	292.69	293.08	0.6	2.5	3.2	1.8	29.0	18.1	51.1	0.43	23.33	5572	33.71	1.66	0.5	0.05	0.093

Hole	Seam	Sample	From	To	Free Moisture	Total Moisture	MHC	Moisture	Ash	Volatile	Fixed Carbon	Total Sulphur	Calorific Value	Calorific Value	Calorific Value	Relative Density	CSN	Chlorine	Phos
MCK006C	ARL	181314	293.08	293.44	0.5	2.3	2.8	1.6	25.2	17.9	55.3	0.44	24.87	5940	34.00	1.61	0.5	0.05	0.114
MCK006C	ARL	181315	293.44	293.52	0.9	2.4	3.5	1.5	29.3	21.2	48.0	0.42	22.31	5328	32.25	1.71	0.5	0.06	0.196
MCK006C	ARL	181316_17	293.52	294.07	0.7	2.9	3.2	2.0	25.6	14.6	57.8	0.45	25.07	5988	34.62	1.58	0.5	0.06	0.015
MCK006C	ARL	181318	294.07	294.17	0.7	2.8	4.4	2.1	42.9	11.4	43.6	0.36	19.11	4564	34.74	1.74	0.5	0.04	0.011
MCK006C	ARL	181319	294.17	294.22	0.3	2.6	4.2	2.3	40.2	10.9	46.6	0.35	20.10	4800	34.92	1.70	0.5	0.04	0.012
MCK006C	ARL	181320	294.22	294.28	0.2	2.2	3.0	2.0	31.5	12.0	54.5	0.46	23.63	5642	35.52	1.58	1.0	0.04	0.009
MCK006C	CASU	181324	314.66	315.02	0.3	2.4	3.1	1.9	21.5	12.9	63.7	0.47	27.16	6488	35.43	1.51	1.0	0.03	0.094
MCK006C	CASU	GT_17/181325	315.02	315.57	0.6	2.1	2.6	1.5	14.3	13.9	70.3	0.52	30.15	7200	35.80	1.44	1.5	0.04	
MCK006C	CASU	181326	315.57	315.96	1.1	3.3	3.4	1.9	7.6	13.1	77.4	0.55	32.77	7826	36.20	1.39	0.5	0.04	0.006
MCK006C	CASU	181327	315.96	316.48	0.9	2.8	2.8	1.8	19.6	14.2	64.4	0.47	27.79	6638	35.34	1.50	0.5	0.04	0.115
MCK006C	CASL	181330	316.95	317.46	0.4	1.9	3.3	1.5	17.2	13.4	67.9	0.53	29.18	6968	35.93	1.46	0.5	0.03	0.067
MCK006C	PLR	181333	346.38	346.62	0.5	2.3	2.9	1.7	29.9	15.2	53.2	0.43	23.08	5512	33.75	1.61	0.5	0.03	0.050
MCK006C	PLR	181334	346.62	347.01	0.6	2.8	3.1	1.8	20.4	13.1	64.7	0.50	27.72	6620	35.61	1.50	0.5	0.03	0.049
MCK006C	PLU	181336_37	347.48	348.30	3.0	4.7	3.4	1.7	18.7	14.6	65.0	0.51	28.17	6728	35.36	1.49	0.5	0.03	0.094
MCK006C	PLU	181338	348.30	348.80	2.0	4.0	3.8	1.8	13.2	13.4	71.6	0.52	30.46	7274	35.81	1.44	0.5	0.03	0.206
MCK006C	PLU	181339	348.80	349.16	1.0	3.1	3.9	1.8	14.4	13.7	70.1	0.52	29.93	7150	35.74	1.45	0.5	0.03	0.272
MCK006C	PLU	181340	349.16	349.58	1.6	3.3	2.5	1.7	16.8	14.4	67.1	0.49	28.67	6848	35.19	1.48	0.5	0.02	0.200
MCK006C	PLL	181343	354.93	355.14	1.4	3.2	3.4	1.8	15.9	12.2	70.1	0.52	29.34	7006	35.68	1.47	0.5	0.03	0.010
MCK006C	PLL	181344	355.14	355.74	0.7	2.7	3.0	1.9	29.7	12.9	55.5	0.43	23.89	5706	34.93	1.58	0.5	0.03	0.012
MCK006C	PIU	181346	393.58	393.88	0.6	3.1	3.6	2.6	36.7	11.3	49.4	0.45	21.50	5134	35.41	1.67	0.5	0.02	0.018
MCK006C	PIU	181347_48	393.88	394.51	0.4	2.2	3.2	1.7	16.8	14.6	66.9	0.41	28.88	6896	35.45	1.48	1.0	0.03	0.004
MCK006C	PIU	181349	394.51	394.84	1.5	3.3	3.6	1.9	19.6	12.0	66.5	0.40	28.32	6764	36.10	1.49	0.5	0.02	0.008
MCK006C	PIU	181350	394.84	395.31	1.0	2.3	6.5	1.5	26.0	16.4	56.1	0.35	24.28	5800	33.50	1.60	0.5	0.03	0.018
MCK006C	YT	181351	395.31	396.16	0.8	3.6	6.3	3.2	86.6	5.2	5.0					2.47			
MCK006C	PIL	181352	396.16	396.34	0.4	1.9	2.2	1.5	42.4	11.8	44.3	0.28	19.18	4580	34.18	1.73	0.5	0.02	0.018
MCK006C	PIL	181353	396.34	396.47	3.1	6.3	8.0	3.4	73.1	6.9	16.6	0.07	7.25	1732	30.95	2.21	0.0	0.00	0.035
MCK006C	PIL	181354	396.47	396.64	0.6	2.3	2.7	1.7	54.9	9.0	34.4	0.19	14.67	3504	33.82	1.90	0.5	0.00	0.013

Table 4 Drill hole intersections – non cored holes

Hole Number	From	To	Thickness	Seam
MCK001P	263.16	264.08	0.92	ARU
MCK001P	270.55	272.35	1.8	ARL
MCK001P	290.68	292.43	1.75	CASU
MCK001P	293.25	293.75	0.5	CASL
MCK001P	317.99	320.89	2.9	PLU
MCK001P	327.92	328.23	0.31	PLL
MCK001P	363.84	365.5	1.66	PIU
MCK002P	334.88	336	1.12	ARU
MCK002P	336.9	338	1.1	ARL
MCK002P	357.22	357.8	0.58	CASU
MCK002P	361.2	361.82	0.62	CASL
MCK002P	388.31	391.95	3.64	PLU
MCK002P	399.36	399.88	0.52	PLL
MCK002P	411.9	412.27	0.37	PIU
MCK002P	414.91	415.4	0.49	PIL
MCK003PR	261.34	263.7	2.36	ARU
MCK003PR	265.22	267.02	1.8	ARL
MCK003PR	282.54	284.21	1.67	CAS
MCK003PR	316.42	319.95	3.53	PLU
MCK003PR	327.05	328.08	1.03	PLL
MCK003PR	362.02	363.05	1.03	PIU
MCK003PR	363.53	364.05	0.52	PIL

Appendix 2

JORC Table 1

JORC Table 1, attached to this release, provides a checklist of assessment and reporting criteria and provides information on drilling and sampling techniques and data QAQC according to JORC Code (2012) guidelines.

Criteria	Explanation	Comment
Sampling techniques	Nature and quality of sampling (e.g. cut channels, random chips etc.) and measures taken to ensure sample representivity. Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used. Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information.	Testing took place on all coal seams greater than 0.30m in thickness, and included partings up to10cm in thickness. All samples were double bagged on site. Samples were assigned individual sample numbers and accompanied by a sample advice sheet. Whole cores were delivered to ALS Coal Division laboratory in Richlands Queensland for splitting, weighing and testing. Sampling was extensive, with standard tests including, but not limited to: • Total Moisture; • Inherent Moisture; • Ash Content; • Calorific Value; • CSN; • Sulphur Content Industry standard coring (HQ3) and sampling methods have been used. Sample representivity is ensured by careful observation of the core by a trained geologist during sampling in order to ensure that samples do not cross ply boundaries and by recording and tracking core recoveries and performing re-drills if core recoveries are unacceptably low.
Drilling techniques	Drill type (e.g.. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka etc.) and details (e.g.. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc.).	7 drill holes were drilled across the tenement. These varied in depth from 375.20m to 447m and were drilled between September 2014 and December 2014. The drilling was completed by rotary core drilling, using HQ3 (63mm) core. However the initial drill diameters varied from 99mm to 165mm where PCD bit was used for chipping.
Drill sample recovery	Whether core and chip sample recoveries have been properly recorded and results assessed. Measures taken to maximise sample recovery and ensure representative nature of the samples. Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.	Core loss has been documented in the field during logging and sampling of core. Calculations have been performed to accumulate total core loss over the sampled interval. The core recovery from most of Mackenzie project is >90% except in the Aries Upper and Pollux Upper in MCK005C. MCK009CR had drilling issues with all seams except Aries Lower and Pisces lower. Both these holes will be re-drilled to obtain the required core recoveries. Detailed records have been kept of core recoveries which will allow for statistical analysis of the influence of core recovery on coal quality during resource estimation.

Criteria	Explanation	Comment
Logging	Whether core and chip samples have been logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies. Whether logging is qualitative or quantitative in nature. Core (or costean, channel etc.) photography. The total length and percentage of the relevant intersections logged.	Detailed logging of chips and core. Chips and core photographs taken. All cores were geologically logged, marked and geotechnical features were identified. Final drill logs include information on detailed lithological logging of the drill core, geophysical logging, core recoveries, coal quality and the final interpretation in terms of seam stratigraphy. All drill hole logs contain information on down hole geophysics. The detail contained in these logs is considered sufficient for the purpose of resource estimation.
Sub-sampling techniques and sample preparation	If core, whether cut or sawn and whether quarter, half or all core taken. If non-core, whether riffled, tube sampled, rotary split etc. and whether sampled wet or dry. For all sample types, the nature, quality and appropriateness of the sample preparation technique. Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples. Measures taken to ensure that the sampling is representative of the in situ material collected. Whether sample sizes are appropriate to the grainsize of the material being sampled.	No sub-sampling of the core. All core coal samples were double bagged on site and transported to the laboratory for testing. The lab, ALS complies with Australian Standards for sample preparation and sub sampling. All coal samples will be crushed to a top size of 11.2 mm before analysis, which is common in the industry for HQ3 core. Float sink analysis are still being completed on holes MCK005C and MCK006C.
Quality of assay data and laboratory tests	The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total. For geophysical tools, spectrometers, handheld XRF instruments, etc., the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc. Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.	Coal quality Laboratory adheres to internal QAQC and inter-laboratory QAQC checks. All determinations performed adhere to Australian Standards guidelines. ALS complies with Australian Standards for all coal quality tests and is certified by the National Association of Testing Authorities Australia (NATA). ALS laboratories are regularly benchmarked by external auditors against the highest professional laboratory standard – ISO 17025. Accreditation to this standard provides assurance that the laboratory systems are robust and maintained at world-class level.
Verification of sampling and assaying	The verification of significant intersections by either independent or alternative company personnel. The use of twinned holes. Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols. Discuss any adjustment to assay data.	There are no twinned intersections or verification sampling of significant intersections.

Criteria	Explanation	Comment
Location of data points	Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation. Specification of the grid system used. Quality and adequacy of topographic control.	Location of all holes drilled to date have been captured using hand held GPS. A differential GPS survey of all collars will be conducted upon completion of drilling.
Data spacing and Distribution	Data spacing for reporting of Exploration Results. Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied. Whether sample compositing has been applied.	Data spacing is sufficient to establish continuity in both thickness and coal quality. Full seam/ working section composites of coal quality will be used in resource estimation.
Orientation of data in relation to geological structure	Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type. If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.	Full seam composites used therefore orientation of sampling not seen to introduce bias as all drilling is sub-vertical and seams mostly gently dipping. No bias introduced by orientation of drill holes – Minescape the planned modelling software takes into account the orientation of the seams in relation to the drilling and determines both true and vertical thickness for the seams.
Sample Security	The measures taken to ensure sample security.	Sample security was ensured under a chain of custody between HDR personnel on site and the ALS lab.
Audits or reviews	The results of any audits or reviews of sampling techniques and data.	No audits and reviews conducted on sampling techniques and data other than normal data checks conducted prior to loading data into Ventyx's Geological data base by HDR.
Mineral tenement and land tenure status	Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings. The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.	Moreton Resources have been awarded the exploration concession for EPC 1445 and associated MDL 503 covering an area of 24km². A digital version of this concession boundary was provided to HDR via a data pack from Moreton Resources. HDR have not independently verified this tenure and were not asked to do so.

Criteria	Explanation	Comment
Exploration done by other parties	Acknowledgment and appraisal of exploration by other parties.	In 2010 Bow Energy Ltd. drilled a series of exploration holes within the overlapping tenement, EPP 1025, for the measurement of gas content, gas desorption and net coal thickness within the target formations of the Rangals and Fort Cooper Coal Measures. The drill holes reached a total depth of between 400 m and 700 m, intersecting the Aries seam between 181 to 294 m and the Pisces seam between 342 to 375 m. In 2013 Moreton Resources conducted a drilling programme. Six holes were drilled during the 2013 field program on three sites including two HQ size core holes, one redrill of the Aries seam, one rotary chip hole and two pilot holes. Although the main targets were the Aries, Pollux Upper and the Pisces seams, the Pollux Lower and Castor seams were also sampled in some holes.
Geology	Deposit type, geological setting and style of mineralisation.	Coal, Bowen Basin Late Permian Rangal Coal Measures, sedimentary type deposit. Structurally the Mackenzie Project lies east of Dingo Fold Belt/Jellinbah Thrust Belt to the west. The majority of the faults dip at shallow angles to the east and sole out within the Permian sediments, as bedding-plane shears in the weaker lower coal seams (Sliwa, R., Hamilton, S., Hodgkinson, J., Draper, J., 2008). The Jellinbah Fault defines the western margin of the Jellinbah Thrust Belt and runs approximately 4 km to the north-west of EPC1445 / MDL 503 where the Rangal Coal Measures are uplifted to the east. The Yarrabee thrust fault is just outside the eastern boundary of the tenement and runs approximately one to 4 km north east of the EPC / MDL, where the Rangal Coal Measures are uplifted to the east of the fault, and deeper to the west of the fault.
Drill hole information	A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: • easting and northing of the drill hole collar • elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar • dip and azimuth of the hole • down hole length and interception depth • hole length. If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.	Refer to Table 1 above

Criteria	Explanation	Comment
Data aggregation methods	In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations and cut-off grades are usually material and should be stated. Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail. The assumptions used for any reporting of metal equivalent values should be clearly stated.	Clean Coal Composite sample results (Table 2) have been composited over full seam thickness using length and density weighting. Raw coal quality (Table 3) reported on a sample by sample (non-aggregated) basis. Care is taken to prevent sampling gaps within the seam with the unavoidable exception of core loss. No metal equivalents used.
Relationship between mineralisation widths and intercept lengths	These relationships are particularly important in the reporting of Exploration Results. If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported. If it is not known and only the down-hole lengths are reported, there should be a clear statement to this effect (e.g. 'downhole length, true width not known').	The orientation of drilling/sampling (vertical) is not seen to introduce any bias as all drilling is vertical and seams mostly gently dipping.
Diagrams	Where possible, maps and sections (with scales) and tabulations of intercepts should be included for any material discovery being reported if such diagrams significantly clarify the report.	See figures in this release.
Balanced reporting	Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practised to avoid misleading reporting of Exploration Results.	All exploration results pertaining to holes drilled during Phase 2 drilling at Mackenzie have been fully reported by HDR in this report. Holes drilled previously (Phase 1) have been reported in previous releases.
Other substantive exploration data	Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.	Geotechnical logging, sampling and testing from the overburden, interburden, seam roof/floor and coal (such as defect logging, field point load testing and laboratory testing) has been undertaken, results have yet to be received from Trilabs in Brisbane.
Further work	The nature and scale of planned further work (e.g.. tests for lateral extensions or depth extensions or large-scale step-out drilling).	Further drilling and coal quality testing until the 16 hole programme has been completed. A map with the current drill hole locations and the proposed locations is shown in Figure 2