



Quarterly Report

31 October 2016



MORETON RESOURCES LIMITED

Committed to Safety, the Environment and the
Communities in which we seek to operate

The Company has seen significant progress and a shift in the last quarter from a junior seeking to advance its prospects, to being well down the path of becoming an operator within the near future, subject to approvals and permitting. We have two genuine potential operations that are contingent upon those approvals, and once gained, the Company will be in a position make a final investment decision. If such decision are made, we will be well on our way as a junior mining company.

As our investors are well aware, the two specific projects we seek to advance are:

The “Granite Belt Project”, which is a 1.2-1.4Mt of ore, Silver Mining operation that has significant upside potential, which we believe has potential to be in operation within the next 9 months. (However we still await the progress of DNRM advancement in assessing our application)

Further to this, we believe the “South Burnett Coal Project” has significant potential to move into an operating mine of significant value to the South Burnett community and the Company, within the next 3 years, assuming all permitting and approvals are achieved and final investment decisions are made.

In addition to these advancement projects, the Company still seeks to finalise our historical legacy issues and we are now at a point where a line has been drawn in the sand, as the Administrative Appeals Tribunal (AAT) date, which has been brought about by Moreton Resources Limited, is set to be heard in February 2017, less than 4 months away. Moreton Resources has lodged its submissions, evidence and our witness statements together with the independent expert witness statements, which we believe will articulate our claim clearly to the Tribunal. Obviously if we thought there wasn’t a legitimate meritorious claim, we would not be pursuing this course of action.

In saying this, the parties continue to exchange documents and Moreton Resources Limited preferred option is to resolve matters prior to the AAT, as the financial costs to not only the Company but also to AusIndustry is considerable, and something neither party will recoup through this process.

On a more positive and productive note, the following highlights are worthy of note in the quarter:

Key Highlights

- Advertisement of our “Draft Terms of Reference” for the South Burnett Coal Project under our Tarong Basin Coal Pty Ltd subsidiary
- Mining License Application formally lodged with Department of Natural Resources and Mining for our South Burnett Coal Project under our Tarong Basin Coal Pty Ltd subsidiary
- Lodgment of our Environmental Authority Application for the “Granite Belt Project” under our MRV Metals Pty Ltd subsidiary
- Lodgment of our Mining License Application for the “Granite Belt Project” under our MRV Metals Pty Ltd subsidiary
- Community meetings held in the Texas Region with extremely positive and encouraging feedback and support
- Recruitment for CEO/Site GM for MRV Metals has commenced and project team for project commencement is being brought together
- Negotiations with Landholder, Government and other key stakeholders on the “Granite Belt Project” advancing well
- Funding discussions and potential debt/bond negotiations advancing and positive indications to date

- The Company has announced at the AGM that we would be seeking an equity raise from existing shareholders
- Several parties have been undertaking Due Diligence upon our Coal Assets and these remain as incomplete considerations
- The Company has had unsolicited approaches as to equity funding and debt facilities however we continue to assess our options and will determine a final strategy early in the 2017 Calendar year
- We have released two JORC compliant resources from our “Granite Belt Project” being both Twin Hills and Mt Gunyan Resources
- We have completed a Conduct and Compensation Agreement for site access and will active upon site with a site visit upon the 7th and 8th of November 2017, and potential follow up work early in 2017.
- We have released three advanced Exploration Targets which show highly promising Copper and Silver Targets and two of the three reside in a proven historical mining areas.
- We have released the Companies strategy for the “Granite Belt Project” and this has been well received from current and potential investors in our project
- Two new Directors joined the Moreton Resources Limited Board by way of Mr Tony Feitelson and Mr Valeri Melik whom were both appointed as permanent Directors at the Companies AGM in October 2016.

This quarter has been one of the most successful for the Company in the last six years and the momentum and progress is setting us up, for a very busy and what is hoped Company making 2017 calendar year.

1.0 TENEMENTS and PROJECTS

Tenement	Status	Region	Name	Equity Interest (%) *		Sub Company
				30 June 2016	30 Sept 2016	
EPC 1445	Granted	Bowen Basin	Mackenzie Project	100	100	MRV Bowen Basin Coal
MDL 503	Granted	Bowen Basin	Mackenzie Project	100	100	MRV Bowen Basin Coal
MDL 420	Granted	Surat Basin	Wandoan Project	100	100	MRV Surat Basin Coal
MDL 385	Granted	Tarong Basin	South Burnett Project	100	100	MRV Tarong Basin Coal
EPC 882	Granted	Tarong Basin	South Burnett Project	100	100	MRV Tarong Basin Coal
EPM8854	Granted – Under Renewal Application	Texas Region	Granite Belt Project	100	100	MRV Metals
EPM11455	Granted	Texas Region	Granite Belt Project	100	100	MRV Metals
EPM12858	Granted – Under Renewal Application	Texas Region	Granite Belt Project	100	100	MRV Metals
EPM18950	Granted – Under Renewal Application	Texas Region	Granite Belt Project	100	100	MRV Metals
EPM	Under Application	Texas Region	Granite Belt Project	0	0	MRV Metals

Statement of Tenement Status (As at 30 September 2016)* All assets or assets under transfer application are fully owned by subsidiary Companies; however, each is 100% wholly owned by the parent Company of Moreton Resources Ltd.

South Burnett Project (Tarong Basin, MDL 385-EPC 882)

Significant advancement of this asset has occurred with the Company lodging a Mining License Application and also with the Draft Terms of Reference being published for public comment in a process coordinated by the Office the Coordinator General through the Department of State Development. This comes off the back of notification by the Commonwealth Department of Environment and Energy that the project has been declared a “Controlled Action”.

Mackenzie Project (Bowen Basin, EPC 1445, MDL 503)

The Mackenzie Project is still a key focus for the Company and whilst we do not envisage any substantial progress in the coming quarter.

We have had a number of interested parties approach the Company about this asset, however the board will continue to assess the options and opportunities as they arise for our Bowen Basin Coal business.

Wandoan Project (Surat Basin, MDL 420)

We continue to hold this strategic Asset.

Granite Belt Project (EPM8854, EPM11455, EPM12858, EPM18950)

The Company has moved forward rapidly with this project having lodged a Mining License Application and Environmental Approval application. In addition to this the Company has confirmed a JORC resource at both Twin Hills and Mt Gunyan for both silver and gold credits, and identified a further three exploration targets, being named Harrier, Hornet and Hawker, within the holdings.

The resources of Harrier and Hornet already exist within proven mining areas, which were mined at considerable grades some decades ago, and would be a significant positive indicator along with the drilling data, to indicate potentially minable quantities of Copper in these areas.

At the moment we are well advanced upon the Department of Environment and Heritage Protection assessment processes, and await the advancement of the Mining Lease Application through the Department of Natural Resources and Mines. Pending their advancement of the process and positive approvals, we are on track in our view, to seek a decision within the second calendar quarter of 2017.

The Company also confirmed that multiple of its renewals which have been lodged are due to determination with EPM 8854 still advancing through a review process.

2.0 BUSINESS DEVELOPMENT

The Company continues to focus internally and work toward optimization of its own assets for advancement. Moving the “Granite Belt Project” forward and the “South Burnett Coal Project” in parallel is a significant drain on the resources of Moreton Resources Limited and hence the sole focus of the Company outside of AAT resolution attempts.

3.0 FINANCE AND COMMERCIAL

Moreton Resources continues to operate with no debt and has total available operating cash at bank of \$737,421 at the end of the quarter.

The Company at the AGM announced its intentions to undertake a small capital raise, and more information will be put to shareholders in the coming weeks.

As outlined, the Company has had unsolicited offers of funding with particular focus upon the Granite Belt project, however until such time as the Company is fully aware of the AAT outcomes and other opportunities it is advancing, we are not willing to fast track any significant financial decisions for the Company.

4.0 COMPANY OUTLOOK

Whilst the Company continues to advance its assets, it is still constrained by the outstanding AusIndustry matters which we are seeking to bring these to a close as soon as possible.

Jason Elks
Chief Executive Officer
Moreton Resources Limited