

12 May 2016

ASX ANNOUNCEMENT

By Electronic Lodgement

SOUTH BURNETT PROJECT REFERRED TO COMMONWEALTH FOR CONTROLLED ACTION DETERMINATION

Moreton Resources Limited is pleased to announce that through its fully owned subsidiary MRV Tarong Basin Coal Pty Ltd, it has, as of late yesterday, referred its project to the Commonwealth Department of the Environment, to seek a determination of the project being a "Controlled Action".

This application which is expected to be determined within the next 20 business days, is the first step in a very long process, to bring this potential prospect into an operational Thermal Coal mine, supplying the off shore markets with quality Thermal Coal, for power generation.

As outlined in prior ASX announcements, MRV Tarong Basin Coal is seeking to advance the project through the relevant stages of approval, working ultimately to what the Company would hope would be a Mining Lease approval within the next 18-24 months.

To date the Company has worked with the relevant stakeholders and continues to develop its aspirations, against the clearly stated time lines. The application lodged outlines the Company's intentions of developing an 8-10Mt product capacity mine, for primarily export opportunity.

Should MRV Tarong Basin Coal Pty Ltd be able to successfully navigate the approvals processes, and positive market conditions prevail, this project has potential for the following key benefits to the South Burnett and Wide Bay region:

- Potential for some 300-500 construction jobs over a 24-36 month period
- An Operational workforce in the range of 400-600 on site
- Community flow on effects of hundreds of support and ancillary jobs
- A life of mine turn over in the tens of billions of dollars for the 25-30 years

Not only does this project have the capability to make a genuine difference in a region which has one of the highest youth unemployed rates in Australia, but also potentially to bring respite to a regional area that suffers from overall unemployment, declining economic prospects and significantly declining rural and residential land values, across the region.

Should this project move into operations, the financial contribution to that region, but also the State and Federal Governments would be significant in nature. As such, the Company continues to follow the approvals process and continues to work with Cooperation partners upon refinement of the potential operations, product specifications and working toward a final investment decision, in parallel with the approvals process over the next 18-24 months.



Further updates to the market are expected as we progress through the process, not only of approvals but also continued technical evaluation and determination of the projects key milestones and decisions points for advancement.

Regards

Jason Elks
Managing Director
Moreton Resources Limited