18 May 2016

ASX ANNOUNCEMENT
By Electronic Lodgement

MRV Tarong Basin Coal Presents to South Burnett Regional Council

Moreton Resources Limited would like to advise, that it’s fully owned subsidiary MRV Tarong Basin Coal Pty Ltd, is today presenting to the South Burnett Shire Council, an overview of the project and explaining the significant advancements made since its last address to Council, late in 2015.

Please find attached copy of presentation.

Jason Elks
Chief Executive Officer
Moreton Resources Limited

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MORETON RESOURCES
South Burnett – 2016
Update Info Session – SBRC

Moreton Resources

MRV Bowen Basin Coal

MRV Surat Basin Coal

MRV Tarong Basin Coal

MRV Metals

Important Information

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Competent Persons Statement

The information pertaining to the reported Coal Resource in relation to the South Burnett Project (EPC 882 and MDL 385) is based on information compiled by Mr. David Arnott who is a full-time employee of Moreton Resources and holds the position of Geological Lead. David is a qualified Geologist and Member of the AusIMM and Chartered Professional (Geology). He possesses the necessary qualifications, professional membership and has sufficient relevant experience to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person in reporting the tabled Coal Resources included in this release as defined in the 2012 edition of the “Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves” (JORC Code).

The information pertaining to the reported Coal Reserves in relation to EPC 882 and MDL 385 is based on information compiled by Mr. Glen Williamson who is a full-time employee of AMC Consultants and holds the position of Principal Mining Engineer. Glen is a qualified Engineer and Member of the AusIMM, Charted Professional (mining) and Registered Professional Engineer of Queensland. He possesses the necessary qualifications, professional membership and has sufficient relevant experience to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person in reporting the tabled Coal Reserves included in this release as defined in the JORC Code.

*Reported coal resources and reserves are from the ASX Pre-Feasibility Study release dated 21 December 2015

Who is Moreton Resources Limited?

- ASX Listed Company with approx. 2,500 shareholders
- Queensland has our largest base of shareholders
- Majority of those are in regional Queensland including the South Burnett and Wide Bay
- We have several fully owned companies, MRV Metals Pty Ltd, MRV Surat Basin Coal Pty Ltd, MRV Bowen Basin Coal Pty Ltd and MRV Tarong Basin Coal Pty Ltd.

Moreton Resources is an Australian company seeking to enter the operating resources sector and as such, through its Board and Management structures offers well over 120 years of mining experience

Safety is uncompromised in everything we do.

We respect the traditions and cultures of People including the unique relationship that traditional owners have with the land. Our focus is to work with the Indigenous People of the region and recognise this is an essential part of successful operations.

The Board and Management clearly take full responsibility for the company's history, and since the new direction via strong and proven leadership entering the company in late 2013, our current and future commitment to operating within proven industries is unwavering and we commit to not only own but resolve the historical issues.

Core Values & Beliefs

- **Commitment to safety, environment and communities**
- **Our people are our competitive advantage**
- **Continuing to create shareholder value**
- **Australian focused**

At Moreton Resources we believe our people, our business associates, our communities and the environment are all critical and must be afforded the safest and healthiest conditions.

Building relationships based on trust and mutual advantage is the pinnacle of coexistence and is the basis for all of Moreton Resources considerations and activities.

Moreton Resources recognises the scenic, ecological and economic value of the areas in which we operate and we take our environmental responsibilities seriously both currently and in the future.

Environmental issues, past, current and potential future, are all taken extremely seriously by Moreton Resources and as such we actively promote sustainable mining through contemporary, highly legislated frameworks, in proven and safe mineral extraction technologies.

MRV Tarong Basin Coal

MRV Tarong Basin Coal

Community Update
May 2016

Who is MRV Tarong Basin Coal Pty Ltd?

- MRV Tarong Basin Coal Pty Ltd has been set up for sole purpose of developing the South Burnett Assets, and becoming a South Burnett based business.
- The work to date has focused upon a development light option, which means the site will rely upon the regional infrastructure, business, services and will not look to replicate where possible what already exists in the South Burnett.
- We will commit to developing the South Burnett people, businesses and services, so this is a genuine South Burnett Corporation, that in our mind will run a highly successful mining operation.
- Where has this come from? The old Cougar Energy Company has been taken over by the former shareholders, in an effort to rescue the remaining value in the Company and build a win-win for the South Burnett and the shareholders.

24 month update on MDL 385 Decommissioning

WHAT HAS BEEN ACHIEVED IN THE LAST 24 MONTHS IN THE SOUTH BURNETT

MRV Tarong Basin Coal

Old Trial Production Facility Remediation Outcome

The former Production site has been restored to its prior conditions and land use. (Small amount of Infrastructure still remains for our Coal Advancement)

This is a credit to MRV Tarong Basin Coal Pty Ltd as the current environment is tough for the following reasons –

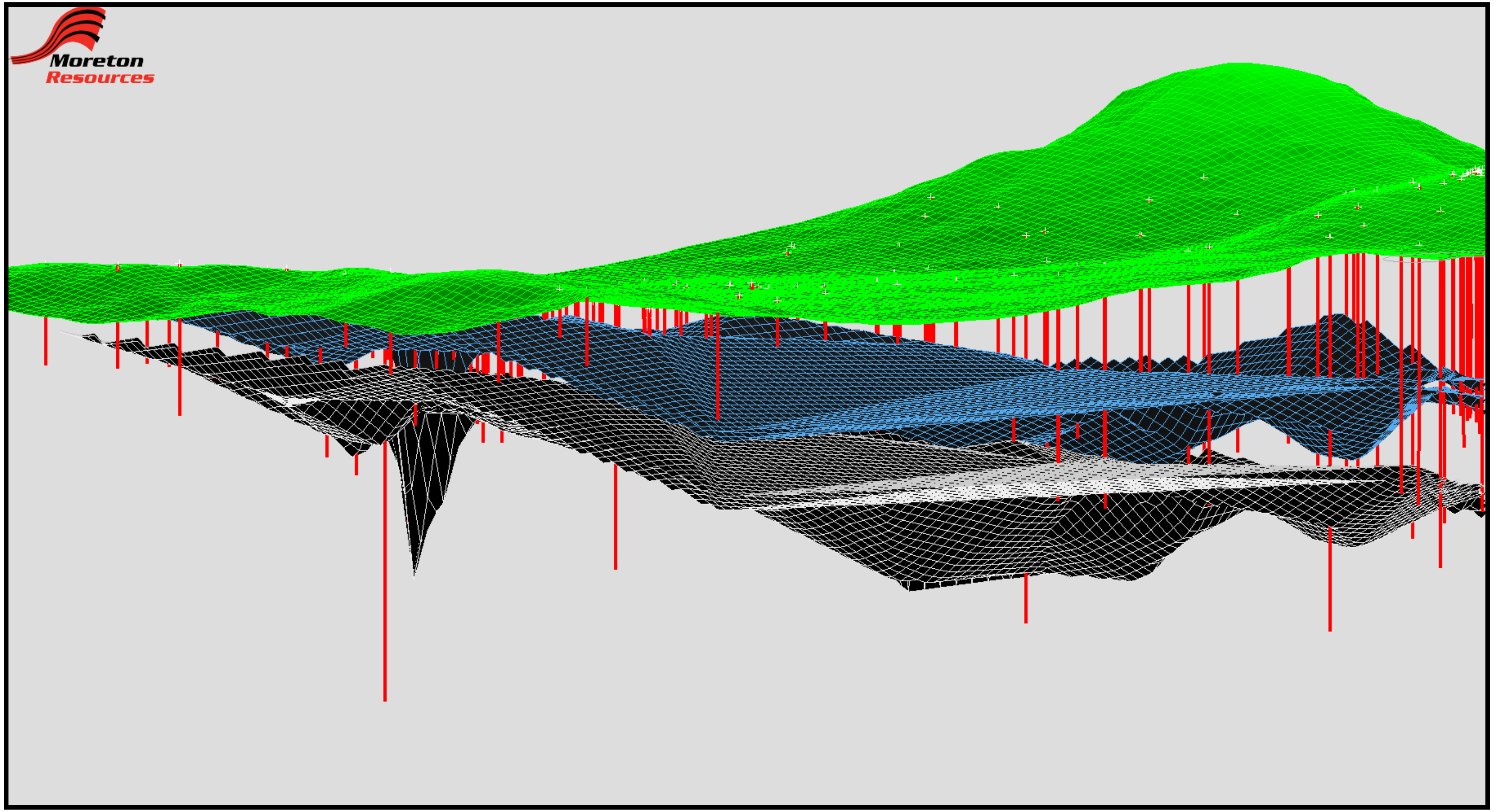
- Back drop of significant legal process being undertaken in the Industry about environmental impacts
- Significant talk and potential legislative change being brought about to make sure no legacy issues are abandoned or passed on to Gov by operators
- Government only a few weeks ago in QLD banning UCG as an unproven and potentialy harmful practice

Moreton Resources was able to work with and prove to the Environmental and Heritage Protection Department, that we are a good operator who has fulfilled our commitments, and hence a substantial bond reduction has been agreed as per our recent announcements.

What is our proposal?

- To build one of the most cost effective mining operations in the State.
- To offer local employment and opportunity across the South Burnett and potentially Wide Bay regions.
- To develop a mine with a focus upon international markets which need Australian coal, but also keeping options open for domestic supply QLD/NSW.
- To develop this concept from where we are today, having just entered our first approvals process, through to a potentially operational mine within the next 4 years, with the ambition of earthworks starting in 24-30 months.
- To work with the community, interest groups and Government, ensuring the appropriate legislative overlay exists and that this operation succeeds in one of the most regulated environments there is.

Geological Considerations are Highly Advantageous



3D model of major upper and major lower coal seams as they rise to shallow depths across the tenements

Why focus on Export?

- We have explored the potential to sell this product offshore, and believe we have a product and potential for a long term offshore market and will continue to pursue those opportunities.
- Thermal pricing on the spot market has increased slightly in the last six months, and Globally the demand for Coal continues to increase with factual Qld Exports year on year, increasing despite the rhetoric in the market.
- We believe there are potential domestic supply options, provided transport solutions become available, and there is a willingness to act competitively.
- The reality is, this potential operation boasts an exceptionally low overall strip ratio and reasonably thick coal seams that can be readily processed to make an international or local product, which we are advancing our study on.
- This is a significant win for both the South Burnett community and the Company, with the development of the massive natural resource in the area.

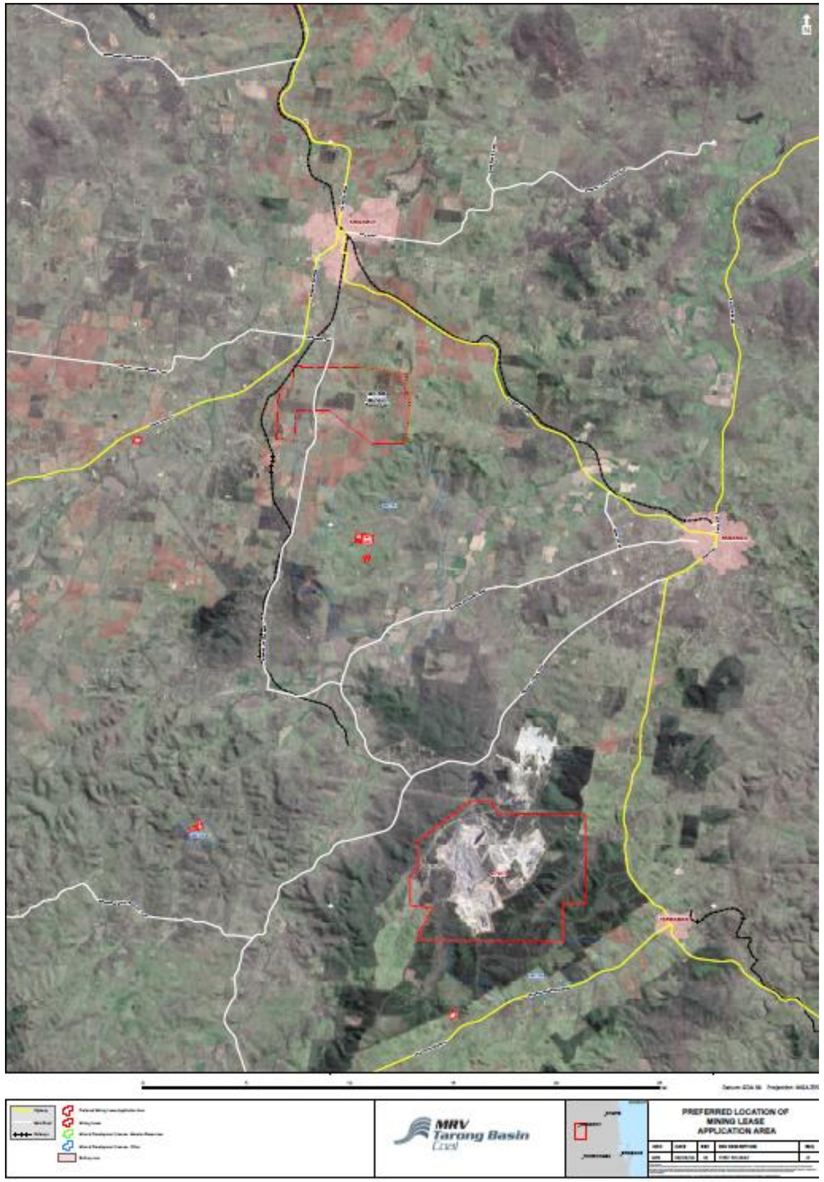
Key Highlights of our PFS (only 5.5Mt Rate)

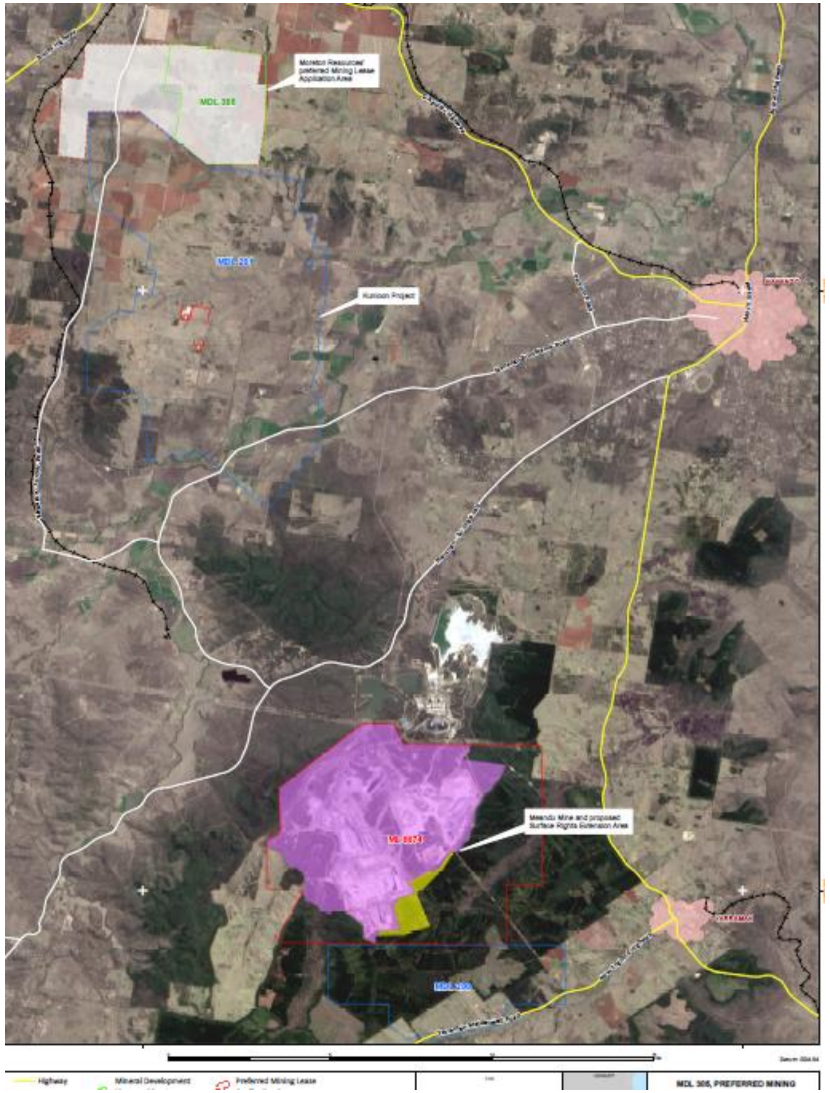
Modeled Results*	Output	PFS Assumptions	Input
NPV (Real, after tax)	**$459.7 Million**	Annual Production Rate (28% (ar) ash)	5.5MT
IRR	**17.46%**	LOM Production	220Mt
Payback Period (undiscounted)	6.95 years	Mine Life	42 years
Total LOM Revenue (undiscounted)	**$11.854 Billion**	Coal Price (Delivered)	$50 (19.6 GJ / tonne)
LOM Average Annual EBITDA	$90.536 Million	Exchange Rate (AUD/USD)	NA
LOM Average Annual NPAT	$55.649 Million	Discount Rate	8%
LOM Average Operating Margin	$21.49 Ref 1	Development Capital Expenditure	$285 Million
First 20 years full production rate	**$30.24 per** tonne delivered Ref 2	Sustaining Capital Expenditure	$55 Million
Final 18 years of full production	$35.82 per tonne Ref 3	Total NPAT Revenues (Undiscounted)	$2-$2.4 Billion
LOM Total Operating Expenditure	$7.2 Billion	**Total NPAT of 20 years full production Revenues (Undiscounted)**	**$1-$1.2 Billion**

***:** All calculations are based upon a target product spec at 21.6 GJ/tonne with a total sales value of $55.00
Ref 1: Average Operating Margin inclusive of capital development (ex-Royalties, taxes etc.) (Important to note, **no off take agreements is in place**)
Ref 2: Average Operating Costs (ex-Royalties, taxes etc.) (delivered to customer, however important to note, **no off take agreements is in place**)
Ref 3: Average Operating Costs (ex-Royalties, taxes etc.) (delivered to customer, however important to note, **no off take agreements is in place**)

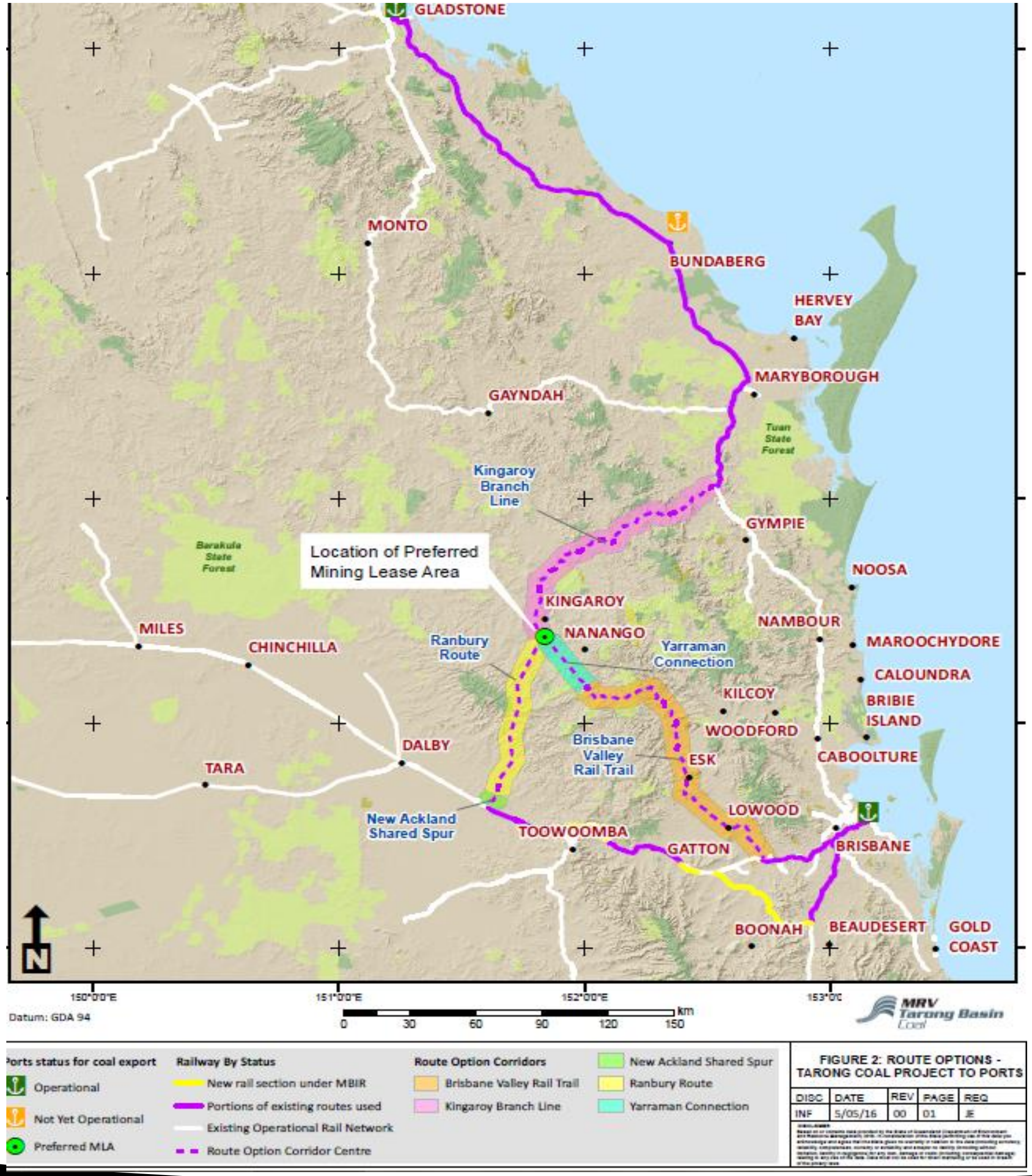
MRV Tarong Basin Coal

Potential location of a Mining Lease Application





Our Potential Path to Market



On the 25th of November 2015, Moreton Resources released the outcome of a Pre-Feasibility Standard rail study, which confirmed to MRV Tarong Basin Coal, that currently on todays prices, there is a profit margin provided the transport solutions can be achieved.

If off shore options are undertaken, these will be long term off-take agreements with locked in contracts to reduce the risk for MRV Tarong Basin Coal; however, the Company will also try to ensure we have the flexibility to benefit from rising Coal pricing in the future.

We believe slurry pipe line options and conveyor options maybe a viable and cheaper alternative; however, the most appropriate corridor and then transport outcome will be determined through the advancement process.

MRV Tarong Basin Coal

Benefits of MRV Tarong Basin Coal's project

Economic Benefits

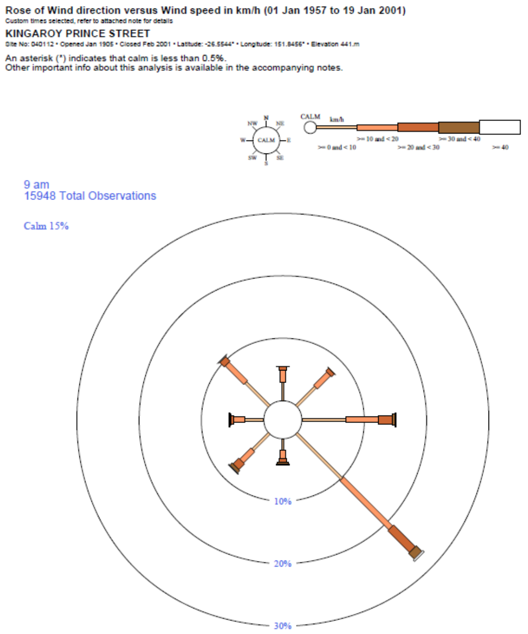
- **400 plus** long term jobs
- 400-500 plus construction jobs (2 years)
- Year on year **$200M-$350M** spend
- **Commitment to buy local**
- Commitment to develop local staff
- **Commitment to utilise local services**
- Commitment to seek to promote residential staff throughout the South Burnett

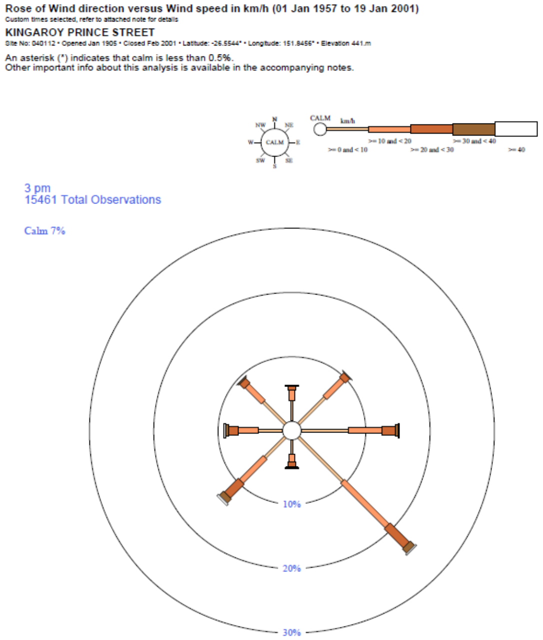
Environmental Outcomes

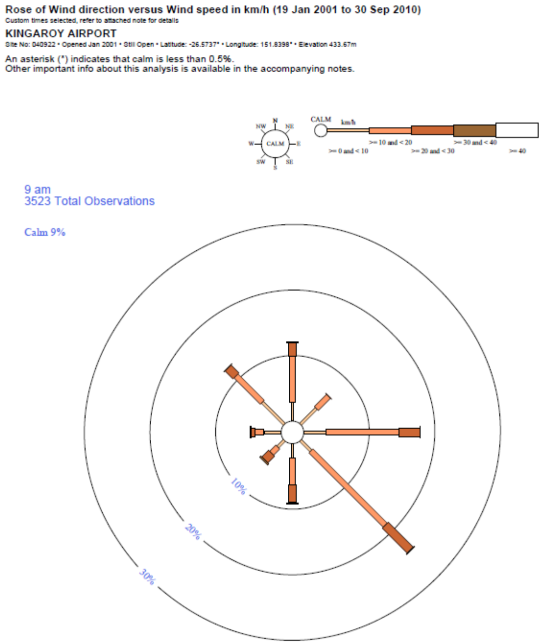
- Potentially less water than a conventional process
- Less dust than a conventional process with winds avoiding major towns
- **Net return of water** to rural lands
- **Far smaller footprint** than any other options within the region
- **No State forest destruction** or viable native vegetation destruction
- Potential to **reduce CO_2 emissions** immediately if sold locally

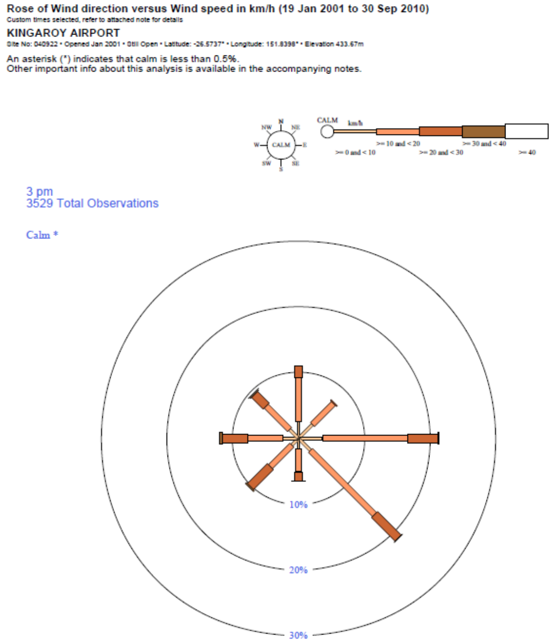
MRV Tarong Basin Coal

A few facts on Dust and Wind Direction









Wind Drifts

- **37,000 independent records**, which are publically available from BOM web site show the claim of 90% prevailing winds blow into Kingaroy, is simply irresponsible, false and misleading (Kingaroy is due North)
- Taking the available data, the average blowing southern to northerly wind is approx. 8% of the time, and the approx. distance of more than 6km to Kingaroy Post Office would be approx. hang time of 25 minutes.
- Mining employs a range of dust mitigation methodologies

The Resources Sector is Critical to the Australian Economy

- Mining employs ***200,000 Australians*** and accounts for up to 50% of employment in some regional centres
- The minerals industry spent ***$1.8 Billion on R&D in 2013-14*** – that was 10% of total R&D spent in Australia
- Mining activity often increases regional development even after operations cease, providing a foundation for intergenerational growth
- Western Australia, QLD and NSW account for 85% of national employment in mining, and 61% of industry is in regional and remote areas (compared to 37% for all industries)
- Resources industry contributes ***$1 in every $5 to QLD's economy*** and ***1 in 6 jobs***
- Resources sector disturbance footprint = ***0.1% of total QLD land used by sector***

International Demand is Strong

Coal is a very important part...the largest single part of the global energy mix and likely to remain that way for a very long time. So that is not my forecast but the International Energy Agency's forecast and many others. *(*29 Oct 2015)

Demand for Coal Globally

Currently 73 countries actively constructing or expanding Coal Fired power Generation Capacity

Demand continues to rise and is expected to do so until at least 2040

1,800 additional Coal Fired Turbines are under constriction or planned between China, India and SE Asia alone

350 Million residents of SE Asia and India still do not have access to Electricity today

Australia has approx. 30 Coal fired Power Stations with approx. 90-100 Turbines between them

This all puts in context Minister Josh Frydenberg's comments "Nobody is under any illusions at these international meetings that coal is going away"

This provides Electricity supply for almost 70% of the Country's 23.2 Million residents

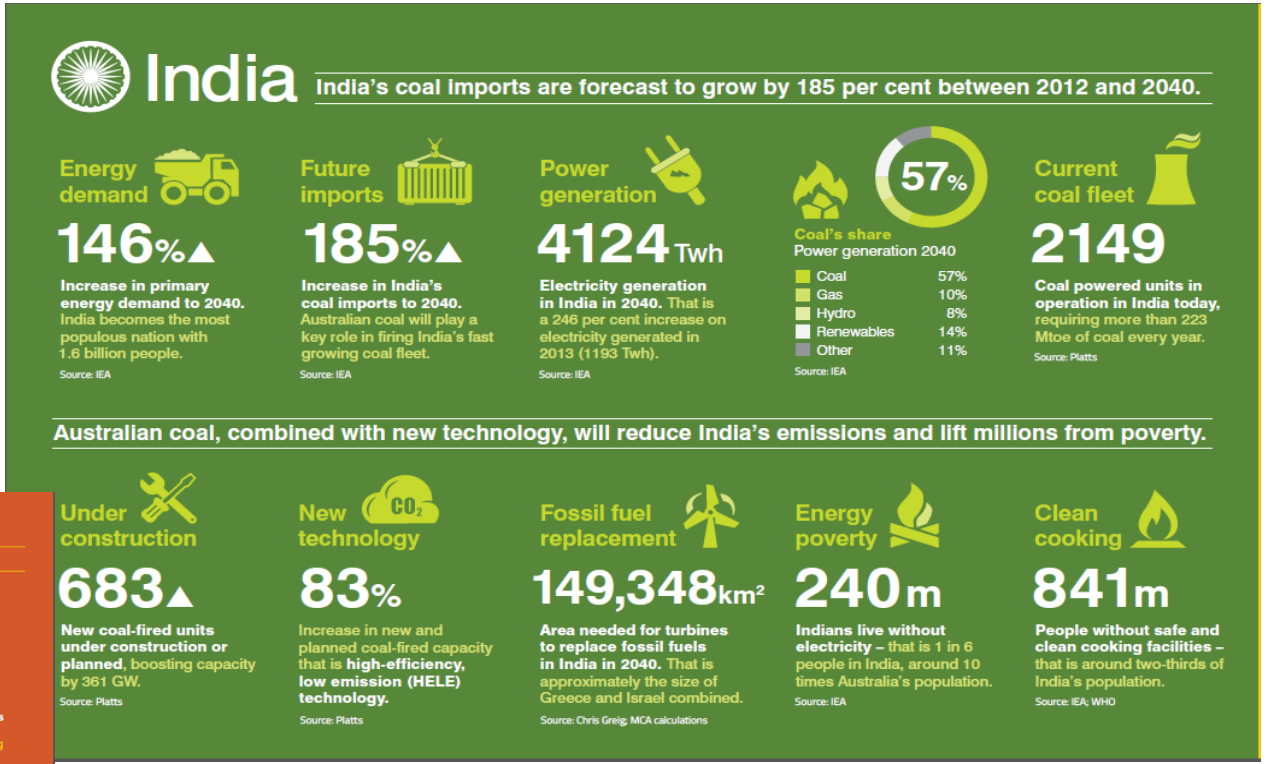
Cheap affordable Coal supplies 40% of the Global Electricity demand

Currently between China, India and SE Asia there are approx. 3,500 Coal Fired Turbines producing Electricity today

QLD Coal Exports continue to increase and FY2016 looks to be another record, as have the consecutive years prior year on year.

Australia continues to enjoy a superior product, due to higher Energy per Tonne and low Sulphur, compared to much of the worlds Coal stocks

A snap shot of a few, fueling the Global Demand for Coal

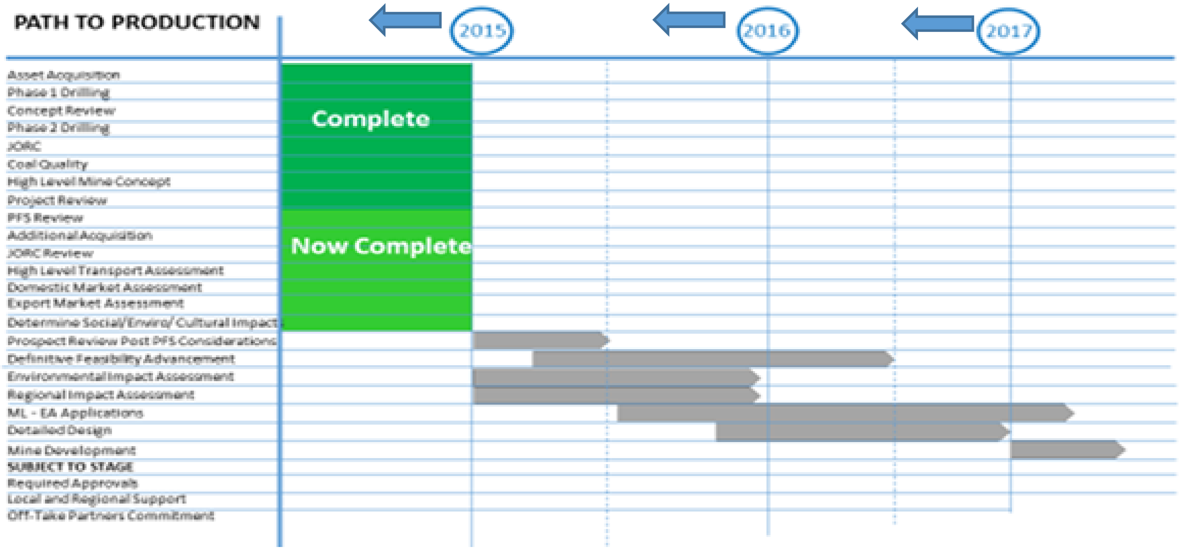


Ref – Mineral Council of Australia 2016

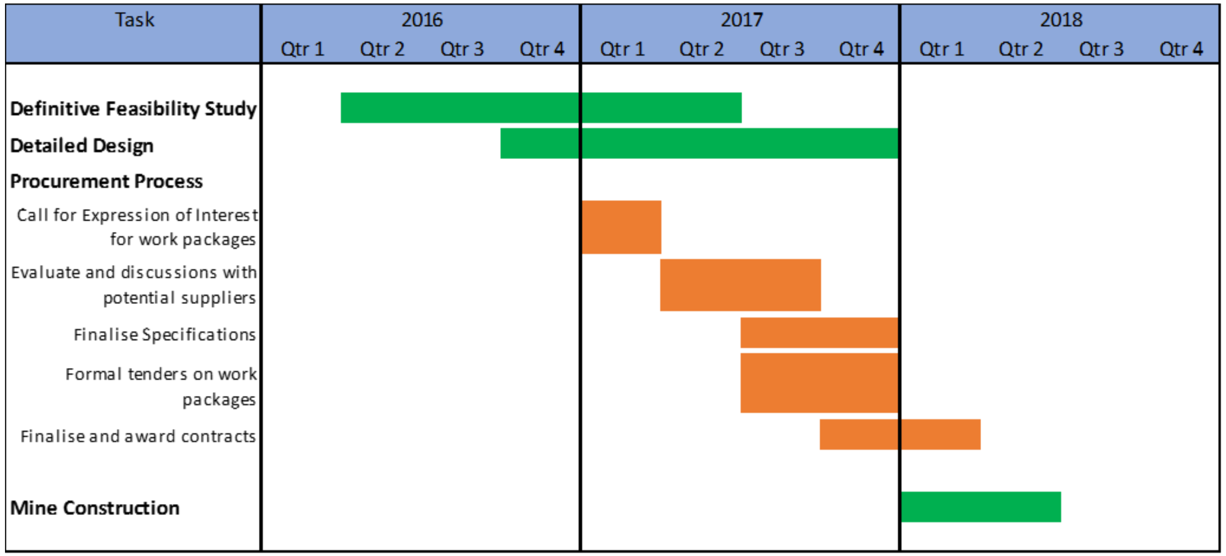
MRV Tarong Basin Coal

Local Project Development - Timelines

Mine



Procurement



We are on track to meet our times lines and objectives. In the last 2 years the South Burnett Coal Project has met or exceeded all time lines and deliverables. We will continue to deliver against our stated objectives and advise of each important stage gate, for determination of next steps.

Approvals

- Cultural Heritage Management Plan Finalised
- Planning for formal EIS complete (Commonwealth Referral)
- Formal EIS Commencement agreed by Board
- DFS for final investment decision – awaiting board approval
- Seeking Social Licence to operate, ongoing within a supportive region for the project (Galaxy Survey April 2016)

MRV Tarong Basin Coal

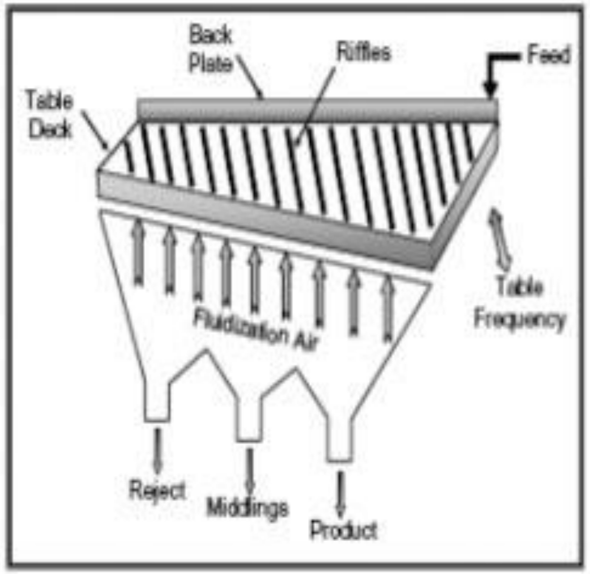
Local Project Development – Processing

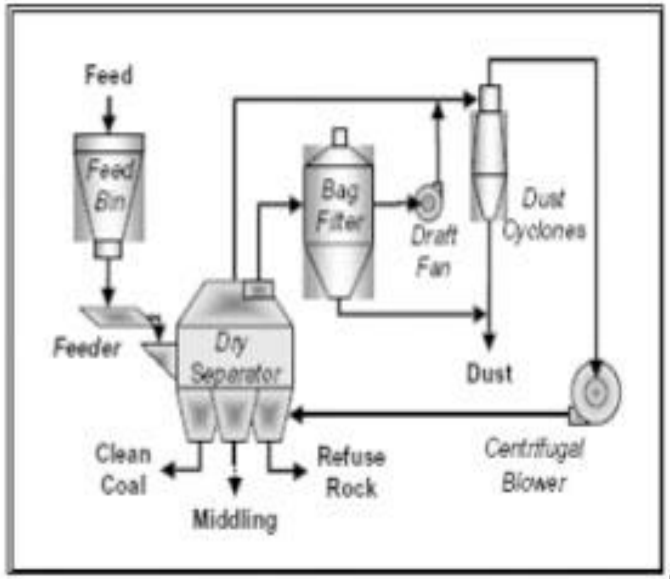
Dry Separation Benefits –

- Lower CAPEX setup
- Up to **90-95% less water consumption**
- **No wet rejects tailings dam** required allowing a reduced area of influence
- Process plant that lends itself to **lower noise, dust and light emissions**

General Project Benefits –

- Similar recoveries to traditional CHPP (wet)
- **Continual rehabilitation program** as the mine progresses
- **Lowest quartile strip ratio** and dumping of waste in pit
- Lower over all fleet requirements and therefore less carbon emissions





Local Project Development – Key Considerations

Community

- Significant positive feedback to date from broad Community
- Supportive business community and services sector
- Commitment to youth & indigenous employment and training
- For each additional worker in the region, approx. 1.2 – 1.5 jobs will be created within the community (2009 study results)
- Targeted additional **400+ FTE** staff giving a total of potentially **1000 additional FTE** jobs in the South Burnett
- Significant support to business and unemployed with South Burnett currently suffering high unemployment rates

Government

- Supportive Government Departments
- Clear legislative processes
- Seeking to promote overall benefits to State
- Over all, project would be consistent with multiple Government Agendas at State and Federal levels

Permitting & Approvals

- PFS outlines clear path to progress to ML and Environmental Approvals
- Track record in last 2 years of delivering on environmental and permitting commitments
- **CHMP agreed and register** with the Wakka Wakka People #5 claimant Group
- **Commonwealth "Controlled Action" referral made**
- 12-18 Months potential; however, relies upon supportive community and limited disruptions

Off Take Agreement

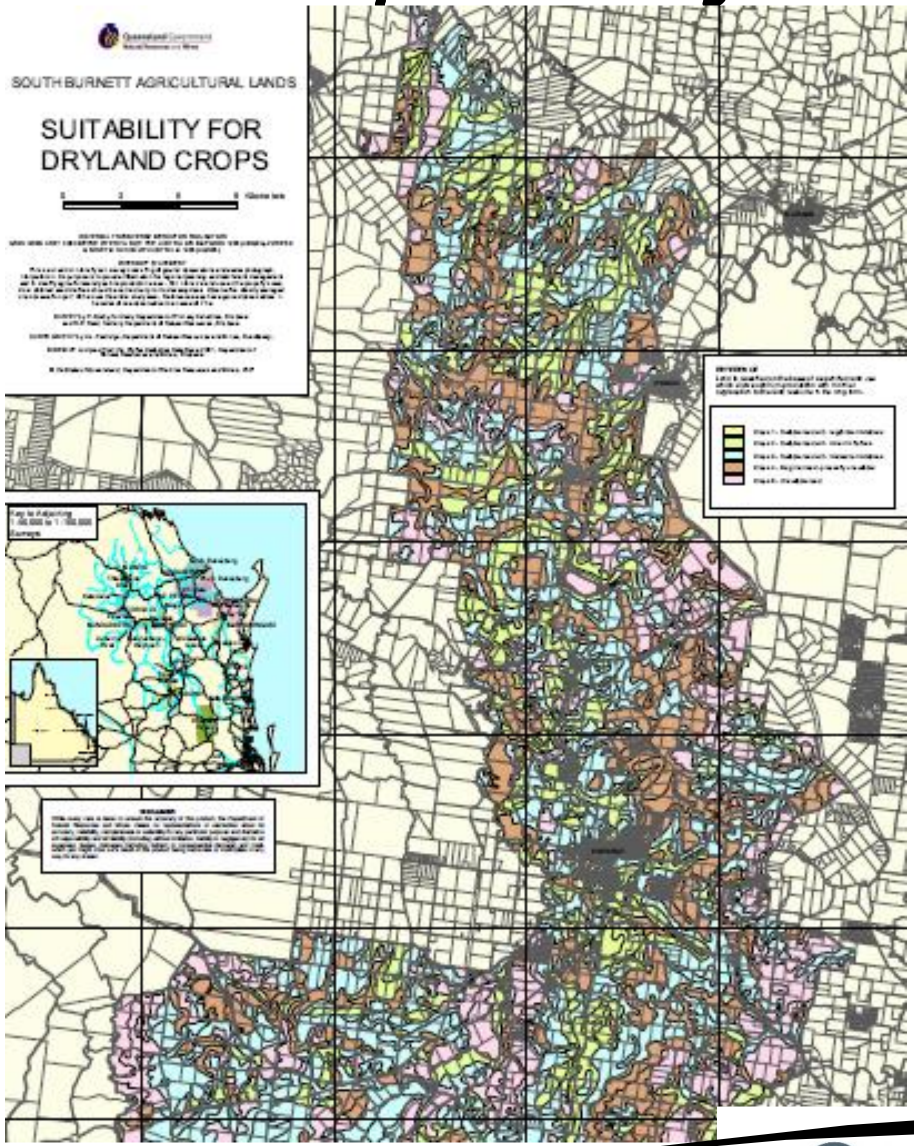
Company continues to advance its considerations of final product specification, and then final potential market.

Continuing to review International and Domestic Options

World continues to increase the demand for Coal, and significant and major mines are nearing end of life.

Mature and informed debate will dispel the fiction

- Wind drifts are over 90% toward Kingaroy – Based on BOM data that claim is simply not true
- Moreton Resources Limited is going to compulsorily acquire the entire Taabinga Village and knock it down. Again this is simply not true
- Fugitive gasses and toxic releases, destruction of land values, resumption of Airport, **???????**
- ***We don't mind what your opinion is, we just think it is wise to start from a factual basis***



MRV Tarong Basin Coal

Outcome of Galaxy Survey on our Project

In April of 2016, the South Burnett was polled by Galaxy Research upon community sentiment and the following was evident –

- **61% of the Region supports** such a proposal and believe the South Burnett will benefit from a mining project (16% are undecided)
- **79%** of those whom are supportive, are **seeking to see employment** within the region
- Of those surveyed who attended the Town Hall meeting, which drew about 2% of the population of the South Burnett, only 54% state they are opposed to the mine, two months after the meeting, even based upon a anti-mining presentation that went for over 2 hours.
- **83%** of those surveyed in the South Burnett stated they are **unaware of any other major economic project proposed in the region**.

Galaxy Survey Results April 2016

MRV Tarong Basin Coal

WHERE ARE WE NOW WITH THE PROJECT?

Wednesday 11th of May 2016

MRV Tarong Basin Coal Pty Ltd, referred the project to the Commonwealth Dept of Environment, for a Controlled Action declaration.

Moving Forward

MRV Tarong Basin Coal Pty Ltd will move into the approvals processes for the Mine, seeking to advance its environmental responsibilities and conditions first, then follow with its application for the approval of a Mining Lease for the South Burnett Coal Project.

Recently we announced

MRV Tarong Basin Coal Pty Ltd announced the following Cooperation Partners
Macmahon International – Strategic Mining and Infrastructure partner announced
Wave International – Construction, Engineering and Project Management partners
Initiative Capital – Strategic Advancement, Capital Markets and Investment Expertise
Beyond Billabong – Social and community focus on youth, disadvantage group employment and development

We move ahead with the project

SUMMARY

The Company continues to advance with its aspirations of developing a Thermal Coal Mining Operation in the South Burnett.

In the long term, if this project proceeds there will be decades of significant and long lasting positive legacy issues, that will help support and ensure the viability of a region which is currently suffering, but has a long history of prosperity, hand in hand with the Mining community.

Thank You.

MRV Tarong Basin Coal