

20 June 2016

ASX ANNOUNCEMENT

By Electronic Lodgement

MRV METALS PTY LTD ACQUIRES HIGHLY PROSPECTIVE METALS PORTFOLIO

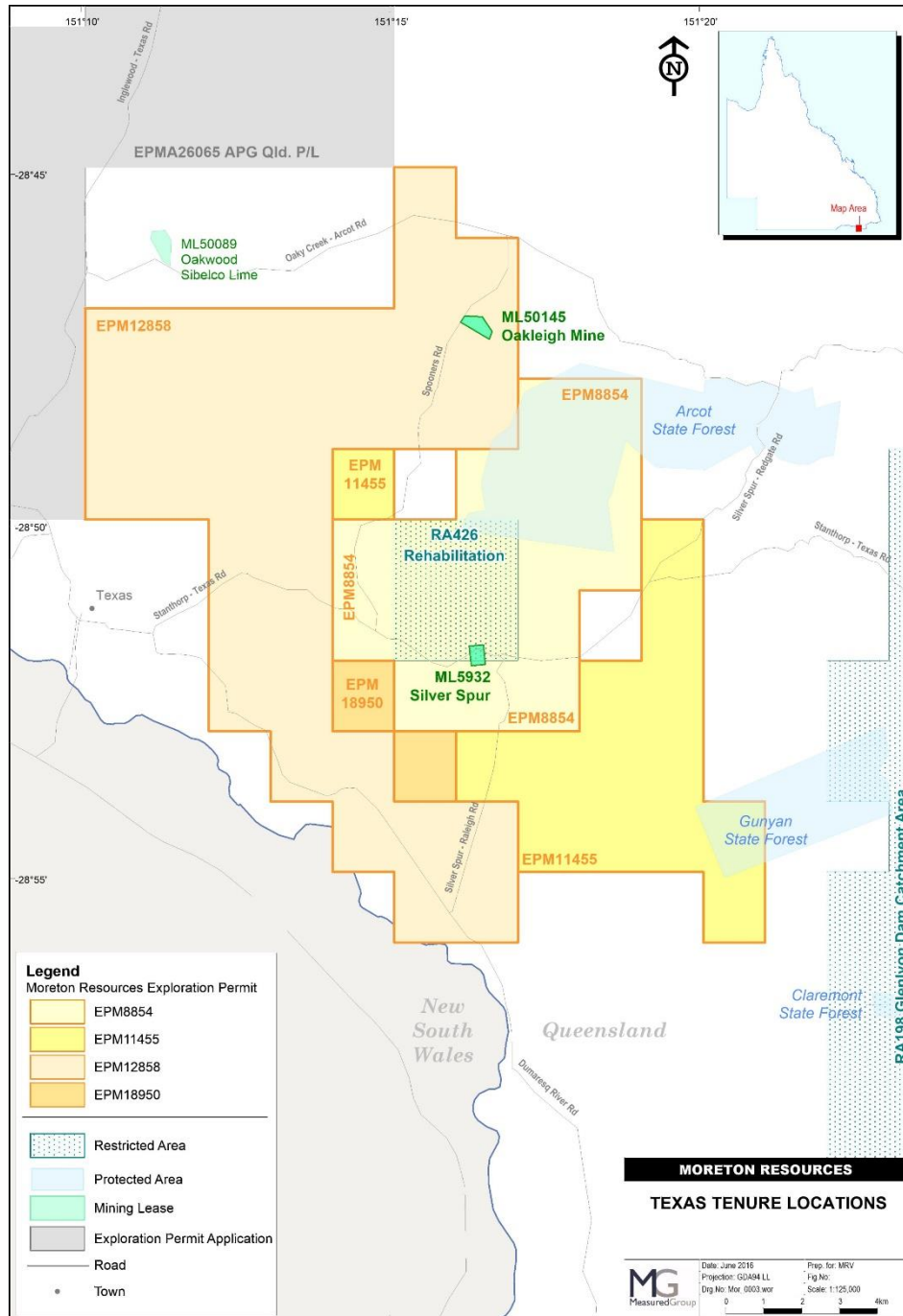
Moreton Resources Limited (ASX: MRV) (Moreton or the Company) is pleased to announce that through its fully owned subsidiary MRV Metals (which was created for the sole purpose of creating a focused metals portfolio within the Moreton Resources Limited Group) it has now fully acquired and finalised the transfers from former Alcyone Resources Limited (ASX: AYN) (Alcyone) of an asset portfolio, that presents significant Silver prospects, with potential upside in Copper, Zinc and Lead. This portfolio consists of **EPM 11455**, **EPM 12858**, **EPM 18950** and **EPM 8854** and makes up the base tenements in the Company's "**Granite Belt Project**" in Southern Queensland (**Alcyone Acquisition**). The Company acknowledges the support of the Department of Natural Resources and Mines, Minerals Hub based out of Townsville, who assisted with this lengthy but successful transaction.

The Company will release announcements following Geological review by our Geological Partners Measure Group of the assets acquired, over the coming weeks which pertain to potential historical targets and additional areas of interest pertaining to potential Silver, Copper and Zinc targets. These expected releases will also be supported by the extensive Due Diligence which was undertaken by the Company upon the former in early 2015, in which through a confidential process, Moreton sought to acquire the entire Alcyone Resources Limited business.

The former Alcyone Resources Limited went into voluntary administration in late 2013, having previously held a market capitalisation of approx. \$150-\$160 Million in 2011. The asset portfolio acquired by MRV Metals is substantially the complete geological asset base of the former owner, although we have not acquired the Mining Lease approvals or the associated Environmental Approvals, nor have we acquired any plant and equipment of the former mining operations.

Of note is that the former mining operations, which took place at the Twin Hills mine, were done so under an established Mining Lease, to which EPM 8854 sat in situ as the underlying tenure to this Mining Lease. Since the operations ceased, due to financial difficulties, the Mining Lease has been surrendered and as such no longer exists, which has meant by default, the entire site's potential exploration and in situ resources have fallen to the underlying tenure, which is EPM 8854, currently held by MRV Metals Limited. Equally the EPM holder has the right to advance activities under the normal course of holding an EPM and also has the option and availability to renew, and/or upgrade the tenure, despite the coverage of a "Restricted Area", which is currently declared upon the site.

Moreton Resources will be evaluating options to advance the site, back to a potential mining lease in the future, provided a path forward can be agreed in close consultation with Government and taking into account their guidance upon such matters.



The Company refers to the following Mineral Resource Estimates and Exploration results previously announced by Alcyone, in compliance with ASX listing rules. The areas highlighted will provide a focus for exploration and development work in the near future as well as additional areas of interest, which have been identified by the Company and are currently being scoped for exploration follow up. The outcomes of this work will be the subject of future announcements.

The Company advises shareholders when considering the following public reports of exploration targets, exploration reports and Mineral Resources to refer to the relevant ASX announcement referenced by date for full details. The announcements can be found on the websites of Alcyone Resources Limited and the ASX (ASX:AYN).

PREVIOUSLY ANNOUNCED MINERAL RESOURCES – Silver

Location: TWIN HILLS AND MT GUNYAN

Announced: 28 October 2013 (ASX:AYN, http://www.alcyone.com.au/investor_centre)

Mineral Resource Estimate (as per JORC, 2004) totalling 13,288,00 tonnes at a grade of 54 grams per tonne, for a total of **23 Million Ounces of contained Silver metal** as summarised in Table 1 below, reproduced from the original report.

Table 1: Twin Hills and Mt Gunyan Mineral Resource Estimates

DEPOSIT	CATEGORY	TONNES	AG G/T	CONTAINED AG MOZ
Twin Hills	Measured	2,151,000	80	5.5
	Indicated	6,152,000	44	8.7
	Inferred	1,045,000	51	1.7
	Total	9,348,000	53	16.0
Mt Gunyan	Measured	754,000	56	1.3
	Indicated	2,884,000	56	5.2
	Inferred	302,000	48	0.5
	Total	3,940,000	55	7.0
Total	All Categories	13,288,000	54	23.0

- The Twin Hills Mineral Resource model is as declared at 29 March 2012; is inclusive of the Ore Reserve and depleted for mining to the end of July 2012
- The Mt Gunyan Mineral Resource model is as declared at 28th August 2012.
- Twin Hills is reported above a 26.5g/t Ag cut-off; Mt Gunyan above a 30g/t Ag cut-off.

(Numbers are rounded and thus may not reflect accurately individual calculations within the table.)

End of previous announcement

The information is extracted from report entitled INVESTOR PRESENTATION created on 28th October 2013, and is available on ASX:AYN, http://www.alcyone.com.au/investor_centre. The company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements and, in the case of estimates of Mineral Resources or Ore Reserves that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The company confirms the format and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

PREVIOUSLY ANNOUNCED EXPLORATION RESULTS – Silver, Copper, Lead, Zinc**Location: HARRIER****Announced: 15 September 2010 (ASX:AYN, http://www.alcyone.com.au/investor_centre)**

- Phase 1 drilling (six diamond holes for 704m) completed at the Harrier copper prospect targeting mineralisation beneath and along strike of old workings:
- Best intercept of 1.5m @ 3.2% Cu, 2.7% Zn, 129g/t Ag, 0.6% Pb from 89.2m (ACHRD006)
- Extends strike length of mineralisation 150m south of previous deep drill holes
- Local structural complexity identified with geological model being re-worked in conjunction with DHEM and IP surveys

End of previous announcement

The information is extracted from report entitled DRILLING AND EXPLORATION UPDATE – TEXAS PROJECT created on 15th September 2010, and is available on ASX:AYN, http://www.alcyone.com.au/investor_centre. The company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements and, in the case of estimates of Mineral Resources or Ore Reserves, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The company confirms the format and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

PREVIOUSLY ANNOUNCED EXPLORATION RESULTS – Copper

Location: HORNET

Announced: 1 October 2012 (ASX:AYN, http://www.alcyone.com.au/investor_centre)

The Key Highlights of that Announcement are listed below:

HIGHLIGHTS

- **Drilling at Hornet Prospect, 2km west of Twin Hills, confirms continuity of near-surface, higher grade mineralised shoots, with significant intersections including:**
 - **2m @ 4.9% Cu from 154m within a broader intercept of 10m @ 1.24% Cu from 154m down- hole (HORC009)**
 - **2m @ 4.3% Cu from 124m within a broader intercept of 6m @ 1.75% Cu from 120m down-hole (HORC005)**
- **Hornet mineralised zone averages between 10m and 60m in total width and comprises up to five near-vertical higher grade shoots of 2m to 5m in true width.**

The same announcement goes further to state:

The high-grade shoots, which have the potential to host average grades of over 1% Cu, were first identified by initial diamond and RC drilling with previously reported results such as those from drill-holes HORC001 and HORC002, namely:

- **HORC001 4m @ 2.37% Cu and 1m @ 2.59% Cu within 38m @ 0.68% Cu from 64m; and
 2m @ 2.26% Cu and 1m @ 5.19% Cu within 14m @ 0.99% Cu from 110m**
- **HORC002 4m @ 1.06% Cu and 1m @ 1.25% Cu within 16m @ 0.31% Cu from 12m**

End of previous announcement

The information is extracted from report entitled HIGH_GRADE COPPER INTERSECTIONS AT HORNET PAVE WAY FOR MAIDEN JORC RESOURCE created on 1st October 2012, and is available on ASX:AYN, http://www.alcyone.com.au/investor_centre. The company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements and, in the case of estimates of Mineral Resources or Ore Reserves, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The company confirms the format and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

FORWARD WORK

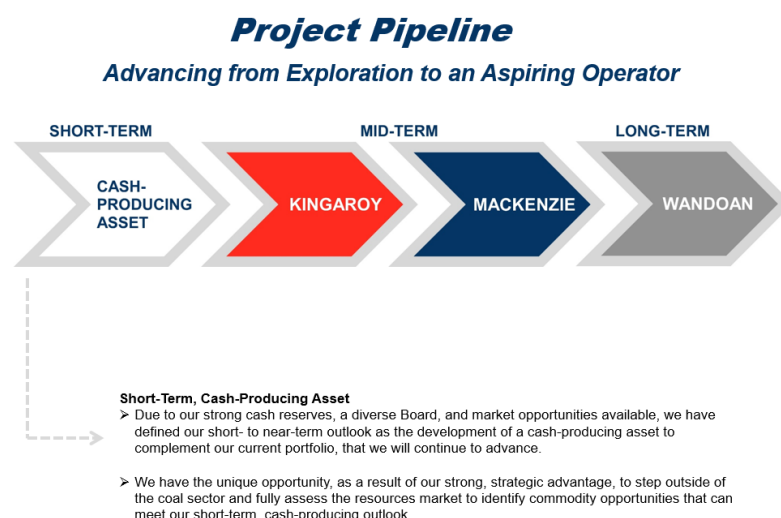
The Company is currently in the process of validating all supporting drill hole data and geological information used to support previous announcements on potential further targets and expects to be able to update the market in the coming weeks. In addition, a number of additional prospects have been identified and are being worked through by the Company as we continue to refine our exploration and development strategy and determine next steps.

It is important to note that shareholders and the market should refer to those prior ASX announcements for the full outline of the efforts and potential, as defined by the formerly listed Alcyone. MRV Metals' ongoing investigations may or may not validate previous statements and/or future announcements may include material changes, however we are unaware of any material issues at this point in time. The Company has a significant database of geology data and information, including drill cores, assay samples, significant historical records and is in a good position to continue to develop our overall views on the potential of the entire tenement area in the coming weeks, based on the principals of JORC, 2012 and current ASX guidelines.

Of further note, is that the Company is comfortable with its existing knowledge of the Twin Hills mining operations having undertaken detailed due diligence in reviewing of block models, geological modelling, mining methods, costs base analysis and advancement potential in early 2015. This also entailed on site visits, major mining contractor quotations and costings, and overall detailed Geological evaluation and Mine Engineering reviews, undertaken in part by Measured Group on behalf of Moreton Resources Limited at the time of review.

As highlighted in earlier announcements, at the time the agreement for the Alcyone Acquisition was entered into in January of 2016, the approximate AUD spot Silver price on 28 January 2016 sat at \$19.42 per Ounce and as at the 16th of June 2016, the AUD **spot Silver price sits at \$23.78 per Ounce**, which in real terms is an approx. 22% increase in the spot Silver price over that period. This is an extremely encouraging trend considering the above information as stated by Alcyone through ASX releases indicates potential for **significant in situ Silver Resources**, to which work will be undertaken not only to advance potential extraction opportunities, but also to define potential recoveries from these estimates, and as such there should be ***no assumption on what is feasibly extractable*** until that detailed analysis has been undertaken.

What is encouraging for the Company is the continued delivery upon our growth plans, which were outlined in the ASX announcements and presented in our October 22 2014 AGM meeting.



The Moreton Resources Board in 2014 set a defined growth path for the Company, that sought to diversify the Group's portfolio and also seek to find potentially near term cash producing asset. Through the work of MRV Metals, this advancement by the fully owned subsidiary, closes out a key pillar in the strategy of the parent Company of locating and acquiring a potentially near term cash producing asset. Significant work is now before us in understanding the potential of this acquisition.

This outcome is the combination of the last 18 months, having undertaken due diligence and continued negotiation to bring the Group to the point of an acquisition, as to when the Board announced in September of 2015 the significant acquisition for some \$300,000 EPC 882, which was formally valued at approx. \$7 Million and formed the principle asset in a transaction package in the mid 2000's valued at \$10 Million, which now makes up a critical part of the South Burnett Coal Project.

These two acquisitions, which are consistent with the strategy of Moreton Resources Limited as outlined in 2014, are seen as potentially key enablers to advancing the Company, as such we are extremely pleased with these advancements.

It is also important to note that all historical environmental liabilities pertaining to the former Texas Silver Mines Mining Lease, do not transfer to the MRV Metals or Moreton Resources Limited Companies, however we are certainly keen to work with Government and ensure jointly any issue or concerns can be identified, mitigated and the region restored to a productive mining operation.

The Company will keep the market up to date, with the advancement activities of our subsidiary company as material issues arise.

Jason Elks
Managing Director
Moreton Resources Limited

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