

1 July 2020

ASX ANNOUNCEMENT
By Electronic Lodgement



SHAREHOLDER UPDATE – VOLUNTARY ADMINISTRATION

The purpose of this Shareholders update is for Moreton Resources Ltd (**ASX:MRV**) & subsidiaries (all Administrators Appointed) (“the Group”) to update the shareholders regarding the Administration process and how the administration affects the shareholders of the Group.

Per the Administrators’ most recent announcement, the process to sell or recapitalise the Group in order to maximise the return to the Group’s stake holders has commenced, with a deed of company arrangement (“DOCA”) proposal being the preferred option for the sale.

The expected timeframe for the potential sale or recapitalisation of the group is approximately 3 – 4 weeks, with the key milestones in the sale process as follows.

- Non-Binding Indicative Offers (NBIOS) for the recapitalisation of the group or acquisition of its assets were due by 5pm on 29 June 2020
- Interested parties are provided access to information for the purpose of due diligence
- Qualified parties will be shortlisted by the Administrators and provided with an opportunity to submit a final binding offer
- Final binding offers are due by interested parties by 3 July 2020
- A meeting of creditors to vote on any relevant proposals for the future of the Group will be held on 15 July 2020
- The target completion date of the sale process is 27 July 2020.

Any action taken by the Administrators throughout the sale period is executed in the best interest of the creditors and stakeholders of the Company.

To date, the Administrators have received several queries from Shareholders of the Group regarding the Administration process. To that end, the Administrator’s response to the queries is as follows.

1. Am I a creditor and can I vote at the meetings of creditors?

Shareholders are not classed as creditors of the Group. Accordingly, shareholders are unable to vote at meetings of creditors.

2. Am I eligible to fill out a Proof of Debt and/or what should I be doing?

Shareholders are not classed as creditors of the Group; therefore, they are not required to fill out a Proof of Debt form. Please continue to refer to the information on the ASX hub and keep monitoring ASX announcements for more information.

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3. What rights do I have under Voluntary Administration?

Please refer to the ASIC Insolvency fact sheet for shareholders located on the ASIC website.

<https://asic.gov.au/regulatory-resources/insolvency/insolvency-for-shareholders/insolvency-a-guide-for-shareholders/>

4. Where does my shareholding rank should the Administrators' recommend the Company be wound up and a liquidator appointed?

Section 556 of the Corporations Act (2001) details the priority of payment to stakeholders. Shareholders rank behind employees and unsecured creditors and other parties to whom the company owes money.

5. How does the Voluntary Administration impact the value of my shareholding?

Please refer to the ASIC Insolvency fact sheet for shareholders located on the ASIC website.

<https://asic.gov.au/regulatory-resources/insolvency/insolvency-for-shareholders/insolvency-a-guide-for-shareholders/>

6. Will the suspension of trading ever be lifted? Are my shares worth anything?

Before this can be considered, the Administrators' must undertake investigations into the Group's affairs and report to creditors on the alternative courses of action available. The Administrators will provide their recommendation at the 2nd meeting of Creditors on the 16 July 2020.

7. Can I transfer my shares?

The law provides that any transfer of shares by existing shareholders, when a company is placed in administration, is void unless the Administrator gives written consent to the transfer, or it is authorised by the Court. At present, the Administrators' of the Group will not consent to a transfer of shares during the Administration. Shareholders will be updated accordingly if this position changes.

8. What is the outcome of the Administration Process?

Please refer to the ASIC Insolvency fact sheet for shareholders located on the ASIC website.

<https://asic.gov.au/regulatory-resources/insolvency/insolvency-for-shareholders/insolvency-a-guide-for-shareholders/>

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9. What caused the company to fail?

The Administrators are in the process of conducting investigations into the Group's affairs. Further details will be outlined in the 439A report to creditors.

10. Where can I find more information?

If shareholders have further inquiries about the administration process or wish to provide information about the Group please contact mfifield@deloitte.com.au.

Grant Sparks & David Orr

Joint & Several Administrators

- END -

For further information please contact:

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