15 December 2015

ASX ANNOUNCEMENT
By Electronic Lodgement

MRV TARONG BASIN COAL ANNOUNCES SIGNIFICANT COAL RESOURCE FOR MLA700015

- Sufficient Coal resources identified within MLA700015 to out see current 25-year mine life application
- Significant levels of confidence in resource estimate with less than 1% being identified as inferred
- Significant opportunity for Mine Plan optimization and re-evaluation of 2015 PFS release

MRV Tarong Basin Coal Pty Ltd has declared a material JORC Resource Estimate for its Thermal Coal Project in the South Burnett, MLA700015, located in South East Queensland.

Whilst the Company also has a prior JORC release across MDL385 and EPC882, this new release is relevant to the mining lease application area only, which is also subject to a current Environmental Impact Statement assessment and advancement plans by the Company. The update is under the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves, 2012 (JORC Code) as set out in Figure 1, Figure 2, Figure 3 and Table 1.

The Coal Resource estimate for MRV Tarong Basin Coal Pty Ltd, reported on an in-situ basis, has identified within the boundary of MLA700015 a **total resource estimate of 517.5Mt** having the following categories of confidence; 134Mt Measured, 383.5Mt Indicated and 6.6Mt Inferred.

Moreton Resources Limited's (MRV) Executive Chairman, Mr Jason Elks said "This coal asset is a significant prospect for the Moreton Resources Group of Companies, and given the continued improvement in our studies and refinement in our planning for potential strip ratio; calorific values; and location we will continue to fast track our revised Mine Planning, re-evaluated PFS and reflect what are expected to be significant positive results in our EIS submissions, which are due to be released pending Government review, in the second calendar quarter of 2018."

Figure 1 MRV Tarong Basin coal project (highlighted in red) – EPC 882 (red), MDL 385 (d.blue) and MLA 700015 (red polygon) relative to other tenements and geographic locations of the South Burnett area

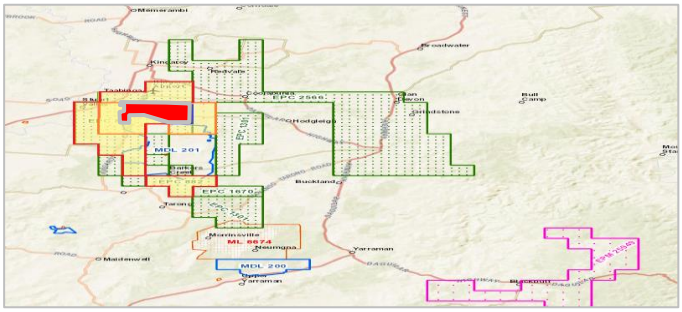

Figure 2 Tenements for South Burnett Coal Project

Tenement	Type	Status	Date lodged	Date Granted	Expiry date	Area (ha)
MLA 700015	Mining Lease Application	under application	10/10/2016	In progress	-	1,527.5
MDL 385	Mineral Development License	granted	6/12/2007	22/02/2009	28/02/2019	899
EPC 882	Exploration Permit Coal	granted	2/2/2004	27/09/2004	26/09/2017	7,355

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As the market is aware, a significant NPV was issued to the market in late 2015 which relied upon approx. 5.5Mt per annum production of domestic coal supply, at a AUD pricing of $50.00. This result around our resources within MLA700015, will allow us to re-run our mine plan and expected outcomes which is currently being undertaken. The key differentiators for that revised study will be the following inputs:

- Export market focused, including additional costs for transport and port access
- An 80% increase in Product Coal expectations from 5.5Mt to 10Mt per annum
- Increase of 100% in expected thermal coal benchmark pricing from AUD$50 to AUD$100

However, these studies are ongoing, our next announcement pertaining to this project will be our updated declared reserves, FGX coal testing for dry coal separation, followed by our updated PFS and NPV, followed by the submission of EIS and opening of public comment upon our proposed project.

SNAP SHOT OF CRITICAL DATA

Figure 3 – Thermal Coal Resource (Million tonnes)

							RAW Proximate Analysis					Washed F2.00 Analysis			
SEAM	Min (m)	Max (m)	Avg (m)	M	I	F	RD Gr/cc (is)	AS % (adb)	CV Kcal/kg (adb)	TS % (adb)	YLD %	AS % (adb)	CV Kcal/kg (adb)	TS % (adb)	MO % (adb)
GD	0.1	18.9	3.1	0.0	10.3	1.1	1.80	53.26	2,992	0.69	42.5	26.9	5,337	0.3	4.5
GDU	0.1	5.8	1.7	0.0	4.3	0.2	1.79	52.07	3,134	0.69					
GDL	0.1	1.7	0.7	0.0	1.4	1.8	1.73	48.34	3,446	0.71					
KN	0.1	18.0	10.3	19.5	46.4	0.0	1.63	39.44	4,233	0.28	74.8	22.2	5,371	0.3	5.0
KNU	0.1	17.0	5.6	16.1	37.2	0.0	1.63	38.69	4,315	0.51					
KNUA	0.1	11.7	2.7	2.9	8.3	0.0	1.63	38.69	4,315	0.51					
KNUB	0.1	9.5	1.8	1.8	7.1	0.0	1.63	38.69	4,315	0.51					
KNM	0.1	10.2	0.7	6.0	8.9	0.0	1.66	41.49	4,071	0.31					
KNMA	0.1	5.3	0.9	0.4	0.1	0.0	1.71	44.11	3,844	0.31					
KNMB	0.1	8.1	1.6	1.0	0.6	0.0	1.66	41.49	4,071	0.31					
KNML	0.1	5.1	0.7	5.9	9.1	0.0	1.64	39.62	4,214	0.35					
KNL	0.1	15.4	2.4	3.7	8.7	0.0	1.63	38.69	4,315	0.33					
KNLA	0.1	9.4	1.5	31.3	3.1	0.0	1.63	38.69	4,315	0.33					
KNLB	0.1	8.2	1.5	1.9	2.7	0.0	1.71	44.11	3,844	0.33					
SW	0.1	13.2	3.7	0.8	31.6	1.1	1.71	46.03	3,643	0.42	69.9	22.9	5,760	0.3	3.7
SWU	0.1	7.8	2.0	2.5	15.8	0.6	1.69	44.22	3,830	0.30					
SWL	0.1	4.5	1.1	2.1	10.2	1.8	1.75	48.86	3,427	0.29					
GG	0.2	18.1	12.1	4.3	64.8	0.0	1.64	39.64	4,433	0.25	70.9	23.3	5,735	0.2	4.5
GGUM	0.1	19.8	6.0	0.5	12.9	0.0	1.65	40.69	4,310	0.33					
GGU	0.1	11.1	3.7	6.4	10.3	0.0	1.65	40.10	4,339	0.59					
GGUA	0.1	2.8	1.1	1.5	5.8	0.0	1.65	40.69	4,310	0.33					
GGUB	0.1	5.1	1.5	2.0	8.0	0.0	1.65	40.10	4,339	0.59					
GGUC	0.1	5.2	1.2	2.2	7.2	0.0	1.65	40.10	4,339	0.59					
GGM	0.1	14.7	2.1	8.9	21.4	0.0	1.65	40.22	4,345	0.45					
GGL	0.1	14.4	3.5	6.6	25.5	0.0	1.68	42.13	4,174	0.27					
GGLA	0.1	4.2	0.8	0.8	7.7	0.0	1.68	42.13	4,174	0.27					
GGLB	0.1	8.8	2.0	4.9	14.1	0.0	1.68	42.13	4,174	0.27					
Subtotal				**134.0**	**383.5**	**6.6**									
Total					**517.5**										

GD – Glider Seam
KN – Kunioon Seam
SW – Swain Seam
GG - Goodger Seam

AS – Ash Content (%)
CV – Calorific Value (kcal/kg)
TS – Total Sulphur (%)

YLD – Yield (%)
MO - Moisture (%)

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Table 1- JORC Code, 2012 Edition
Section 1 Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Sampling techniques	*Nature and quality of sampling (e.g. cut channels, random chips, or specific specialized industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc.). These examples should not be taken as limiting the broad meaning of sampling.*	Direct sampling of coal seams for coal quality across the Project was achieved through the drilling of 63mm cored boreholes. Sampling was undertaken by a variety of methods over the exploration history; including individual full seam sampling, collection of multiple samples within seams, and selected sampling for characteristic working section designations. Sampling of the boundaries of coal seams and surrounding rocks was achieved through direct logging of chip and fully cored borehole sections. Indirect measurement through downhole wireline geophysical logging was undertaken on many boreholes to supplement and support lithological logging in both open and cored boreholes.
	Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.	All sample data used in this report has been taken from previous lease holders. Analysis of this data has been completed which has considered core losses throughout holes and individual seams to ensure the data utilized has not been skewed by poor sample recovery. Geophysical wireline logging largely incorporates gamma-gamma logging supported by gamma-density, caliper logs. Historical boreholes without supportable evidence of downhole wireline logging (e.g. LAS data or hardcopy profile) were treated as not having been corrected to geophysics. Historical lithological logs appear to be corrected to downhole wireline geophysical traces.
	Aspects of the determination of mineralization that are Material to the Public Report.	Coal intervals have been determined through a combination of lithological logging of chip and core samples combined with downhole geophysical wireline data. Where geophysical logs are available boreholes coal seams have been corrected to geophysics. Where chip data is only available without geophysics the data has only been used for referencing the seams approximate position.
	In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverized to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralization types (e.g. submarine nodules) may warrant disclosure of detailed information.	Predominately analysis was undertaken on RAW samples to provide in-situ coal qualities. Analysis largely includes proximate analysis measurement of ASH, CV, RD, VM, and FC on an air dried basis. Additional test work has been carried on both a subset of the RAW analyzed samples and other borehole intersections to provide WASH coal quality data at a variety of float density cut points ranging between F1.45 and F2.00. A smaller set of product analysis was undertaken in areas of the deposit targeting a 28% ash considered suitable for supplying domestic power generation. Some size distribution test work is available in the dataset compiled.
Drilling techniques	*Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc.) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc.).*	Drilling over the Project area is a combination of open hole, core and partially cored drilling. All core samples are non-orientated, although some later drilling includes sonic logs.

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Criteria	JORC Code explanation	Commentary
Drill sample recovery	*Method of recording and assessing core and chip sample recoveries and results assessed.*	All samples have been collected from previous lease holder drilling programs. Where sample intervals are not obtained the corresponding interval has been logged as "KL". No direct measurement of recovery has been recorded in recovered intervals logged, however notations in logging indicates if instances of poor recovery occurred and the borehole was subsequently abandoned. This sample recovery data (through use of the KL lithology interval logged) been analyzed along with sampling data. Core recoveries are above 95 percent in the majority of boreholes.
	Measures taken to maximize sample recovery and ensure representative nature of the samples.	No understanding exists of methodologies employed historically to maximize sample recoveries.
	Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.	Coal seams sampled were composited to maximize the thickness of the seam. In instances where working sections had been defined the model limits were modified to reduce the seam thickness by a corresponding amount to avoid creation of a data bias.
Logging	*Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.*	Historical logging provides a mixture of detailed and rudimentary logging information. Logs generally consist of lithology, shade, hue, color and grainsize information with a relative description of coal brightness in cored boreholes and to a lesser extent some chip holes. To a lesser extent information is also recorded on weathering; estimated strength; mechanical state; sedimentary features; mineral and fossil types and their relative abundance; bedding dip angles; basal contacts; texture; core state; defect types, spacing and dip; and lithological interrelationships.
	Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography.	Boreholes have been logged lithologically via direct observation of chipped and cored intervals. Many boreholes have supportive information in the form of downhole wireline logging. Recent drilling includes photographic records of cored sections and some geotechnical test work data.
	The total length and percentage of the relevant intersections logged.	Some historical exploration programs undertaken as chip holes provide insufficient information in terms describing the internal makeup of the seam (i.e., description of the individual thickness of coal plies and parting bands) and rather report the entire interval as one with relative percentages of the constituent lithologies. This still provides sufficient detail to determine roof and floor position of the main seam group, however it will not allow in its own right to define possible working section intervals within the main seam, unless geophysical wireline logs are available also. Insufficient information in some areas of the subcrop exists to establish the depth of weathering in some historical boreholes.
Sub-sampling techniques and sample preparation	*If core, whether cut or sawn and whether quarter, half or all core taken.*	Coal samples have been derived from full core. Where seams were selectively sampled the data was either omitted from being used for quality calculations or a smaller working section defined to avoid data basis in the quantity to coal quality relationship.
	If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.	Not applicable to this style of mineralization.
	For all sample types, the nature, quality and appropriateness of the sample preparation technique.	Historic borehole sampling in the field and storage cannot be verified. More recent drilling by MTM and CXY recorded sampling dates and analysis process times. These samples were double bagged to retain moisture.

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	Quality control procedures adopted for all sub-sampling stages to maximize representivity of samples.	Historical samples was crushed and sized (largely -12.7 mm) prior to RAW analysis. Some historical WASH analysis records report screening at -12.7 mm and -31.5, +0.10 mm size fractions. Historical boreholes samples were analyzed by ACIRL in their North Ryde laboratory. Testing was conducted to the relevant Australian Standards. Recent borehole samples were analyzed by Bureau Veritas in their Mayfield West and Brendale laboratories using the relevant Australian Standards.
	Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.	Borehole sampling has been undertaken throughout the Project area in order to achieve representative coal seam quality data. Entire coal seams have been sampled or the data has been omitted in order to prevent skewed quality results.
	Whether sample sizes are appropriate to the grain size of the material being sampled.	A number of holes had samples crushed to -12.7 mm with analysis of Ash, Moisture and Specific Energy undertaken (AS1038). Relative density was determine using the ACIRL method (?). Other bore cores were crushed to -31.5 mm and screened at 25.4, 19.1, 12.7, 9.5, 6.35 and 3.18 mm (AS1016). The minus 6.35 mm fraction was analysed for moisture and ash. The plus 6.35 mm was wet tumbled (AS1661) and screened at 0.10 mm. The +0.10 mm fraction was float sink tested at 1.60, 1.70, 1.80, 1.90 and 2.00 relative densities (AS1038). Core samples all appear to be 63 mm in diameter with no large diameter test work available.
Quality of assay data and laboratory tests	*The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.*	Historical coal analysis is largely fit for purpose. Some regression analysis was undertaken to develop CV data when only ASH and RD information was available from laboratory results in selected samples. A range of wash data exists and differing float densities to enable testing of the performance of coal seams to provide a variety of product specifications.
	For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.	Not applicable to this style of mineralisation and test work undertaken.
	Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.	Coal quality analysis undertaken at the time was carried out by reputable laboratories reportedly to relevant Australian Standards. No further information could be determined from historical reports on quality control procedures carried out.
Verification of sampling and assaying	*The verification of significant intersections by either independent or alternative company personnel.*	Historical borehole intersections cannot be verified by independent personnel, however where boreholes did undertake downhole geophysical wireline logging the intersection position of coal seams can be verified.
	The use of twinned holes.	There are a large number of sites that included twinned drill holes, either drilled later by subsequent tenement holders or includes coring over or near too an original open hole site by the same explorer.

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Criteria	JORC Code explanation	Commentary
	Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.	All primary data has been entered into a Microsoft Access database using the CoalLog (v2.0) template. Descriptive information was recoded using appropriate translations and English Logs reproduced then compared against original QDEX reports for consistency. Coal quality analysis results have been transcribed into the Access database. Validation tests have been carried out to access coding compliance with the template, along with measures such as increasing depth, hole location and survey elevation comparison, location position to historic plans and parish map descriptions, summation of key analysis variables, regression analysis of test work results.
	Discuss any adjustment to assay data.	Correlation of ASH, RD and CV data on a RAW basis enabled development of a regression equation to compute CV values in samples only analyzed for ASH (ad). The ACIRL in-situ moisture calculation was used to interpolate values into the database. Preston and Sanders formula was used to calculate an in-situ density value for samples.
Location of data points	*Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.*	Historical data is largely located by relative distance and direction to identifiable boundary positions on parish maps. The accuracy of surveying (X,Y) is expected to be ~10 m given most boreholes were drilled on public road access areas between adjacent land holdings. Recent drilling (T50?? Series) are surveyed X,Y and Z using certified surveyors with differential GPS.
	Specification of the grid system used.	All data has been converted into MGA Zone 55 with GDA94 datum.
	Quality and adequacy of topographic control.	Topographic surface across the Project area is predominantly derived from SRTM data with a average level of accuracy of ±7 m.
Data spacing and distribution	*Data spacing for reporting of Exploration Results.*	Borehole location spacing for historical drilling over the Project area is largely confined to accessible public land (i.e. road reserves). More random spacing occurs within MDL385. Boreholes range in depth from approximately 30 m in the subcrop area on the western side of the deposit to almost 380 m where depth of cover is greatest in the eastern part of MDL 385.
	Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.	Close spaced drilling is generally confined to east-west oriented roads allowing for testing of the down dip orientation of coal seams and the prior UCG area developed by CXY.
	Whether sample compositing has been applied.	Compositing of samples has been applied on both a seam and working section basis.
Orientation of data in relation to geological structure	*Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.*	The Tarong Basin Coal measures have a gentle dip with a geological strike approximately NNW. Boreholes have been drilled in a variety of locations from surface vertically into the target seams. No downhole survey data exists for historical boreholes, with only recent drilling undertaking verticality surveys. Deep boreholes (> 200 m) show lateral displacement through strike swing, yet the high angle of dip in the boreholes appears to be maintained.

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		Sample positions have used displacement vector data where downhole survey information was available.
	If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.	No sample bias is expected with sample intersections expected to be approximately normal to the seams dip.
Sample security	*The measures taken to ensure sample security.*	No detailed understanding is available on the chain of custody for historical coal samples analyzed. It is evident that some historical data is missing from the QDEX website and further work will be required to complete the retrieval of all available data over the Project area. Sampling and analysis of boreholes drilled by Metallica Minerals and Cougar Energy processed and dispatched field samples by a documented methodology. Follow-up was required to ensure all laboratory reports were issued as final.
Audits or reviews	*The results of any audits or reviews of sampling techniques and data.*	MRV has undertaken its own internal audit of both historical and recent drilling data and associated coal quality analysis. The purpose of this was to develop a robust data set from all available information that could be used in the development of the geological model and Resource estimate. Where anomalous data or errors were identified this has been corrected at the base level or the data flagged for exclusion from the geological model were information could not be substantiated.

Section 2 Reporting of Exploration Results

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	*Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.*	Tenements EPC 882 and MDL 385 are100% owned and held by MRV Tarong Basin Ltd. MLA 700015 is under application by Moreton Resources Ltd. Native title representative for Project is QLD Sth Native Title Services Ltd. Wakka Wakka people have regional area under application ref:QC2012/004. ILUA ref:QI2008/027 covers project area.
	The security of the tenure held at the time of reporting along with any known impediments to obtaining a license to operate in the area.	The Project area comprises a mixture of agriculture (grazing and mixed cultivation), urban (residential and industrial) land use. Project area is largely classified as comprising non-remnant vegetation. Scattered areas of Category B endangered regional ecosystems and areas of concern regional ecosystems largely across western fringe and southern portions of EPC 882. MLA 700015 is outside of Urban Restricted Area RA384. Part of the RA384 area also contains the Kingaroy Airport.
Exploration done by other parties	*Acknowledgment and appraisal of exploration by other parties.*	Historical exploration has been carried out by a number of parties including CRA Exploration, New Hope Collieries and Pacific Australia Coal. More recent drilling was completed by Metallica Minerals and Cougar Energy.
Geology	*Deposit type, geological setting and style of mineralization.*	The Project area is located with the Tarong Basin which has been described previously by others as a narrow, elongate structure, approximately 70 km long and 10 km wide. The basin trends in a NNW-SSE direction and

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Criteria	JORC Code explanation	Commentary
		stretches from Kingaroy in the north to a point 20km south-southwest of Yarraman in the south. The Tarong Coal Measures lie unconformably on the Palaeozoic basement of the Yarraman Block. The basin is bounded on the east by units of the Middle Palaeozoic Yarraman Block which consists mainly of the Devonian-Carboniferous aged Maronghi Beds comprising of weakly metamorphosed mudstone, shale, arenite, jasper and acid to basic metavolcanics. The western side of the basin is bounded predominately by the Late Permian-Early Triassic Boondoomba Igneous Complex. This unit is comprised of granodiorite, adamellite, granite, tonalite, diorite and gabbro. The Tarong basin is filled with Triassic aged sediments which have a preserved thickness of approximately 450 m and consist of sandstone, conglomerate, siltstone, mudstone, claystone and coal. The coarse clastic beds in the sequence consist of labile, arkosic to sub-arkosic, fine to very coarse grained, poorly sorted sandstones and generally matrix supported polymictic conglomerates (Pegrem, 1995 and Jell, 2012).
Drill hole Information	*A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:* • *easting and northing of the drill hole collar* • *elevation or RL (Reduced Level – elevation above sea level in meters) of the drill hole collar* • *dip and azimuth of the hole* • *down hole length and interception depth* • *hole length.* *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*	A proportion of the data used in the estimation of Coal Resources is freely available from the QDEX website from relinquishment reports. Other reports are not publically available and can only be accessed by the tenement holder. MRV have undertaken a deal of work converting both hardcopy lithological logs and analytical reports into an up to date electronic format of a consistent nature and form. This information is considered to now hold a greater commercial value than its previous format and is such is considered by the Competent Person to be commercial in confidence.
Data aggregation methods	*In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.*	Density is weighted by length, with other analyses for RAW coal types composited by mass weighting. Washed coal quality composites are aggregated using a Yield/Mass weighting. No data cutting exists.
	Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.	Composited samples have been weighted by length for RD. Other proximate analyses were weighted use length and RD to derive a mass weighting for variable sample lengths. Wash quality analysis was composited using a mass and yield weighting. Washed samples were only composited if of the same float density (eg F2.00, F1.80, etc.).
	The assumptions used for any reporting of metal equivalent values should be clearly stated.	Not applicable to this style of mineralisation.
Relationship between mineralizatio	*These relationships are particularly important in the reporting of Exploration Results.*	Boreholes were sampled for both waste and coal within coal seams. If parts of coal seams were deemed to be of a quality insufficient to mine and not sampled these areas have not been calculated as part of the coal inventory and subsequent Resource. As such coal seam quality and tonnage results are mutually representative.

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n widths and intercept lengths	*If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.*	Seam dips are generally shallow, and the expectation is that boreholes are largely normal in intersection orientation to the seam.
	If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').	True width not known, although expected to be similar to down hole length based on interpreted seam orientation and borehole angle of drilling.
Diagrams	*Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	The current reported Coal Resource is not considered a discovery but rather a refinement of information made available through the work undertaken by previous parties such as Cougar Energy, Metallica Minerals, Cockatoo Coal, New Hope, Pacific Australia Coal and CRA Exploration. Plans and cross sections are included in the main body of the JORC report cx.
Balanced reporting	*Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	Details of depth and thickness ranges for each seam is included in the main body of the JORC report. The following details provide a statistical summary of the Point of Observation (Quantity) data used.

Horizon : GD located in 23 out of 412 holes

	Minimum	Maximum	Average	Samples
Easting :	382887.000	388757.270	385052.547	23
Northing:	7043290.320	7057450.000	7054709.503	23
Collar :	375.050	547.920	458.782	23
SR :	314.390	424.500	385.577	23
SF :	310.090	422.320	382.512	23
TK :	0.100	10.000	2.777	23
DR :	19.300	176.580	73.205	23
DF :	23.200	176.890	76.270	23
MD :	0.000	57.000	2.478	23
PT :	0.000	2.570	0.287	23
OB :	0.000	176.580	67.597	23
ST :	0.100	10.000	3.065	23

Horizon : GDU located in 9 out of 412 holes

	Minimum	Maximum	Average	Samples
Easting :	383243.280	386518.800	385466.253	9
Northing:	7054590.800	7056521.600	7055610.387	9
Collar :	446.330	524.500	484.457	9
SR :	318.453	416.330	375.436	9
SF :	313.883	415.330	373.294	9
TK :	0.090	4.000	1.523	9
DR :	30.000	159.000	109.021	9
DF :	31.000	163.000	111.163	9
MD :	0.000	0.000	0.000	9
PT :	0.000	2.180	0.619	9
OB :	30.000	159.000	109.023	9
ST :	0.400	5.000	2.142	9

Horizon: GDL located in 9 out of 412 holes

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Criteria	JORC Code explanation	Commentary

	Minimum	Maximum	Average	Samples
Easting :	383243.280	386518.800	385466.253	9
Northing:	7054590.800	7056521.600	7055610.387	9
Collar :	446.330	524.500	484.457	9
SR :	310.140	409.330	361.950	9
SF :	309.260	408.330	360.868	9
TK :	0.160	2.000	0.808	9
DR :	37.000	169.610	122.506	9
DF :	38.000	170.490	123.589	9
MD :	0.810	31.310	11.343	9
PT :	0.000	1.440	0.274	9
OB :	0.000	0.000	0.000	9
ST :	0.200	2.000	1.082	9

Horizon: KN located in 122 out of 412 holes

	Minimum	Maximum	Average	Samples
Easting :	381501.000	389380.040	384497.493	122
Northing:	7043290.320	7059019.640	7054728.570	122
Collar :	368.960	547.920	462.116	122
SR :	270.240	438.500	378.825	122
SF :	251.740	427.230	367.817	122
TK :	0.610	21.260	8.757	122
DR :	14.400	209.500	83.291	122
DF :	17.400	228.000	94.299	122
MD :	0.000	62.700	4.936	122
PT :	0.000	24.180	2.252	122
OB :	0.000	209.500	62.594	122
ST :	0.610	28.400	11.008	122

Horizon: KNU located in 18 out of 412 holes

	Minimum	Maximum	Average	Samples
Easting :	382887.000	386574.610	384575.378	18
Northing:	7054086.850	7058892.000	7055915.279	18
Collar :	435.370	535.420	467.972	18
SR :	297.880	418.430	376.966	18
SF :	283.650	416.890	371.319	18
TK :	0.380	13.950	4.642	18
DR :	24.100	216.720	91.005	18
DF :	28.160	222.980	96.652	18
MD :	0.000	61.360	11.718	18
PT :	0.000	2.500	1.005	18
OB :	0.000	162.480	47.703	18
ST :	0.590	16.450	5.647	18

Horizon: KNL located in 18 out of 412 holes

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Criteria	JORC Code explanation	Commentary

	Minimum	Maximum	Average	Samples
Easting :	382887.000	386574.610	384575.378	18
Northing:	7054086.850	7058892.000	7055915.279	18
Collar :	435.370	535.420	467.972	18
SR :	282.680	413.490	368.618	18
SF :	279.300	412.050	364.253	18
TK :	0.110	10.670	3.373	18
DR :	32.640	223.100	99.354	18
DF :	32.840	227.000	103.718	18
MD :	0.000	8.000	2.702	18
PT :	0.000	4.260	0.991	18
OB :	0.000	0.000	0.000	18
ST :	0.180	14.750	4.364	18

Horizon: SW located in 58 out of 412 holes

	Minimum	Maximum	Average	Samples
Easting :	381712.000	388927.370	384336.726	58
Northing:	7043748.100	7059555.630	7054926.489	58
Collar :	389.310	547.920	460.048	58
SR :	229.050	432.500	362.728	58
SF :	226.050	432.000	359.859	58
TK :	0.150	12.700	2.559	58
DR :	7.500	250.770	97.319	58
DF :	8.000	253.700	100.188	58
MD :	0.000	68.330	16.571	58
PT :	0.000	4.140	0.310	58
OB :	0.000	156.500	20.705	58
ST :	0.150	12.700	2.869	58

Horizon : SWU located in 20 out of 412 holes

	Minimum	Maximum	Average	Samples
Easting :	382664.000	386694.650	384558.884	20
Northing:	7055109.960	7058892.000	7056569.260	20
Collar :	435.370	530.350	466.642	20
SR :	219.429	400.500	338.797	20
SF :	217.439	396.500	336.647	20
TK :	0.014	5.940	1.662	20
DR :	44.960	256.871	127.845	20
DF :	46.160	258.861	129.995	20
MD :	3.300	59.530	21.931	20
PT :	0.000	2.749	0.487	20
OB :	0.000	0.000	0.000	20
ST :	0.070	7.910	2.149	20

Horizon : SWL located in 20 out of 412 holes

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Criteria	JORC Code explanation	Commentary

	Minimum	Maximum	Average	Samples
Easting :	382664.000	386694.650	384558.884	20
Northing:	7055109.960	7058892.000	7056569.260	20
Collar :	435.370	530.350	466.642	20
SR :	217.439	394.500	334.664	20
SF :	213.349	393.500	333.114	20
TK :	0.060	4.900	1.205	20
DR :	46.160	258.861	131.978	20
DF :	51.060	262.951	133.528	20
MD :	0.000	6.750	1.984	20
PT :	0.000	1.960	0.344	20
OB :	0.000	0.000	0.000	20
ST :	0.060	4.900	1.549	20

Horizon : GG located in 103 out of 412 holes

	Minimum	Maximum	Average	Samples
Easting :	380696.660	388634.900	383146.014	103
Northing:	7043982.570	7061232.000	7055217.138	103
Collar :	368.700	547.920	442.914	103
SR :	241.140	429.880	363.758	103
SF :	235.220	426.530	353.698	103
TK :	0.800	20.000	7.744	103
DR :	19.300	306.780	79.156	103
DF :	24.200	312.700	89.216	103
MD :	0.000	101.700	18.082	103
PT :	0.000	24.922	2.316	103
OB :	0.000	98.500	22.590	103
ST :	0.800	30.200	10.061	103

Horizon : GGU located in 27 out of 412 holes

	Minimum	Maximum	Average	Samples
Easting :	381462.000	386694.650	384790.974	27
Northing:	7054086.850	7058892.000	7056319.908	27
Collar :	435.370	530.350	479.156	27
SR :	166.521	411.860	297.211	27
SF :	164.291	409.110	292.992	27
TK :	0.240	7.790	2.982	27
DR :	61.870	309.779	181.945	27
DF :	64.620	312.009	186.164	27
MD :	0.000	133.500	41.117	27
PT :	0.000	7.000	1.237	27
OB :	0.000	65.890	4.732	27
ST :	0.310	11.497	4.219	27

Horizon : GGM located in 13 out of 412 holes

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Criteria	JORC Code explanation	Commentary

:	Minimum	Maximum	Average	Samples
Easting :	381462.000	386694.650	384055.553	13
Northing:	7055109.960	7058892.000	7056764.841	13
Collar :	435.370	530.350	474.398	13
SR :	164.291	409.110	323.209	13
SF :	149.071	406.670	317.818	13
TK :	0.100	2.440	1.018	13
DR :	64.620	312.009	151.188	13
DF :	67.060	327.229	156.580	13
MD :	0.000	14.000	3.999	13
PT :	0.000	22.839	4.373	13
OB :	0.000	0.000	0.000	13
ST :	0.100	24.269	5.391	13

Horizon : GGL located in 23 out of 412 holes

:	Minimum	Maximum	Average	Samples
Easting :	381462.000	386694.650	384725.372	23
Northing:	7054086.850	7058892.000	7056345.737	23
Collar :	435.370	530.350	482.301	23
SR :	149.071	405.150	292.401	23
SF :	146.651	402.340	286.544	23
TK :	0.380	10.000	3.648	23
DR :	68.580	327.229	189.901	23
DF :	71.390	329.649	195.757	23
MD :	0.000	25.700	4.252	23
PT :	0.000	9.219	2.208	23
OB :	0.000	0.000	0.000	23
ST :	0.960	14.859	5.856	23

Other substantive exploration data	*Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	Details of washability results (F1.6-F2.0) is included in the main body of the JORC report. Rock characteristics including weathering and tertiary zones as well as igneous (both basalt and basement) is also discussed. Structural data including faulting, dip and strike, basin limits have mainly been interpreted through seam correlations with the aid of historical reports.
Further work	*The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).*	Additional investigative work is required to ensure all available historical data is incorporated. Further work is required to establish the true limits of the western basement contact in EPC 882. Further work is required to adequately position the weathering profile in areas of the Project were seam placements are relatively shallow.

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Criteria	JORC Code explanation	Commentary
		The area that comprises the five sub-blocks at the southern margin of EPC 882 (namely BRIS2326 – P; BRIS2327 – Q, R, S and W) has been presently excluded from any Coal Resource estimate on the basis that further work is required to develop a more detailed understanding. Further work is required to establish the limits of coal seam extent in the northern portion of EPC 882. Large diameter test work is required to provide adequate information into practical sizing distributions and yield expectations from ROM coal.
	Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.	Future exploration drilling is presently considered commercial in confidence.

Section 3 Estimation and Reporting of Mineral Resources

Criteria	JORC Code explanation	Commentary
Database integrity	*Measures taken to ensure that data has not been corrupted by, for example, transcription or keying errors, between its initial collection and its use for Mineral Resource estimation purposes.*	Data spanning the time period from the 1960's to near present was compiled in a Microsoft access database. The data from various previous companies was converted into CoalLog (vers2.0) to create a homogenous database free from conflicting coding practices. References to original reports have been maintained in the new database. Copies and extracts of all available historical reports have been incorporated into an electronic project filing system as well as hardcopy outputs to populate a physical library. Validation testing was carried out on survey, lithological and analytical data.
	Data validation procedures used.	Due to the data being sourced from previous companies the quality of data including lithological logging, sampling techniques, sample testing, collar surveys (and coordinate systems) is variable. A Point of Observation matrix has been created in order to grade holes and seam intersections based on their data quality. Collar surveys have been converted into GDA94. Descriptive survey positions were tested against historical maps and QDEX available plans of borehole locations. Collar survey elevations when available were tested against SRTM topographic model. Lithological logs were recoded into CoalLog format and hardcopy logs produced and tested against previous English log listings for compatibility. Wireline profiles were compared when available against lithological logs. Regression analysis of sample analysis and statistical testing of key proximate and wash data was carried out.
Site visits	*Comment on any site visits undertaken by the Competent Person and the outcome of those visits.* *If no site visits have been undertaken indicate why this is the case.*	Deddi Handiko who is the Competent Person for reported Coal Resources has visited the Project site in October 2017. Visits involved an initial familiarization with the site and area on a localized basis, with a second visit to establish validity of historical borehole locations. No direct viewing of exploration drilling or samples generated to physically verify sampling methodology has been made by the Competent Person.

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Criteria	JORC Code explanation	Commentary
Geological interpretation	*Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit.*	A reliability matrix was developed for each borehole and associated seam intersections. This was then modelled to provide an indication of the robustness of data used in the geological interpretation over a defined area.
	Nature of the data used and of any assumptions made.	Seam intersections, wireline logs, coal quality.
	The effect, if any, of alternative interpretations on Mineral Resource estimation.	No alternative interpretation
	The use of geology in guiding and controlling Mineral Resource estimation.	Correlations based on seam intersections and wireline geophysics
	The factors affecting continuity both of grade and geology.	Sand channels, oxidation, and overlying unconformity
Dimensions	*The extent and variability of the Mineral Resource expressed as length (along strike or otherwise), plan width, and depth below surface to the upper and lower limits of the Mineral Resource.*	The Coal Resources has been calculated within the confines of EPC 882 and MDL 385 extending over a polygonal area from 381500 E 7053500 N to 387500 E 7061500 N. The Resource is limited to reporting the following seams: • Glider • Kunioon • Swain • Goodger The Coal Resource is reported on an in-situ basis and is limited to the above seams that have an accumulated stripping ratio of less than 8:1 (bcm/t). Reporting divisions have been made in the JORC Report that breakdown the Coal Resource by tenement, road area (Bunya Highway and Kingaroy-Cooyar Road) as well as the Restricted area (RA384).
Estimation and modelling techniques	*The nature and appropriateness of the estimation technique(s) applied and key assumptions, including treatment of extreme grade values, domaining, interpolation parameters and maximum distance of extrapolation from data points. If a computer assisted estimation method was chosen include a description of computer software and parameters used.*	The geological model has been prepared using VULCAN geological software (vers 10.1). The estimation technique applied for coal quality used an IVD2 estimate with a maximum search radius between composite analysis points of 1,100m. Structural models were developed using FixDHD to determine interpolated seam positions in deeper sections only drilled to a shallow depth. The modelling technique employed a 1st order trending technique with a maximum search distance of 1,100m. Seams were limited to observed sections and only extended where geological interpretation allowed.
	The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data.	No mine production records exist over the project area for comparison. Coal quality analysis for the project area compares with other historical data assembled for the wider Tarong Basin. Tabled Coal Resources completed by previous parties compare favourably when considered over similar areas. Classifications have been modified to reflect changes to the Coal Guidelines and greater rigour applied to dataset.
	The assumptions made regarding recovery of by-products.	Not applicable to mineralization style
	Estimation of deleterious elements or other non-grade variables of economic significance (e.g. sulphur for acid mine drainage characterisation).	Total sulphur has been estimated on a RAW and WASHED (F2.00) air dried basis and is reported with the Coal Resource.

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Criteria	JORC Code explanation	Commentary
	In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed.	Grid modelling method employed with a cell spacing of 50 x 50 m.
	Any assumptions behind modelling of selective mining units.	No SMU applied
	Any assumptions about correlation between variables.	Correlation exists between ASH, RD and CV
	Description of how the geological interpretation was used to control the resource estimates.	Modelled on a seam basis
	Discussion of basis for using or not using grade cutting or capping.	Grade variability low – no cutting applied
	The process of validation, the checking process used, the comparison of model data to drill hole data, and use of reconciliation data if available.	Direct visual checks applied
Moisture	*Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content.*	Tonnages have been calculated on a natural moisture in-situ basis. This has been calculated through use of the ACARP C10041 formula (Fletcher I. et al 2003). In-situ relative density was calculated using Preston and Sanders (1993) formula. Refer to the main body of the report for a detailed explanation.
Cut-off parameters	*The basis of the adopted cut-off grade(s) or quality parameters applied.*	The JORC report has been broken down by both accumulated overburden to coal stripping ratios and key areas with the tenement. Coal quality has been reported both on an in-situ RAW (ad) basis and with a theoretical WASH product of F2.00. Key parameters reported include RD, AS, CV, TS and YLD. Average values are reported (ad) with minimum and maximum values also tabled in main body of report.
Mining factors or assumptions	*Assumptions made regarding possible mining methods, minimum mining dimensions and internal (or, if applicable, external) mining dilution. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential mining methods, but the assumptions made regarding mining methods and parameters when estimating Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the mining assumptions made.*	Mining methods expected for this Coal Resource would comprise “truck and shovel” and possible dragline for deeper overburden removal. Draglines are the lowest cost solution for gently dipping, shallow deposits which are not structurally complex. The minimum area for a potential mining area was 100 m2 although areas larger than this were excluded when considered isolated and located in areas where a high likelihood of potential extraction was considered unlikely given the larger areas of material that were more contiguous and would enable development of a large tonnage open cut mining operation. Minimum mining thickness of seams is defined as 0.1 m. Minimum interburden thickness were seam splitting occurs is 0.3 m.
Metallurgical factors or assumptions	*The basis for assumptions or predictions regarding metallurgical amenability. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential metallurgical methods, but the assumptions regarding metallurgical treatment processes and parameters made when reporting Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the metallurgical assumptions made.*	The Coal Resource is considered to be sold as a raw product blended with beneficiated material. . A variety of raw coal quality and density cut points have been tested, ranging between 1.40 and 2.00. By far the largest proportion of wash data has been collated around the F2.00 cut point and a target ash product of 28%. This would appear to provide a yield of approximately 75% with a target ash of around 20-25% and sufficient energy to be considered for suitable for domestic coal supply for thermal power generation.

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Environmental factors or assumptions	*Assumptions made regarding possible waste and process residue disposal options. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider the potential environmental impacts of the mining and processing operation. While at this stage the determination of potential environmental impacts, particularly for a greenfields project, may not always be well advanced, the status of early consideration of these potential environmental impacts should be reported. Where these aspects have not been considered this should be reported with an explanation of the environmental assumptions made.*	Dry extraction with waste dumping back into the pit is the considered method of waste management.
Bulk density	*Whether assumed or determined. If assumed, the basis for the assumptions. If determined, the method used, whether wet or dry, the frequency of the measurements, the nature, size and representativeness of the samples.* *The bulk density for bulk material must have been measured by methods that adequately account for void spaces (vugs, porosity, etc), moisture and differences between rock and alteration zones within the deposit.* *Discuss assumptions for bulk density estimates used in the evaluation process of the different materials.*	Tonnages have been calculated on a natural moisture in-situ basis. This has been calculated through use of the ACARP C10041 formula (Fletcher I. et al 2003). In-situ relative density was calculated using Preston and Sanders (1993) formula. Refer to the main body of the report for a detailed explanation.
Classification	*The basis for the classification of the Mineral Resources into varying confidence categories.* *Whether appropriate account has been taken of all relevant factors (ie relative confidence in tonnage/grade estimations, reliability of input data, confidence in continuity of geology and metal values, quality, quantity and distribution of the data).* *Whether the result appropriately reflects the Competent Person's view of the deposit.*	The reliability of POB has been graded for each seam intersection within each individual borehole. Factors that have been considered in the application of data reliability include: • drilling method, • detail applied in logging observations, • proximity to nearby boreholes and variability between adjacent lithological logs, • collar location surveying methodology, • downhole geophysical wireline logging, • sampling regime and • coal quality analysis undertaken. Combined with this assessment additional aspects were then considered in determining the limits of Coal Resource classification boundaries for each of the coal seams over the project area. Measured Coal Resources were generally required to have a minimum of 3 POB for both Quantity and Quality within approximately 250 m of one POB to another. Variability in the quality values, both on a RAW and washed basis was expected to be low. Where insufficient Quality POB data existed yet sufficient existed on a data spacing basis for Quantity the Resource classification confidence category was reduced to Indicated. Indicated Coal Resources were generally required to have a minimum of 3 POB for Quantity and 2 POB for Quality within approximately 1000 m of one POB to another. Variability in the quality values, both on a RAW and washed basis was expected to be also be low. Moderate to high variability between Quality POB adjacent to each other would downgrade the classification if Indicated to Inferred. Where insufficient Quality POB data existed with the

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Criteria	JORC Code explanation	Commentary
		distribution of POB spacing for Quantity being sufficient the Resource classification confidence category was also reduced to Inferred. However where closely spaced (~250 m) quantity POB were observed extending beyond the bounds of the maximum quality POB defined distance (~1,000 m) the Indicated Resource classification areas was extended to incorporate these regions up to a maximum of approximately 2,000 m from a Quality POB. Inferred Coal Resources were required to have a minimum of 2 POB for Quantity and 1 POB for Quality within approximately 2000 m of one POB to another. Variability in the quality values, both on a RAW and washed basis was expected to be at least moderate. Where insufficient quality POB data existed the Resource classification confidence category was removed and the area considered as Inventory requiring further exploration. Coal seams less than 0.1 m structural thickness were excluded from being categorised as a Coal Resource. An overburden to stripping ratio (bcm/t) was determined for the main seam groups (GD, KN, SW and GG) accumulated over the Project focus area. Ratios of greater than 8 bcm/t were excluded from the Resource classification. It should be noted that the seams modelled are inclusive of parting material which would convert to reject material during beneficiation.
Audits or reviews	*The results of any audits or reviews of Mineral Resource estimates.*	No audits or review have been conducted
Discussion of relative accuracy/ confidence	*Where appropriate a statement of the relative accuracy and confidence level in the Mineral Resource estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the resource within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors that could affect the relative accuracy and confidence of the estimate.*	The approach applied to estimate the confidence in the Coal Resource employed modelling of the confidence in POB data using a reliability matric tool developed specifically for this data set in conjunction with an assessment of the density spacing of available information for POB (Quantity and Quality).
	The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used. *These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.*	The estimate provided is local. The tonnages provided are reported on a seam basis with associated average physical and coal quality parameters. Detailed discussion is provided in the JORC report on the methodology employed in the estimation and calculation of the Coal Resource.

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Competent Persons Statement

The information pertaining to the reported Coal Resource in relation to the South Burnett Project (MLA700015) is based on information compiled by Mr. Deddi Handiko who is a full-time employee of Moreton Resources and holds the position of Geological Lead Coal. Mr Handiko is a qualified Geologist and Member of the AusIMM. 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 report as defined in the 2012 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves"

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