



08/08/2014

## ASX Announcement

By Electronic Lodgement

### Mine Concept Study Successfully Completed for Kingaroy Project (MDL 385)

Moreton Resources Limited (MRV) is pleased to advise that upon completion of the Mine Concept Study for the Kingaroy Asset (MDL385), the Company is of the opinion that there are sufficient resources to sustain a 30 plus year mine life, at an average production of 5MT per annum, which has exceeded the Company's expectations in the review of this Asset.

The Company engaged the services of an independent mine planning consultant, to complete the Mine Concept Study for the purposes of establishing if the Kingaroy Asset (MDL 385) was, in fact an appropriate asset to pursue by way of quality, cost and mine life. The Company is extremely pleased with this high level evaluation and sets out the key parameters and outcomes; of this potential project as follows:

- Potential life of mine is expected to be over 30 years with a 5MT per annum capacity
- An average strip ratio of approximately 7:1 (7BCM waste to 1 Tonne Coal) for the life of mine, which exceeds the Company's expectations
- Preliminary coal quality analysis and washability tests have indicated it is likely that the Company can achieve an average ash content of below 28%, which was the published cut off in 1984 for feed stock to the Tarong Power Station.

Once final coal quality and washability results are received later this month, MRV will engage an appropriate independent consultant to review these results, and make recommendations on the final outcomes, which again are expected to be below 28% ash content, however we seek to ensure this is independently verified and confirmed.

These results will be reviewed over the coming months to determine the next technical steps to be taken to advance this potential project.

Further to this, the Board and Management believe the Kingaroy Project has potentially compelling commercial advantages that continue to become apparent at each stage of this process.

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Therefore the company will now make approaches to potential partners that could benefit from this, including the appropriate levels of Government, the existing owners and potential future owners of the Tarong Power Generation assets.

The Company will also now seek to engage with the broader community and stakeholders, in seeking support for this project, whilst acknowledging this is still a contemplative prospect.

**Jason Elks**

Chief Executive Officer

Moreton Resources Limited

**COMPETENT PERSON STATEMENT**

The information in this Release that relates to the JORC Compliant Inferred and Measured Coal Resource estimated at the Kingaroy Project (MDL385) is based on information compiled by Mr Tony Shellshear (BSc. App. Geol, MAusIMM). Mr Shellshear is the Principal Resource Geologist, and full time employee of Geological Data Design and has over 40 years in exploration experience, resources and reserve estimation, resource development and mine grade, and production control. Relevant to this project he has served more than 20 years in the coal sector. He has sufficient experience which is relevant 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 as defined in the 2012 Edition of the "Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Shellshear consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

**CAUTIONARY STATEMENT**

This conceptual mine study is based upon a total JORC resource of 122.3Mt of Measured, 82.5Mt of Indicated and only 16.4Mt of Inferred. Therefore, any reliance upon Inferred resources are negligible in this study. However the Mine Concept Study (which is viewed as a Scoping Study for ASX purposes) referred to in this announcement is based on low level technical and economic assessments, and is insufficient to provide assurance of an economic development case at this stage; or to provide certainty that the conclusions of the Mine Concept Study will be realized.

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