LANEWAY RESOURCES LIMITED

A.C.N. 003 049 714

ANNUAL REPORT 30 JUNE 2017

INDEX

CORPORATE INFORMATION

This annual report covers Laneway Resources Limited ("Company" or "Laneway") as a consolidated entity comprising Laneway Resources Limited and its subsidiaries ('the Consolidated Entity" or "Group"). A description of the operations and of the principal activities is included in the directors' report and the review of operations. The directors' report is not part of the financial report.

DIRECTORS
Stephen Bizzell (Executive Chairman)
Richard Anthon (Non-executive Director)
Mark Baker (Non-executive Director)

SECRETARY
Paul Marshall

AUSTRALIAN BUSINESS NUMBER
ABN 75 003 049 714

REGISTERED OFFICE AND PRINCIPAL BUSINESS ADDRESS
Level 9
Waterfront Place
1 Eagle St
Brisbane Qld 4000
Telephone: (07) 3108 3500
Facsimile: (07) 3108 3501
Email: admin@lanewayresources.com.au
Web: www.lanewayresources.com.au

SHARE REGISTRY
Link Market Services
Level 15
324 Queen St
Brisbane Qld 4000
Phone: +61 1300 554 474 (toll free within Australia)
Email: registrars@linkmarketservices.com.au
Fax: +61 2 9287 0303
Postal Address: Locked Bag A14, Sydney South, NSW 1235

AUDITORS
BDO Audit Pty Ltd
Level 10,
12 Creek St
Brisbane QLD 4000

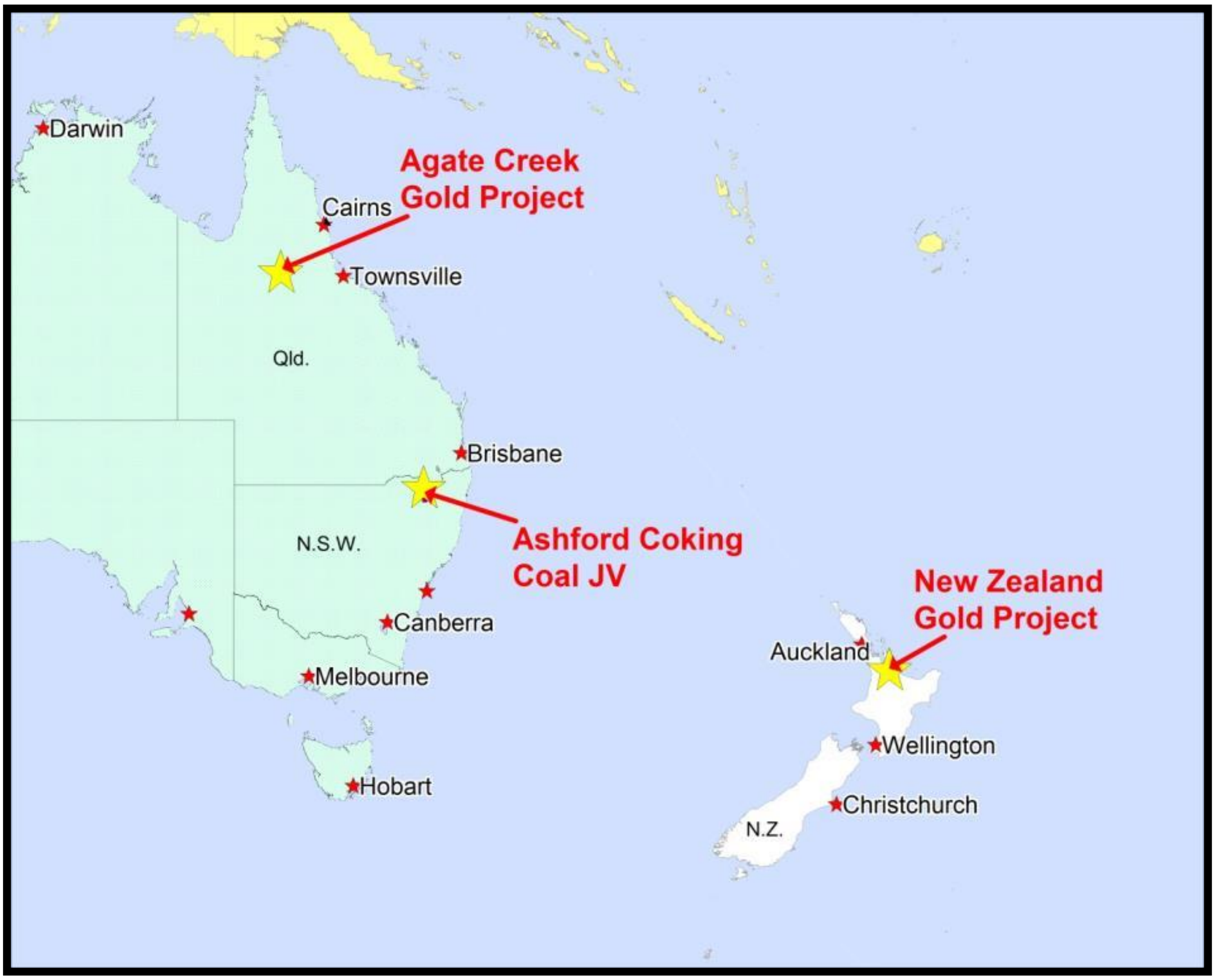
STOCK EXCHANGE LISTING
Australian Securities Exchange Ltd
ASX Codes:
Ordinary shares - LNY

The directors present their review of operations for the year ended 30 June 2017.

Review of Operations 2017

Laneway Resources is an emerging resource development company with projects in Queensland, New South Wales and New Zealand primarily targeting gold but also holding a coking coal project.

Location of Laneway Resources Projects



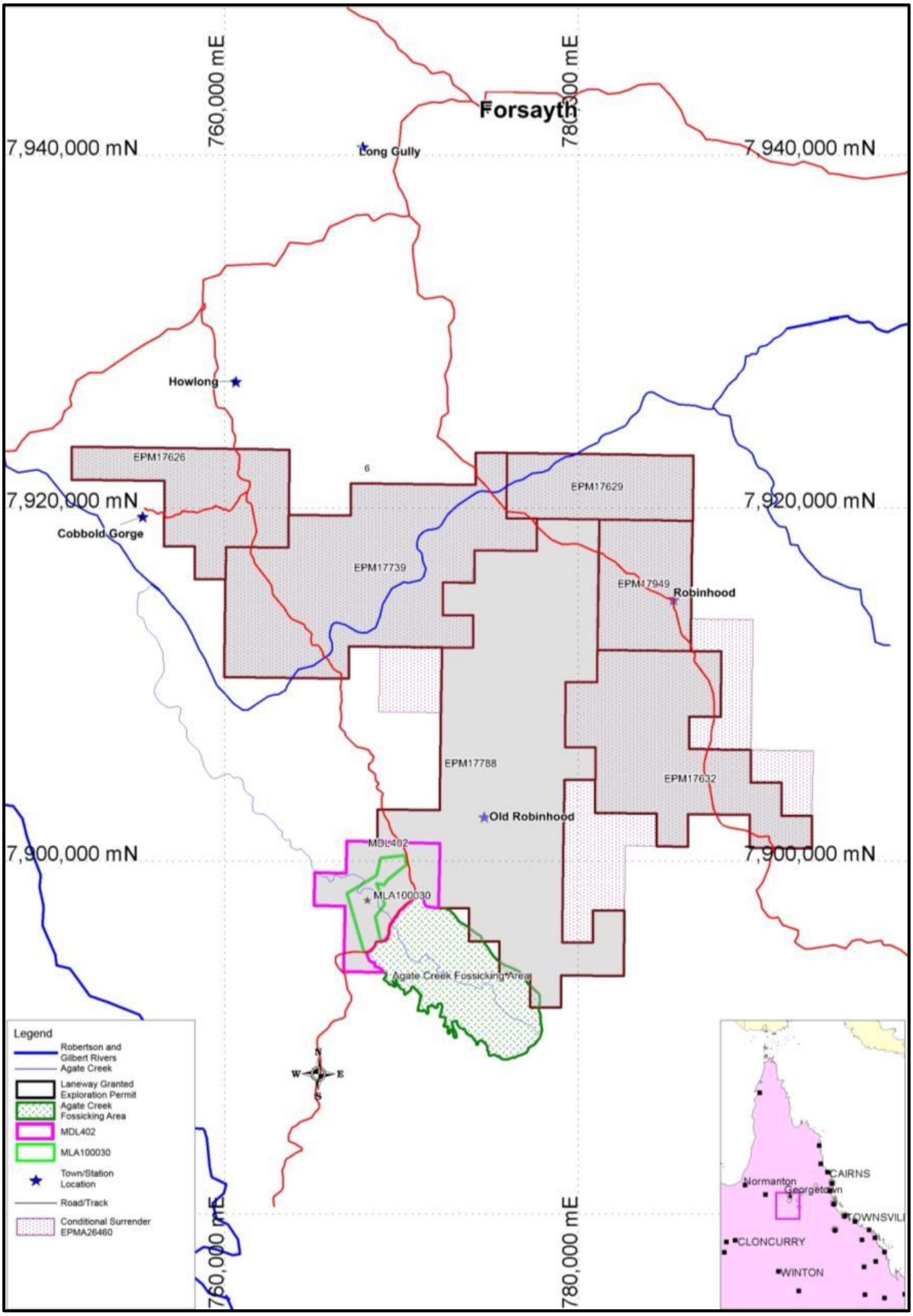
Agate Creek Gold Project (Queensland)

Background on the Project Area

The Agate Creek Gold Project is located approximately 40km south of Forsayth and 60km west of Kidston in North Queensland. The project is comprised of EPM's 17788, 17632, 17949, 17739, 17626, 17629 and MDL402 covering a total of 576km². Consolidation of these EPM's is being progressed with the department and is well advanced which will lead to significant cost and time savings with the statutory reporting.

Laneway has a JORC compliant resource, within MLA100030 comprising a combined Indicated and Inferred Mineral Resource of 8.2 Million tonnes at 1.46g/t gold for 381,000 ounces at a 0.5 g/t gold cut-off grade which includes a high grade sub-set of 90,000t @ 6g/t.

Agate Creek Project Location



Mining Lease Application (MLA 100030)

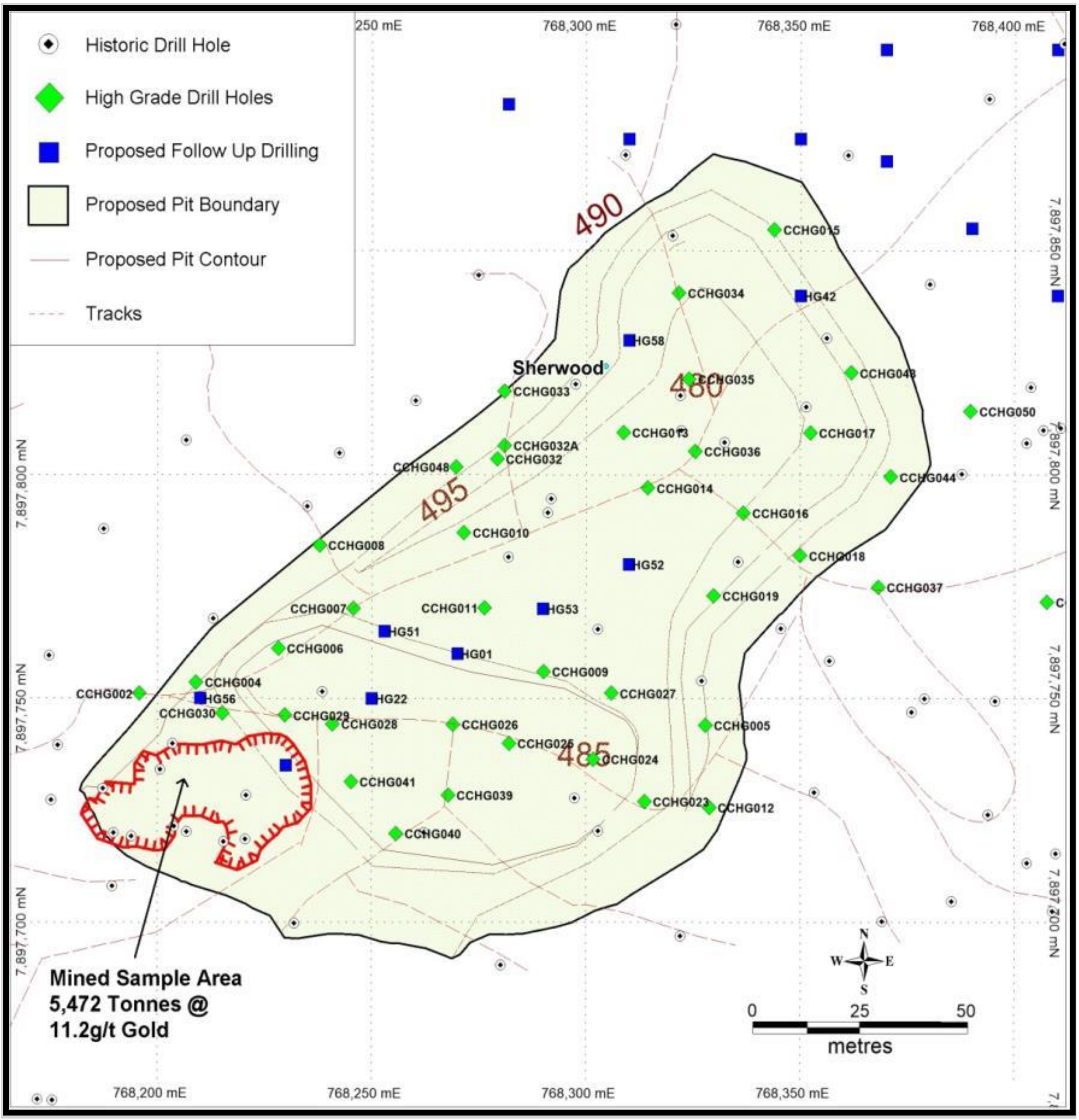
The Company has a Mining Lease Application (MLA 100030) lodged with Queensland's Department of Natural Resources and Mines (DNRM) over its Agate Creek Gold Project (the "Project"). The total area under the MLA is 689.3 Hectares covering the Sherwood and Sherwood West near surface high-grade prospects as well as prospective extensions to the known mineralised areas and the planned locations of necessary infrastructure to support mining operations. The Environmental Authority is in place (EPSL03068015) for the proposed mining operations.

The final Landholder Compensation Agreements have now been executed without the need for Land Court proceedings. Native Title arrangements with the Traditional Owners regarding compensation, employment and training opportunities are being progressed and once concluded will allow the grant of the Mining Lease by DNRM.

The grant of the ML will be an integral milestone in the Project's progress towards commencing high-grade (low strip ratio) open cut mining operations at Agate Creek. Utilising an existing processing plant will significantly reduce the capital expenditure and time to first gold production.

Planned Drilling

Drilling is planned, as noted below, for the near term in the Sherwood area to infill gaps in the current data and help to finalise pit design.



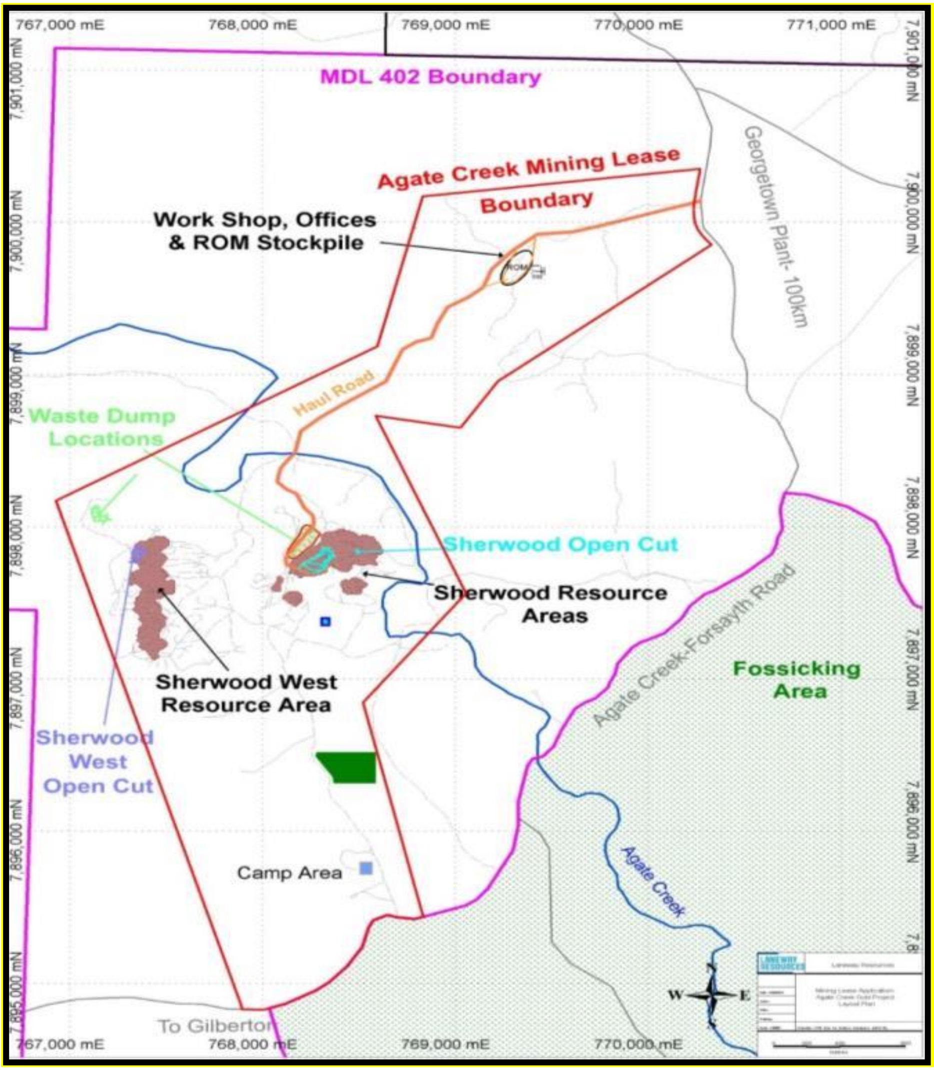
Agate Creek Preliminary Pit Boundary Showing Planned Infill Drilling

Mining and Processing Agreement for Agate Creek

A Heads of Agreement (HoA) has been entered into with the operator of the Georgetown Plant, Etheridge Operations, to undertake mining operations at Agate Creek and also process ore at the Georgetown Plant, which is currently being taken off Care and Maintenance. Minor upgrades and repairs are being completed with a plan to re-commission it in 2017. Other 3rd party processing plant options are also available.

Georgetown Gold Processing Plant

Pursuant to the HoA, the Company aims to process initially up to 200,000 tonnes of high grade ore (+8 g/t) from the Project at the Georgetown processing plant which has a current nominal throughput capacity of 100,000tpa. Refurbishment work is currently underway to lift the Mill's grinding capacity to 200,000tpa with the reconditioning of the plant's second 20tph mill which was not used by the previous owners



MLA 100030 area showing deposit location and planned infrastructure

Mineral Resource

A global recoverable Mineral Resource is defined for the Agate Creek Project in Table 1 at a 0.5 g/t Au cut-off suitable for a large open pit operation. A continuous high grade Mineral Resource can be interpreted at cut-off of 2 g/t Au for Sherwood and 1 g/t Au for Sherwood West and reported in Table 1.

0.5 g/t cut-off	Sherwood			Sherwood South			Sherwood West			Total		
Resource Classification	Mt	Gold (g/t)	Gold (oz)	Mt	Gold (g/t)	Gold (oz)	Mt	Gold (g/t)	Gold (oz)	Mt	Gold (g/t)	Gold (oz)
Indicated	2.80	1.60	140,000				2.20	1.60	112,000	5.00	1.60	252,000
Inferred	1.40	1.30	57,000	0.30	1.20	12,000	1.50	1.20	59,000	3.20	1.24	128,000
Total	**4.20**	**1.50**	**197,000**	**0.30**	**1.20**	**12,000**	**3.70**	**1.44**	**171,000**	**8.20**	**1.46**	**381,000**

Grade and tonnage rounded to two decimal places. Ounces calculated after rounding and reported to nearest 1,000 ounces.

High Grade Sub Set	Cut-Off Grade	Indicated			Inferred			Total		
	Au (g/t)	kt	Gold (g/t)	Gold (oz)	kt	Gold (g/t)	Gold (oz)	kt	Gold (g/t)	Gold (oz)
Sherwood	2	89	6.01	17,300				89	6.01	17,300
Sherwood West	1	1080	1.82	59,600	146	1.72	8,100	1164	1.81	67,700
Total		**1169**	**2.16**	**76,900**	**146**	**1.72**	**8,100**	**1253**	**2.16**	**85,000**

Table 1 – Updated Mineral Resource Figures and High Grade sub set for Mineral Resource

The introduction of the high-grade domains provides a basis for assessing near surface material suitable for open pit mining and toll treating at existing processing facilities. Deeper high-grade zones at Sherwood present underground targets but require additional drilling and interpretation.

Agate Creek Regional Prospects

The majority of work completed on the Agate Creek Project over the past 6 years has been undertaken within the MLA area with over 480 drillholes completed. However within the regional tenement package there has also been over 6,000 rockchips, 3,000 stream sediments, 1,600 soil samples and over 100 line km of geological mapping completed to date regionally.

The completed regional mapping and sampling has defined numerous high priority regional targets with less than 25% of the tenement holding so far covered. This work has led to the delineation of 47 regional targets of which 8 have had first pass drilling. Four of these prospects returned positive results and have follow up drilling programs planned. An additional 3 prospects have first pass drill programs planned and have Native Title clearances ready for drilling. With the high quality targets already generated and 75% of the tenement area still to be mapped the high prospectively of the area is evident.

Competent Persons Statement
The information relating to the Mineral Resources at the Agate Creek Project is extracted from the ASX Announcement as follows:

- *ASX Announcement titled 'Resource Update for Agate Creek Gold Project' dated 1 February 2016.*

The report is available to view on the Laneway Resources website www.lanewayresources.com.au. The report was issued in accordance with the 2012 Edition of the JORC Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. The company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement 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 that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

New Zealand Gold Project (North Island, New Zealand)

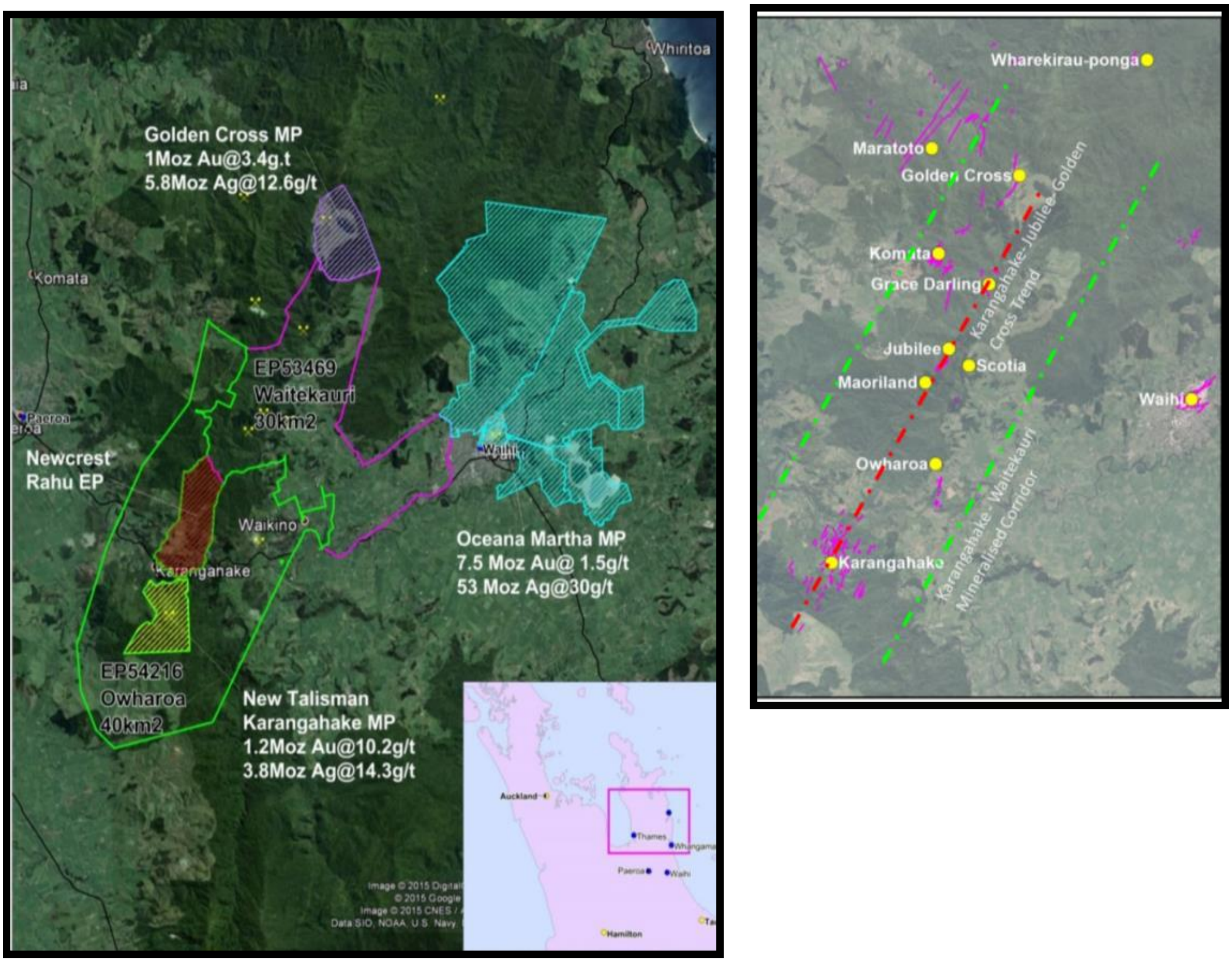
Exploration Update

Newcrest Mining Ltd. (Newcrest) withdrew from the LNJV farm-in agreement having spent approximately NZD$5million on ground while it completed the Phase 1 minimum work commitments. Newcrest has now elected not to proceed with the Phase 2 work commitments as the project no longer fits within Newcrest's current corporate objectives.

During the farm-in exploration completed by LNJV in the past 2 years has fulfilled all of the farm-in minimum commitments and the main work programs completed consisted of:

- Collection of over 1500 surface geochemical samples,
- Extensive geological mapping along with geochemical sampling as required,
- Completion of two geophysical programs for over 31 line km of IP,
- Drilling of 13 diamond holes for over 5000m.

All results have been received with several low-grade gold zones across the project which show good prospectivity and provide several untested targets. Laneway has proposed 15 drillholes and two small soil programs for follow up work for 2017/2018 Budget year which is still being actively reviewed and refined. The Waitekauri permit EP53469 has been granted and Extension of Duration over a reduced area of 30km^2 for a 5 year period. EPM54216 is due for renewal in January 2018. Laneway believe significant targets still exist within this highly prospective mineralised corridor with several drill ready targets.



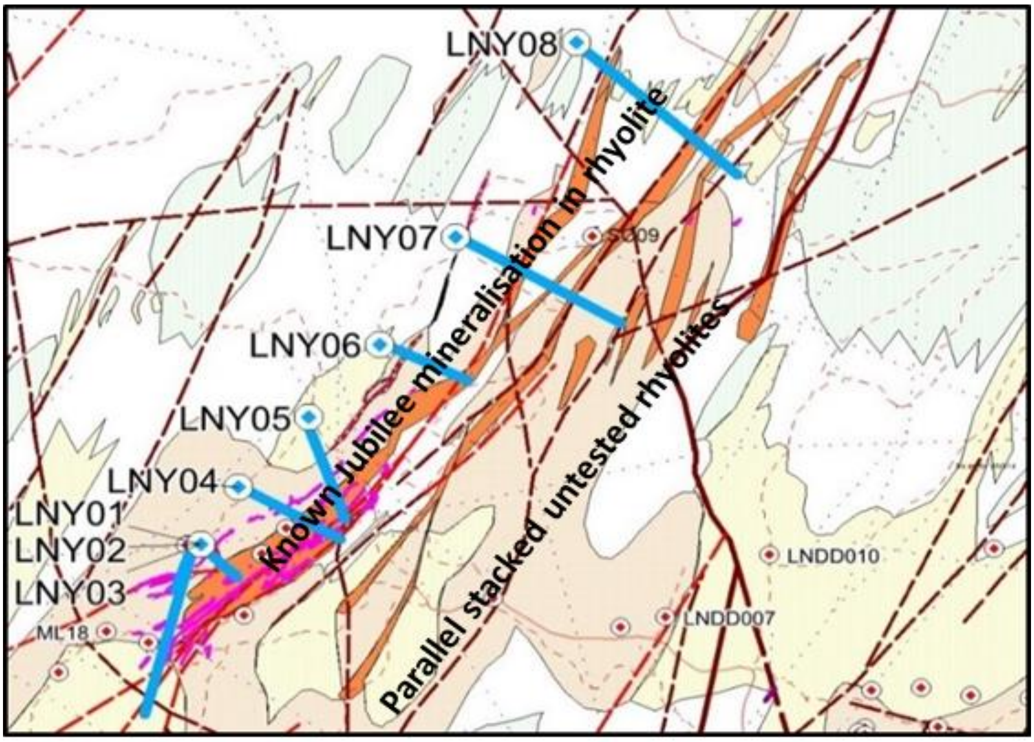
Current Project Area & Mineralised Trend

Exploration Overview

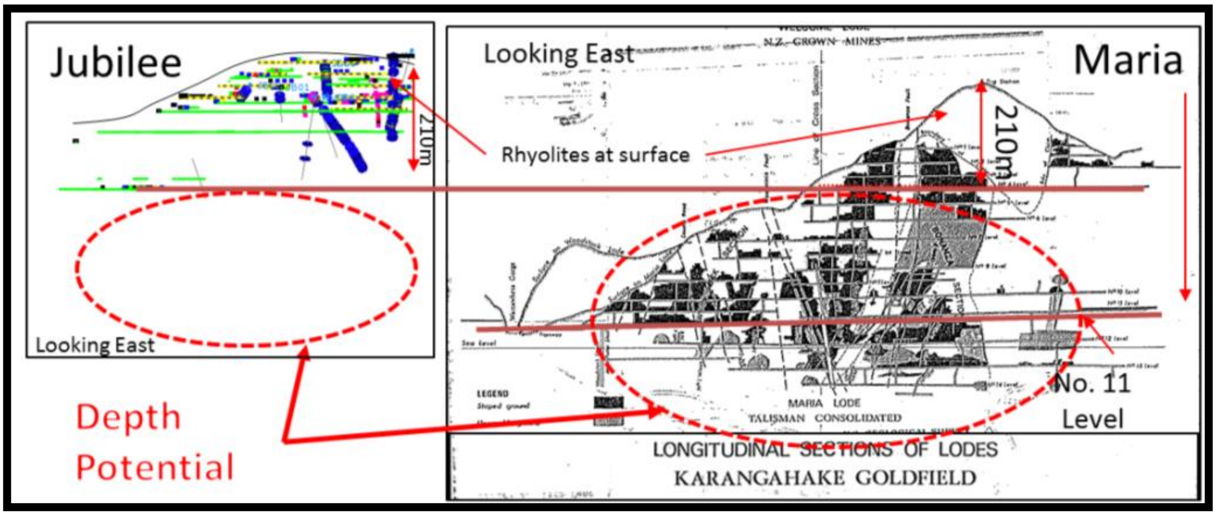
During the 2 year term of the farm-in period Newcrest has solely funded almost NZD$5 million of exploration on the project during which time Laneway has managed all on ground work and also earned a management fee (7.5%). Work completed has included over 1,500 geochemical samples, 31km of IP geophysical surveys and 13 drill holes totaling over 5,000m of drilling.

There are still several drill ready target areas within the project area. The most exciting of these areas is the 500m long Jubilee trend which was historically mined around the turn of last century with recorded production of 1,300oz of bullion from 2,118tons of quartz, further reports state quartz veining up to 32 feet wide in the lower levels 200m below surface.

This area has only had two holes deeper than 200m drilled and as such has significant depth potential particularly when compared to the Maria vein within the Karangahake Goldfield which sits 7km directly along trend as shown below.



Current planned holes along Jubilee trend



Sections showing comparison between Jubilee and Karangahake.

Geochemical Sampling

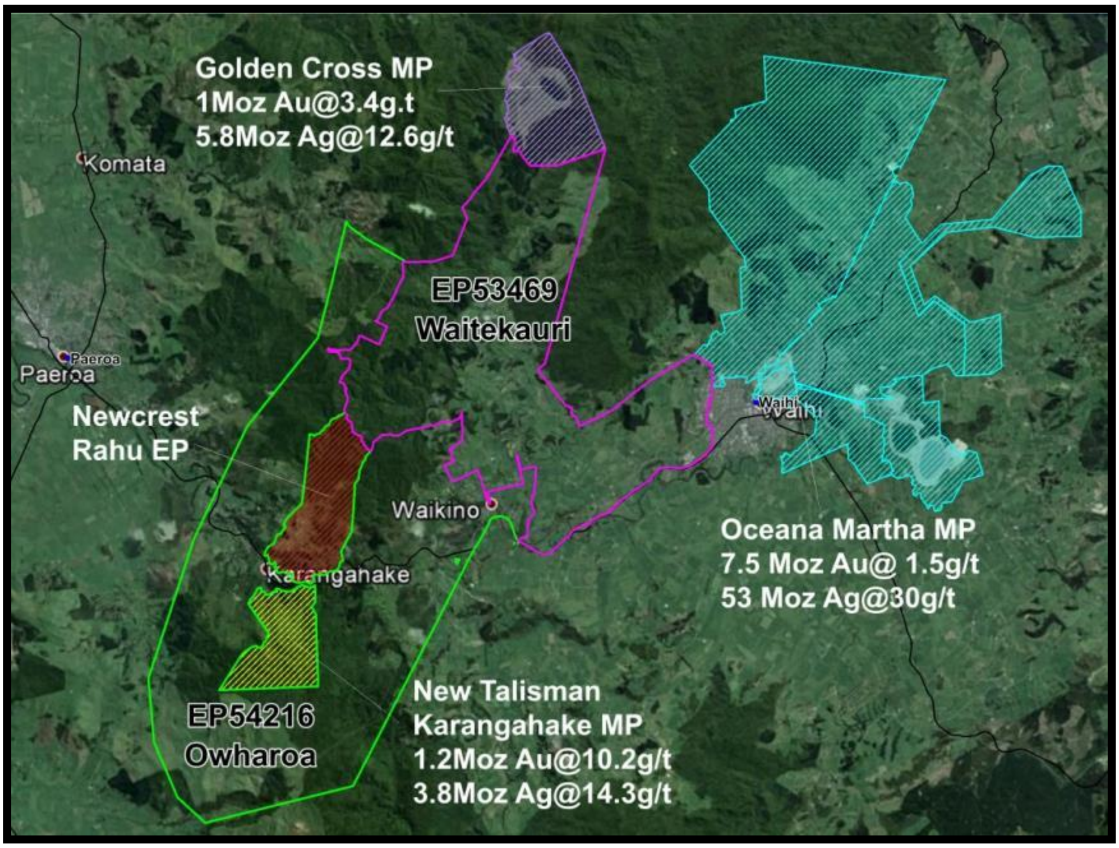
Ridge & spur soil sampling and rock chipping throughout both EP53469 (Waitekauri) & EP54216 (Owharoa) was completed with over 1,500 samples collected. The soils were designed on a nominal 500m line spacing with 100m sample spacing as topography allowed. Results from surface sampling show several broad low level anomalies in the Waitekauri Valley within the NNE trending structural corridor which is host to the Jubilee, Grace Darling, Maoriland, Sovereign and Scotia Deposits.

Geophysical Surveys

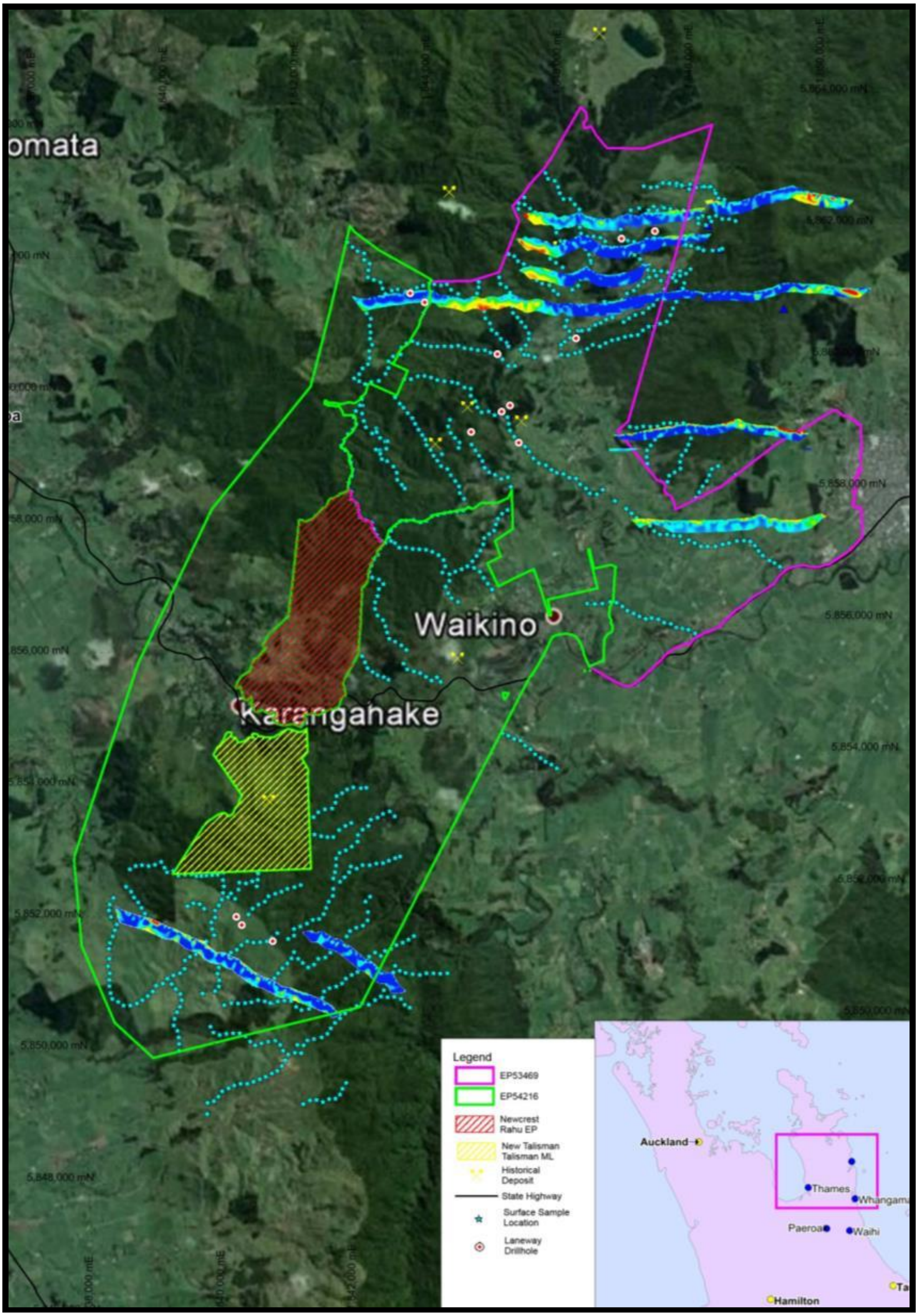
Follow up from the initial geochemical program included the decision to conduct two geophysical programs of pole–di-pole Induced Polarisation (IP) surveys. The first survey was designed on a 400m line spacing and the second on a 1,600m line spacing. A total of 31 line km of data, of which, 8 line km (two lines) was from Owharoa, was during the two programs. As part of the interpretation process historical IP survey data was reprocessed and merged with newly acquired data. The IP program confirmed the extension of the corridor of mineralisation from Golden Cross through to an area south of Karangahake (approx. 15km long). The program defined several anomalies which along with the geochemical and geological data were used to refine drill targets along this trend several of which have been drilled.

Diamond Drilling

The drilling commenced on the project in April 2016 and the current phase one drilling was paused in February 2017 with some weather delays during this period. All holes have encountered zones which explain the targets interpreted initially however gold results for these zones overall have been disappointing.



Location of New Zealand Project Tenure.



Work completed Project to date.
Includes some work completed on tenure which has since been relinquished

Background on the Project Area

The project is located on the North Island of New Zealand in the Hauraki goldfield, within the mineralised corridor that is host to the historic Karangahake and Golden Cross gold-silver mines, and in the same district as Oceana Gold operating Waihi Mine. The Hauraki goldfield is host to approximately 50 low-sulphidation epithermal prospects and deposits, and has yielded in excess of 45 million ounces of gold and silver

Historic mining occurred in the Project area between 1860 and 1952, with workings reaching a depth of up to 140m from surface. There remains significant scope for down dip and strike extensions of this mineralisation along a >7 km long prospective corridor. There is also the potential to delineate near surface resources that may be amenable to standard open cut mining techniques.

The geology of the Hauraki goldfield consists of a block-faulted basement of Jurassic greywacke (Mania Hill Group) overlain by a thick sequence of andesite and lesser dacite (Coromandel Group), and rhyolite and ignimbrite (Whitianga Group). Based on known occurrences of gold-silver deposits in the goldfield, two epithermal gold-silver mineral deposit models, andesite-hosted and rhyolite-hosted, are considered the most prospective.

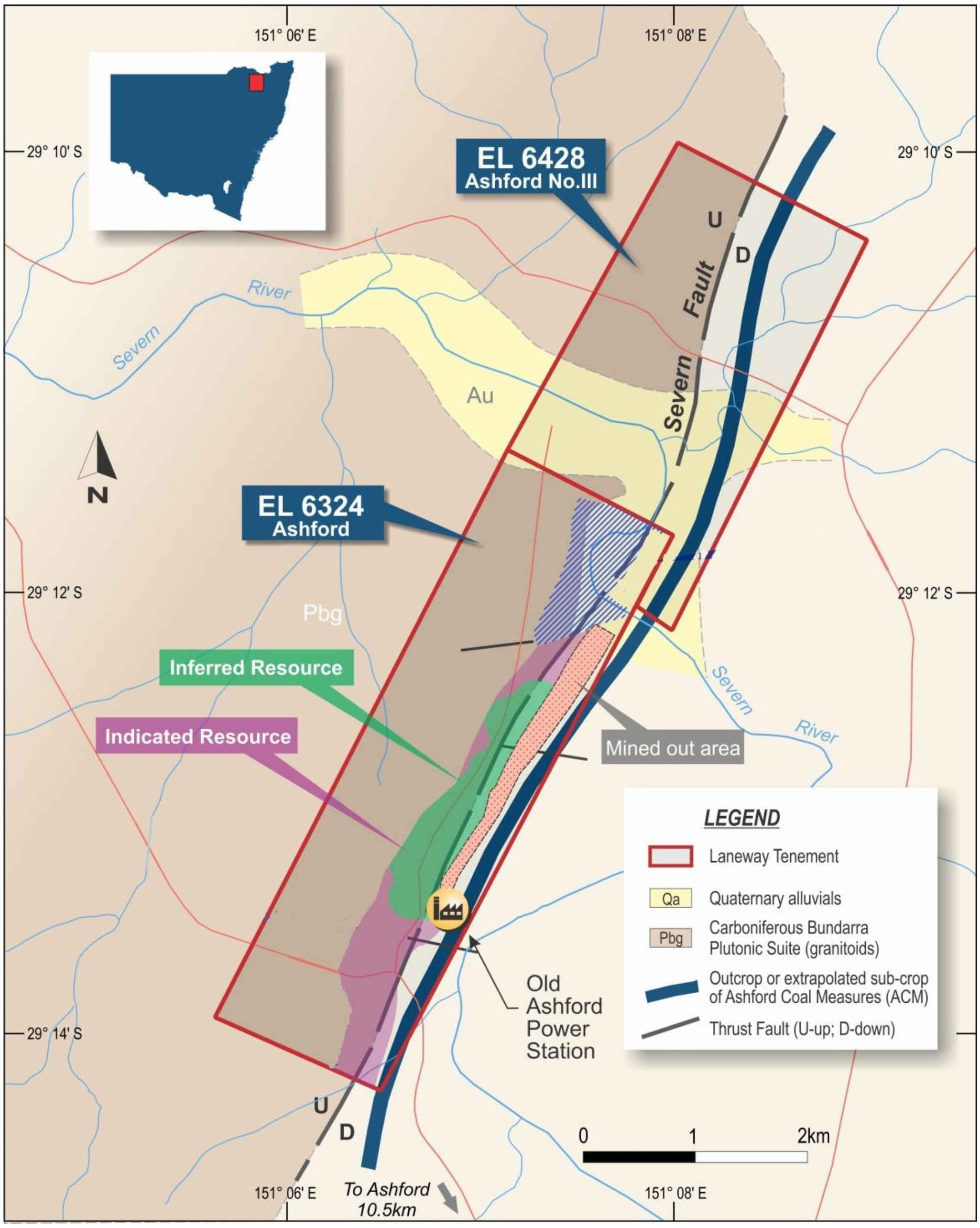
Andesite-hosted deposits comprise about 95% of past gold production. Gold and silver are localised in quartz veins that range up to 30m wide and approximately 800m long. Rhyolite-hosted deposits have produced less than 5% of the total historic gold production, but they have potential as low grade, large tonnage deposits. Gold and silver occur in sheeted and stockwork quartz veins, breccia pipes and disseminated in hydrothermally altered wall rocks, typical of hot springs type epithermal gold deposits.

Oceana Gold Martha Mine, Waihi New Zealand

Ashford Coking Coal JV Project (NSW)

The Ashford Coking Coal project is located approximately 60km north of Inverell (northern NSW) and comprises a 50/50 joint venture with Northern Energy Corporation, a 100% owned subsidiary of New Hope Corporation. Ashford is an advanced stage coking coal project with an identified resource. The aim is to progress towards a Mining Lease application over the resource area.

Quality test work has confirmed hard coking coal product equivalent to premium Bowen Basin coals. Review of coal quality data completed during the Quarter indicates a premium hard coking coal product could be produced from the project utilising a small mobile washing plant. Ongoing desktop studies are investigating the possibility of a small scale mining operation being started with low Capex following Mining Lease application and grant.



Ashford Project Resource & Geology Map

Ashford Resource Estimate

In 2012, a resource was estimated on a ply by ply basis with the same resource limits used for each ply. Only the Ashford coal seam was included and the maximum depth applied was 200m. Total resources across all tenure.

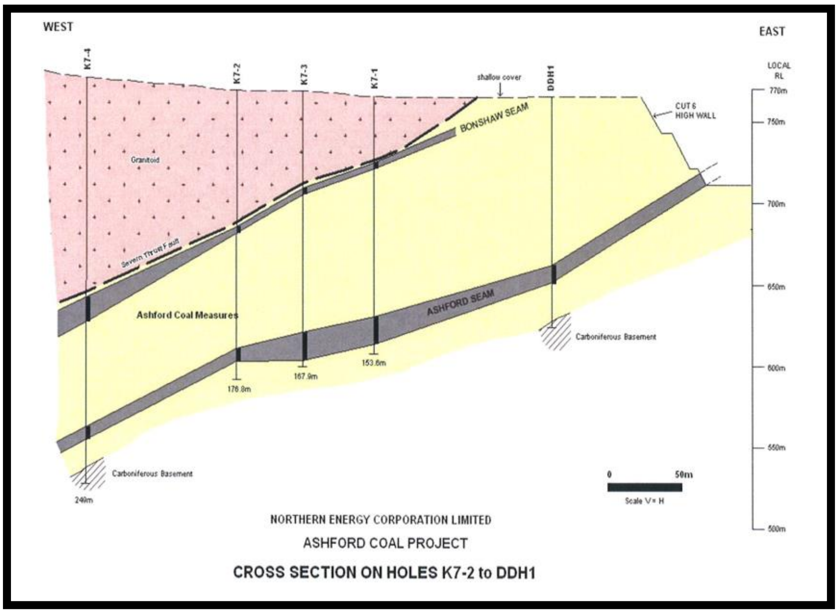
SEAM	DEPTH RANGE (M)	INDICATED (Mt)	INFERRED (Mt)	TOTAL (Mt)
A1	0-100	0.5	0.2	0.7
	100-200	1.4	0.5	1.9
A2	0-100	0.5	0.5	1
	100-200	1.2	0.6	1.8
A3	0-100	0.5	0.3	0.8
	100-200	1.2	0.5	1.7
A4	0-100	0.4	0.5	0.9
	100-200	0.9	0.6	1.5
A5	0-100	0.5	0.5	1
	100-200	1.1	0.6	1.7
TOTAL	0-100	2.4	2	4.4
	100-200	5.8	2.8	8.6
TOTAL		**8.2**	**5**	**13**

Estimated resources by seam group and depth range

Geology

The Permian aged Ashford coal measures are expressed as a narrow (<10km) 80km long basin stretching from the Queensland border in the north to Inverell in the south. The Ashford coal measures unconformably overlie highly deformed late carboniferous sediments assigned to the Texas Beds. EL6234 overlies part of the outcrop of the Ashford coal measures which dip to the west at 15-35 degrees.

The Ashford seam ranges from 0.2m to 24.4m in thickness and makes up the principle resource within EL6234. The upper Bonshaw seam also has been intersected in a number of drill holes, however these holes indicate that this seam is non-persistant and is currently of no economic interest. A cross section that demonstrates the structural setting within the Ashford deposit is shown below:



The geological database contains 156 drill holes, of which 139 were used for constructing the structural model. The majority of drill holes used in the calculation of the resource were drilled by the current joint venture partners since being granted tenure in 2005.

Coal Quality Modelling

A total of 28 drill holes which contained valid coal quality data within core samples were used to construct the coal quality model. Statistics from each seam, at air-dried basis, are outlined below.

Average Coal Quality Statistics

SEAM	No. of Samples	Ash % (ad)	Moisture % (ad)	Volatile Matter % (ad)	RD g/cc (ad)	CSN	Specific Energy mj/kg (ad)
A1	20	11.4	0.9	23.9	1.41	5.5	31.4
A2	25	16.8	0.9	22.5	1.47	4.5	29.1
A3	27	18.4	0.9	21.7	1.48	4.5	28.5
A4	25	23.7	1.0	19.9	1.54	3.5	26.4
A5	23	24.6	1.0	19.1	1.55	2.0	25.3

Infrastructure

Several road – rail options have been reviewed independently reviewed by Laneway internally with several seeming viable at current coking coal prices.

1. Road haulage to Port of Brisbane using covered B doubles. Maximum of 500ktpa.
2. Road haulage to Inglewood; then rail to port of Brisbane.
3. Road haulage to Moree; then rail to port of Newcastle.
4. Road haulage to Yetman; then rail to Port of Brisbane. Only when the Federal Inland Rail project is completed.

Directors' Report (including Remuneration Report)

The directors present their report on Laneway Resources Limited and its controlled entities (the "company", "consolidated entity", "Group" or "Laneway") for the year ended 30 June 2017.

Directors
The names and details of the Company's directors in office during the financial year and until the date of this report are as follows. Directors were in office for the entire period unless otherwise stated.

Names, qualifications, experience and special responsibilities

SG Bizzell *BCom, MAICD (*Executive Chairman)
Stephen is Chairman of boutique corporate advisory and funds management group, Bizzell Capital Partners Pty Ltd. He has had considerable experience and success in the fields of corporate restructuring, debt and equity financing, and mergers and acquisitions and has over 20 years corporate finance and public company management experience in the resources sector in Australia and Canada with various public companies. Stephen was an Executive Director of Arrow Energy Ltd from 1999 until its takeover for $3.5 billion by Royal Dutch Shell and PetroChina in August 2010. Early in his career he was employed in the corporate finance division of Ernst & Young and the tax division of Coopers & Lybrand and qualified as a Chartered Accountant.

Other Listed Company Directorships in the past three years:
- Armour Energy Ltd (listed April 2012)
- Renascor Resources Ltd (listed December 2010)
- Stanmore Coal Ltd (listed December 2009)
- UIL Energy Ltd (listed November 2014)
- Augend Ltd (listed December 2011, resigned April 2016)
- HRL Holdings Ltd (appointed September 2009, resigned August 2014)
- Diversa Ltd (appointed August 2010, resigned October 2016)

RS Anthon *BA LLB MAICD* (Non-Executive Director)
Rick Anthon is a non-executive director of the Company. He holds a Bachelor of Arts and a Bachelor of Laws from the Australian National University. He is a member of the Australian Institute of Company Directors and the Australian Mining and Petroleum Lawyers Association. Rick has over thirty years experience in corporate and commercial law with particular expertise in the mining exploration, mineral development and energy sectors.

Other Listed Company Directorships in the past three years:
- Bass Metals Ltd (appointed October 2013)
- Elementos Ltd (appointed January 2016, resigned October 2016)
- Pacific American Coal Ltd (appointed October 2010, resigned February 2016)
- Stratum Metals Ltd (appointed October 2011, resigned December 2014)
- Lamboo Resources Ltd (appointed June 2012, resigned January 2014)

M Baker *BA GAICD* (Non-Executive Director)
Mark is Chief Executive Officer of the Melbourne Press Club and a former senior editor and national editorial executive with Fairfax Media. Mark has extensive experience working across Asia and in government relations at a national and state level. He is a board member of the Defence Reserves Support Council (Victoria), has a Bachelor of Arts degree and is a Graduate of the Australian Institute of Company Directors.

Other Listed Company Directorships in the past three years:
- Aus Asia Minerals Ltd (appointed November 2016)

Company Secretary

P Marshall *LLB, ACA*
Paul Marshall holds a Bachelor of Law degree and is a Chartered Accountant. He has more than thirty years experience including over twenty years spent in commercial roles as Company Secretary and CFO for a number of listed and unlisted companies mainly in the resources sector.

Interests in the shares and options of the Company

Interests of the directors in the shares and options of the Company as at the date of this report are:

	Ordinary Shares
Stephen Bizzell	1,099,902,623
Rick Anthon	72,782,866
Mark Baker	150,394,976

Corporate Information

Corporate Structure
Laneway Resources Limited is a company limited by shares that is incorporated and domiciled in Australia. Laneway Resources Limited has prepared a consolidated financial report encompassing the entities that it controlled or had significant influence over during the financial year:

Laneway Resources Limited had the following investments in controlled companies throughout the financial year:
- Renison Coal Pty Ltd (100%)
- Agate Creek Holdings Pty Ltd (100%)

Principal Activities

The principal activities of the Group during the year were the exploration for and evaluation of gold and coal tenements.

Operating Results

During the year Laneway continued with exploration activities on its gold project at Agate Creek in Queensland with progress being made towards seeking a Mining Licence with the aim of starting to mine and process up to 200,000 tonnes of high grade near surface ore from the Agate Creek Gold Project. Laneway also undertook exploration activities on its New Zealand tenements by way of a Farm-In agreement with Newcrest covering Laneway's Southern Coromandel Gold Project in New Zealand.

Revenue
As an early stage exploration company, Laneway Resources Limited does not generate any income.

Expenses
The Consolidated Entity's main sources of expenses are as follows:

	2017
	$
Employment and consultancy expenses	374,571
Finance costs	16,485
Corporate & Administration expenses	254,439
Total expenses	645,495

Comparison with Prior Year
For the year ended 30 June 2017, the loss for the Consolidated Entity after providing for income tax was $630,483 (2016: loss of $708,156):

	2017 $	2016 $
Revenue and other income/(expenses)	15,012	(865)
Depreciation and amortisation expenses	-	(1,459)
Finance costs	(16,485)	(31,938)
Employment costs	(374,571)	(395,226)
Other expenses	(254,439)	(278,668)
Loss before income tax	(630,483)	(708,156)

The adjusted loss for the 2017 financial year is approximately $78,000 lower than the adjusted loss of 2016. This reduction is attributable to:

	$
Reduced interest expense due to the full repayment of loans during the year.	(15,453)
Reduction in employee costs	(20,655)
Other net changes in sundry revenue, administrative and other costs	(41,566)
	(77,674)

Review of Financial Condition

Capital structure
In the 2017 financial year Laneway issued the following new securities:

- In May liabilities of $112,765 were extinguished by the issue of 37,588,208 shares at $0.003 per share.

At 30 June 2017, the Company had 3,060,666,527 ordinary shares on issue.

Treasury policy
The Company does not have a formally established treasury function. The Board is responsible for managing the Company's currency risks and finance facilities.

Liquidity and funding
The Company has in the 2017 financial year continued to be supported by the raising of capital and by a loan facility provided by the Chairman of the Company while it seeks to develop the exploration assets owned by the Company.

Dividends

No dividend was paid during the year and none is recommended as at 30 June 2017.

Significant Changes in the State of Affairs

There were no significant changes in the State of Affairs of the Group during the year.

Matters Subsequent to the End of the Financial Year

No matter or circumstance has arisen since 30 June 2017, that has significantly affected, or, may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in financial years subsequent to 30 June 2017.

Likely Developments and Expected Results of Operations

There are no developments of which the directors are aware which could be expected to affect the results of the Group's operations in subsequent financial years other than information which the directors believe comment on or disclosure of, would prejudice the interests of the Group.

Share Options

At balance date and at the date of this report there are no options outstanding.

Meetings of Directors

The following table sets out the number of director's meetings held during the year ended 30 June 2017 and the number of meetings attended by each director. There are no separate Board Committees.

	Directors' Meetings	
Director	A	B
S Bizzell	2	2
R Anthon	2	2
M Baker	2	2

A = Number of meetings held during the time the Director held office during the year.
B = Number of meetings attended.

Indemnification of Officers or Auditor

During the financial year Laneway paid a premium to insure each of the directors against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in a capacity of Director other than conduct involving a wilful breach of duty in relation to the Group. The contract of insurance prohibits the disclosure of the nature of the liabilities covered and the amount of the premium paid. The Corporations Act does not require disclosure of the information in these circumstances. The Group has not indemnified its auditor.

Proceedings on Behalf of the Company

No person has applied for leave of Court to bring proceedings on behalf of the Group or intervene in any proceedings to which the Group is a party for the purpose of taking responsibility on behalf of the Group for all or any part of those proceedings. The Group was not a party to any such proceedings during the year.

Environmental Regulation and Performance

The Company held authorisations under various exploration licences. There have been no known breaches of the authorisation or licence conditions.

REMUNERATION REPORT - AUDITED

This report outlines the remuneration arrangements in place for the directors and key management personnel of Laneway Resources Limited (the Group).

Remuneration Policy

The performance of the Group depends upon the quality of its directors and executives. To prosper, the Group must attract, motivate and retain highly skilled directors and executives.

The full Board of Directors is responsible for determining and reviewing compensation arrangements for the directors and the executive team. The Board assesses the appropriateness of the nature and amount of emoluments of such officers on a periodic basis by reference to relevant employment market conditions with the overall objective of ensuring maximum stakeholder benefit from the retention of a high quality board and executive team. Such officers are given the opportunity to receive their base emolument in a variety of forms including cash, equity and fringe benefits. It is intended that the manner of payments chosen will be optimal for the recipient without creating undue cost for the Group. Further details on the remuneration of directors and executives are set out in this Remuneration Report.

The Group aims to reward the executive directors and key management personnel with a level and mix of remuneration commensurate with their position and responsibilities within the Group. The Board's policy is to align director and executive objectives with shareholder and business objectives by providing a fixed remuneration component and offering long-term incentives.

In accordance with best practice corporate governance, the structure of non-executive director and executive director and key management personnel remuneration is separate and distinct.

Non-Executive Director Remuneration

The Board seeks to set aggregate remuneration at a level that provides the Company with the ability to attract and retain directors of the highest calibre, whilst incurring a cost that is acceptable to shareholders.

The Company's specific policy for determining the nature and amount of emoluments of board members of the Company is as follows:

- The Constitution of the Company provides that the non-executive directors are entitled to remuneration as determined by the Company in general meeting to be apportioned among them in such manner as the directors agree and, in default of agreement, equally. The aggregate remuneration currently determined by the Company is $200,000 per annum. Additionally, non-executive directors will be entitled to be reimbursed for properly incurred expenses.

- If a non-executive director performs extra services, which in the opinion of the directors are outside the scope of the ordinary duties of the director, the Company may remunerate that director by payment of a fixed sum determined by the directors in addition to or instead of the remuneration referred to above. A non-executive director is entitled to be paid travelling and other expenses properly incurred by them in attending director's or general meetings of the Company or otherwise in connection with the business of the Company.

Executive Director and Key Management Personnel Remuneration

The Group aims to reward the executive directors and key management personnel with a level and mix of remuneration commensurate with their position and responsibilities within the Company so as to:

- reward executives for company and individual performance against targets set by reference to appropriate benchmarks;
- align the interests of executives with those of shareholders;
- link reward with the strategic goals and performance of the Company; and
- ensure total remuneration is competitive by market standards.

The remuneration of the executive directors and key management personnel may from time to time be fixed by the Board. The remuneration will comprise a fixed remuneration component and also may include offering specific short and long-term incentives, in the form of:

- performance based salary increases and/or bonuses; and/or
- the issue of options

Employment Contracts

It is the Board's policy that employment agreements are entered into with all executive directors, executives and employees. No current employment contracts contain early termination clauses. All non-executive directors have contracts of employment.

Stephen Bizzell is engaged as Executive Chairman. His agreement is a consultancy style agreement for the provision of services. Services are invoiced at a weekly rate of $2,320.

Paul Marshall is engaged as Company Secretary and CFO. His agreement is a consultancy style agreement for the provision of services. Services are invoiced at a weekly rate of $2,500.

Vaughan Wishart was engaged as Chief Operating Officer from March 2016. His agreement was a consultancy style agreement for the provision of services. Services were invoiced at $1,000 per day.

Discussion of the Relationship between the Remuneration Policy and the Consolidated Entity's Performance

The factors that are considered to affect shareholder return are summarised below:

Measures	2017 $	2016 $	2015 $	2014 $	2013 $
Share price at end of financial year	$0.003	$0.004	$0.005	$0.002	$0.022
Earnings/(loss) per share (cents)	(0.021)	(0.029)	(0.19)	(0.15)	(5.26)
Loss for the financial year	(630,483)	(708,156)	(3,116,223)	(1,636,903)	(3,603,983)
Director & Key Management Personnel remuneration	662,130	580,364	526,197	542,726	725,942

The Board considers the Consolidated Entity's performance in the above matters when setting remuneration along with other factors relevant to an exploration company including the following:

- the identification of prospective tenements;
- subsequent design and execution of exploration programs;
- negotiating joint venture arrangements on terms favorable to the Company;
- expanding the level of mineral resources under the control of the company; and
- carrying out exploration and development programs in a timely and cost effective manner.

Details of Directors and Key Management Personnel

Directors

R Anthon	Director (Non-executive)
S Bizzell	Chairman (Executive Chairman)
M Baker	Director (Non-executive)

Key Management Personnel

S Hall	Exploration Manager
P Marshall	Company Secretary
V Wishart	COO (appointed March 2016)

Key management personnel are those directly accountable and responsible for the operational management and strategic direction of the Company and the Group.

Director remuneration

	Short-term			Long-**term**	**Post-Employ-ment**	**Share-based payment**	**Total**	**Perform-ance Related %**	**% consist-ing of equity**
	Salary & Fees $	Cash Bonus $	Non-cash benefits $	Leave provision movement $	Superan-nuation $	Shares/ Options $	**$**		
R Anthon									
2017	36,000	-	-	-	-	-	36,000	-	-
2016	36,000	-	-	-	-	-	36,000	-	-
S Bizzell									
2017	120,640	-	-	-	-	-	120,640	-	-
2016	120,640	-	-	-	-	-	120,640	-	-
M Baker									
2017	36,000	-	-	-	-	-	36,000	-	-
2016	36,000	-	-	-	-	-	36,000	-	-
TOTAL									
2017	192,640	-	-	-	-	-	192,640	-	-
2016	192,640	-	-	-	-	-	192,640	-	-

Remuneration of the other key management personnel

	Short-term			Long-**term**	**Post-Employ-ment**	**Share-based payment**	**Total**	**Perform-ance Related %**	**% consist-ing of equity**
	Salary & Fees $	Cash Bonus $	Non-cash benefits $	Leave provision movement $	Superan-nuation $	Shares/ Options $	**$**		
S Hall									
2017	194,354	-	-	6,672	18,464	-	219,490	-	-
2016	187,876	-	-	(4,799)	17,848	-	200,925	-	-
P Marshall									
2017	130,000	-	-	-	-	-	130,000	-	-
2016	130,000	-	-	-	-	-	130,000	-	-
V Wishart									
2017	120,000	-	-	-	-	-	120,000	-	-
2016	52,000	-	-	-	-	-	52,000	-	-
TOTAL									
2017	444,554	-	-	6,672	18,464	-	469,490	-	-
2016	369,876	-	-	(4,799)	17,848	-	382,925	-	-

No long term benefits have been paid or accrued for any director or key management personnel in the year ended 30 June 2017 (2016:nil). No long term benefits have been paid or accrued for any director or key management personnel in the year ended 30 June 2017 (2016:nil), other than S. Hall who has a long service leave entitlement of $9,715 (2016: $6,476) as at 30 June 2017. S. Hall also has an annual leave entitlement of $24,370 (2016: $20,936).

Compensation securities: Granted and vested during the year and issued on exercise of compensation options

No compensation securities were issued during the 2017 or the 2016 financial years. No shares were issued on the exercise of compensation options in the 2016 or 2017 financial years. There are currently no outstanding compensation options on issue.

Option holdings of directors and key management personnel

No options were held by directors or key management personnel at 30 June 2017 or 2016.

Security holdings of directors and key management personnel

All equity transactions with directors and key management personnel other than those arising from the exercise of remuneration options have been entered into under terms and conditions no more favourable than those the entity would have adopted if dealing at arm's length. On market, public offer transactions and conversion of Convertible Notes are included within Net Change Other in the table below:

Ordinary Shares

2017	Balance 1/7/16	Granted as Remuneration	On Exercise of Options	Appointment/ Resignation	Net Change Other	Balance 30/6/17
Directors						
RS Anthon	72,782,866	-	-	-	-	72,782,866
SG Bizzell	1,099,902,623	-	-	-	-	1,099,902,623
M Baker	150,394,976	-	-	-	-	150,394,976
Key Management Personnel						
S Hall	1,014,833	-	-	-	-	1,014,833
P Marshall	80,318,465	-	-	-	19,681,535	100,000,000
V Wishart	1,666,667	-	-	-	17,906,673	19,573,340
Total	1,406,080,430	-	-	-	37,588,208	1,443,668,638

Loans with directors and key management personnel.

Bizzell Nominees Pty Ltd a company associated with Mr Stephen Bizzell provided a loan facility to the company during the 2014 year with a repayment date of 31 December 2018. The total facility provided is for up to $2,000,000. At the 30 June 2017 balance date the outstanding balance on the loan facility was $368,620 (2016 - $nil). Interest accrued on the facilty during the 2017 financial year was $14,620 (2016 - $7,348). During the year ended 30 June 2017 $354,00 was advanced to the company. During the year ended June 2016 $172,200 was advanced to the company and $326,925 was repaid consisting of $244,200 in cash payments and $82,725 settled through the issue of shares (2015 - $494,574 -consisiting of $288,000 in cash payments and $206,574 settled through the issue of shares). The interest rate on the loan is 10%.

Other transactions and balances with directors and key management personnel and amounts recognised at the reporting date in relation to other transactions

Purchases

Mr R S Anthon was a Director of Hemming+ Hart, Lawyers until 1 November 2013. Hemming+ Hart had provided legal services to Laneway over a number of years and a debt was owed to Hemming and Hart at the time of Mr Anthon's departure from the firm. On 3 July 2014 Laneway and ACN 143 114 719 Pty Ltd executed a Deed of Acknowledgment and Debt and a General Security Agreement (GSA) to secure the payment of the outstanding fees. On 23 December 2014 ACN 143 114 719 Pty Ltd assigned the debt and the rights under the GSA to Nambia Pty Ltd as Trustees of the Anthon Family Superannuation Fund (a company associated with Mr Anthon) after Nambia acquired the debt on a dollar for dollar basis. As at the balance date $150,000 (2016: $150,000) remains an outstanding trade creditor payable. Interest of $11,260 was accrued on the debt in the 2016 year at an interest rate of 10%. During the 2016 year a total of $50,641 was paid to reduce the liability by way of the issue of 16,880,249 shares at $0.003 per share. The services were based on normal commercial terms and conditions.

End of Remuneration Report - Audited

Auditor Independence Declaration under Section 307c of the Corporations Act 2001 and Non-Audit Services

The Auditor's Independence Declaration is attached and forms part of the Director's Report for the year ended 30 June 2017.

BDO Audit Pty Ltd continues in office in accordance with section 327 of the Corporations Act 2001.

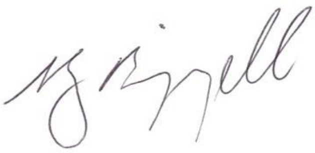
The Company may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Company and/or the group are important.

The Board of Directors has considered the position and are satisfied that the provision of the non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001.* The Directors are satisfied that the provision of non-audit services by the auditor, as set out below, did not compromise the auditor independence requirements of the *Corporations Act 2001* for the following reasons:

- all non-audit services have been reviewed by the Board of Directors to ensure they do not impact the impartiality and objectivity of the auditor
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 *Code of Ethics for Professional Accountants.*

During the year no fees were paid or are payable for non-audit services provided by the auditor of the parent entity, BDO Audit Pty Ltd and its related practices.

Signed in accordance with a resolution of the Board of Directors



SG Bizzell
Chairman
Brisbane, 28 September 2017

Tel: +61 7 3237 5999
Fax: +61 7 3221 9227
www.bdo.com.au

Level 10, 12 Creek St
Brisbane QLD 4000
GPO Box 457 Brisbane QLD 4001
Australia

DECLARATION OF INDEPENDENCE BY T R MANN TO THE DIRECTORS OF LANEWAY RESOURCES LIMITED

As lead auditor of Laneway Resources Limited for the year ended 30 June 2017, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Laneway Resources Limited and the entities it controlled during the period.

T R Mann
Director

BDO Audit Pty Ltd

Brisbane, 28 September 2017

ADDITIONAL STOCK EXCHANGE INFORMATION

Additional information required by the Australian Securities Exchange Ltd and not shown elsewhere in this report is as follows. The information is current as at 22 September 2017.

SHAREHOLDER INFORMATION

Distribution of Number of Holders of Each Class of Securities as at 22 September 2017.

	Ordinary shares fully paid
Number of Securities Held	Nos of holders
1 to 1,000	3,109
1,001 to 5,000	486
5,001 to 10,000	159
10,001 to 100,000	214
100,001 and over	677
	4,645
Number of shareholders holding less than a marketable parcel of shares	3,981

Twenty Largest Holders of Each Quoted Security

LNY – Ordinary Fully Paid Shares

No.	Name of Shareholder	Holding	% Held
1	BIZZELL CAPITAL PARTNERS PTY LTD	600,013,333	19.60
2	BIZZELL NOMINEES PTY LTD	355,673,144	11.62
3	DOWNSHIRE INVESTMENTS PTY LTD	100,000,000	3.27
4	SYPCO HOLDINGS PTY LTD	83,475,173	2.73
5	WARBURTON PARTNERS PTY LTD	75,653,866	2.47
6	BCP ALPHA INVESTMENTS LIMITED	65,062,097	2.13
7	MR COLIN ROBERT SEARL & MRS CYNDA SEARL	62,000,000	2.03
8	WARBURTON PARTNERS PTY LTD	56,333,333	1.84
9	RICHARD STACY ANTHON	54,282,900	1.77
10	HORRIE PTY LTD	50,000,000	1.63
11	ROOKHARP INVESTMENTS PTY LIMITED	45,000,000	1.47
12	MR BENJAMIN ALEXANDER FISHER	41,111,111	1.34
13	J P MORGAN NOMINEES AUSTRALIA LIMITED	40,044,491	1.31
14	MR NICHOLAS ANDREW WANE CUNNINGHAM	36,917,747	1.21
15	DOUG SCOTT HOLDINGS PTY LTD	34,457,248	1.13
15	NAMBIA PTY LTD	32,600,243	1.07
17	BIZZELL NOMINEES PTY LTD	32,000,000	1.05
18	DR MICHAEL RYAN & MRS KIMBERLEY DALE RYAN	22,887,500	0.75
19	MR PETER JOSEPH LAWLOR	20,000,000	0.65
20	PREPET PTY LTD	20,000,000	0.65
		1,827,512,186	**59.71**

Voting Rights

(i) All fully paid ordinary shares carry one vote per share without restriction.
(ii) All partly paid ordinary shares carry a fraction of one vote per share equal to the proportion that the amount paid up bears to the total issue price.

Substantial Shareholders

Mr Stephen Grant Bizzell holds an interest in 1,099,902,623 ordinary shares – 35.94%

Unquoted Securities

There are no unquoted securities as at 22 September 2017.

Interests in Mining Tenements

Laneway Resources Limited held the following interests in mining and exploration tenements as at 22 September 2017:

Queensland Tenements

Type	Title No	Location	Interest
EPM	17632	Agate Creek	100%
EPM	17949	Agate Creek	100%
MDL	402	Agate Creek	100%
EPM	17788	Agate Creek	100%
EPM	17626	Agate Creek	100%
EPM	17739	Agate Creek	100%
EPM	17629	Agate Creek	100%
EPM (Application)	26460	Agate Creek	100%
MLA (Application)	100030	Agate Creek	100%

NSW Tenements

Type	Title No	Location	Interest
EL	6234	Ashford	50%
EL	6428	Ashford North	50%

New Zealand Tenements

Type	Title No	Location	Interest
EP	53469	Waitekauri	100%
EP	54216	Owharoa	100%

ANNUAL MINERAL RESOURCE STATEMENT

In accordance with ASX Listing Rule 5.21, the Company reviews and reports its Mineral Resources at least annually. The date of reporting is 30 June each year, to coincide with the Company's end of financial year balance date. If there are any material changes to its Mineral Resources over the course of the year, the Company is required to promptly report these changes.

Agate Creek Project

Mineral Resource Statement – Agate Creek Gold Project 30 June 2017

During 2016 the company completed an updated JORC resource estimate for the Agate Creek project. There has been no change to this resource in the 2017 financial year. On 1 February 2012 Laneway announced (ASX Release 1 February 2012: Resource Update for Agate Creek Gold Project), an updated JORC compliant global Mineral Resource of 381,000 ozs at 0.5 g/t gold cut-off grade (Table 1), which replaced the earlier 2011 Mineral Resource announcement. The 2016 update includes drilling completed in 2014 and 2015 and also a high grade zone at Sherwood with an Indicated Mineral Resource of 89,000 tonnes @ 6.0 g/t (Table 2).

The global recoverable Mineral Resource in Table 1 is at a 0.5 g/t Au cut-off suitable for a large open pit operation. A continuous high grade Mineral Resource can be interpreted at cut-off of 2 g/t Au for Sherwood and 1 g/t Au for Sherwood West and reported in Table 2. Table 2 represents a subset of Table1.

Table 1: Total recoverable Mineral Resource at 0.5 g/t gold cut-off grade (rounded to '000 oz)

Classification	Sherwood			Sherwood South			Sherwood West			Total		
	Mt	Au g/t	Au oz	Mt	Au g/t	Au oz	Mt	Au g/t	Au oz	Mt	Au g/t	Au oz
Indicated	2.8	1.6	140000	0.0			2.2	1.6	112000	5.0	1.6	252000
Inferred	1.4	1.3	57000	0.3	1.2	12000	1.5	1.2	59000	3.2	1.2	128000
Total	4.2	1.5	197000	0.3	1.2	12000	3.7	1.4	171000	8.2	1.4	381000

Table 2: High grade Mineral Resource subsets (rounded to '00 oz)

Area	Cut-off	Indicated			Inferred			Total		
	Au g/t	Kt	Au g/t	Au oz	Kt	Au g/t	Au oz	Kt	Au g/t	Au oz
Sherwood	2.0	89	6.01	17300	0			89	6.01	17300
Sherwood West	1.0	1018	1.82	59600	146	1.72	8100	1164	1.81	67700
Total		1107	2.16	76900	146	1.72	8100	1254	2.11	85000

Ashford Joint Venture

The Ashford Coking Coal Project comprises a 50% Joint Venture with Northern Energy Corporation (NEC), now a 100% subsidiary of New Hope Corporation. The Joint Venture incorporates the Ashford Mine Area (EL 6234 and EL 6428) and NEC is managing both areas. Total resources within EL6234 have been estimated at 13 million tonnes of insitu coal with 8 million tonnes classified as Indicated and 5 million tonnes as Inferred. Of the total resource, 4.4 million tonnes are at a depth less than 100m while 8.6 million tonnes are between 100m and 200m depth. These estimates are pursuant to the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' (the "JORC Code") 2004 Edition. The Mineral Resource was last reported in February 2012. There has been no material change to the Resource Statement reported in 2012 and as such is still valid.

The table below presents a summary of the results of the resource estimate.

Mineral Resource Statement – Ashford Coking Coal Project 30 June 2017 and 30 June 2016

SEAMS	DEPTH RANGE (M)	INDICATED (Mt)	INFERRED (Mt)	TOTAL (Mt)
A1 –A5	0-200	8	5	13
TOTAL		8	5	13

Material Changes and Resource Statement Comparison

There have been no material changes to the Mineral Resource estimates during the review period from 1 July 2016 to 30 June 2017.

Governance Arrangements and Internal Controls

Laneway has ensured that the Mineral Resources quoted are subject to good governance arrangements and internal controls. The Mineral Resources reported have been generated by suitably qualified personnel who are experienced in best practices in modelling and estimation methods, and also undertaken reviews of the quality and suitability of the underlying information used to determine the resource estimate.

Competent Persons Statement

The information in this Annual Report that relates to Exploration Results and Mineral Resources is based on information compiled and/or reviewed by Mr Scott Hall who is a member of the Australian Institute of Mining and Metallurgy. Mr Hall is a full-time employee of Laneway Resources Limited and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves.' Mr Hall consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information for the Ashford Coal Resources was prepared and first disclosed under the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported.

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2017

	Note	Consolidated 2017 $	2016 $
Revenue		13,845	1
Other Income/(Expenses)		1,167	(866)
Depreciation and amortisation expenses		-	(1,459)
Finance costs	2	(16,485)	(31,938)
Employment costs	2	(374,571)	(395,226)
Other expenses	2	(254,439)	(278,668)
Loss before tax		(630,483)	(708,156)
Income tax expense	3	-	-
Loss for the year		(630,483)	(708,156)
Other comprehensive income		-	-
Total comprehensive income for the year		(630,483)	(708,156)
Total comprehensive income for the year is attributable to:			
Owners of Laneway Resources Limited		(630,483)	(708,156)
Loss per share			
Basic and diluted loss per share (cents per share)	13	(0.02)	(0.03)

The above statement of comprehensive income should be read in conjunction with the accompanying notes

BALANCE SHEET
AS AT 30 JUNE 2017

	Note	Consolidated 2017 $	2016 $
Current Assets			
Cash and cash equivalents		54,017	643,500
Trade and other receivables		2,352	-
Available for sale financial assets		4,533	3,366
Other receivables		19,318	21,630
Total Current Assets		80,220	668,496
Non-Current Assets			
Other receivables		37,500	37,500
Exploration and evaluation assets	4	10,332,979	9,478,551
Total Non-Current Assets		10,370,479	9,516,051
Total Assets		10,450,699	10,184,547
Current Liabilities			
Trade and other payables	5	1,397,298	998,507
Borrowings		-	2,849
Employee leave provisions		84,887	65,581
Total Current Liabilities		1,482,186	1,066,937
Non-Current Liabilities			
Borrowings	6	368,620	-
Provisions	7	205,650	205,650
Total Non-Current Liabilities		574,270	205,650
Total Liabilities		2,056,455	1,272,587
Net Assets		8,394,243	8,911,961
Equity			
Equity attributable to equity holders of the parent			
Share capital	8	126,446,279	126,333,515
Accumulated losses		(118,052,036)	(117,421,553)
Total Equity		8,394,243	8,911,961

The above balance sheet should be read in conjunction with the accompanying notes

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2017

Consolidated	Share Capital	Accumulated Losses	Total
	$	$	$
Balance at 1 July 2015	123,378,577	(116,713,397)	6,665,180
Loss for the year	-	(708,156)	(708,156)
Other comprehensive income	-	-	-
Total comprehensive income	123,378,577	(117,421,553)	5,957,024
Transactions with owners in their capacity as owners	-	-	-
Shares issued during the year	2,954,937	-	2,954,937
Total transactions with owners	2,954,937	-	2,954,937
At 30 June 2016	**126,333,515**	**(117,421,553)**	**8,911,961**
At 1 July 2016	126,333,515	(117,421,553)	8,911,962
Loss for the year	-	(630,483)	(630,483)
Other comprehensive income	-	-	-
	126,333,515	(118,052,036)	8,281,479
Transactions with owners in their capacity with owners			
Shares issued during the year	112,765	-	112,765
Total transactions with owners	112,765	-	112,765
At 30 June 2017	**126,446,279**	**(118,052,036)**	**8,394,243**

The above statement of changes in equity should be read in conjunction with the accompanying notes

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2017

	Note	Consolidated 2017 $	2016 $
Cash Flows from Operating Activities			
Receipts		13,845	-
Payments to suppliers and employees		(158,924)	(373,585)
Interest received		-	1
Interest paid		(1,865)	(6,237)
Net Cash Used in Operating Activities	9	(146,944)	(379,821)
Cash Flow From Investing Activities			
Receipt of farm-in funds		1,682,760	2,326,621
Payments for exploration & development		(2,476,450)	(2,414,263)
Refunds of security deposits		-	42,500
Net Cash Flow Used in by Investing Activities		(793,690)	(45,142)
Cash Flow from Financing Activities			
Proceeds from issue of shares		-	970,500
Loans received non-related parties		-	138,700
Loan received – Director loan facility		354,000	172,200
Loan repaid – Director loan facility		-	(242,200)
Repayment of finance lease principal		(2,849)	(10,648)
Net Cash Flow from Financing Activities		351,151	1,028,552
Net increase/(decrease) in cash held		(589,483)	601,589
Cash at the beginning of the financial year		643,500	41,911
Cash at the end of the financial year	9	54,017	643,500

The above statement of cash flows should be read in conjunction with the accompanying notes

1. CORPORATE INFORMATION

Introduction

Laneway Resources Limited is incorporated and domiciled in Australia.

Operations and principal activities
Principal activities comprise of mineral exploration.

Scope of financial statements
The consolidated financial statements consist of Laneway Resources Limited and the entities it controlled at the end of, or during, the year ended 30 June 2017.

Currency
The financial report is presented in Australia dollars and rounded to the nearest one dollar.

Authorisation of financial report
The financial report was authorised for issue on 28 September 2017.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board and the Corporations Act 2001. Laneway Resources Limited is a for-profit entity for the purpose of preparing the financial statements.

The following is a summary of the material accounting policies adopted by the consolidated entity in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

Compliance with IFRS
The consolidated financial statements of Laneway Resources Limited group also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

Historical cost convention
These financial statements have been prepared under the historical cost convention.

Critical accounting estimates and judgements
The preparation of financial statements in conformity with Australian Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed below:

Key judgements – exploration & evaluation assets
The consolidated entity performs regular reviews on each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest. These reviews are based on detailed surveys and analysis of drilling results performed to balance date.

The Directors have assessed that for the exploration and evaluation assets recognised at 30 June 2017, the facts and circumstances do not suggest that the carrying amount of an asset may exceed its recoverable amount. In considering this the Directors have had regard to the facts and circumstances that indicate a need for impairment as noted in Accounting Standard AASB 6 "Exploration for and Evaluation of Mineral Resources".

Going concern basis for accounting
The consolidated entity has a net deficiency of current assets at 30 June 2017 of $1,421,284 (30 June 2016: $398,440) and has incurred losses of $630,483 for the year ended 30 June 2017 (2016 loss: $708,156). These conditions give rise to a material uncertainty which may cast significant doubt about the ability of the consolidated entity to continue as a going concern.

The ability of the consolidated entity to continue as a going concern is principally dependent upon one or more of the following:

- Continuation of debt funding. The company has been advised that its Chairman will continue to support the company in the 2017 financial year until such time as it has raised further funds either by way of a capital raising, a sale of an interest in a project or by way of a corporate transaction;
- Continued support of directors and key management personnel by way of deferring payment of amounts owing;
- Proceeds from additional capital raisings by the company; and
- The realisation of funds from the sale of certain assets.

As at the date of this report the directors are unable to confirm the success or otherwise of the asset sale process.

As a result of the ongoing support from a director of the company, the continued support of other directors and key management personnel, the current status of capital raisings, and the anticipated successful asset sales the directors believe the going concern basis of preparation is appropriate, and accordingly have prepared the financial report on this basis. The going concern basis presumes that funds will be available to finance future operations and that the realisation of assets and liabilities will occur in the normal course of business.

Should the consolidated entity be unable to continue as a going concern, it may be required to realise its assets and extinguish its liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the financial statements.

This financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or the amounts or classification of liabilities and appropriate disclosures that may be necessary should the consolidated entity be unable to continue as a going concern.

Principles of Consolidation

Subsidiaries

Subsidiaries are all entities (including structured entities) over which the consolidated entity has control. The consolidated entity controls an entity when the consolidated entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the consolidated entity.

Intercompany transactions, balances and unrealised gains on transactions between consolidated entity companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the consolidated entity.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of comprehensive income, statement of changes in equity and balance sheet respectively.

Joint Operations

The consolidated entity's share of the assets, liabilities, revenue and expenses of joint operations are included in the appropriate items of the consolidated financial statements.

Foreign Currencies

Items included in the financial statements of each of the Group entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Australian dollars, which is the Company's functional and presentation currency.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Exploration and Evaluation Assets

Costs carried forward
Exploration, evaluation and development expenditure incurred is accumulated in respect of each identifiable area of interest. Such expenditures comprise net direct costs and an appropriate portion of related overhead expenditure but does not include overheads or administration expenditure not having a specific nexus with a

particular area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage which permits reasonable assessment of the existence of economically recoverable reserves and active or significant operations in relation to the area are continuing.

Restoration costs
Restoration costs that are expected to be incurred are provided for as part of the cost of the exploration, evaluation, development, construction and production phases that give rise to the need for restoration. Accordingly, these costs are recognised gradually over the life of the facility as these phases occur. The costs include obligations relating to reclamation, waste site closure, plant closure and other costs associated with the restoration of the site. In determining the restoration obligations, the entity has assumed no significant changes will occur in the relevant Federal and State legislation in relation to restoration of such mines in the future.

Both for close down and restoration and for environmental clean-up costs, provision is made in the accounting period when the related disturbance occurs, based on the net present value of estimated future costs.

For close down and restoration costs, which include the dismantling and demolition of infrastructure, removal of residual materials and remediation of disturbed areas, movements in provision other than the amortisation of the discount, such as those resulting from changes in the cost estimates, lives of operations or discount rates, are capitalised into the carrying amount of development and amortised against future production.

Revenue Recognition

Amounts disclosed as revenue are net of returns, trade allowances and duties and taxes paid.

Interest revenue is accrued on a time basis, by reference to the principle outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimate future cash receipts through the expected life of the financial asset to that asset's net carrying value.

Taxes

Income taxes
The income tax expense or benefit for the period is the tax payable on the current periods taxable income based on the notional income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates which are enacted or substantively enacted for each jurisdiction. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability. An exception is made for certain temporary differences arising from the initial recognition of an asset or a liability. No deferred tax asset or liability is recognised in relation to these temporary differences if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses. Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the parent entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

Goods and Services Tax (GST)

Revenues, expenses, and assets are recognised net of the amount of GST, except where the GST incurred on a purchase of goods or services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the assets or as part of the expense item as applicable, and except for receivables and payables which are stated inclusive of GST.

Cash flows are included in the Statement of Cash Flows on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from or payable to the taxation authority are classified as operating cash flows. The net amount of GST recoverable from or payable to the taxation authority is included as part of receivables or payables in the balance sheet. Commitments and contingencies are disclosed net of the amount of GST recoverable from or payable to the taxation authority.

Leases

Leases are classified at their inception as either operating or finance leases based on the economic substance of the agreement so as to reflect the risks and benefits incidental to ownership.

Operating leases
The minimum lease payments of operating leases, where the lessor effectively retains substantially all of the risks and benefits of ownership of the leased item, are recognised as an expense on a straight line basis.

Finance leases
Leases which effectively transfer substantially all of the risks and benefits incidental to ownership of the leased item to the consolidated entity are capitalised at the present value of the minimum lease payments. A lease liability of equal value is also recognised. Minimum lease payments are allocated between interest expense and reduction of the lease liability with the interest expense calculated using the interest rate implicit in the lease and recognised directly in net profit.

Cash and Cash Equivalents

For purposes of the Statement of Cash Flows, cash and cash equivalents includes cash on hand, deposits at call with financial institutions and other highly liquid investments with short periods to maturity which are readily convertible to cash on hand and are subject to an insignificant risk of changes in value, net of outstanding bank overdrafts.

Receivables

All trade receivables are recognised at the amounts receivable as they are due for settlement no more than 30 days from the date of recognition.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision of doubtful receivables is established when there is objective evidence that the consolidated entity will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the assets carrying amount and the present value of the estimated future cash flows, discounted at the effective interest rate. The amount of the provision is recognised in profit or loss.

The carrying amounts of the loans are reviewed at each balance date to determine whether there is any indication of impairment. If any such indication exists, the loan is impaired to its recoverable amount. The recoverable amount of the receivables carried at amortised cost is calculated as the present value of estimated future cash flows, discounted at the original effective interest rate.

Investments and Other Financial Assets

The consolidated entity classifies its investments in the following categories: financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and, in the case of assets classified as held-to-maturity, re-evaluates this designation at each reporting date.

(i) *Financial Assets at fair value through profit or loss*
Financial assets at fair value through profit or loss are financial assets held for trading which are acquired principally for the purpose of selling in the short term with the intention of making a profit. Derivatives are also categorised as held for trading unless they are designated as hedges.

(ii) *Loans and receivables*
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the consolidated entity provides money, goods or services directly to a debtor with no intention of selling the receivable. They are included in current assets, except for those with maturities greater than 12 months after the balance sheet date which are classified as non-current assets. Such assets are carried at amortised cost using the effective rate interest method. Gains and losses are recognised in profit and loss when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

(iii) *Held-to-maturity investments*
Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the consolidated entity's management has the positive intention and ability to hold to maturity.

(iv) *Available-for-sale financial assets*
Available-for-sale financial assets, comprising principally marketable equity securities, are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the balance sheet date.

Regular purchases and sales of investments are recognised on trade-date – the date on which the consolidated entity commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value though profit or loss are initially recognised at fair value. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the consolidated entity has transferred substantially all the risks and rewards of ownership. Available-for-sale financial assets and financial assets at fair value through profit and loss are subsequently carried at fair value. Loans and receivables and held-to-maturity investment are carried at amortised cost using the effective interest method. Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category, including interest and dividend income, are presented in profit or loss within other income or other expenses in the period in which they arise.

Changes in the fair value of monetary securities denominated in a foreign currency and classified as available-for-sale are analysed between translation differences resulting from changes in amortised cost of the security and other changes, in the carrying amount of the security. The translation differences are recognised in profit and loss and other changes in carrying amount are recognised in equity. Changes in the fair value of other monetary and non-monetary securities classified as available-for-sale are recognised in equity.

When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments recognised in equity are reclassified to profit or loss as gains and losses from investment securities.

The fair values of quoted investment are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the consolidated entity established fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models making maximum use of market inputs and relying as little as possible on entity-specific inputs.

The consolidated entity assesses at each balance date whether there is objective evidence that a financial asset or group of financial assets is impaired. In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of a security below its cost is considered in determining whether the security is impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition costs and the current fair value, less any impairment loss on that financial asset previously recognised in profit and loss – is removed from equity and recognised in profit or loss.

Property, Plant and Equipment

Plant and Equipment
Any exploration plant and equipment is recorded at cost less accumulated depreciation, where depreciation is calculated on a straight line basis over the estimated useful lives for the period the assets are put to productive use. Estimates of remaining useful lives are made on a regular basis for all assets, with annual reassessments for major items.

Payables

Liabilities for trade creditors and other amounts are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received. Interest, when charged by the lender, is recognised as an expense on an accruals basis. Trade account payables are usually settled on a 30 day basis.

Borrowings

All loans and convertible notes are initially measured at fair value net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan.

Contributed Equity

Issued and paid up capital is recognised at the fair value of the consideration received by the Group. Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the share proceeds received.

Forfeited partly paid shares that are held in trust pending disposal are disclosed as treasury shares.

Employee Benefits

(i) Wages and salaries, annual leave and sick leave
Liabilities for wages and salaries, including non-monetary benefits, annual leave and any vesting sick leave expected to be settled within 12 months of the reporting date are recognised in provisions in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating sick leave are recognised when the leave is taken and measured at the rates paid or payable.

(ii) Long service leave
The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national corporation bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

(iii) Share-based payments
The fair value of options granted is recognised as an employee benefit expense with a corresponding increase in equity. The fair value is measured at grant date and recognised over the period during which the employees become unconditionally entitled to the options. The fair value at grant date is independently determined using a Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option.

The fair value of the options granted excludes the impact of any non-market vesting conditions (for example, profitability and sales growth targets). Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. At each balance sheet date, the entity revises its estimate of the number of options that are expected to become exercisable. The employee benefit expense recognised each period takes into account the most recent estimate.

(iv) Employee benefit on-costs
Employee benefit on-costs, including payroll tax, are recognised and included in employee benefit liabilities and costs when the employee benefits to which they relate are recognised as liabilities.

Loss per Share

Basic earnings per share
Basic earnings per share is determined by dividing net profit after income tax attributable to equity holders of the Company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of the ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

Diluted earnings per share
Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

Parent entity financial information

The financial information for the parent entity, Laneway Resources Limited, disclosed in note 19 has been prepared on the same basis as the consolidated financial statements, except as set out below.

(i) Investments in subsidiaries
Investments in subsidiaries are accounted for at cost in the individual financial statements of the parent entity.

(ii) Tax Consolidation Legislation
Laneway Resources Limited and its wholly owned Australian subsidiaries entered the tax consolidation regime with effect from 1 July 2004. As a consequence the subsidiaries are no longer subject to income tax as separate entities unless the parent entity is in default of its obligations, a default is probable, or the tax amounts relate to taxable income incurred prior to the implementation of the tax consolidation regime. The tax sharing agreement will limit potential liabilities of the subsidiary entities, should Laneway Resources Limited be in default of its obligations. Amounts payable or receivable under such a tax sharing agreement with the parent entity will be recognised in accordance with the terms and conditions of the agreement as tax related amounts receivable or payable. The impact on the income tax expense and results of Laneway Resources Limited is immaterial because of the current tax position of the Group.

New Accounting Standards and Interpretations

The Consolidated Entity adopted all new Accounting Standards and Interpretations effective for the year ended 30 June 2017. There were no material impacts on the financial statements of the Consolidated Entity as a result of adopting these standards.

The following are new accounting standards issued but not yet effective at 1 July 2016

<u>AASB 9 Financial Instruments</u>
This standard and its consequential amendments are currently applicable to annual reporting periods beginning on or after 1 January 2018. This standard introduces new classification and measurement models for financial assets, using a single approach to determine whether a financial asset is measured at amortised cost or fair value. To be classified and measured at amortised cost, assets must satisfy the business model test for managing the financial assets and have certain contractual cash flow characteristics. All other financial instrument assets are to be classified and measured at fair value. This standard allows an irrevocable election on initial recognition to present gains and losses on equity instruments (that are not held-for-trading) in other comprehensive income, with dividends as a return on these investments being recognised in profit or loss. In addition, those equity instruments measured at fair value through other comprehensive income would no longer have to apply any impairment requirements nor would there be any 'recycling' of gains or losses through profit or loss on disposal. The accounting for financial liabilities continues to be classified and measured in accordance with AASB 139, with one exception, being that the portion of a change of fair value relating to the entity's own credit risk is to be presented in other comprehensive income unless it would create an accounting mismatch. The Consolidated Entity has not yet evaluated the impact adoption of this standard will have.

<u>AASB 15 Revenue from Contracts with Customers</u>
This standard and its consequential amendments are currently applicable to annual reporting periods beginning on or after 1 January 2018. This standard requires recognised revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. This means that revenue will be recognised when control of goods or services is transferred, rather than on transfer of risks and rewards as is currently the case under IAS 18 Revenue. The Consolidated Entity has not yet evaluated the impact adoption of this standard will have.

<u>AASB16 Leases</u>
This standard and its consequential amendments are currently applicable to annual reporting periods beginning on or after 1 January 2019. When effective, this standard will replace the current accounting requirements applicable to leases in AASB117 Leases and related interpretations. AASB16 introduces a single lessee accounting model that eliminates the requirement for leases to be classified as operating or finance leases. This means that for all leases, a right-to-use asset and a liability will be recognised, with the right-to-use asset being depreciated and the liability being unwound in principal and interest components over the life of the lease. The Consolidated Entity has not yet evaluated the impact adoption of this standard will have.

There are no other standards that are not yet effective and that would be expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

2. EXPENSES

	Consolidated Entity 2017 $	Consolidated Entity 2016 $
Loss from ordinary activities before income tax includes the following specific items:		
Depreciation of non-current assets		
- Plant and equipment	-	1,459
Finance costs		
Finance charges under finance leases	53	958
Interest loan – Director related entity	14,620	7,348
Interest loan – non-related entity	-	18,872
Interest other	1,813	4,760
	16,485	31,938
Minimum operating lease rental payments	14,400	14,400
Employee benefits expenses		
Defined contribution superannuation expense	2,110	2,821
Other employee benefits expenses	372,461	392,405
Total employee benefits expenses	374,571	395,226

3. INCOME TAX

A reconciliation of income tax expense (benefit) applicable to accounting profit before income tax at the statutory income tax rate to income tax expense at the company's effective income tax rate for the years ended 30 June 2017 and 2016 is as follows:

	Consolidated Entity 2017 $	Consolidated Entity 2016 $
Accounting (loss) before income tax	(630,483)	(708,156)
At the statutory income tax rate of 30% (2016: 30%)	(189,145)	(212,447)
Non-deductible expenses	1,918	22,276
Deferred tax assets not bought to account	187,227	190,171
Income tax expense	-	-
Recognised deferred tax assets		
1. Unused tax losses	2,960,254	2,725,852
2. Deductible temporary differences	139,639	117,713
	3,099,894	2,843,565
Recognised deferred tax liabilities		
Assessable temporary differences	3,099,894	2,843,565
	3,099,894	2,843,565
Net deferred tax recognised	**-**	**-**
Unrecognised temporary differences and tax losses		
Unused tax losses and temporary differences for which no deferred tax asset has been recognised	107,090,834	106,701,147
Potential tax benefit @ 30%	32,127,250	32,010,344

The tax losses do not expire under current tax legislation. Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the Group can utilise these benefits.

4. EXPLORATION AND EVALUATION ASSETS (NON CURRENT)

	Consolidated Entity 2017 $	Consolidated Entity 2016 $
Exploration costs carried forward in respect of areas of interest		
- Exploration phase	10,332,979	9,478,551
Reconciliation		
Exploration expenditure capitalised		
- Opening balance	9,478,551	9,520,722
- Current year expenditure	2,537,188	2,284,450
- Current year farm-in receipts	(1,682,760)	(2,326,621)
- Write off/disposed in current year	-	-
Carried forward	10,332,979	9,478,551

Recoverability of the carrying amount of exploration assets is dependent on the successful development and commercial exploitation of areas of interest, and the sale of minerals or the sale of the respective areas of interest.

Laneway entered into of a Farm-in Agreement with Newcrest Mining ("Newcrest") in the 2016 year in relation to tenements held in New Zealand. During the period Newcrest provided $1,682,760 (2016 - $2,326,621) to cover the exploration program. The consolidated entity recognises these contributions as a reduction of capitalised exploration and evaluation assets as shown in the movement schedule above. Newcrest advised of their withdrawal from the Farm-in Agreement as from 30 June 2017.

5. TRADE AND OTHER PAYABLES (CURRENT)

	Consolidated Entity 2017 $	Consolidated Entity 2016 $
Trade creditors	912,988	592,293
Other payables and accruals	484,310	406,214
	1,397,298	998,507
Included in the above are aggregate amounts payable to the following related parties		
Directors and director related entities	451,690	221,329

Terms and conditions relating to the above financial instruments

(i) Trade creditors are unsecured, non-interest bearing and are normally settled on 30-60 day terms
(ii) Other creditors are unsecured, non-interest bearing
(iii) Details of the terms and conditions of related party payables are set out in note 15.

6. BORROWINGS (NON CURRENT)

	2017 $	2016 $
Secured		
Loan from director related entity	368,820	-

Secured Loan from Director: The loan funds advanced by Bizzell Nominees Pty Ltd are secured by a first ranking fixed and floating charge over all of the Group's assets. Full details of the loan from director related entities, including undrawn amounts, are given in note 15.

7. PROVISIONS (NON-CURRENT)

	2017 $	2016 $
Restoration	205,650	205,650

A provision for restoration is recognised in relation to the exploration activities for costs such as reclamation, and restoration. Estimates of the restoration obligations are based on anticipated technology and legal requirements which have been estimated at current values. In determining the restoration provision, the entity has assumed no significant changes will occur in the relevant Federal and State legislation in relation to restoration of such activities in the future.

	Consolidated Entity 2017 $	2016 $
8. SHARE CAPITAL		
(a) Issued and paid up capital		
Ordinary shares fully paid	126,446,279	126,333,515

(b)Movements in shares on issue	2017		2016	
	Nos of shares	$	Nos of shares	$
Ordinary shares fully paid				
Beginning of the financial year	3,023,078,319	126,333,515	2,062,742,065	123,378,577
Increases				
- Issued to pay creditors (1)	37,588,208	112,765	254,782,222	764,347
- Repayment of related party loan (2)	-	-	19,823,860	59,472
- Exercise of unlisted 31/1/16 $0.003 options (3)	-	-	234,373,031	703,119
- Underwriting of unlisted 31/1/16 $0.003 options (4)	-	-	175,833,334	527,500
- Issued to pay exploration drilling costs (5)	-	-	25,000,000	125,000
- Placement (6)	-	-	202,666,667	608,000
- Issued to pay exploration drilling costs (7)	-	-	47,857,140	167,500
	3,060,666,527	126,446,279	3,023,078,319	126,333,515

(1) Shares issued at 0.3 cents to pay creditors
(2) Outstanding director loan was repaid by the issue of shares at 0.3 cents per share
(3) Shares issued at 0.3 cents following the exercise of 31/1/16 $0.003 unlisted options
(4) Shares issued at 0.3 cents in relation to the underwriting of the exercise of 31/1/16 $0.003 unlisted options
(5) Shares issued at 0.5 cents to pay exploration drilling costs
(6) Issue of shares by way of placement at 0.3 cents per share
(7) Shares issued at 0.35 cents to pay exploration drilling costs

(c) Share Options

The following options were on issue during the financial year.

Terms	1-Jul-16	additions	exercised	expired	30-Jun-17
Unlisted Options 0.5 cents 30 Sept 2016	12,500,000	-	-	(12,500,000)	-

The company issued a total of 12,500,000 unlisted 30 September 2016 $0.005 options on 27 May 2016 in relation to the payment of exploration and drilling services. The options expired unexercised on 30/9/16.

(d) Capital management

The capital structure of the consolidated entity consists of equity attributable to equity holders of the Parent Entity, comprising share capital and reserves as disclosed in the Statement of Changes in Equity.

When managing capital, management's objective is to ensure the entity continues as a going concern and to maintain a structure that ensures the lowest cost of capital available and to ensure adequate capital is available for exploration and evaluation of tenements. In order to maintain or adjust the capital structure, the Group may seek to issue new shares. Consistent with other exploration companies, the Group and the parent entity monitor capital on the basis of forecast exploration and evaluation expenditure required to reach a stage which permits a reasonable assessment of the existence or otherwise of an economically recoverable reserve.

(e) Terms and conditions of contributed equity

Ordinary shares
Ordinary shares have the right to receive dividends as declared and, in the event of winding up of the Company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held. Ordinary shares entitle their holder to one vote, either in person or by proxy, at a meeting of the Company. Ordinary shares have no par value and the company does not have a limited amount of authorised capital.

9. STATEMENT OF CASH FLOWS

	Consolidated Entity 2017 $	Consolidated Entity 2016 $
Reconciliation of the operating loss after tax to the net cash flows from operating activities		
Loss from ordinary activities after tax	(630,483)	(708,156)
Add/(less) non-cash items		
Provision for employee entitlements	19,306	4,813
Fair value (gain)/loss available-for-sale through profit or loss	(1,167)	867
Depreciation	-	1,459
Changes in operating assets & liabilities during the year		
(Increase)/decrease in receivables	(2,352)	-
(Increase)/decrease in prepayments	2,312	(2,291)
(Decrease)/increase in creditors	338,215	210,982
(Decrease)/increase in accruals	127,223	112,506
	(146,944)	(379,820)
Reconciliation of cash		
- Cash at bank	54,417	643,500

Non cash financing and investing activities

Loan and Creditor Repayments

During the current financial year shares were issued to repay amounts owing by the company as follows:

- 37,588,208 shares were issued at $0.003 per share for the payment of creditors totalling $112,765.

During the prior financial year shares were issued to repay amounts owing by the company as follows:

- 47,857,140 shares were issued at $0.0035 per share for the payment of drilling services at the Agate Creek project totalling $167,500.
- 25,000,000 shares were issued at $0.005 per share along with 12,500,000 unlisted 30/9/16 $0.005 options, for the payment of drilling services at the Agate Creek project totalling $125,000.
- 86,490,527 shares were issued at $0.003 per share to repay loans totalling $259,472.
- 254,782,222 shares were issued at $0.003 per share for the payment of creditors totalling $764,347.

10. EXPENDITURE COMMITMENTS

	Consolidated Entity 2017 $	Consolidated Entity 2016 $
Lease expenditure commitments		
(i) Operating leases		
Minimum lease payments		
- payable within one year	8,400	14,400
- payable between one and five years	-	8,400
Total contracted at balance date	8,400	22,800

Terms and Conditions

The Group leases office equipment under non-cancellable operating leases expiring within one to two years. The leases have varying terms. On renewal, the terms of the leases are renegotiated.

	2017	2016
(ii) Finance lease		
- payable within one year	-	2,901
- payable between one and five years	-	-
- total minimum payments	-	2,901
- future finance charges	-	(52)
- lease liability	-	2,849
- current liability	-	2,849
Finance lease	-	2,849

Terms and Conditions

Finance leases related to motor vehicles which had residual payments with options to purchase at the end of the lease term.

10. EXPENDITURE COMMITMENTS (continued)

Future exploration
The consolidated entity has certain obligations to expend minimum amounts on exploration in tenement areas. These obligations may be varied from time to time and are expected to be fulfilled in the normal course of operations of the consolidated entity.

	Consolidated Entity 2017 $	2016 $
The commitments to be undertaken are as follows:		
Payable		
- not later than 12 months	982,045	1,554,318
- between 12 months and 5 years	3,102,273	2,139,045
	4,084,318	3,693,363

11. SHARE BASED PAYMENTS

Equity based instruments - Options
The Company has in prior periods granted options over ordinary shares to directors, employees and consultants as part of their remuneration packages. No such employee options were granted in the 2017 or 2016 financial years and there are no employee options outstanding.

12. CONTINGENCIES

There are no contingent liabilities as at the date of this report.

13. LOSS PER SHARE

	Consolidated Entity 2017 $	2016 $
Loss per share		
Basic and diluted (loss) per share (cents per share)	(0.02)	(0.03)
The following reflects the income and share data used in the calculations of basic and diluted earnings/ (loss) per share:		
Loss from continuing operations	(630,483)	(708,156)
Earnings used in calculating basic and diluted loss per share	(630,483)	(708,156)
	Number	Number
Weighted average nos of ordinary shares on issue used in the calculation of basic earnings per share	3,030,389,998	2,468,417,909
Effect of dilutive securities	-	-
Adjusted weighted average nos of ordinary shares used in calculating dilutive earnings per share	3,030,389,998	2,468,417,909

Conversions, calls, subscriptions or issues after 30 June 2017

There have been no shares or other equity instruments issued subsequent to year end.

14. AUDITOR'S REMUNERATION

	Consolidated Entity 2017 $	2016 $
Amounts received or due and receivable by the Auditors for:		
(i) Audit & other assurance services – BDO Audit Pty Ltd		
- Audit & review of financial statements	38,726	41,470
(ii) Other services –		
- nil	-	-
Total	38,726	41,470

15. DIRECTOR AND KEY MANAGEMENT PERSONNEL DISCLOSURES

	Consolidated Entity	
	2017	**2016**
	$	**$**
Key management personnel compensation		
Short term employee benefits	641,814	562,516
Share based payments	-	-
Post-employment benefits	18,464	17,848
Total	660,278	580,346

Loans with directors and key management personnel.

Bizzell Nominees Pty Ltd a company associated with Mr Stephen Bizzell provided a loan facility to the company during the 2014 year with a repayment date of 31 December 2018. The total facility provided is for up to $2,000,000. At the 30 June 2017 balance date the outstanding balance on the loan facility was $368,620 (2016 - $nil). Interest accrued on the facilty during the 2017 financial year was $14,620 (2016 - $7,348). During the year ended 30 June 2017 $354,00 was advanced to the company (2016 - $172,200 was advanced to the company and $326,925 was repaid consisting of $244,200 in cash payments and $82,725 settled through the issue of shares). The interest rate on the loan is 10%.

Other transactions and balances with directors and key management personnel and amounts recognised at the reporting date in relation to other transactions

Purchases
Mr R Anthon was a Director of Hemming+ Hart, Lawyers until 1 November 2013. Hemming+ Hart had provided legal services to Laneway over a number of years and a debt was owed to Hemming and Hart at the time of Mr Anthon's departure from the firm. In July 2014 Laneway and ACN 143 114 719 Pty Ltd executed a Deed of Acknowledgment and Debt and a General Security Agreement (GSA) to secure the payment of the outstanding fees. In December 2014 ACN 143 114 719 Pty Ltd assigned the debt and the rights under the GSA to Nambia Pty Ltd as Trustees of the Anthon Family Superannuation Fund (a company associated with Mr Anthon) after Nambia acquired the debt on a dollar for dollar basis. As at the balance date $150,000 (2016: $150,000) remains an outstanding trade creditor payable. Interest of $11,260 was accrued on the debt in the 2016 year at an interest rate of 10%. During the 2016 year a total of $50,641 was paid to reduce the liability by way of the issue of 16,880,249 shares at $0.003 per share. The services were based on normal commercial terms and conditions.

Rent for office premises totalling $16,444 (2016:$37,177) was charged, on normal commercial terms and conditions) by Bizzell Capital Partners Pty Ltd, a company associated with Mr Stephen Bizzell, for head office premises in Brisbane.

16. RELATED PARTY DISCLOSURES

Ultimate parent
Laneway Resources Limited is the ultimate parent entity. There were no other related party transactions during the year other than those disclosed in note 15 above.

17. SEGMENT INFORMATION

Segment Revenues and Results
The following is an analysis of the Consolidated Entity's revenue and results by reportable operating segment for the periods under review.

30-Jun-17	New Zealand $	Australia $	Consolidated $
Revenue:			
Revenue from outside the Consolidated Entity	-	13,845	13,845
Other unallocated revenue	-	-	-
Total Revenue	-	13,845	13,845
Segment result	-	(630,483)	(630,483)
Income tax	-	-	-
Net Loss	-	(630,483)	(630,483)
Non-cash items included in loss above:			
Depreciation and amortisation	-	-	-
Assets:			
Segment assets	167,842	10,282,856	10,450,699
Unallocated corporate assets	-	-	-
Consolidated Total Assets	167,842	10,282,856	10,450,699
Liabilities:			
Segment liabilities	2,395	2,054,060	2,056,455
Unallocated corporate liabilities	-	-	-
Consolidated Total Liabilities	2,395	2,054,060	2,056,455
Segment acquisitions:			
Capitalised exploration expenditure	1,951,971	585,217	2,537,188
Details on non-current assets:			
Exploration expenditure (see Note 4)	165,163	10,167,816	10,332,979

30-Jun-16	New Zealand $	Australia $	Consolidated $
Revenue:			
Revenue from outside the Consolidated Entity	-	-	1
Other unallocated revenue	-	-	-
Total Revenue	-	-	1
Segment result	-	(708,156)	(708,156)
Income tax	-	-	-
Net Loss	-	(708,156)	(708,156)
Non-cash items included in loss above:			
Depreciation and amortisation	-	1,459	1,459
Assets:			
Segment assets	466,373	9,718,176	10,184,549
Unallocated corporate assets	-	-	-
Consolidated Total Assets	466,373	9,718,176	10,184,549

17. SEGMENT INFORMATION (continued)

30-Jun-16	New Zealand $	Australia $	Consolidated $
Liabilities:			
Segment liabilities	9,504	1,263,082	1,272,587
Unallocated corporate liabilities	-	-	-
Consolidated Total Liabilities	9,504	1,263,082	1,272,587
Segment acquisitions:			
Capitalised exploration expenditure	1,782,227	502,223	2,284,450
Details on non-current assets:			
Exploration expenditure (see Note 4)	(104,048)	9,582,599	9,478,551

18. FINANCIAL RISK MANAGEMENT

(a) General objectives, policies and processes

In common with all other businesses, the consolidated entity is exposed to risks that arise from its use of financial instruments. This note describes the consolidated entity's objectives, policies and processes for managing those risks and the methods used to measure them. There have been no substantive changes in the consolidated entity's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated in this note. The consolidated entity's financial instruments consist mainly of deposits with banks, accounts receivable and payable and a loan from a director related entity.

The Board has overall responsibility for the determination of the consolidated entity's risk management objectives and policies and, whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the consolidated entity's executive management. The consolidated entity's risk management policies and objectives are therefore designed to minimise the potential impacts of these risks on the results of the consolidated entity where such impacts may be material.

(b) Credit Risk

Credit risk is the risk that the other party to a financial instrument will fail to discharge their obligation resulting in the Group incurring a financial loss. This usually occurs when debtors fail to settle their obligations owing to the Group. The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets, is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the balance sheet and notes to the financial statements. Credit risk is reviewed regularly by the Board. It arises from exposure to customers as well as through deposits with financial institutions.

(c) Liquidity risk

Liquidity risk is the risk that the consolidated entity may encounter difficulties raising funds to meet financial obligations as they fall due. Liquidity risk is reviewed regularly by the Board.

The consolidated entity manages liquidity risk by monitoring forecast cash flows. At 30 June 2017 the Group has a loan facility from a director related entity totalling $2,000,000 of which $368,620 (2016 - $nil) has been drawn upon as at 30 June 2016. The consolidated entity has from time to time been required to use the loan facilities available in order to be able to meet its financial obligations as they fall due.

Maturity Analysis –Consolidated Entity - 2017	Carrying Amount	Contractual Cash flows	<1 year	1 - 5 years	> 5 years
Financial Liabilities	$	$	$	$	$
Trade and Other Payables	1,397,298	1,397,298	1,397,298	-	-
Borrowings	368,620	425,756	-	425,756	-
	1,765,918	1,823,054	1,397,298	425,756	-

Maturity Analysis – Consolidated entity - 2016	Carrying Amount	Contractual Cash flows	<1 year	1 - 5 years	> 5 years
Financial Liabilities	$	$	$	$	$
Trade and Other Payables	998,507	998,507	998,507	-	-
Lease Liabilities	2,849	2,901	2,901	-	-
	1,001,356	1,001,408	1,001,408	-	-

18. FINANCIAL RISK MANAGEMENT (continued)

(d) Market Risk

Market risk arises from the use of interest bearing, tradable and foreign currency financial instruments. It is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in interest rates (interest rate risk), foreign exchange rates (currency risk) or other market factors (other price risk).

(i) Interest rate risk

Interest rate risk is managed with a mixture of fixed and floating rate debt. For further details on interest rate risk refer to the tables below:

2017	Floating interest rate	Fixed interest rate	Non-interest bearing	Total carrying amount as per the balance sheet	Weighted average effective interest rate
	2017	2017	2017	2017	2017
	$	$	$	$	%
Financial assets					
Cash and cash equivalents	-	-	54,017	54,017	0.00%
Trade and other receivables	-	-	2,352	2,352	-
Total financial assets	-	-	56,369	56,369	
Financial liabilities					
Trade and other payables	-	-	1,397,298	1,397,298	-
Borrowings	-	368,620	-	368,620	10.00%
Total financial liabilities	-	368,620	1,397,298	1,765,918	

2016	Floating interest rate	Fixed interest rate	Non-interest bearing	Total carrying amount as per the balance sheet	Weighted average effective interest rate
	2016	2016	2016	2016	2016
	$	$	$	$	%
Financial assets					
Cash and cash equivalents	-	-	643,500	643,500	0.00%
Total financial assets	-	-	643,500	643,500	
Financial liabilities					
Trade and other payables	-	-	998,507	998,507	-
Lease and hire purchase	-	2,849	-	2,849	8.00%
Total financial liabilities	-	2,849	998,507	1,001,356	

The group does not have interest rate risk as the financial instruments are either non-interest bearing or have fixed rates.

This analysis assumes all other variables remain constant.

(ii) Currency Risk

The group does not have any material currency risk exposure under financial instruments entered into by the group. The company held New Zealand Dollars of $2,680 (2016 - $633,801) at the end of the period. These funds are to be used to meet expenditures to be incurred in the near term in New Zealand and as such there is no currency risk associated with the NZD held at the period end.

(iii) Other Price Risk

The group does not have any material other price risk exposures under financial instruments entered into by the group.

(e) Fair Values

The fair values of trade and other receivables, security deposits, financial assets at fair value through profit or loss, interest bearing loans and borrowings and trade and other payables approximate their carrying value.

19. PARENT COMPANY INFORMATION

The Parent Entity of the Group is Laneway Resources Limited.

<u>Parent Entity Financial Information</u>

	2017 $	2016 $
Current assets	80,218	668,495
Non-current assets	10,370,481	9,516,053
Total assets	10,450,699	10,184,548
Current liabilities	1,482,186	1,066,937
Non-current liabilities	574,270	205,650
Total liabilities	2,056,455	1,272,587
Net assets	8,394,243	8,911,961
Issued capital	126,446,279	126,333,515
Accumulated losses	(118,052,036)	(117,421,553)
Total equity	8,394,243	8,911,962
Loss after income tax	(630,483)	(708,156)
Other comprehensive income	-	-
Total comprehensive income	(630,483)	(708,156)

Commitments, Contingencies and Guarantees of the Parent Entity
The minimum committed expenditure for future periods of the Parent Entity is the same as those for the Group. Refer to Note 10 for details. The Parent Entity has no material contingent assets, contingent liabilities or guarantees at balance date.

20. JOINT OPERATIONS

Jointly controlled assets

<u>Ashford Coking Coal Joint Venture Project</u>
The Ashford Coking Coal Project comprises a 50% Joint Venture with Northern Energy Corporation (NEC), now a 100% subsidiary of New Hope Corporation. The Joint Venture incorporates the Ashford Mine Area (EL6234 and EL6428), where a coking coal resource has been identified. NEC is managing the joint venture activity. The Group's interests in the assets employed in the joint venture are included in the balance sheet, in accordance with the accounting policy described in note 1, under the following classifications:

	2017 $	2016 $
Non-Current assets		
Exploration and evaluation assets	178,779	151,687
Total Non-Current Assets	178,779	151,687

Future exploration
The Group has certain obligations to expend minimum amounts on exploration in the joint venture tenement areas to maintain its interest in the joint ventures. These obligations may be varied from time to time and are expected to be fulfilled in the normal course of operations of the Group.
The commitments to be undertaken are as follows:

Payable		
- not later than 12 months	75,000	133,333
- between 12 months and 5 years	150,000	-
	225,000	133,333

20. JOINT OPERATIONS (continued)

Farm In
Laneway entered into a Farm-in Agreement with Newcrest Mining in the 2016 year in relation to tenements held in New Zealand. Key terms of the Agreement included:

- Newcrest was to solely fund two stages of Minimum Work Programs associated with the Permits, with the first stage forming a Minimum Commitment;
- Laneway was the Manager of the Project during the Earn-in period;
- Upon completing both Minimum Work Programs for either Permit Newcrest had the right to earn 80% of the Project/Permit be named on title;

Following the end of the 2017 financial year Newcrest notified Laneway that it was not continuing with the farm-in and therefore 100% ownership of the project remains with Laneway. During the period Newcrest provided NZD$1,869,734 (2016 - NZ$2,585,134) to cover the exploration program. All of these funds have been spent on the project.

21. SUBSEQUENT EVENTS

No matter or circumstance has arisen since 30 June 2017, that has significantly affected, or, may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in financial years subsequent to 30 June 2017.

DIRECTORS' DECLARATION

In the Directors opinion:

(a) the attached consolidated financial statements and notes and the remuneration report in the Directors' Report are in accordance with the *Corporations Act 2001* and other mandatory professional reporting requirements, including:

  (i) complying with Australian Accounting Standards and the Corporations Regulations 2001; and
  (ii) giving a true and fair view of the Consolidated Entity's financial position as at 30 June 2017 and of its performance for the financial year ended on that date; and

(b) the financial statements also comply with International Financial Reporting Standards as disclosed in Note 1 to the consolidated financial statements; and

(c) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

The directors have been given the declarations by the chief executive officer and chief financial officer required by section 295A of the *Corporations Act 2001*.

This declaration is made in accordance with a resolution of directors.

SG Bizzell
Chairman

Brisbane, 28 September 2017

Tel: +61 7 3237 5999
Fax: +61 7 3221 9227
www.bdo.com.au

Level 10, 12 Creek St
Brisbane QLD 4000
GPO Box 457 Brisbane QLD 4001
Australia

INDEPENDENT AUDITOR'S REPORT

To the members of Laneway Resources Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Laneway Resources Limited (the Company) and its subsidiaries (the Group), which comprises the balance sheet as at 30 June 2017, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

In our opinion the accompanying financial report of the Group, is in accordance with the Corporations Act 2001, including:

a) Giving a true and fair view of the Group's financial position as at 30 June 2017 and of its financial performance for the year ended on that date; and

b) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Group in accordance with the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to Note 1 in the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the group's ability to continue as a going concern and therefore the group may be unable to realise its assets and discharge its liabilities in the normal course of business. Our opinion is not modified in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the *Material uncertainty related to going concern section*, we have determined the matters described below to be the key audit matters to be communicated in our report.

Carrying value of exploration and evaluation assets

Key audit matter	How the matter was addressed in our audit
Refer to note 3 in the financial report The Group carries exploration and evaluation assets totalling $10,332,978 as at 30 June 2017 in relation to the application of the Group's accounting policy for exploration and evaluation assets. The recoverability of exploration and evaluation asset is a key audit matter due to: • The significance of the total balance (98% of total assets); and • The level of procedures undertaken to evaluate management's application of the requirements of AASB 6 Exploration for and Evaluation of Mineral Resources ('AASB 6') in light of any indicators of impairment that may be present.	Our procedures included, but were not limited to the following: • Obtaining evidence that the Group has valid rights to explore in the areas represented by the capitalised exploration and evaluation expenditure by obtaining supporting documentation such as license agreements and also considering whether the Group maintains the tenements in good standing • Making enquiries of management with respect to the status of ongoing exploration programs in the respective areas of interest and assessing the Group's cashflow budget for the level of budgeted spend on exploration projects and held discussions with directors of the Group as to their intentions and strategy • Enquiring of management, reviewing ASX announcements and reviewing directors' minutes to ensure that the Group had not decided to discontinue activities in any applicable areas of interest and to assess whether there are any other facts or circumstances that existed to indicate impairment testing was required.

Other information

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 30 June 2017, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at:

http://www.auasb.gov.au/auditors_responsibilities/ar1.pdf

This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 21 to 24 of the directors' report for the year ended 30 June 2017.

In our opinion, the Remuneration Report of Laneway Resources Limited, for the year ended 30 June 2017, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

BDO Audit Pty Ltd

BDO

T R Mann
Director

Brisbane, 28 September 2017