

## ASX ANNOUNCEMENT

11<sup>th</sup> February 2019

### Grant of Mining Lease for Agate Creek Gold Project

#### Highlights

- + The Queensland Government Department of Natural Resources, Mines and Energy has advised of the grant of a Mining Lease (ML100030) at Laneway Resources' 100% owned Agate Creek Gold Project.
- + Laneway intends to commence mining activities as soon as possible pursuant to the Mining and Processing Agreement it has entered into with Maroon Gold Pty Ltd which will allow toll treatment of high-grade ore through Maroon's Gold Processing Plant at Charters Towers.
- + Laneway anticipates material positive cash flow from the mining activities at the Agate Creek high grade project aided by recent high prices for AUD denominated gold.
- + Due to the recent severe weather and flooding that have affected North Queensland, timing of commencing mining remains uncertain however it is currently expected that mining may be able to commence in April.
- + Maroon have notified Laneway that their Black Jack Gold Processing Plant has not been damaged by the severe weather event and, whilst still capable of being fully operational, it is currently shut down due to limited road access from Charters Towers. Monitoring along with care and maintenance of the plant is currently being undertaken by a small team. Maroon have advised that they anticipate the Black Jack Plant will restart towards the end of this week.

The Board of Laneway Resources Limited ("Laneway" or "the Company") (ASX:LNY) is pleased to announce the grant by the Queensland Government Department of Natural Resources, Mines and Energy of a Mining Lease (ML100030) over the Sherwood deposit within the 100% owned Agate Creek Gold Project in North Queensland.

The Commencement Date of the Mining Lease is 1 March 2019 and the Company is required to make statutory rental payments and lodge a Financial Assurance under the project's Environmental Authority prior to commencing mining activities. The total area of the Mining Lease is 689.3 Hectares which covers the Sherwood and Sherwood West near surface high-grade prospects along with prospective extensions to the known mineralisation areas. The Environmental Authority is also in place (EPSL03068015) for the start of proposed mining operations.

It is intended, pursuant to the Mining and Processing Agreement entered into with Maroon Gold Pty Ltd (Maroon), for mining operations to commence as soon as practicable and then process this ore through Maroon's wholly owned CIL processing plant. Maroon has recently completed the recommissioning of the Black Jack Plant Site (which has the capacity to process up to 340,000tpa). Utilising an existing processing plant significantly reduces the capital expenditure and time to first gold production for Laneway.

Laneway anticipates material positive cash flow this year from the mining activities at the Agate Creek high grade project aided by recent high prices for AUD denominated gold. The expected cash flow will establish a sound financial platform for the Company to progress its project portfolio including the Ashford Coking Coal project, its NZ Gold assets and additional exploration appraisal of the broader Agate Creek Project area.

Due to the recent severe weather and flooding that have affected North Queensland, particularly the Townsville region, council and state road damage assessments may take several weeks to complete, which may impact on the timing of mobilisation of mining equipment to site and when road haulage of ore from Agate Creek to the Black Jack Processing Plant at Charters Towers can commence. Until flood waters have fully receded and the road damage assessments are completed, timing of commencing mining remains uncertain however it is currently expected that mining may be able to commence in April.

Maroon have notified Laneway that their Black Jack Gold Processing Plant has not been damaged by the severe weather event and, whilst still capable of being fully operational, it is currently shut down due to limited road access from Charters Towers. Monitoring along with care and maintenance is being undertaken by a small team and it is anticipated the Black Jack Plant will restart towards the end of this week.

The results of the recent drilling program that returned spectacular high grade gold assay results (refer ASX Announcement of 14 January 2019) are being incorporated into the existing resource model with final ore block definition to establish key mining areas near completion. Numerous and consistent high-grade intersections were encountered in the recent drilling program with several intersections exceeding 100 g/t gold and grades of up to 564 g/t gold.

The proposed mining operations will be undertaken in the area covered by the Mining Lease (ML100030) over part of the Agate Creek Gold Project. This grant of the Mining Lease will allow the Project to progress towards commencing high-grade (low strip ratio) open cut mining operations at Agate Creek.

Given the simple shallow open cut nature of the orebody and the ores low reagent consumption characteristics, only minor further mine planning and infrastructure will be required prior to the start of mining.

#### Mining and Processing Agreement with Maroon Gold

It is intended, pursuant to the Mining and Processing Agreement entered into with Maroon Gold Pty Ltd (Maroon), for mining operations to now commence as soon as possible and then process this ore through Maroon's wholly owned CIL processing plant. Maroon recently finished recommissioning the Black Jack Plant (pictured below) and poured their first gold bar since taking over the plant.

Utilising an existing processing plant significantly reduces the capital expenditure and time to first gold production for Laneway.

The direct costs incurred with respect to the first 100,000 tonnes of production from to the project including but not limited to mining; transportation crushing and processing of ore; and rehabilitation of the disturbed area, will be incurred and paid for by Maroon.

Gold produced will be paid 60% to Laneway and 40% to Maroon above 3.5 g/t gold head grade with the initial 3.5g/t produced to be retained by Maroon towards the above costs.

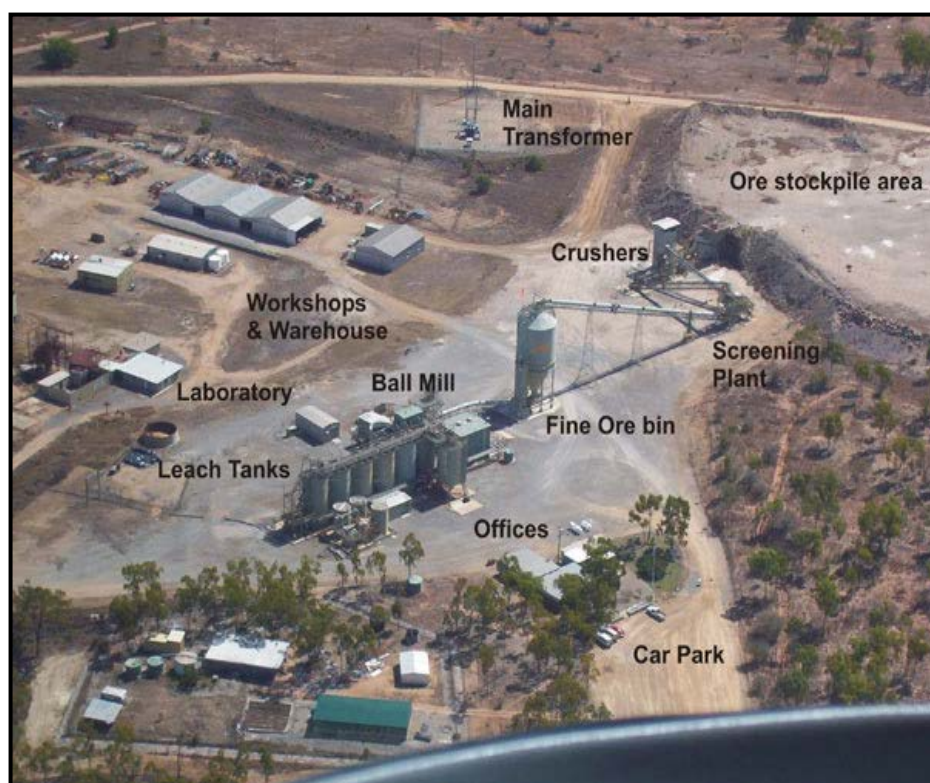
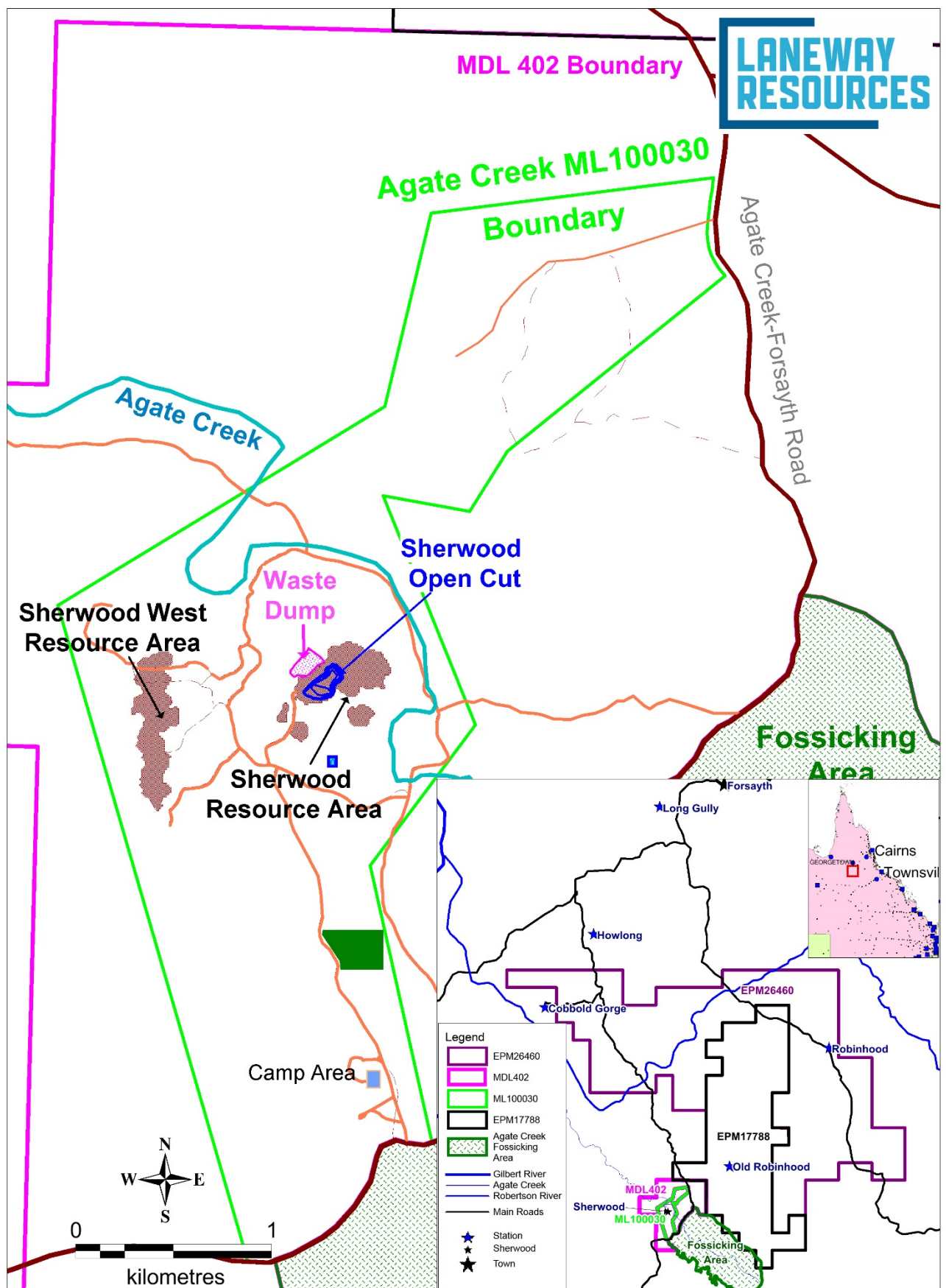


Figure 1 Mining Lease area showing basic Mine Design including Open Pit outline and Waste Dump



## Mineral Resource

A global recoverable Mineral Resource is defined for the Agate Creek Project at a 0.5 g/t Au cut-off suitable for a large open pit operation. A continuous high-grade sub-set of the Mineral Resource can be interpreted at cut-off of 2 g/t Au for Sherwood and 1 g/t Au for Sherwood West shown in Table 2 (prior to inclusion of results from the recent drilling program).

**Table 1 Mineral Resource Figures Including High Grade a sub-set of the Mineral Resource**

| 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     |           |

For and on behalf of the Board

JPK Marshall  
Company Secretary

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## Competent Persons Statements

The information in this report that relates to Exploration Results is based on information compiled 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 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](http://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.