LANEWAY RESOURCES LIMITED

A.C.N. 003 049 714

ANNUAL REPORT 30 JUNE 2019

INDEX

CORPORATE INFORMATION

This annual report covers Laneway Resources Limited ("Company", "Laneway" or "Laneway Resources") 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)
Peter Wright (Non-executive Director)

COMPANY SECRETARY
Paul Marshall

AUSTRALIAN BUSINESS NUMBER
ABN 75 003 049 714

REGISTERED OFFICE AND PRINCIPAL BUSINESS ADDRESS
Level 21
Matisse Towers
110 Mary St
Brisbane Qld 4000
Telephone: (07) 3108 3500
Email: admin@lanewayresources.com.au
Web: www.lanewayresources.com.au

SHARE REGISTRY
Link Market Services
Level 12,
300 Queen Street
BRISBANE QLD 4000
Phone: 1300 554 474 or (02) 8280 7111
International: +61 1300 554 474
Fax: (02) 9287 0303
Email: registrars@linkmarketservices.com.au.

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 2019.

Review of Operations 2019

Laneway Resources is an emerging resource development and mining company with projects primarily targeting gold in Queensland and New Zealand plus a coking coal resource project in Northern New South Wales.

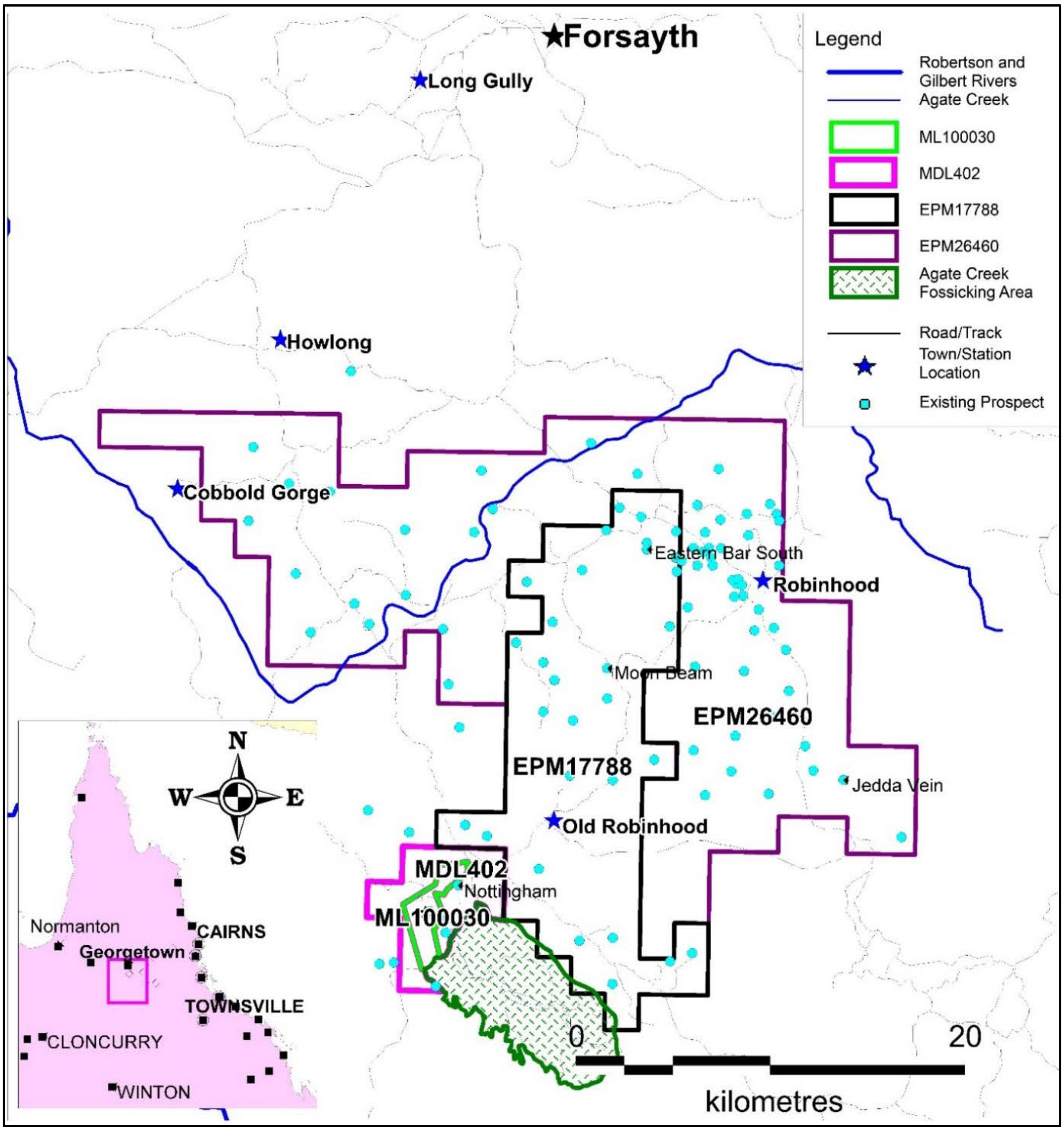
Laneway's primary focus in the 2019 financial year has been on progressing the Agate Creek gold project into production to establish cash flow from the mining and toll treatment of Sherwood's high grade surface material. This successful development and the profitable mining operations for the 2019 financial year that have continued into the 2020 financial year has provided a robust financial footing for the company to continue the progression of its Agate Creek project and other assets and continue reviewing additional potential high growth projects.

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 ML100030, MDL402, EPM17788 and EPM26460 which cover over 647km^2. Following significant exploration success, Laneway progressed 689.3Ha of MDL402 through to Mining Lease. A Mining Lease (ML100030) was granted on the 1st March 2019, with mining commencing soon after and continued post June 30 generating Laneway significant cashflow through a tribute mining agreement with Maroon Gold Pty Ltd.

Within ML100030 Laneway has a JORC compliant resource at Sherwood and Sherwood West comprising a combined Indicated and Inferred Global Mineral Resource of 381,000oz at 0.5g/t gold cut-off grade including a high grade sub-set which was the location of the recent mining activities. A new resource estimation will be undertaken in the 2020 financial year taking into account mine depletion and all drilling since 2016.



Agate Creek Project Location

Mineral Resource

A global recoverable Mineral Resource was estimated in 2016 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 also shown below (prior to inclusion of results from the recent drilling and mining extraction).

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**

Grade and tonnage rounded to two decimal places. Ounces calculated after rounding and reported to nearest 100 ounces.

Table 1 –Mineral Resource Figures and High Grade sub set of the Resource, focus of mining operations at Sherwood

The high-grade domains provides a basis for accessing 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.

Tribute Agreement with Maroon – October 2018

During October 2018 Laneway entered into a Mining and Processing Agreement with Maroon Gold Pty Ltd (Maroon), to enable mining operations to commence immediately following grant of ML100030 at Agate Creek and then process this ore through Maroon's wholly owned Black Jack CIL processing plant. The Black Jack plant was recommissioned during 2018/2019 with the capacity to process up to 340,000tpa. Utilising an existing processing plant significantly reduced the capital expenditure and risk while also reducing the time to first gold production for Laneway.

The agreement with Maroon defined the basis for open cut mining, transport and processing operations of up to 100,000 tonnes of high grade ore from the Agate Creek Gold Project (the Project). The key terms of the agreement were:

- Direct costs incurred with respect to the project including but not limited to haul road and access road construction and maintenance, waste dump preparation, support facilities, blast hole drilling, sampling and assaying, mining, transportation of ore, crushing, milling and transportation of gold bars to the refinery 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;
- All State Government and Third Party Royalty costs will be shared by both parties in proportion to their share of gold received;
- Compensation arrangements with landholders will be at Laneway's expense; and
- Maroon to provide an interest free unsecured loan to Laneway for an amount of up to $500,000 to meet costs to be incurred to complete the process for the Mining Lease grant including Native Title and Landholder obligations, tenement holding costs and environmental liability financial assurance requirements.

Black Jack Plant Site

Previous Metallurgical Testing & Processing

In 2013 Laneway processed a small Metallurgical Sample through a CIL Plant at Georgetown. The technical and commercial information gained from this trial at Georgetown was utilised in the planning and further development of the Project. The initial sample of 5,472 dry metric tonnes produced a total of 1,725 ounces of gold at a recovered gold grade of 9.8g/t gold from a feed head grade of 11.2g/t gold (a gold recovery rate of 87%). The circuit and reagent requirements highlighted by this initial test work were incorporated into process design improvements during recommissioning works at Maroon's Black Jack CIL to enable better recoveries.

RC Drilling November 2018 Sherwood

Following signing of the Tribute Agreement, Laneway sought to improve the geological confidence of the Agate Creek high-grade zone by completing an additional close spaced in-fill drilling program. The drilling program consisted of 51 shallow Reverse Circulation (RC) drill holes for 1,314m and was part of the final mine design processes prior to the start of mining. Assay results returned numerous and consistent high-grade intersections - several of which exceeding 100 g/t. The Company will incorporate many of these assay results into the next resource model estimation. Results also confirmed the suitability of the planned waste dump area. A summary of the results from this drilling program are contained in the below table with the full results from the program contained in the Company's ASX announcement dated 14 January 2019.

Hole ID	From Depth (m)	To Depth (m)	Interval (m)	Au (g/t)
CCGC001	15.5	18.5	3	12.44
CCGC002	16.5	18.5	2	5.01
CCGC003	16.5	18.5	2	4.95
CCGC018	12	13	1	8.35
CCGC019	3	6	3	32.81
CCGC019	17	18.5	1.5	8.30
CCGC029	1.5	5.5	4	11.72
CCGC029	9	14.5	5.5	8.27
CCGC030	8	13	5	12.86
CCGC031	4	6	2	68.51
CCGC032	6	7.5	1.5	50.37
CCGC033	8	9.5	1.5	56.45
CCGC035	18.5	19	0.5	49.60
CCGC040	14.5	15	0.5	37.00
CCGC041	2	4	2	9.86
CCGC041	27.5	29	1.5	18.95
CCGC042	6	9	3	7.95
CCGC043	5	9.5	4.5	91.70
CCGC044	8	13	5	27.94
CCGC048	24.5	25	0.5	44.90
CCGC051	15.5	16.5	1	34.90
CCGC052	17	19	2	7.67
CCGC054	14.5	15	0.5	15.50
CCGC055	8	12	4	5.63
CCGC056	7.5	11	3.5	19.24
CCGC056	15	16	1	20.63
CCGC067	8.5	10	1.5	8.06
CCGC067	15.5	16	0.5	10.30
CCGC088	10	12	2	10.27
CCGC088	14.5	17	2.5	18.89
CCGC090	12	13	1	30.20
CCGC111	15.5	18.5	3	6.92
CCGC113	18	18.5	0.5	23.70
CCGC117	18	19.5	1.5	27.63

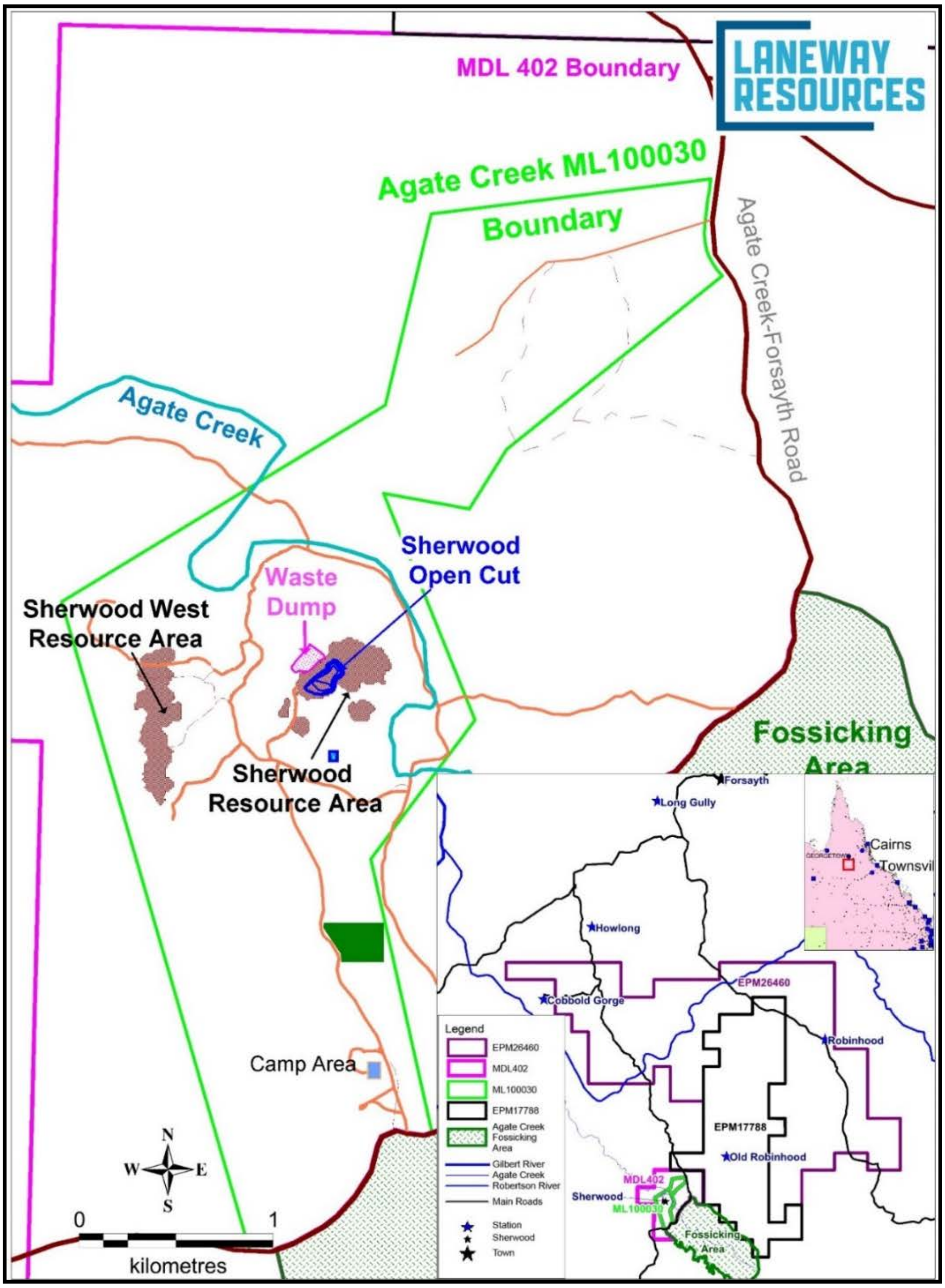
Highlights of Agate Creek Drilling in 2018

These results, along with the other historical assays, validated the decision to enter into the Tribute Agreement to toll treat this parcel of high-grade resource through Maroon Gold's Black Jack Gold Processing Plant.

Grant of Mining Lease (ML100030)

The Queensland Government Department of Natural Resources, Mines and Energy granted a Mining Lease (ML100030) covering 689.3 Ha over the Sherwood deposit within the 100% owned Agate Creek Gold Project in North Queensland. The Mining Lease grant date was 1 March 2019 with the Company making statutory rental payments and lodging the required Financial Assurance under the project's Environmental Authority prior to commencing mining activities on 10 April, with the first gold pour occurring within 10 weeks on 23 April.

All agreements with landholders were completed during the year to enable mining to proceed - including the Native Title Agreement which records the consents from Tatampi Puranga to the grant of the Mining Lease and Laneway's agreement to provide certain financial benefits, employment, training and business development opportunities for the Ewamian People. The agreement also includes a Cultural Heritage Management Agreement to manage the impact of the project on cultural heritage within the agreement area.



MLA 100030 area showing deposit location and planned infrastructure

Mining at Agate Creek Gold Mine

The Company brought the project into production quickly following the grant of the Mining Lease (ML100030) over the Sherwood deposit - achieving the first gold pour within 10 weeks of the Lease being granted, and mining for this first program was completed within 5 months. No Environmental or Safety incidents occurred during the mining program.

Mining commenced within ML100030 on the 10th April with the first ore being trucked to Maroon Gold's Black Jack Gold Processing Plant at Charters Towers on the 13th April. First ore was fed into the crushing circuit on 17 April, with processing starting soon afterwards. The first Gold pour (pictured below) occurred on 23 April 2019 with 22kg bullion recovered from approximately 1,300 tonnes of ore averaging 15g/t by Gravity, ILR and CIL processing methods.

In the period to 30 June 2019 6,966 ounces of refined gold was sold. Laneway's share of the gold refined and sold, in accordance with the Tribute Agreement with Maroon Gold, from April to 30 June was 2,329 ounces with net proceeds of approximately $4.3 million received by Laneway. The initial loan advance provided by Maroon to Laneway to meet some of the costs associated with the granting of the mining lease was fully repaid by 30 June 2019.

Gold recovery was good - from gravity, ILR (Intensive Leach Reactor) and CIL (Cyanide in Leach) extraction at Maroon's Black Jack Processing Plant - processing rates averaged ≈20 tonnes per hour, with recoveries impressive at >98%.

Agate Creek Gold Mine first gold poured.

Agate Creek Open Pit and Waste Dump

In Pit RC Drilling Sherwood - May 2019

An RC grade control program of 34 holes, (1,101m) was completed during May 2019 in and around the current pit area to extend and further define some of the deeper ore zones and also drill some holes that could not be accessed during the prior November 2018 drilling program due to terrain constraints and drill pad access. A summary of the results from this drilling program are shown below with the full results from the program contained in the Company's ASX announcement dated 24 May 2019. The results returned numerous and consistent high-grade intersections with several exceeding 100 g/t.

Hole ID	From Depth (m)	To Depth (m)	Interval (m)	Au (g/t)
CCGC201	16	17	1	18.20
CCGC204	17	18	1	4.01
CCGC205	17	20	3	4.63
CCGC209	18	19	1	3.55
CCGC211	20	21	1	5.37
CCGC211	24	25	1	5.37
CCGC212	17	18	1	20.20
CCGC213	26	29	3	34.11
CCGC213	34	36	2	26.23
CCGC214	26	27	1	22.15
CCGC214	40	42	2	30.48
CCGC215	26	28	2	7.12
CCGC215	35	37	2	68.88
CCGC216	24	27	3	6.14
CCGC216	33	34	1	7.76
CCGC217	26	37	11	19.77
CCGC218	26	27	1	4.44
CCGC218	35	37	2	48.50
CCGC218	41	42	1	10.89
CCGC219	25	30	5	54.79
CCGC220	12	14	2	4.71
CCGC220	17	18	1	4.71
CCGC221	17	19	2	16.31
CCGC222	17	18	1	5.98
CCGC224	16	19	3	9.71
CCGC225	17	19	2	68.82
CCGC226	24	25	1	4.78
CCGC227	3	4	1	4.98
CCGC229	18	19	1	33.48
CCGC231	17	18	1	4.65
CCGC233	15	18	3	21.83

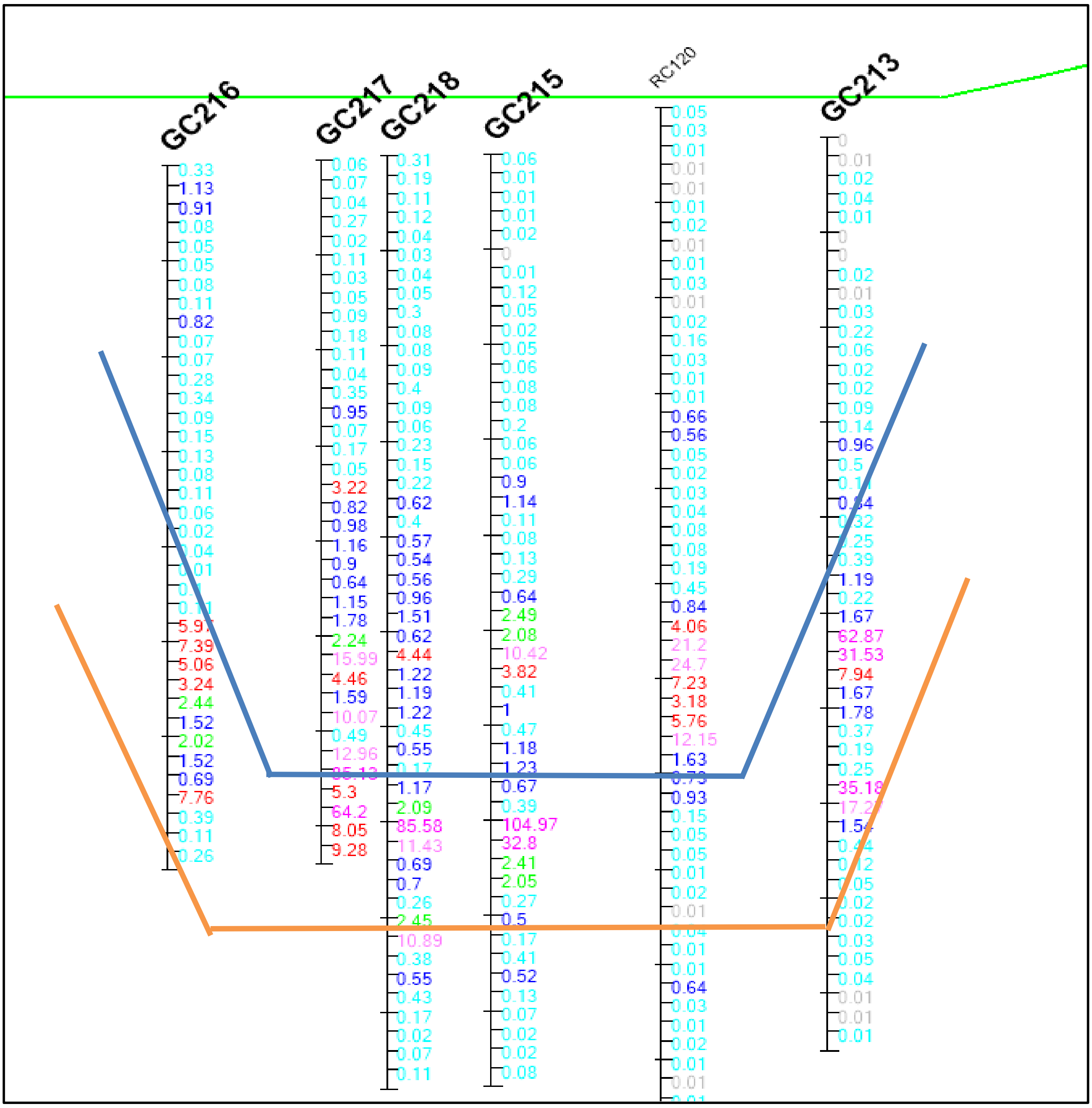
Some of these deeper zones remain following the end of the first stage mining campaign and will potentially form the basis of another round of mining, as demonstrated in the section below.

Mining at Agate Creek Gold Mine Post 30 June

Mining of the main high grade zone at Agate Creek ceased late August. Ore transport was completed in September. Unreconciled total production is ≈70,000t @ 7g/t gold with over 15,000oz of gold recovered.

The final mined flitches have demonstrated good continuity and vein thicknesses, which leaves open the possibility of further ore being available for mining and processing next year, drilling is planned to better define this possibility.

Rehabilitation is being undertaken on site as part of the Tribute Agreement. Final Gold in Circuit and total reconciled data are currently being compiled including final smelting of dore, Final production results will be available once all assays and outturns are received and reconciled.



Section 1: 7,897,835N +/-10m window. **Blue Final Mined Pit Outline,**

Orange Possible New Pit Outline 2020

Investigation of Additional Mining 2020

A short 2,500m drilling program commenced in late September 2019 targeting both potential additional high grade material near the existing open cut as outlined above, as well as first pass drilling at some regional targets.

An updated JORC Resource is scheduled to be completed following this short drill program to take into account depletions from the recent mining along with additional information from the RC Grade control programs undertaken during the past 12 months and additional geological understanding gleaned during mining.

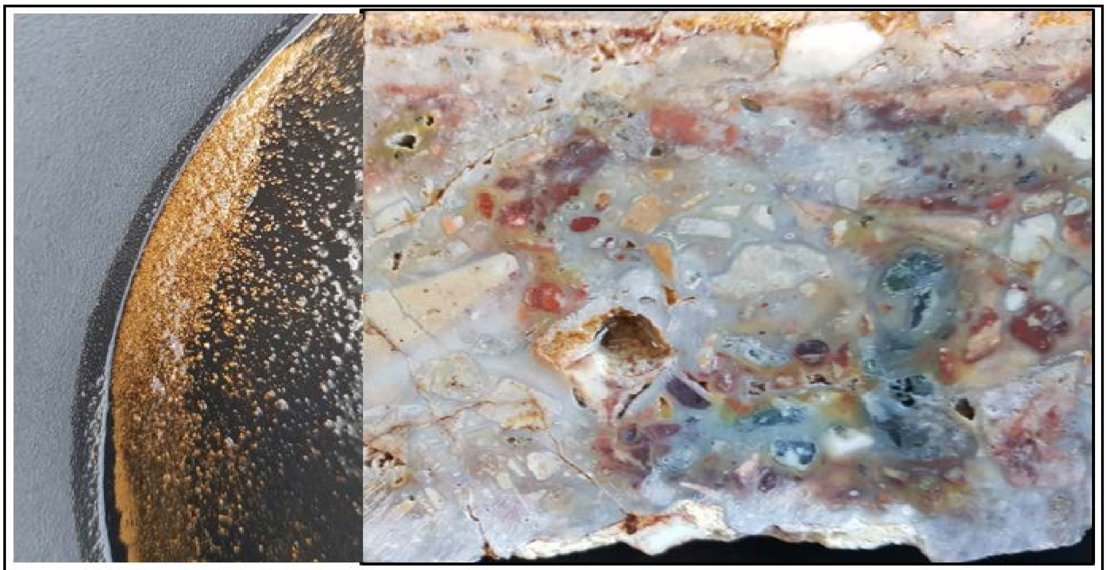
Several areas will be reviewed within the mining lease area in particular the possibility of a small cut back on the current open cut area to allow mining of the current pit floor. As can be seen from the 7,897,835N section above the potential for additional high grade tonnes immediately below the current pit floor and also extensions into the walls on both sides of the pit appear to show potential for additional tonnes to be mined. The September and October 2019 drilling will investigate how far these zones potentially extend and the updated resource modelling should demonstrate the potential economics and strip ratios required for a possible cut back of the current mine area.

Processing options will be reviewed once estimated tonnages have been calculated and the economics of potential additional mining evaluated.

Forward Work Program Sherwood Region

Laneway also intend to utilise the significant historical pulp library stored on site by undertaking detailed litho-geo-chemical & alteration geo-chemical multi element analysis along with alteration zonation deposit modelling. This information will then be incorporated into the existing geological models to generate more comprehensive 3D fluid pathway modelling with the aim of significantly expanding the current gold inventory of the project. This information should allow for more accurate targeting of main mineralized zones at depth within the Sherwood, Sherwood West and potentially also the Nottingham Prospects. Results from this will assist with developing a larger drilling program later in the year.

Having achieving a material positive cash flow from the mining activities at the Agate Creek and given the recent record high prices of gold, Laneway will also be evaluating several other high grade zones for their potential to be mined economically to create further cash flow for the company. This will include assessment of the viability of recent advances in ore sorting in order to upgrade lower grade portions of the orebody prior to transport - this is to be reviewed for its potential to be applied by the Company with initial test work to be undertaken. The benefit of ore sorting will also be assessed for other low grade mineralised zones within the ML area along with nearby areas such as the Nottingham prospect.



Agate Creek Project
Panned Gold from Drilling

Host Breccia of High-Grade mineralisation

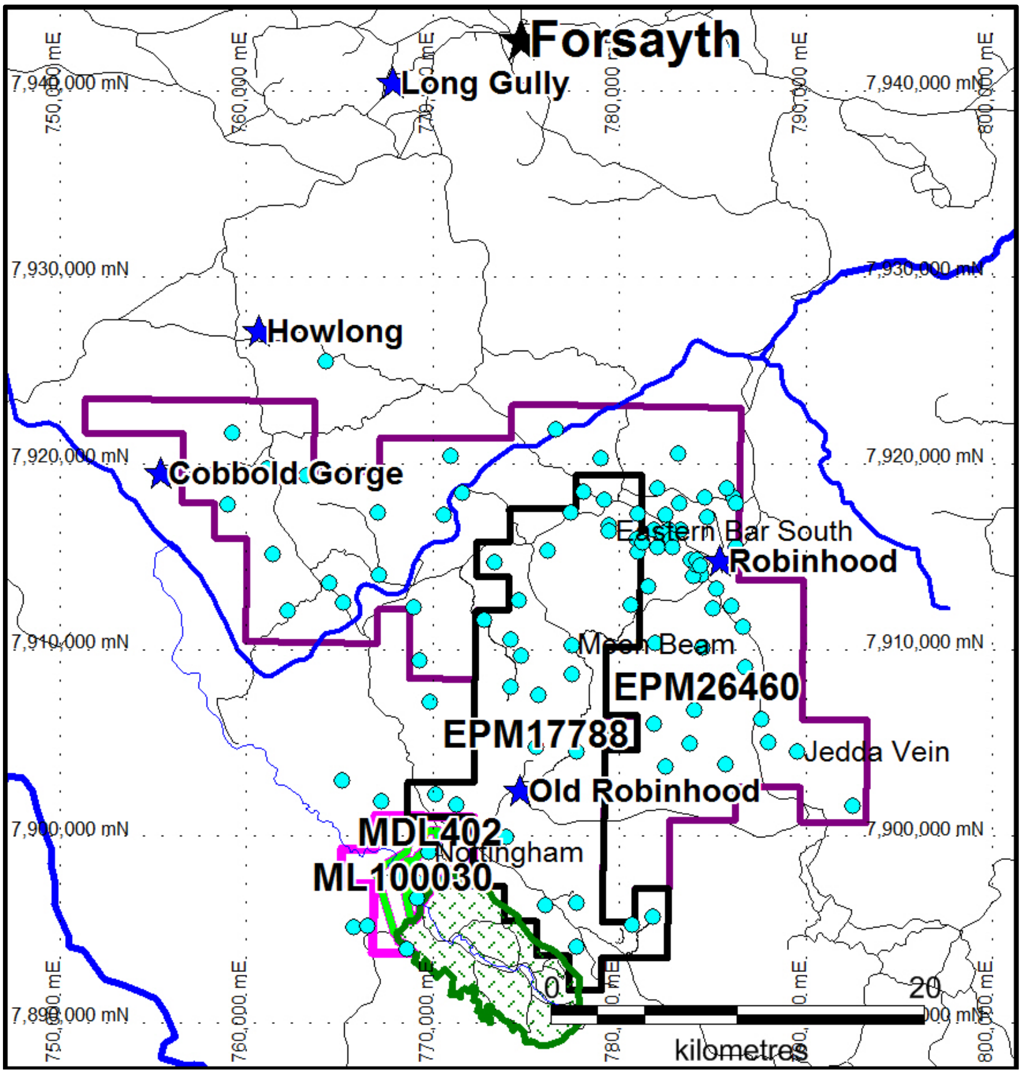
Agate Creek Project Regional Prospects

The majority of work completed on the Agate Creek Project over recent years has been undertaken within the ML area with over 500 drill-holes completed. However, within the regional tenement package there has also been over 40 shallow drill-holes, 6,000 rockchips, 3,000 stream sediments, 1,600 soil samples and over 100 line km of geological mapping completed.

The regional mapping and sampling has delineated over 60 high priority regional targets, with less than 25% of the tenement holding so far covered. At this stage only 8 prospects have had first pass drilling. Four of these prospects returned positive results and currently have follow up drilling programs planned. An additional 3 prospects have drill programs planned and have Native Title clearances making them ready to drill. Cash flow from mining will significantly accelerate these regional programs.

A 2,500m drilling program commenced in September 2019 - targeting both potential additional high grade material near the existing open cut, as well as first pass drilling on some of the regional targets. This drill and other exploration work program will target extensions of mineralisation at both Sherwood and Sherwood West along with several regional targets including Delaney, Eastern Bar, Eastern Bar South, Moonbeam and Jedda.

The exploration within Laneway's large Exploration Tenement area at Agate Creek will be advanced with the objectives of confirming the potential for additional small tonnage high grade zoned deposits capable of being toll treated, along with the targeting of additional large tonnage targets to supplement the possible long term mining and processing of the lower grade Agate Creek Resources onsite.

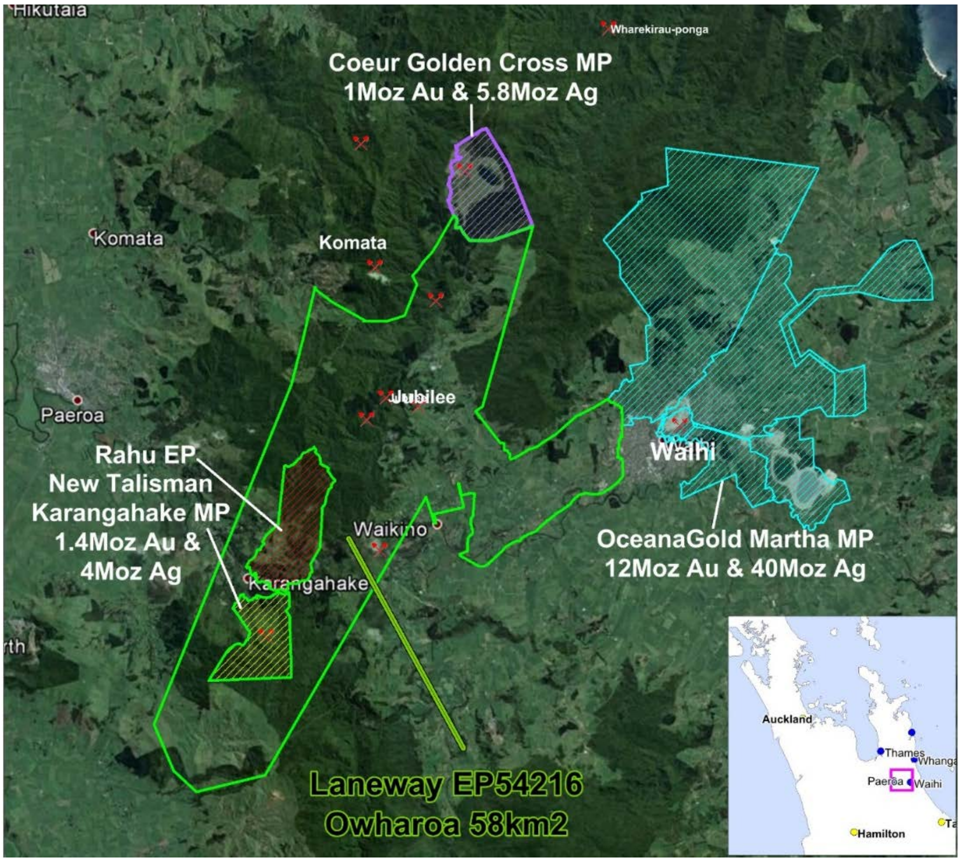


Agate Creek Exploration Prospects

New Zealand Gold Project (North Island, New Zealand)
Background on the Project

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 Golds operating Waihi Mine. The Hauraki goldfield is host to approximately 50 low-sulphidation epithermal prospects and deposits, which has yielded in excess of 60 million ounces of gold and silver bullion.

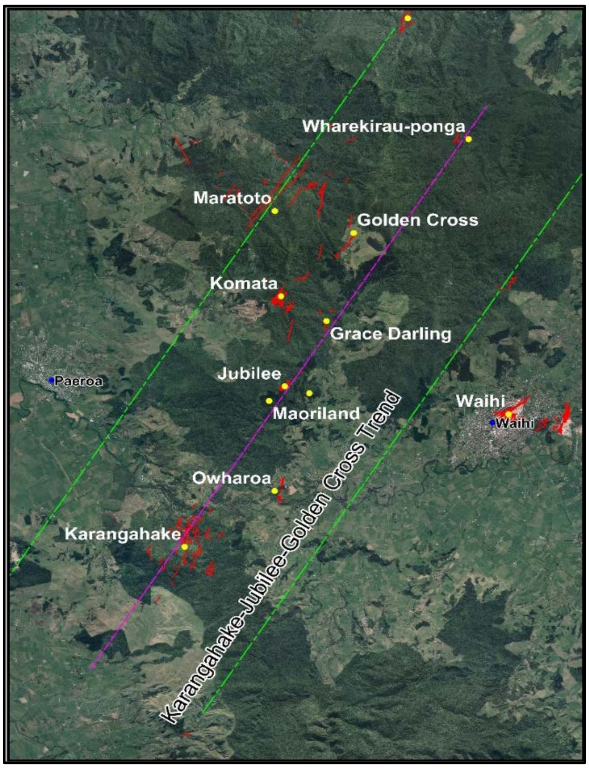
Historic mining occurred in the Project area between 1860 and 1952, with workings reaching a depth of up to 140m from surface. There remains significant scope for down dip and strike extensions of this mineralisation along a >10 km long prospective corridor.



Karangahake – Jubilee – Golden Cross Trend

Historically the Karangahake-Jubilee-Golden Cross Mineralised Trend has produced 4.4 Moz Au-Ag bullion. Mineralisation occurs as discrete low sulphidation high-grade epithermal veins, primarily of banded quartz/chalcedony within rhyolites and andesites. The Karangahake orebody is shown to have vertical continuity of 700m and Jubilee is a possible strike extent of the Karangahake system but was only mined to 200m and never tested at depth. Karangahake historically averaged 23g/t Au from high grade shoots in two westerly dipping veins with up to a 900m strike extent and 700m vertically

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. Mineralisation occurs as discrete low sulphidation high grade epithermal veins, primarily of banded quartz/chalcedony that range up to 30m wide and approximately 800m long. Gold and silver occur in sheeted and stockwork quartz veins, breccia pipes and disseminated in hydrothermally altered wall rocks.



Exploration Overview

In January 2019 Laneway received approval from NZP&M to amalgamate its two current Mineral Exploration Permits (EP54216 & EP52469) into a single Permit EP 54216 still covering 58km^2. This reduces administration and management costs for the permit and allows for simplified exploration planning during the remainder of the permit term. Laneway is in the process of applying for a Minimum Impact Access Agreement with the Department of Conservation (DoC) which will allow for geological mapping and geochemical sampling throughout the area.

To date Laneway has completed geological mapping, over 1,600 geochemical samples, 31 line km of induced polarisation geophysical data and 14 diamond drill holes for over 6000m of core. 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. Historical reports state quartz veining was up to 32 feet wide mined up to 200m below surface.

Jubilee

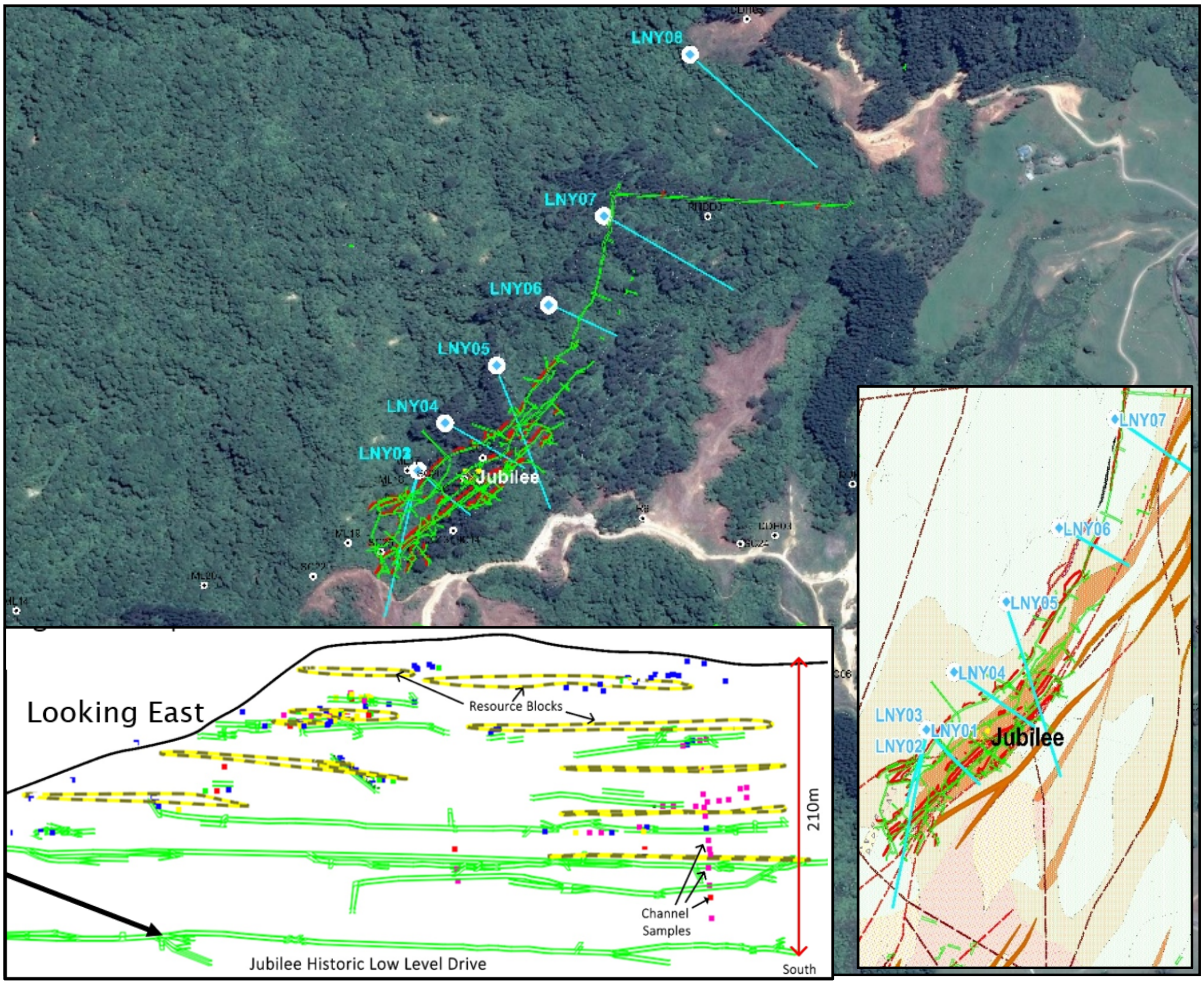
The Jubilee Prospect is located in the Waitekauri Valley which between 1870 and 1930 produced 33,753oz of bullion from only 22,852 tonnes of ore. Within Jubilee quartz veining was up to 32ft wide in the low level main drive and averaged over 1 oz/ton in places. One of the last mined stopes produced 1300oz of Au-Ag bullion from 2,118 tons of quartz lode. The first modern exploration was in 1968, when Consolidated Silver reopened and refurbished the main Jubilee decline to access the Low Level Drive. Financial difficulties meant they failed to produce any gold. In the 1980's Cyprus Minerals NZ assessed both at surface and underground targets and defined a significant non- JORC resource based predominantly on rock chipping and channel sampling. Assay results from channel and pillar sampling include highlights of 43g/t, 63g/t, 93g/t, 50g/t, and 33g/t Au. Resource blocks and channel samples show the grades 'pinch' between the north and south blocks where recent drilling has been targeted. The Jubilee area has had less than 10 holes drilled into the area with only 2 of these holes deeper than 200m and as such retains significant depth potential, particularly when compared to the Maria vein within the Karangahake Mine System which sits 7km directly along trend from Jubilee.

The Jubilee system cannot be viewed as drill tested, and still has significant potential for blind shoots, which is further highlighted from Laneway's geological re-evaluation of historical work including resampling of historical holes, ML018 (drilled in 1987) which intercepted the main Jubilee vein between 118.3-118.8m and assayed 2.39g/t Au. Laneway identified an additional 2m wide zone, which originally assayed at 7.8g/t Au. Laneway re-sampled this zone which revealed a 30cm wide vein from 170.5m which returned a result of 521g/t Au. This result is interpreted as a second blind vein zone present in the system which sits approximately 50m horizontally behind the historically stoped main Jubilee Vein and which had not been identified by miners or previous workers on the project. Further mapping and relogging of historical core in the area has revealed a succession of stacked en-echelon rhyolites parallel to the main vein structure and are likely to provide a suitable dilational environment for further significant mineralisation and possible repetitions of the main vein.

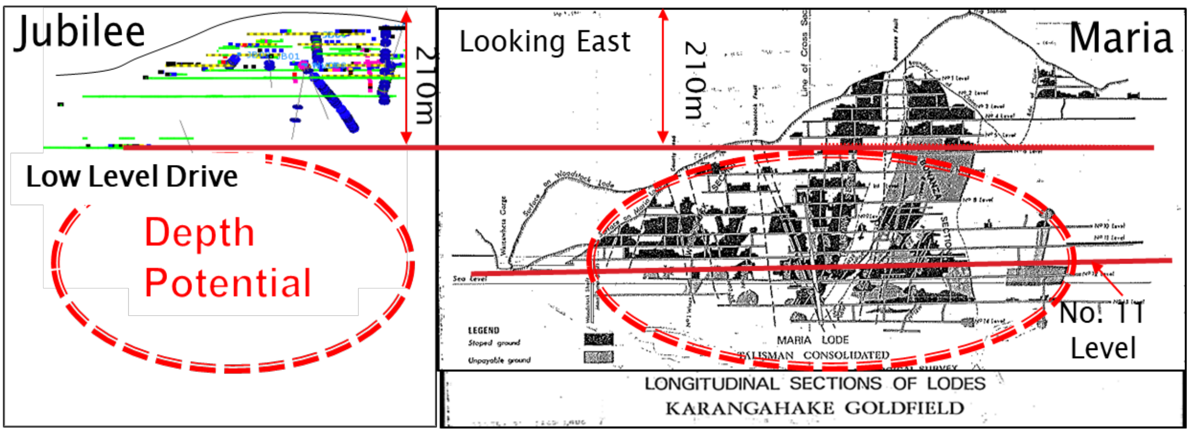
Planned Exploration Drilling

Laneway has 8 drill ready locations (LNY01-08) at the Jubilee Prospect which target both along strike and down dip extensions of known mineralisation at the Jubilee workings. All agreements, permitting and drill pads are now in place to allow drilling of this exciting target.

A potential drilling program is being considered for 2020 focusing within and below the historically mined area of Jubilee, targeting both the main Jubilee Vein System and also the newly identified zone identified following a re-assayed result of 0.3m @ 521 g/t Au (from 170m) interpreted ≈ 50m behind the main stoped Jubilee Vein.



Planned Jubilee Drilling



Section showing potential comparison between Jubilee and Karangahake

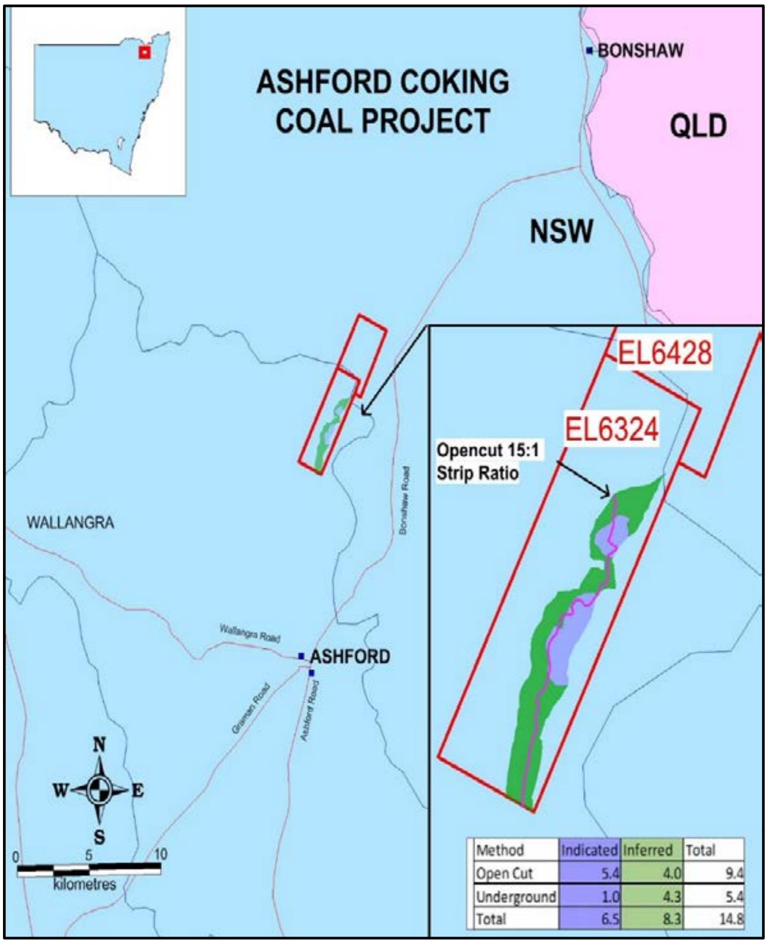
Ashford Coking Coal Project (NSW)
Background on the Project Area

The Ashford Coking Coal Project is located approximately 60km north of Inverell (northern NSW). Laneway, after acquiring the 50% it didn't own in the prior financial year, is looking to progress the project towards a Mining Lease Application over the resource area.

The Project is comprised of EL 6234 & EL 6428 which covers approximately 14 km2. The tenures hold part of the Ashford Coal Measures covering the only commercial operation to mine the Ashford Seam the "Ashford Colliery". The Ashford Colliery was operated from 1959 to 1990. Firstly by Davis Contractors until 1976 and then by White Industries Limited supplying coal to the Ashford Power Station. In 1976 a study was undertaken to ascertain the quality of the Ashford Seam. The study revealed that in reality the Power Station was burning premium quality coking coal.

Laneway through its wholly owned subsidiary Renison Coal Pty Ltd applied for the tenement in 2004 since which time the project has been advanced sufficiently and with the updated resource estimates completed last year, Laneway intends to progress the project towards a Mining Lease Application over the resource area. During 2018 a LiDAR survey was completed to give detailed topographic information across the project. The assessment of Biophysical Strategic Agricultural Land (BSAL) can now be started as the first step of the process of environmental studies required as part of the Mining Lease application process. Native Title investigations over the planned ML area has been investigated with the results being reviewed.

The updated JORC resource completed in the prior financial year reconciled well with previous coal resource estimates providing confidence in the geological interpretation and modelling. The current model is viewed as a robust model for future mine designs and feasibility studies. The resource and project areas can be seen below.



Ashford Project Resource & Tenure Map

Mining Lease Application

The proposed Mining Lease Application (MLA) would cover the resources and also sufficient additional area to allow for mining, stockpiles and washing if required. The MLA and associated approval and studies will be further progressed during 2019. As part of the infrastructure requirements associated with mining, several transport options that have been assessed as potentially viable at current coking coal prices and these options will be investigated further.

Ashford Resource Estimate

The Ashford Coking Coal Project incorporates the historic Ashford Mine Area (EL 6234 and EL 6428). Total resources within EL6234 are estimated at 14.8 million tonnes of in-situ coal with 6.5 million tonnes classified as Indicated and 8.3 million tonnes as Inferred. Of the total resource, 9.4 million tonnes are likely to be accessible by conventional open cut methods to a 15:1 vertical waste to in-situ coal tonnes stripping ratio cut off. A further 5.4 million tonnes are expected to be mined via high wall mining methods. These estimates reconcile well with previous studies.

The table below is a summary of the Resource Estimate for the Project.

Method	Indicated (Mt)	Inferred (Mt)	Total (Mt)
Open Cut	5.4	4.0	9.4
Underground	1.0	4.3	5.4
Total	6.5	8.3	14.8

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 western margin of the coal measures is marked by a prominent west over east thrust fault– the Severn Thrust resulting in Carboniferous rocks overlying the Permian sediments.

Ashford Coal Quality

Ashford seam coal can be classified as a "Medium Volatile Bituminous" coal using the ASTM Classification system. Volatile matter is in the order of 21-24% adb and the reflectance RoMax in the order of 1.15%. The seam has a moderate to high vitrinite content, and low sulphur. The CSN of the coal is moderate in the order of 5 - 6.5.

Coal Quality studies investigating the potential coking quality from a raw product found that the seam could qualify as a semi hard coking coal provided the raw ash is not above 10.5%.

Ashford Seam Clean Coal Composite	Units	Basis	Weighted Average 10 holes
Simprep Yield (no dilution)	mass %	ad	72.4
Simprep Ash (no dilution)	mass %	ad	7.4
Proximate Analysis			
IM	mass %	ad	1.1
Ash	mass %	ad	7.3
VM	mass %	ad	23.6
VM	mass %	db	23.8
VM	mass %	daf	25.7
FC	mass %	ad	68.0
Total Sulphur	mass %	ad	0.43
RD		ad	1.35
HGI		ad	77
Basicity Index			0.161
Modified BI			1.56
Total Alkalis	% in ash	db	0.86
Phosphorus	mass %	ad	0.034
CSN			6.5
Gray-King			G4-G6
Mean Max Vitrinite Reflectance	%		1.14
Total Vitrinite	vol %	aa	48.9

Directors' Report (including Remuneration Report)

The directors present their report on Laneway Resources Limited and its controlled entities (the "company", "consolidated entity", "Group", "Laneway" or "Laneway Resources") for the year ended 30 June 2019.

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

<u>SG Bizzell *BCom MAICD (*Executive Chairman)</u>
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 25 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)
- Strike Energy Limited (appointed December 2018)
- UIL Energy Ltd (listed November 2014, delisted following takeover December 2018)
- Diversa Ltd (appointed August 2010, delisted following takeover October 2016)

<u>RS Anthon *BA LLB MAICD* (Non-Executive Director)</u>
Rick 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)

<u>M Baker *BA GAICD* (Non-Executive Director)</u>
Mark is a media industry executive and former senior 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, resigned April 2018)

<u>P Wright *BCom BEcon* (Non-Executive Director)</u>
Peter has over 20 years' experience in the financial markets with a focus on investment in the resources sector. He is currently an Executive Director of Bizzell Capital Partners, a Brisbane based corporate advisory and funds management firm. Mr Wright holds a Bachelor of Commerce and a Bachelor of Economics from ANU in Canberra and a Graduate Diploma in Applied Finance and Investment.

Other Listed Company Directorships in the past three years:
- Bass Metals Ltd (appointed September 2016)

Company Secretary

<u>P Marshall *LLB, ACA*</u>
Paul 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	Unlisted 2021 $0.005 Convertible Notes
Stephen Bizzell	1,086,175,192	87,000,000
Rick Anthon	74,782,866	14,000,000
Mark Baker	152,394,976	14,000,000
Peter Wright	13,000,419	14,000,000

Corporate Information

<u>Corporate Structure</u>
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 mining, exploration and development of gold and coal tenements.

Operating Results

During the financial year Laneway obtained a Mining Licence for its high grade near surface gold project at Agate Creek. A Mining and Processing Agreement was entered into with Maroon Gold Pty Ltd that enabled mining operations to commence very quickly following the grant of the Mining Lease. Utilising an existing processing plant significantly reduced the capital expenditure and time to first gold production and cashflow for Laneway. The agreement provides that direct costs incurred with respect to the first 100,000 tonnes of production from 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 is paid 60% to Laneway and 40% to Maroon above 3.5 g/t gold head grade with the initial 3.5 g/t produced retained by Maroon towards the above costs. In the period to 30 June 6,966 ounces of refined gold was sold from the Agate Creek project. Laneway also undertook exploration activities on its New Zealand tenements covering Laneway's Southern Coromandel Gold Project in New Zealand and on its Ashford Coal Project in NSW.

<u>Revenue</u>
Following the commencement of operations at Agate Creek in April 2019 the total revenue from the sale of gold to 30 June 2019 was $13,017,928 with Laneway's share of the gold refined and sold being 2,329 ounces with net revenue from gold sold to Laneway of approximately $4.3 million.

	2019 **$**
Income from sale of gold from Agate Creek	13,017,928
Other income	214,074
Total income	13,232,002

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

Operational expenses	**2019** **$**
Mining costs under Maroon Gold Agreement	8,686,654
Laneway mining costs	383,302
Royalties payable by Laneway	298,391
Depreciation	3,253
Amortisation	694,604
Total operational expenses	10,066,204

Other expenses	**$**
Employment expenses	411,550
Finance costs	278,318
Unwinding of Convertible Note discount	78,000
Corporate and Administration expenses	497,983
Total other expenses	1,265,851

Comparison with Prior Year
For the year ended 30 June 2019, the profit for the Consolidated Entity after providing for income tax was $1,899,948 (2018: loss $783,992):

	2019 **$**	**2018** **$**
Revenue	13,232,002	233
Mining operational expenses	(10,066,203)	-
Finance costs	(278,318)	(94,492)
Employment costs	(411,550)	(448,562)
Unwinding of Convertible Note discount	(78,000)	-
Other expenses	(497,983)	(241,171)
Profit/(loss) before income tax	1,977,948	(783,992)

The profit for the 2019 financial year is approximately $2,684,000 higher than the loss of 2018. This increase is attributable to:

	$
Increase in revenue	13,231,769
Increase in operational expenses	(10,066,204)
Increased interest expense mainly due to the 2021 Convertible Notes issued	(183,826)
Increase in cost of unwinding Convertible Note discount	(78,000)
Reduction in employee costs	37,011
Other increases in administrative and other costs	(256,811)
	2,683,939

Review of Financial Condition

Capital structure
In the 2019 financial year Laneway issued the following new securities:

Ordinary Shares:
- In August $124,500 was raised by the issue of 41,500,000 shares at $0.003 per share
- In December $265,500 was raised by the issue of 88,500,000 shares at $0.003 per share
- In February $210,000 was raised by the issue of 70,000,000 shares at $0.003 per share.

Unlisted June 2021 $0.005 Convertible Notes:
- In August $100,000 was raised by the issue of 20,000,000 convertible notes at $0.005 per note
- In December $1,440,000 was raised by the issue of 288,000,000 convertible notes at $0.005 per note
- In February $100,000 was raised by the issue of 20,000,000 convertible notes at $0.005 per note

At 30 June 2019, the Company had 3,680,065,933 ordinary shares and 420,000,000 June 2021 $0.005 convertible notes 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 2019 financial year been supported by revenues arising from the sale of gold from the Agate Creek project, from the raising of capital and by a loan facility provided by the Chairman of the Company while it sought 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 2019.

Significant Changes in the State of Affairs

During the year the company was granted and commenced production of gold at the Agate Creek project in Queensland. Apart from this there were no other 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 2019, 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 2019.

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 2019 and the number of meetings attended by each director. There are no separate Board Committees.

	Directors' Meetings	
Director	A	B
S Bizzell	3	3
R Anthon	3	3
M Baker	3	3
P Wright	3	3

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

Indemnification of Directors, 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 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 shares or 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 currently invoiced at a weekly rate of $3,000.

Paul Marshall is engaged as Company Secretary and CFO. His agreement is a consultancy style agreement for the provision of services. Services are currently invoiced at a weekly rate of $3,000.

Scott Hall is engaged as Chief Operating Officer. His current terms of engagement provide for fixed remuneration of $219,000 inclusive of superannuation. In the 2019 financial year he was also awarded a bonus of 10,000,000 ordinary shares in Laneway in recognition of achieving two significant milestones during the financial year - being the grant of a mining lease and first gold production at Agate Creek. The shares were issued subsequent to the end of the reporting period.

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

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

Measures	2019 $	2018 $	2016 $	2015 $	2014 $
Share price at end of financial year	$0.01	$0.004	$0.003	$0.004	$0.005
Earnings/(loss) per share (cents)	0.053	(0.025)	(0.021)	(0.029)	(0.19)
Profit/(loss) for the financial year	1,899,948	(783,992)	(630,483)	(708,156)	(3,116,223)
Director & Key Management Personnel remuneration	676,437	574,695	662,130	580,364	526,197

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

- the operations of the mining site;
- bringing exploration and development projects into production;
- 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)
P Wright	Director (Non-executive)

Key Management Personnel

S Hall	Chief Operating Officer (formerly Exploration Manager)
P Marshall	Company Secretary

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									
2019	37,000	-	-	-	-	-	37,000	-	-
2018	36,000	-	-	-	-	-	36,000	-	-
S Bizzell									
2019	123,360		-	-	-	-	123,360	-	-
2018	120,640	-	-	-	-	-	120,640	-	-
M Baker									
2019	37,000	-	-	-	-	-	37,000	-	-
2018	36,000	-	-	-	-	-	36,000	-	-
P Wright									
2019	37,000	-	-	-	-	-	37,000	-	-
2018	24,000	-	-	-	-	-	24,000	-	-
TOTAL									
2019	234,360	-	-	-	-	-	234,360	-	-
2018	216,640	-	-	-	-	-	216,640	-	-

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									
2019	192,096			9,732	18,249	90,000	310,077	29.03%	29.03%
2018	187,156	-	-	3,119	17,780	-	208,055	-	-
P Marshall									
2019	132,000	-	-	-	-	-	132,000	-	-
2018	130,000	-	-	-	-	-	130,000	-	-
V Wishart									
2019	-	-	-	-	-	-	-		
2018	20,000	-	-	-	-	-	20,000	-	-
TOTAL									
2019	324,096	-	-	9,732	18,249	90,000	442,077	20.36%	20.36%
2018	337,156	-	-	3,119	17,780	-	358,055	-	-

No long term benefits have been paid or accrued for any director or key management personnel in the year ended 30 June 2019 (2018:nil), other than S. Hall who has a long service leave entitlement of $17,046 (2018: $12,833) as at 30 June 2019. S. Hall also has an annual leave entitlement of $29,889 (2018: $24,370).

Compensation securities: Granted and vested during the year

The COO S Hall was granted 10,000,000 shares as a discretionary bonus in relation to the granting of the mining lease and the successful commencement of operations at Agate Creek. The shares were issued following the end of the financial period. The full value of the shares issued has been accrued as remuneration in the 2019 financial year as the award relates to the commencement of operations that occurred in the 2019 financial year.

Option holdings of directors and key management personnel

No options were held by directors or key management personnel at 30 June 2019 or 2018.

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 and public offer transactions are included within Net Change Other in the table below:

Ordinary Shares

2019	Balance 1/7/18	Granted as Remuneration	Participation in Capital Raises	Appointment/ Resignation	Net Change Other	Balance 30/6/19
Directors						
RS Anthon	72,782,866	-	2,000,000	-	-	74,782,866
SG Bizzell	1,099,902,623	-	7,500,000	-	(21,227,431)	1,086,175,192
M Baker	150,394,976	-	2,000,000	-	-	152,394,976
P Wright	22,652,642	-	2,000,000	-	(11,652,223)	13,000,419
Key Management Personnel						
S Hall	1,014,833	-	-	-	-	1,014,833
P Marshall	100,000,000	-	-	-	-	100,000,000
Total	1,446,747,940	-	13,500,000	-	(32,879,654)	1,427,368,286

Unlisted June 2021 Convertible Notes

2019	Balance 1/7/18	Granted as Remuneration	Participation in Capital Raises	Appointment/ Resignation	Net Change Other	Balance 30/6/19
Directors						
RS Anthon	-	-	14,000,000	-	-	14,000,000
SG Bizzell	-	-	87,000,000	-	-	87,000,000
M Baker	-	-	14,000,000	-	-	14,000,000
P Wright	-	-	14,000,000	-	-	14,000,000
Key Management Personnel						
S Hall	-	-	-	-	-	-
P Marshall	-	-	20,000,000	-	-	20,000,000
Total	-	-	149,000,000	-	-	149,000,000

Loans with directors and key management personnel.

Bizzell Nominees Pty Ltd a company associated with Mr Stephen Bizzell has provided a loan facility for up to $2,000,000 to the company. At the 30 June 2019 balance date the outstanding balance on the loan facility was $nil (2018 - $176,984). Interest accrued on the facilty during the 2019 financial year was $7,274 (2018 - $35,364). During the year ended 30 June 2019 $80,000 was advanced to the company and $264,257 was repaid (2018 - $138,000 was advanced to the company and $365,000 was repaid). The interest rate on the loan facility is 10%.

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 $211,659 (2018: $191,520) remains an outstanding trade creditor payable after interest of $20,139 (at 10% per annum) was accrued in the financial year in relation to the outstanding liability. The services were based on normal commercial terms and conditions. The full amount outstanding was repaid in full in July 2019.

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 2019.

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 fee of $56,240 in relation to taxation compliance services 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, 30 September 2019

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 2019, 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, 30 September 2019

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 16 September 2019.

SHAREHOLDER INFORMATION

Distribution of Number of Holders of Each Class of Securities as at 16 September 2019.

	Ordinary shares fully paid
Number of Securities Held	Nos of holders
1 to 1,000	3,031
1,001 to 5,000	447
5,001 to 10,000	139
10,001 to 100,000	450
100,001 and over	950
	5,017
Number of shareholders holding less than a marketable parcel of shares	3,960

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	16.13%
2	Bizzell Nominees Pty Ltd	353,329,656	9.50%
3	Surfit Capital Pty Ltd	100,500,000	2.70%
4	Downshire Investments Pty Ltd	100,000,000	2.69%
4	Sypco Holdings Pty Ltd	92,250,000	2.48%
6	Bam Opportunities Fund Pty Ltd	78,000,000	2.10%
7	Warburton Partners Pty Ltd	75,653,866	2.03%
8	Finn Air Holdings Pty Ltd	71,000,000	1.91%
9	BCP Alpha Investments Limited	65,062,097	1.75%
10	Warburton Partners Pty Ltd	56,333,333	1.51%
11	Mr Benjamin Alexander Fisher	54,629,825	1.47%
12	Mr Colin Robert Searl & Mrs Cynda Searl	54,600,000	1.47%
13	Horrie Pty Ltd	50,000,000	1.34%
13	Richard Stacy Anthon	50,000,000	1.34%
15	Nambia Pty Ltd	49,082,049	1.32%
15	J P Morgan Nominees Australia Pty Limited	43,899,376	1.18%
17	Mr Phillip Alexander Purdie & Mrs Carol Ann Purdie	42,800,000	1.15%
18	Rookharp Capital Pty Limited	38,524,027	1.04%
19	Row Boat Pty Ltd	37,650,000	1.01%
20	Bizzell Nominees Pty Ltd	32,000,000	0.86%
		2,045,327,562	**54.98%**

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 1,086,175,192 ordinary shares – 29.2%

Unquoted Securities

There are the following unquoted securities as at 16 September 2019:

390,000,000 Unlisted $0.005 30 June 2021 Convertible Notes. There are three holders of the notes with an interest of greater than 20%: 92,000,000 being held by BAM Opportunities Fund Pty Ltd, 87,000,000 are held by Bizzell Nominees Pty Ltd and 85,000,000 are held by Lavaron Pty Ltd.

Each note is convertible at any time at the holder's election into one ordinary Laneway share. Interest of 15% p.a, is paid half yearly in arrears at the end of June and December. There are no voting rights associated with the notes. Laneway may elect, at its discretion, to issue notes (at the issue price and on the same terms and conditions as the notes on issue) in lieu of any interest due on an interest payment date, and the issue of those notes will be in full and final satisfaction of the interest due and payable on that date. At maturity Laneway will repay the face value and any unpaid interest.

Interests in Mining Tenements

Laneway Resources Limited held the following interests in mining and exploration tenements as at 16 September 2019:

Type	Title No	Location	Interest
MDL	402	Queensland - Agate Creek	100%
EPM	17788	Queensland - Agate Creek	100%
EPM	26460	Queensland - Agate Creek	100%
ML	100030	Queensland - Agate Creek	100%
EL	6234	NSW - Ashford	100%
EL	6428	NSW - Ashford North	100%
EP	53469	New Zealand - Waitekauri	100%
EP	54216	New Zealand - 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 2019

During the 2016 financial year the company completed a JORC resource estimate for the Agate Creek project. There has potentially been a minor change to this resource in the 2019 financial year due to mining activity.

During the 2019 year mining has occurred at the Sherwood Deposit within the Agate Creek resource Area's which will have depleted the Sherwood high grade sub-set shown in Table 2. Mining of this resource was ongoing at 30 June, and has only recently been completed. Several drilling programs have also been completed since the resource estimation in 2016. This drilling has primarily been focussed within the open pit area being mined, with a further drilling program also currently underway. Once this drilling program is completed and final mine surveys are received, a new resource estimation will be undertaken on the project as a whole. Mining of the resource has allowed for significantly greater geological understanding of the mineralisation and may have an impact future resource estimates.

The 2016 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 Project

The Ashford Coking Coal Project incorporates the Ashford Mine Area (EL 6234 and EL 6428). In January 2018 Laneway acquired from Northern Energy Corporation the 50% of the project it did not previously own. A revised JORC resource estimation was completed in the 2017/18 financial year. No revisions have been made in the 2019 financial year. Total resources within EL6234 have been estimated at 14.8 million tonnes of in-situ coal with 6.5 million tonnes classified as Indicated and 8.3 million tonnes as Inferred. Of the total resource, 9.4 million tonnes are likely to be accessible by conventional open cut methods to a 15:1 vertical waste to in-situ coal tonnes stripping ratio cut off. A further 5.4 million tonnes are expected to be able to be mined via high wall mining methods.

The table below presents a summary of the resource estimate.

Mineral Resource Statement – Ashford Coking Coal Project 30 June 2019 and 30 June 2018

Method	**Indicated (Mt)**	**Inferred (Mt)**	**Total (Mt)**
Open Cut	5.4	4	9.4
Underground	1	4.3	5.4
Total	6.5	8.3	14.8

Material Changes and Resource Statement Comparison

There has not been a material changes to the Mineral Resource estimates during the review period from 1 July 2018 to 30 June 2019. Laneway has undertaken mining operations on the Agate Creek Resource in the financial year as well as further exploration drilling which is still ongoing. An updated resource estimate will be completed in the 2020 financial year to include the impact of the mining and the new drilling.

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.

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2019

	Note	Consolidated 2019 $	2018 $
Revenue from contracts with customers	2	13,018,128	233
Other income/(expenses)	2	213,874	-
Production expenses		(9,069,955)	-
Net royalties expense	2	(298,391)	-
Depreciation and amortisation expenses	2	(697,857)	-
Finance costs	2	(278,318)	(94,492)
Unwinding of Convertible Note discount	7	(78,000)	
Employment costs	2	(411,550)	(448,562)
Other expenses		(497,983)	(241,171)
Profit/(Loss) before tax		1,899,948	(783,992)
Income tax expense	3	-	-
Profit/(Loss) for the year		1,899,948	(783,992)
Other comprehensive income		-	-
Total comprehensive income for the year		1,899,948	(783,992)
Total comprehensive income for the year is attributable to:			
Owners of Laneway Resources Limited		1,899,948	(783,992)
Profit/(Loss) per share			
Basic profit/(loss) per share (cents per share)	14	0.053	(0.025)
Diluted profit/(loss) per share (cents per share)	14	0.056	(0.025)

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

BALANCE SHEET
AS AT 30 JUNE 2019

	Note	Consolidated 2019 $	2018 $
Current Assets			
Cash and cash equivalents		2,648,743	172,147
Trade and other receivables		698,576	-
Financial assets at fair value through profit or loss		3,516	4,533
Other receivables		24,692	19,363
Total Current Assets		3,375,527	196,043
Non-Current Assets			
Other receivables		178,632	37,500
Plant and equipment	4	54,011	-
Exploration, evaluation and development assets	5	12,110,828	11,772,392
Total Non-Current Assets		12,343,471	11,809,892
Total Assets		15,718,998	12,005,935
Current Liabilities			
Trade and other payables	6	1,830,151	2,075,277
Borrowings		-	25,000
Employee leave provisions		118,278	100,173
Total Current Liabilities		1,948,429	2,200,450
Non-Current Liabilities			
Borrowings	7	1,833,875	551,984
Provisions	8	205,650	205,650
Total Non-Current Liabilities		2,039,525	757,634
Total Liabilities		3,987,954	2,958,084
Net Assets		11,731,044	9,047,851
Equity			
Equity attributable to equity holders of the parent			
Share capital	9	128,322,999	127,798,879
Reserves	9	344,125	85,000
Accumulated losses		(116,936,080)	(118,836,028)
Total Equity		11,731,044	9,047,851

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

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2019

Consolidated	Share Capital	Convertible Note Reserve	Accumulated Losses	Total
	$	$	$	$
Balance at 1 July 2017	126,446,279	-	(118,052,036)	8,394,243
Loss for the year	-	-	(783,992)	(783,992)
Other comprehensive income	-	-	-	-
Total comprehensive income	-	-	(783,992)	(783,992)
Transactions with owners in their capacity as owners				
Shares issued during the year	1,352,600	-	-	1,352,600
Convertible note issue	-	85,000	-	85,000
Total transactions with owners	1,352,600	85,000	-	1,437,600
At 30 June 2018	**127,798,879**	**85,000**	**(118,836,028)**	**9,047,851**
At 1 July 2018	127,798,879	85,000	(118,836,028)	9,047,851
Profit for the year	-	-	1,899,948	1,899,948
Other comprehensive income	-	-	-	-
Total comprehensive income	-	-	1,899,948	1,899,948
Transactions with owners in their capacity as owners				
Shares issued during the year	600,000	-	-	600,000
Costs in relation to share issues	(75,880)	-	-	(75,880)
Convertible note issue	-	259,125	-	259,125
Total transactions with owners	524,120	259,125	-	783,245
At 30 June 2019	**128,322,999**	**344,125**	**(116,936,080)**	**11,731,044**

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 2019

	Note	Consolidated 2019 $	2018 $
Cash Flows from Operating Activities			
Receipts		4,256,093	233
Payments to suppliers and employees		(1,105,193)	(182,948)
Interest received		-	-
Interest paid		(103,567)	-
Net Cash From/(Used) in Operating Activities	10	3,047,332	(182,715)
Cash Flow From Investing Activities			
Payments for plant and equipment		(57,264)	-
Acquisition of project interests		-	(375,000)
Payments for project development		(698,928)	-
Payments for exploration		(794,306)	(934,755)
(Payments)/refunds of security deposits		(141,132)	-
Net Cash Flow From/(Used) in Investing Activities		(1,691,630)	(1,309,755)
Cash Flow from Financing Activities			
Proceeds from issue of shares		559,500	1,352,600
Director Loan facility received		80,000	138,000
Director Loan facility repaid		(242,727)	(365,000)
Other Loans received		410,945	25,000
Other Loans repaid		(410,945)	-
Proceeds from issue of convertible notes		895,000	460,000
Payments of security issue expenses		(170,880)	-
Net Cash Flow From/(Used) Financing Activities		1,120,893	1,610,600
Net increase/(decrease) in cash held		2,476,596	118,130
Cash at the beginning of the financial year		172,147	54,017
Cash at the end of the financial year	10	2,648,743	172,147

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, development and mining.

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 2019.

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 30 September 2019.

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 2019, 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".

Key judgements – capitalisation and impairment assessment of development costs
Initial capitalisation of costs is based on management's judgement that technical and economic feasibility is confirmed. In determining the amounts to be capitalised, management makes assumptions regarding the expected future cash generating potential of the project.

During the financial year Laneway obtained a Mining Licence for its high grade near surface gold project at Agate Creek. A Mining and Processing Agreement was entered into with Maroon Gold Pty Ltd that enabled mining operations to commence and previously capitalised exploration costs on Agate Creek were transferred from exploration expenditure to development expenditure and will form part of the pool of expenditures being amortised.

Going concern basis for accounting
As a result of the revenue arising from the successful development of the Agate Creek project, the ongoing support from a director of the company and the prior success of capital raisings 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.

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.

Amortisation
No depreciation nor amortisation is charged in the exploration and evaluation phase.

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.

Development Assets
Capitalised Development expenditure includes costs transferred from Exploration and Evaluation when the consolidated entity can demonstrate:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- its intention to complete and its ability to use or sell the asset;
- how the asset will generate future economic benefits;
- the availability of resources to complete the asset; and
- the ability to measure reliability the expenditure during development.

Following recognition, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete, and the asset is available for use. During the period of development, the asset is tested for impairment annually.

Revenue Recognition

The Group adopted AASB15 *Revenue from contracts with customers*. Since this is the first year of revenue being generated, modified retrospective approach was not required.

The Group has entered into a Mining and Processing Agreement with a mine operator. Through this agreement, the Group has engaged the other party to operate / mine its gold tenements for a period of 18 months capped at 100,000 tonnes of ore produced.

In consideration for this service the mine operator is entitled the revenues from the first 3.5g/t of any ore refined. Any excess above 3.5g/t is split 60% to Laneway and 40% to Maroon based on monthly production.

At all times Laneway retains legal title to the ore and minerals.

The Group accounts for this arrangement by recognising the gross revenue from the sale of minerals and a cost of the mining service provided by the mine operator to the Group.

Revenue from minerals sold represents revenue from the contract with customer and is recognised at the point in time when the minerals are sold.

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.

Trade and other Receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less loss allowance.

Impairment
From 1 July 2018, the group assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the group applies the simplified approach permitted by AASB 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

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.

Trade and Other 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

Borrowings are initially recognised 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 to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

The fair value of the liability portion of convertible bonds, that do not include a derivative at fair value, is determined using a market interest rate for an equivalent non-convertible bond. This amount is recorded as a liability on an amortised cost basis until extinguished on conversion or maturity of the bonds. The remainder of the proceeds is allocated to the conversion option. This is recognised and included in shareholders' equity, net of income tax effects.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

Where the terms of a financial liability are renegotiated and the entity issues equity instruments to a creditor to extinguish all or part of the liability (debt for equity swap), a gain or loss is recognised in profit or loss, which is measured as the difference between the carrying amount of the financial liability and the fair value of the equity instruments issued.

Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

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.

Earnings (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 20 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 and amended standards adopted by the group
A number of new or amended standards became applicable for the current reporting period and G had to change its accounting policies as a result of adopting the following standards:

AASB 9 *Financial Instruments*; and

The impact of the adoption of these standards and the new accounting policies are disclosed below. The other standards did not have any impact on the Consolidated Entity's accounting policies and did not require retrospective adjustments.

AASB 9 *Financial Instruments* – Impact of adoption
AASB 9 replaces the provisions of AASB 139 that relate to the recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting.

The adoption of AASB 9 Financial Instruments from 1 July 2018 resulted in changes in accounting policies. The new accounting policies are set out in note below. In accordance with the transitional provisions in AASB 9(7.2.15) and (7.2.26), comparative figures have not been restated.

(i) Classification and Measurement
On 1 July 2018 (the date of initial application of AASB 9), the Consolidated Entity's management has assessed which business models apply to the financial assets held by the Consolidated Entity and has classified its financial instruments into the appropriate AASB 9 categories. There were no changes to the classification and measurement of financial assets.

(ii) Impairment of financial assets
The Consolidated Entity has one type of financial asset that is subject to AASB 9's new expected credit loss model, being trade and other receivables.

The group was required to revise its impairment methodology under AASB. There was no material impact of the change in impairment methodology on the group's retained earnings and equity.

While cash and cash equivalents are also subject to the impairment requirements of AASB 9, there was no material impairment loss identified.

(i) Investments and other financial assets

Classification
From 1 July 2018, the Consolidated Entity classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through OCI, or through profit or loss); and
- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

The Consolidated Entity reclassifies debt investments when and only when its business model for managing those assets changes.

Measurement

At initial recognition, the group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments
Subsequent measurement of debt instruments depends on the group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the group classifies its debt instruments:

- Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses), together with foreign exchange gains and losses. Impairment losses are presented as separate line item in profit or loss.

- FVOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses) and impairment expenses are presented as separate line item in the statement of profit or loss.

- FVPL: Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises.

Impairment
From 1 July 2018, the group assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the group applies the simplified approach permitted by AASB 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

Fair Values

The fair values of cash and cash equivalents, trade and other receivables, security deposits, interest bearing loans and borrowings and trade and other payables approximate their carrying value.

	Consolidated Entity 2019 $	Consolidated Entity 2018 $
2. REVENUES AND EXPENSES		
Profit/(Loss) from ordinary activities before income tax includes the following specific items:		
Revenue from contracts with customers		
Sale of gold	13,017,928	-
Other income	200	233
	13,018,128	233
Other income		
Fair value gain/(loss) on other financial assets	(1,017)	-
Write back of accrued expenses from prior periods	214,891	-
	213,874	-
Mineral royalty expenses		
Payable on mineral production	899,906	-
Recoverable under Agate Creek Tribute Agreement	(601,515)	-
Net royalty expense	298,391	-
Depreciation		
Plant and equipment	3,253	-
Amortisation		
Amortisation of Agate Creek development costs	694,604	-
Unwinding of Convertible Note discount – equity portion	78,000	-
Finance costs		
Interest on Convertible Notes	202,668	-
Interest – Director related entity	27,413	76,884
Interest other	48,237	17,608
	278,318	94,492
Employee benefits expenses		
Defined contribution superannuation expense	2,020	1,937
Other employee benefits expenses	409,530	446,625
Total employee benefits expenses	411,550	448,562

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 2019 and 2018 is as follows:

	Consolidated Entity 2019 $	Consolidated Entity 2018 $
Accounting profit/(loss) before income tax	1,899,948	(783,992)
At the statutory income tax rate of 27.5% (2018: 27.5%)	522,486	(215,598)
Non-deductible expenses	23,614	2,162
Previously unrecognised losses brought to account	(421,260)	-
Deferred tax assets (brought)/not bought to account	(124,840)	213,436
Income tax expense	-	-

3. INCOME TAX (continued)

	Consolidated Entity 2019 $	Consolidated Entity 2018 $
Recognised deferred tax assets		
1. Unused tax losses	3,000,061	2,824,694
2. Deductible temporary differences	165,208	206,345
	3,165,269	3,031,039
Recognised deferred tax liabilities		
Assessable temporary differences	3,165,269	3,031,039
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	110,289,495	111,821,352
Potential tax benefit @ 27.5%	30,329,611	30,750,872

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. The tax losses carried forward can only be recouped in future years if either the continuity of ownership test (COT) or the same business test (SBT) is satisfied for the year.

4. PROPERTY, PLANT AND EQUIPMENT

	Consolidated		
	Motor Vehicles $	Plant & Equip $	Total $
At 30 June 2018			
Cost	46,732	-	46,732
Accumulated depreciation	(46,732)	-	(46,732)
Net carrying amount	-	-	-
At 30 June 2019			
Cost	76,732	27,264	103,996
Accumulated depreciation	(48,984)	(1,001)	(49,985)
Net carrying amount	27,748	26,263	54,011
Period ended 30 June 2019			
At 1 July 2018, net of accumulated depreciation	-	-	-
Additions	30,000	27,264	57,264
Depreciation charge for the year	(2,252)	(1,001)	(3,253)
At 30 June 2019, net of accumulated depreciation	27,748	26,263	54,011

5. EXPLORATION EVALUATION AND DEVELOPMENT ASSETS

	Consolidated Entity 2019 $	Consolidated Entity 2018 $
Exploration and development costs carried forward in respect of areas of interest		
Areas of production		
- At cost	1,157,673	-
- Accumulated amortisation	(694,604)	-
	463,069	-
Areas not in production		
- Exploration phase	11,647,759	11,772,392
	12,110,828	12,896,245

5. EXPLORATION EVALUATION AND DEVELOPMENT ASSETS (continued)

	Consolidated Entity 2019 $	2018 $
<u>Reconciliation</u>		
Exploration expenditure capitalised		
- Opening balance	11,772,392	10,332,979
- Current year expenditure	517,904	1,439,413
- Transfer to development expenditure	(642,537)	-
Carried forward	11,647,759	11,772,392
Development expenditure capitalised		
- Opening balance	-	-
- Current year expenditure	515,136	-
- Transfer from exploration expenditure	642,537	-
- Amortisation	(694,604)	-
Carried forward	463,069	-

Exploration and Evaluation Assets
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.

Development Assets
Recoverability of the carrying amount of development assets is dependent on the successful completion of development activities, or alternatively, sale of the respective areas of interest.

6. TRADE AND OTHER PAYABLES (CURRENT)

	Consolidated Entity 2019 $	2018 $
Trade creditors	643,534	1,479,449
Other payables and accruals	1,186,617	595,828
	1,830,151	2,075,277
Included in the above are aggregate amounts payable to the following related parties		
Directors and director related entities	361,719	727,364

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.

7. BORROWINGS (CURRENT AND NON CURRENT)

	Consolidated Entity 2019 $	2018 $
Current		
Non Secured		
Loan from director related entity	-	25,000

During the prior year Mr P Wright advanced $25,000 to Laneway. The funds were repaid by participation in the issue of securities by Laneway as part of a capital raising in December 2018.

	2019 $	2018 $
Non-Current		
Secured		
Loan from director related entity	-	176,984
Convertible notes	1,833,875	375,000
	1,833,875	551,984

7. BORROWINGS (CURRENT AND NON CURRENT) (continued)

Secured Loan from Director: Loan funds advanced by a director related entity Bizzell Nominees Pty Ltd are secured by an equal 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 16.

Convertible notes:
Number Issued: 420,000,000 at $0.005 per note
Interest Rate: The convertible notes bear interest at 15%. The effective interest rate is 22% per annum.
Interest Payments: Interest paid half yearly in arrears and the interest may be paid in certain circumstances at Laneway's election by the issue of further Convertible Notes
Conversion: Each Convertible Note can be converted into one fully paid Laneway share
Maturity Date: 30 June 2021
Security: The Convertible Notes have equal ranking security proportionally with the Bizzell Nominees Facility
Liability: The liability component of $1,833,875 is reflected in financial liabilities while the equity component of $259,125 of the issued June 2021 Convertible Notes is reflected in the convertible note reserve.

	Consolidated Entity	
	2019	2018
	$	$
The convertible notes are presented in the statement of financial position as follows:		
Face value of notes issued	2,100,000	460,000
Value of equity component	(344,125)	(85,000)
	1,755,875	375,000
Unwinding of equity component – interest expense	78,000	-
Convertible note liability	1,833,875	375,000

	Consolidated Entity	
	2019	2018
	$	$
8. PROVISIONS (NON-CURRENT)		
Restoration	205,650	205,650

A provision for restoration is recognised in relation to the exploration activities for costs such as reclamation, and restoration with the estimates 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	
	2019	2018
	$	$
9. SHARE CAPITAL		
(a) Issued and paid up capital		
Ordinary shares fully paid	128,322,999	127,798,879

(b) Movements in shares on issue	2019		2018	
	Nos of shares	**$**	**Nos of shares**	**$**
Ordinary shares fully paid				
Beginning of the financial year	3,480,065,933	127,798,879	3,060,666,527	126,446,279
Increases				
- Placement of shares (1)	-	-	286,066,072	952,600
- Placement of shares (2)	200,000,000	600,000	133,333,334	400,000
- Share issue costs	-	(75,880)	-	-
	3,680,065,933	128,322,999	3,480,065,933	127,798,879

(1) Issue of shares by way of placement at 0.333 cents per share
(2) Issue of shares by way of placement at 0.3 cents per share

9. SHARE CAPITAL (continued)

(c) Convertible Notes

The following convertible notes were on issue during the financial year.

Terms	1-Jul-18	additions	exercised	expired	30-Jun-19
Unlisted Notes $0.005 30 June 2021	92,000,000	328,000,000	-	-	420,000,000

The company issued a total of 328,000,000 unlisted 30 June 2021 $0.005 convertible notes during the year raising a total of $1,640,000. No notes were converted into ordinary shares (one ordinary share per note) during the period. The company issued a total of 92,000,000 unlisted 30 June 2021 $0.005 convertible notes in June 2018 raising a total of $460,000.

(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.

(f) Reserves

	Consolidated Entity	
	2019	**2018**
	$	**$**
Convertible Note Equity Reserve		
At beginning of year	85,000	-
Reserve arising on issue of convertible notes	259,125	85,000
Balance at end of year	344,125	85,000

The convertible note reserve covers the equity component of the issued June 2021 Convertible Notes. The liability component is reflected in financial liabilities.

10. STATEMENT OF CASH FLOWS

	Consolidated Entity	
	2019	**2018**
	$	**$**
Reconciliation of the operating loss after tax to the net cash flows from operating activities		
Profit/(loss) from ordinary activities after tax	1,899,948	(783,992)
Add/(less) non-cash items		
Provision for employee entitlements	18,105	15,286
Fair value (gain)/loss on financial assets through profit or loss	1,017	-
Depreciation	3,253	-
Amortisation	694,604	-
Non cash interest re unwinding of Convertible Note discount	78,000	-
Changes in operating assets & liabilities during the year		
(Increase)/decrease in receivables	(698,576)	2,352
(Increase)/decrease in prepayments	(5,329)	(45)
(Decrease)/increase in creditors	445,381	395,794
(Decrease)/increase in accruals	610,929	187,890
	3,047,332	(182,715)

10. STATEMENT OF CASH FLOWS (continued)

Reconciliation of cash

- Cash at bank	2,648,743	172,147

Non cash financing and investing activities

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

- During the period a total of 149m June 2021 Convertible Notes were issued at $0.005 per note in relation to the payment of creditors totalling $745,000. In addition 13.5m ordinary shares were issued at $0.003 per share in relation to the payment of creditors totalling $40,500.

11. EXPENDITURE COMMITMENTS

Future exploration
The consolidated entity has certain obligations or proposed programs to expend 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	
	2019	2018
	$	$
The commitments to be undertaken are as follows:		
Payable		
- not later than 12 months	1,001,818	911,818
- between 12 months and 5 years	2,853,636	3,570,455
	3,855,454	4,482,273

12. SHARE BASED PAYMENTS

Equity based instruments - Shares
The Company issued a total of 10,000,000 shares to Mr S Hall following the end of the period in relation to a milestone achieved during the 2019 financial year. The full value of the award ($90,000) was accrued for in the 2019 financial year.

13. CONTINGENCIES

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

14. EARNINGS/(LOSS) PER SHARE

	Consolidated Entity	
	2019	2018
	$	$
Earnings/(Loss) per share		
Basic earnings/(loss) per share (cents per share)	0.053	(0.025)
Diluted earnings(loss) per share (cents per share)	0.056	(0.025)
The following reflects the income and share data used in the calculations of basic and diluted earnings/(loss) per share:		
Profit/(loss) from continuing operations	1,899,948	(783,992)
Earnings used in calculating basic earnings/(loss) per share	1,899,948	(783,992)
Profit/(loss) from continuing operations	1,899,948	(783,992)
Interest expense in relation to dilutive convertible notes	280,668	-
Earnings used in calculating diluted earnings/(loss) per share	2,180,616	(783,992)
	Number	Number
Weighted average number of ordinary shares on issue used in the calculation of basic earnings per share	3,591,444,015	3,163,062,598
Effect of dilutive securities	269,468,493	-
Adjusted weighted average nos of ordinary shares used in calculating dilutive earnings per share	3,860,912,508	3,163,062,598

14. EARNINGS/(LOSS) PER SHARE (continued)

Conversions, calls, subscriptions or issues after 30 June 2019

The company issued 40,000,000 shares in August 2019 with 30,000,000 being due to the conversion of 30,000,000 Unlisted $0.005 2021 Convertible notes and 10,000,000 being issued as employee compensation.

	Consolidated Entity	
	2019	2018
	$	$
15. AUDITOR'S REMUNERATION		
Amounts received or due and receivable by the Auditors for:		
(i) Audit & other assurance services – BDO Audit Pty Ltd		
- Audit & review of financial statements	42,731	41,793
(ii) Other services –		
- Tax compliance services	56,240	-
Total	98,971	41,793

	Consolidated Entity	
	2019	2018
	$	$
16. DIRECTOR AND KEY MANAGEMENT PERSONNEL DISCLOSURES		
Key management personnel compensation		
Short term employee benefits	558,456	553,796
Share based payments	90,000	-
Post-employment benefits	27,981	20,899
Total	676,437	574,695

Loans with directors and key management personnel.

Bizzell Nominees Pty Ltd a company associated with Mr Stephen Bizzell has provided a loan facility for up to $2,000,000 to the company. At the 30 June 2019 balance date the outstanding balance on the loan facility was $nil (2018 - $176,984). Interest accrued on the facilty during the 2019 financial year was $7,274 (2018 - $35,364). During the year ended 30 June 2019 $80,000 was advanced to the company and $264,257 was repaid (2018 - $138,000 was advanced to the company and $365,000 was repaid). The interest rate on the loan facility is 10%.

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

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 $211,659 (2018: $191,520) remains an outstanding trade creditor payable after interest of $20,139 (at 10% per annum) was accrued in the financial year in relation to the outstanding liability. The services were based on normal commercial terms and conditions. The balance was repaid in full in July 2019.

Rent totalling $101,977 (2018:$nil) 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. Of the total charged $42,942 related to the current year and the balance was for prior periods that had not previously been invoiced.

17. 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 16 above.

18. 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-19	**New Zealand $**	**Australia $**	**Consolidated $**
Revenue:			
Revenue from outside the Consolidated Entity	-	13,018,128	13,018,128
Other unallocated revenue	-	-	-
Total Revenue	-	13,018,128	13,018,128
Segment result	-	1,899,948	1,899,948
Income tax	-	-	-
Net Loss	-	1,899,948	1,899,948
Non-cash items included in loss above:			
Depreciation and amortisation	-	697,857	697,857
Assets:			
Segment assets	882,590	14,836,408	15,718,998
Unallocated corporate assets	-	-	-
Consolidated Total Assets	882,590	14,836,408	15,718,998
Liabilities:			
Segment liabilities	-	3,987,954	3,987,954
Unallocated corporate liabilities	-	-	-
Consolidated Total Liabilities	-	3,987,954	3,987,954
Segment acquisitions:			
Capitalised exploration expenditure	116,034	917,007	1,033,041
Details on non-current assets:			
Plant and equipment	-	54,011	54,011
Exploration expenditure (see Note 4)	882,420	11,228,409	12,110,829
	882,420	11,282,420	12,164,840

30-Jun-18	**New Zealand $**	**Australia $**	**Consolidated $**
Revenue:			
Revenue from outside the Consolidated Entity	-	233	233
Other unallocated revenue	-	-	-
Total Revenue	-	233	233
Segment result	-	(783,992)	(783,992)
Income tax	-	-	-
Net Loss	-	(783,992)	(783,992)
Non-cash items included in loss above:			
Depreciation and amortisation	-	-	-
Assets:			
Segment assets	769,457	11,236,478	12,005,935
Unallocated corporate assets	-	-	-
Consolidated Total Assets	769,457	11,236,478	12,005,935

17. SEGMENT INFORMATION (cont)

30-Jun-18	New Zealand $	Australia $	Consolidated $
Liabilities:			
Segment liabilities	73,697	2,969,387	3,043,084
Unallocated corporate liabilities	-	-	-
Consolidated Total Liabilities	73,697	2,969,387	3,043,084
Segment acquisitions:			
Capitalised exploration expenditure	601,223	838,190	1,439,413
Details on non-current assets:			
Exploration expenditure (see Note 4)	766,386	11,006,006	11,772,392

19. 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, convertible notes 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. The company has been receiving revenue from its Agate Creek project since April 2019. As at 30 June 2019 the company has cash assets of $2,648,743. The cashflow from operations has continued into the first quarter of the 2020 financial year and as at the date of this report the company has sufficient cash to meet its planned expenditures over the next 12 months. At 30 June 2019 the Group has a loan facility from a director related entity totalling $2,000,000 of which $nil (2018 - $176,984) has been drawn upon as at 30 June 2019. 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 - 2019	Carrying Amount	Contractual Cash flows	<1 year	1 - 5 years	> 5 years
Financial Liabilities	$	$	$	$	$
Trade and Other Payables	1,830,151	1,830,151	1,830,151	-	-
Convertible Notes June 2021	1,833,875	2,887,500	315,000	2,572,500	-
	3,664,026	4,717,651	2,145,151	2,572,500	-

19. FINANCIAL RISK MANAGEMENT (cont)

Maturity Analysis – Consolidated entity - 2018	**Carrying Amount**	**Contractual Cash flows**	**<1 year**	**1 - 5 years**	**> 5 years**
Financial Liabilities	$	$	$	$	$
Trade and Other Payables	2,075,277	2,075,277	2,075,277	-	-
Loan from Director Related Entity	201,984	233,291	25,000	208,291	-
Convertible Notes June 2021	460,000	667,000	69,000	598,000	-
	2,737,261	2,975,568	2,169,277	806,291	-

(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.

2019	**Floating interest rate**	**Fixed interest rate**	**Non-interest bearing**	**Total carrying amount as per the balance sheet**	**Weighted average effective interest rate**
	2019	**2019**	**2019**	**2019**	**2019**
	$	**$**	**$**	**$**	**%**
Financial assets					
Cash and cash equivalents	-	-	2,648,743	2,648,743	0.00%
Total financial assets	-	-	3,347,311	3,347,311	
Financial liabilities					
Trade and other payables	-	211,659	-	211,659	10.00%
Convertible Notes June 2021	-	2,100,000	-	2,100,000	15.00%
Total financial liabilities	-	2,311,659	-	2,311,659	

2018	**Floating interest rate**	**Fixed interest rate**	**Non-interest bearing**	**Total carrying amount as per the balance sheet**	**Weighted average effective interest rate**
	2018	**2018**	**2018**	**2018**	**2018**
	$	**$**	**$**	**$**	**%**
Financial assets					
Cash and cash equivalents	-	-	172,147	172,147	0.00%
Total financial assets	-	-	172,147	172,147	
Financial liabilities					
Trade and other payables	-	191,520	-	191,520	10.00%
Loan from director related entity	-	176,984	25,000	201,984	10.00%
Convertible Notes June 2021	-	460,000	-	460,000	15.00%
Total financial liabilities	-	828,504	25,000	853,504	

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 $190 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.

20. PARENT COMPANY INFORMATION

The Parent Entity of the Group is Laneway Resources Limited.

Parent Entity Financial Information

	2019 $	2018 $
Current assets	3,375,525	196,041
Non-current assets	12,343,473	11,809,894
Total assets	15,718,998	12,005,935
Current liabilities	1,948,429	2,200,450
Non-current liabilities	2,039,525	842,634
Total liabilities	3,987,954	3,034,084
Net assets	11,731,044	8,962,851
Issued capital	128,322,999	127,798,879
Reserves	344,125	85,000
Accumulated losses	(116,936,080)	(118,921,028)
Total equity	11,731,044	8,962,851
Profit/(loss) after income tax	1,899,948	(783,992)
Other comprehensive income	-	-
Total comprehensive income	1,899,948	(783,992)

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 11 for details. The Parent Entity has no material contingent assets, contingent liabilities or guarantees at balance date.

21. SUBSEQUENT EVENTS

No matter or circumstance has arisen since 30 June 2019, 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 2019.

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:

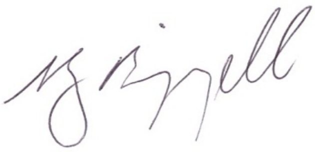
  (i) complying with Australian Accounting Standards and Interpretations and the Corporations Regulations 2001; and
  (ii) giving a true and fair view of the Consolidated Entity's financial position as at 30 June 2019 and of its performance and cash flows for the financial year ended on that date; and

(b) the financial statements also comply with International Financial Reporting Standards and Interpretations 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, 30 September 2019

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 consolidated balance sheet as at 30 June 2019, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies and the directors' declaration.

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

(i) Giving a true and fair view of the Group's financial position as at 30 June 2019 and of its financial performance for the year ended on that date; and

(ii) 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.

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.

Carrying value of exploration, evaluation and development assets

Key audit matter	*How the matter was addressed in our audit*
Refer to note 5 in the financial report. The Group carries exploration and evaluation assets as at 30 June 2019 in relation to the application of the Group's accounting policy for exploration and evaluation assets and development assets. The carrying value of exploration, evaluation and development assets is a key audit matter due to: • The significance of the total balance; 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. • During the financial year the Group obtained a Mining Licence for its high grade near surface gold project at Agate Creek and previously capitalised exploration costs on Agate Creek were transferred from exploration expenditure to development expenditure. • The initial capitalisation of costs was based on management's judgement that technical and economic feasibility is confirmed. In determining the amounts to be capitalised, management made assumptions regarding the expected future cash generating potential of the project.	Our procedures in relation to exploration, evaluation and development assets 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 cash flow 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; • Obtaining management's assessment of the amount of exploration and evaluation assets transferred to development assets; • Assessment of management's calculation of the value in use of the development assets; • Reviewed the calculations involved in relation to the amount transferred; and • Assessed the amortisation rate applied to the development assets in comparison to the expected life of the mine.

Revenue recognition and measurement

Key audit matter	*How the matter was addressed in our audit*
The Group's disclosures about revenue recognition are included in Notes 1 & 2, which details the accounting policies applied following the initial generation of revenue from mineral sales and the implementation of AASB 15 *Revenue from Contracts with Customers*. The assessment of revenue recognition was significant to our audit because revenue is a material balance in the financial statements for the year ended 30 June 2019 and the Group was required to develop its accounting policies in alignment with the new standard. The assessment of revenue recognition was significant to our audit because revenue is a material balance in the financial statements and the complex nature of accounting for revenue under the Mining and Processing Agreement that was entered into with the mine operator. The Group was required to develop its accounting policies in alignment with the new standard. The assessment of revenue recognition and measurement required significant auditor effort.	Our audit procedures included amongst others: • Assessing the revenue recognition accounting policy for compliance with AASB 15 *Revenue from Contracts with Customers*; • Review the contracts and terms and conditions with Maroon Gold Pty Ltd to ensure the revenue was calculated in accordance with the agreement and recognised in accordance with the revenue accounting policy; • Involving our internal specialists to assess compliance of the revenue recognition policy with AASB 15; • Agreeing samples of revenue transactions to supporting documentation such as invoices and receipts; and • Assessing the adequacy if the Group's disclosures within the financial statements.

Going concern

Key audit matter	*How the matter was addressed in our audit*
Note 1 of the financial statements outlines the basis of preparation of financial statements which indicates being prepared on a going concern basis which contemplates that the group will continue to meet its commitments and can therefore continue normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business. Our assessment of the going concern basis was considered a key audit matter due to the judgements and assumptions made by the Directors. The ability of the Group to continue as a going concern is supported by the cash flow forecasts prepared by the Directors. These forecasts include the Directors' assumptions regarding the timing of future cash flows and operating results which are by their nature uncertain.	Our audit procedures included amongst others: • Obtaining and evaluating management's assessment of the group's ability to continue as a going concern • Assessing cash-flow forecasts and challenging management's assumptions around future performance, including considering post balance date performance • Comparing the exploration expenditure in cash flow forecasts to minimum expenditure requirements in tenement schedules to ensure these are being met • Analysing the impact of reasonable possible changes in cash flow forecasts and their timing by applying sensitivities to key inputs • Performing a sensitivity analysis over cash flow forecasts as prepared by management based on a number of worst case scenarios.

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 2019, 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 (http://www.auasb.gov.au/Home.aspx) 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 25 to 28 of the directors' report for the year ended 30 June 2109.

In our opinion, the Remuneration Report of Laneway Resources Limited, for the year ended 30 June 2019, 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, 30 September 2019