

LANEWAY RESOURCES LIMITED

A.C.N. 003 049 714

ANNUAL REPORT 30 JUNE 2020

LANEWAY RESOURCES LIMITED
ANNUAL REPORT 2020

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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

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AUDITORS

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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 2020.

Review of Operations 2020

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

Laneway's primary focus in the 2020 financial year was on firstly completing the first mining campaign and then progressing planning for the next phase of development at the Agate Creek gold project. The initial successful development has resulted in a profitable 2020 financial year from the mining campaign completed over the first quarter. The funds generated from this campaign enabled further exploration and development drilling to be undertake at Agate Creek as the company looks to another mining campaign in the 2021 financial year.



Location of Laneway Resources Projects

COVID-19

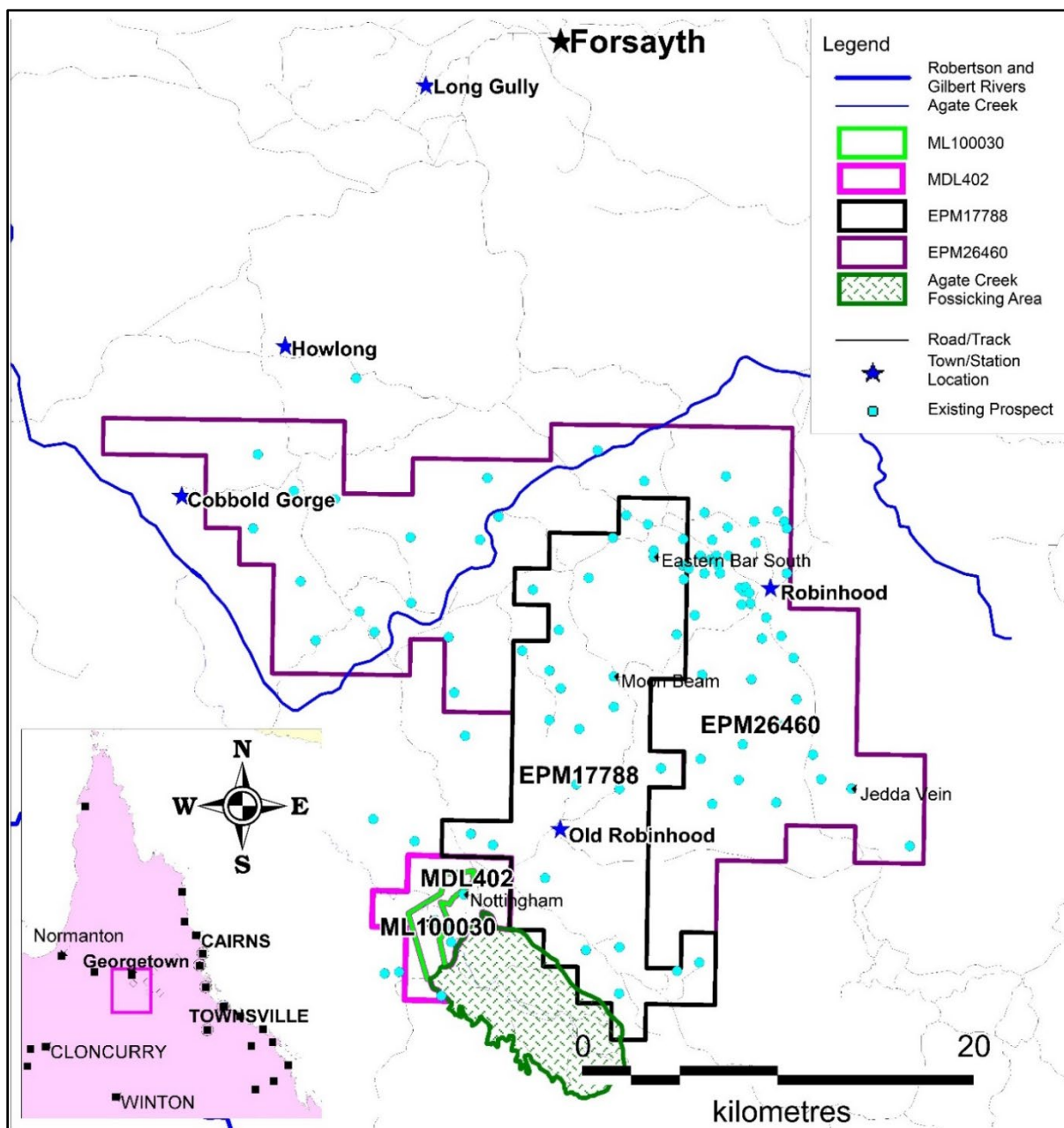
Progress on the Agate Creek development was impacted and delayed by COVID-19. Laneway has managed the impacts through the implementation of revised work practices and a significant increase in the on-site camp facilities at Agate Creek to allow for appropriate social distancing and other precautionary measures to protect the health and safety of our employees and contractors.

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 647km². 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 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 367,000 ozs at 0.5 g/t gold cut-off grade. This includes a high-grade subset at Sherwood of 205,000 tonnes @ 5.5g/t Au at a 2g/t cut-off. The estimate was completed in January 2020 following the initial mining campaign.



Agate Creek Project Location

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Mineral Resource

An updated Mineral Resource estimate (JORC 2012) was completed in January 2020 (refer to ASX announcement of 30 January 2020 - *Significant High Grade Resource Increase for Agate Creek Gold Project*) for the Agate Creek epithermal gold project in North Queensland. The estimate included all drilling on the project (except for the 2020 34 hole program) and also took into account depletion from all mining during 2019.

Mineral Resource estimates were undertaken for the Sherwood, Sherwood West and Sherwood South deposits and were based upon a total of 710 exploration drill holes and over 1,500 sampled blast holes from mining. Independent consultants ResEval Pty Ltd were engaged to update the total Agate Creek Project Mineral Resource.

A global recoverable Mineral Resource was defined for the Agate Creek Project in Table 1 at a 0.5 g/t Au cut-off suitable for a large open pit operation. Table 3 also shows the recoverable Mineral Resource defined for the Agate Creek Project at a 0.3 g/t Au cut-off grade. No recent updated economic modelling has been undertaken on the project and as such the marginal cut-off grade that would be used for a bulk tonnage operation has not yet been determined, but is anticipated to be in the 0.3 to 0.5 g/t Au range with the current high AUD gold price potentially supporting lower cut-off grades.

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 Tables 1 & 3

Table 1: Total recoverable Mineral Resource at 0.5 g/t gold cut-off grade

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
Measured	0.015	4.88	2,400									
Indicated	2.45	1.56	123,000				2.18	1.54	108,000	4.63	1.55	231,000
Inferred	1.73	1.15	64,000	0.37	1.16	14,000	1.59	1.14	58,000	3.69	1.15	136,000
Total	4.20	1.40	190,000	0.37	1.16	14,000	3.37	1.37	166,000	8.32	1.37	367,000

Mineral Resources are inclusive of the high-grade Mineral Resource included in Table 2

Table 2: High grade Mineral Resource subsets

Area	Cut-off Au g/t	Measured			Indicated			Inferred			Total		
		kt	Au g/t	Au oz	kt	Au g/t	Au oz	kt	Au g/t	Au oz	kt	Au g/t	Au oz
Sherwood	2.0	15	4.88	2,400	188	5.61	33,800	2	3.05	200	205	5.53	36,400
Sherwood West	1.0				977	1.87	58,800	118	1.72	6,700	1,095	1.86	65,400
Total		15	4.88	2,400	1,165	2.47	92,600	119	1.78	6,800	1,300	2.44	101,800

Grade and Tonnage rounded to 2 decimal places. Ounces calculated after rounding and reported to nearest 100 Oz

Table 3: Total recoverable Mineral Resource at 0.3 g/t gold cut-off grade recoverable Mineral 0.3 g/t gold cut-

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
Measured	0.015	4.88	2,400							0.015	4.88	2,400
Indicated	4.90	1.00	157,000				4.13	1.02	135,000	9.04	1.01	292,000
Inferred	3.06	0.83	82,000	0.51	0.96	16,000	3.19	0.78	80,000	6.76	0.81	177,000
Total	7.98	0.94	241,000	0.51	0.96	16,000	7.32	0.91	215,000	15.79	0.92	471,000

The high-grade domains provide 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.

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Mining at Agate Creek Gold Mine



Agate Creek Gold Mine first gold produced in April 2019.

Tribute Agreement with Maroon Gold – 2019

During the 2019 financial year 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 for the processing of ore through Maroon's wholly owned Black Jack CIL processing plant. The Black Jack plant was recommissioned during 2019 with the capacity to process up to 340,000tpa. Utilising an existing processing plant significantly reduced the capital expenditure and also the time to first gold production for Laneway once the ML was granted.

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). Gold was recovered from gravity, ILR (Intensive Leach Reactor) and CIL (Cyanide in Leach) extraction at Maroon's Black Jack Processing Plant with processing rates averaged ≈ 21 tonnes per hour.



Agate Creek Open Pit and Waste Dump

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Gold Production Pursuant to Tribute Agreement with Maroon

During the financial year, Laneway continued tribute mining with Maroon Gold at Agate Creek within ML100030. Mining finished in August 2019 and ore transportation continued into early September with the decision made to transport and process the low-grade stockpile (≈15,000 tonnes) due to the significant increase in AUD gold price since the commencement of mining in April 2019. This resulted in processing continuing until mid-September.

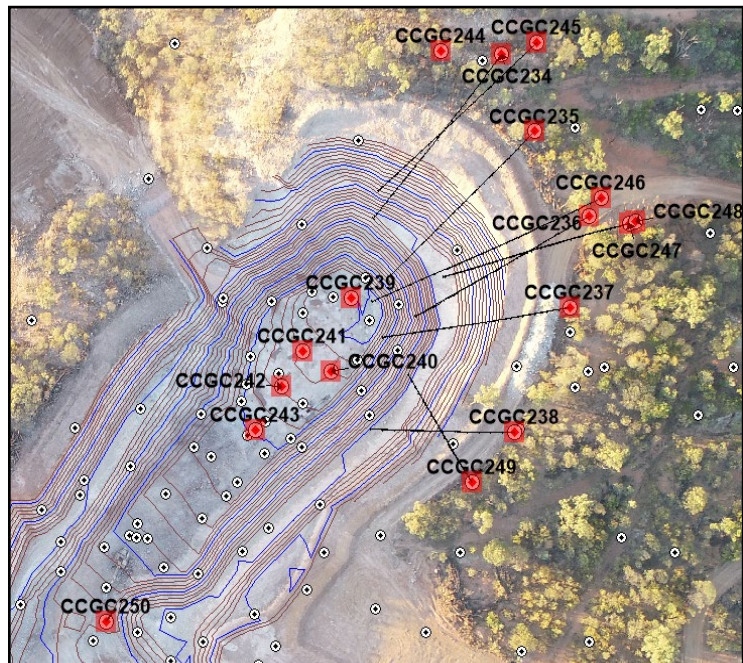
Under the Mining and Processing (Tribute) Agreement entered into with Maroon, all direct costs incurred with respect to production were incurred by and paid for by Maroon. The parties then shared the proceeds of the gold produced above an amount retained by Maroon towards the production costs. Total processed production from April 2019 to September 2019 was ≈70,000 tonnes of ore at an average grade of 7.3 g/t with gold recoveries averaging over 97%. Total gold sold in the campaign from the project commencement in April was 15,816 ounces. Laneway's calculation of its share of the total gold sales over this period was almost 5,000 oz with the share of the proceeds being almost \$10 million.

For the 2020 reporting period total gold sold was approximately 8,500 oz with total revenue of over \$19 million. Laneway's net share of this under the Tribute Agreement was 2,635 oz - \$5,600k. The company still has an amount still owing to it from Maroon Gold of \$1.825m from gold proceeds not remitted to Laneway in accordance with the terms of the Tribute agreement. A provision for the non-recovery of this amount has been made in the 2020 results.

2019 Post Mining Reverse Circulation (RC) Drilling

A RC drilling program of 46 holes for 2,244m was undertaken in September/October 2019. The program comprised 17 holes (1,002m) at Sherwood, 5 holes (609m) at Sherwood West and 20 holes (633m) on regional areas targeting both potential additional high-grade material near the existing open cut pit as well as several regional targets. The Sherwood high grade zone (17 holes for 1,002m) highlights included:

- 3m at 9.2 g/t Au (CCGC235)
- 7m at 13.9 g/t Au (CCGC245)
- 2m at 24.6 g/t Au (CCGC246)
- 2m at 53.0 g/t Au (CCGC246)
- 5m at 22.3 g/t Au (CCGC247)
- 2m at 10.2 g/t Au (CCGC247)
- 3m at 22.6 g/t Au (CCGC247)



The Drilling results at Sherwood confirmed the potential for Laneway to undertake a cut back on the 2019 mined open cut pit area to allow for high grade mineralisation to be mined from deeper mining of the original pit floor, along with extensions into the walls on both sides of the pit and into the northern high wall area. Full results for Sherwood drill holes were reported in the ASX announcement dated 26th November 2019.

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2020 Mining Campaign

Investigation of Additional Mining 2020

The data from the resource update, within the mining lease area in particular, supported progressing a small cut back on the previous open cut area to allow further mining of the existing pit floor. Initial analysis showed potential for 20-25,000t of high grade ore to be mined in the near term by Laneway. To further investigate this potential a cut back of the 2019 pit area and additional drilling was undertaken between May and July 2020.

Cut Back

Phase 1 of the cut back was undertaken to allow for additional RC drilling to be undertaken to confirm a separate deeper zone of mineralisation identified in the drilling program undertaken late 2019 - including following up drill hole CCGC235 (6m@4.71g/t including 2m@30g/t from 61m) which may provide additional ore tonnes without significantly increasing the stripping ratio of waste material required to be mined.

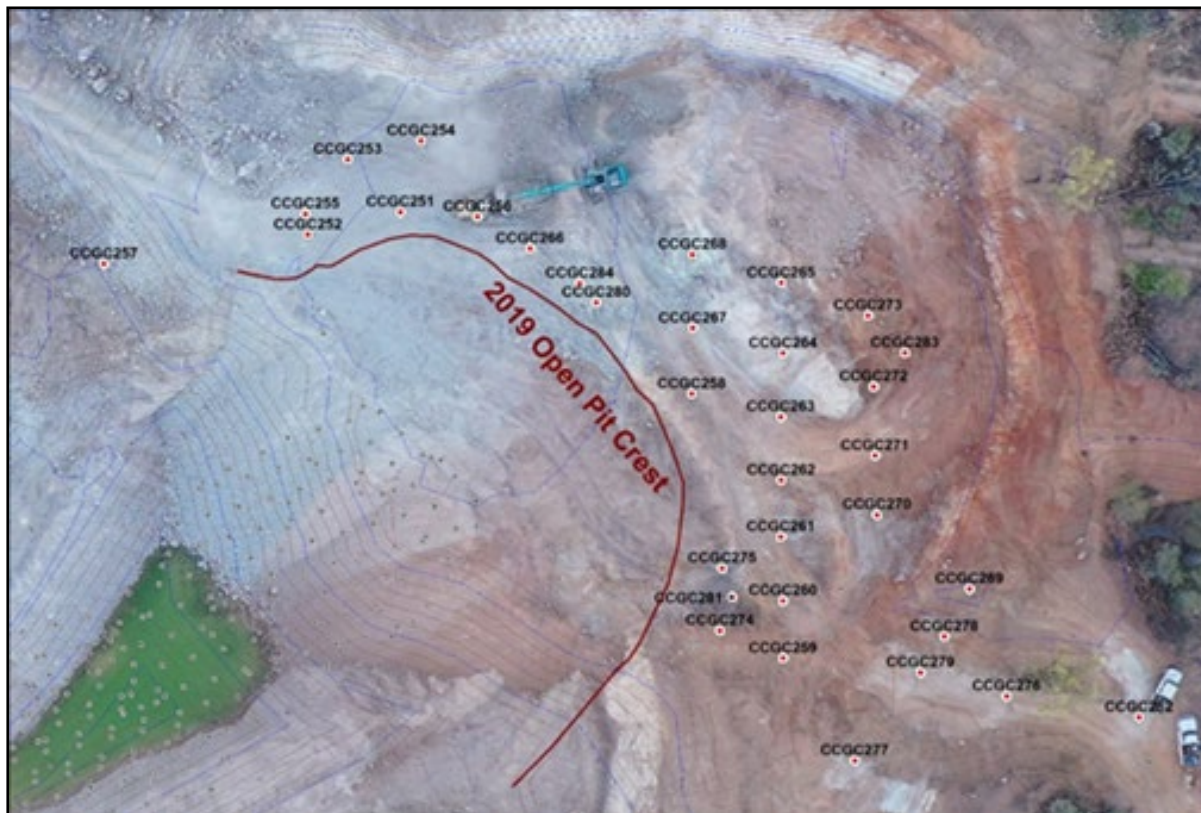


Potential pit design for 2020 mining

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2020 RC drilling

A successful infill RC drilling program was completed during July 2020 with 34 drill holes completed for 2,068m in the area past the boundary of the 2019 open pit. Sampling & assaying from these holes was only undertaken from a depth of 25m as historical drilling in this area has shown only results that would be uneconomic for toll treatment in the shallow zone - and the drilling targeted infilling known high grades in the area. The assay results from the drilling program received enabled modelling to be undertaken to provide an updated pit design and an updated estimate of ore and waste to be mined in the next mining campaign.



Full results are included in the ASX announcement of 30 July 2020. Significant results from the drill program included:

CCGC258

- 6m @ 10.50 g/t Au from 28m including 2m @ 28.73 g/t Au &
- 2m @ 18.24 g/t Au from 53

CCGC264

- 3m @ 8.40 g/t Au from 25m

CCGC280

- 2m @ 5.92 g/t Au from 27m &
- 2m @ 20.24 g/t Au from 61m including 1m @ 35.70 g/t Au

CCGC265

- 3m @ 5.58 g/t Au from 25m &
- 1m @ 48.53 g/t Au from 60m

CCGC284

- 6m @ 11.40 g/t Au from 49m including 1m @ 60.06 g/t Au

CCGC261

- 5m @ 5.80 g/t Au from 27m &
- 1m @ 40.64 g/t Au from 36m &
- 7m @ 15.08 g/t Au from 59 m including 1m @ 54.72 g/t Au

CCGC270

- 2m @ 7.16 g/t Au from 28m &
- 3m @ 5.72 g/t Au from 36m &
- 2m @ 26.91 g/t Au from 76m including 1m @ 51.74 g/t Au from 77m

CCGC274

- 3m @ 5.69 g/t Au from 46m

CCGC275

- 3m @ 5.88 g/t Au from 34m

CCGC276

- 2m @ 9.31 g/t Au from 40m

CCGC277

- 5m @ 6.16 g/t Au from 63m

CCGC257

- 2m @ 6.41 g/t Au from 44m

CCGC260

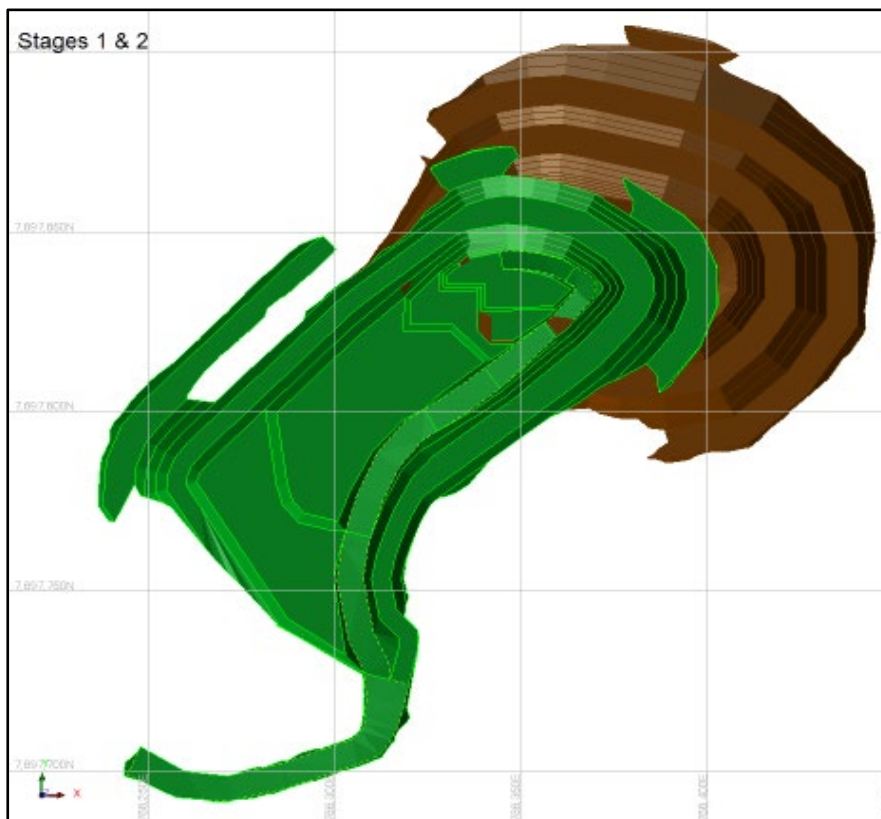
- 2m @ 4.96 g/t Au from 35m

Remodelling and Final Pit Design

Initial analysis prior to the July drilling program had shown the potential for 20-25,000t of high grade ore to be mined in the near term by Laneway. Results from the completed July 2020 RC drilling program were remodelled and an initial Whittle Optimisation undertaken on the remodelled drilling high grade block model data, resulting in a Whittle Shell containing the potential for an increase to 45,000 tonnes of high grade gold material grading 6.7 g/t Au including expected mining dilution and recovery. The design for the current phase of mine planning is restricted under current Environmental Authority conditions currently associated with ML100030.

Following the receipt of these encouraging results final planning for the resumption of mining was able to get underway based on pit designs and mine plans around these Whittle shells. This planning included negotiations for mining contractor, ore transportation arrangements and finalising toll treatment agreements for third party off site processing.

The company advised the market on 23 September 2020 that contract mining is to commence in early October 2020 at the high grade Sherwood deposit within Laneway's 100% owned Agate Creek Gold Project in North Queensland. Material from Sherwood is to be toll treated at the Lorena Gold Mine CIL processing plant pursuant to a Toll Milling Agreement that has now been signed.



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The final pit designs and mine plan have been completed optimising ore timing and near term cashflows, and Maas Group have been appointed as the mining contractors. The current campaign is targeting the mining of 43,000t of ore grading 6.5g/t for 8,950oz in two stages: an initial 18,000t to be transported and processed by year end followed by 25,000t of ore which will be stockpiled and scheduled for transportation and processing following the wet season.

Laneway anticipates significant positive near term cash flow from this mining campaign with fixed price toll treatment of Sherwood ore scheduled at Lorena in November 2020 and completed within 3 weeks, recoveries forecast at ~90% and majority of the payment for gold produced from the initial stage to be received before year end.

The cashflow from this production campaign will allow Laneway to continue to pursue its corporate objectives including ongoing exploration and appraisal of the broader Agate Creek Project without shareholder dilution.

Longer Term Potential

While additional potential toll treatment of high-grade ore will continue to be targeted in the shorter term, to provide cash flow to fund further exploration for the company without requirements for equity capital raisings, the long-term aim for the Agate Creek mine is for conventional on-site processing of the larger commercial grade Mineral Resource of 471,000 ounces of gold that has been defined at Agate Creek.

Other activities are also continuing to be progressed with a view towards the longer-term large-scale development of the project. One of the Whittle run scenarios generated a much larger shell containing 120,000 t of high-grade material at 5.7 g/t Au for 120,000 Oz Au. This size of operation is not currently possible to mine due to the current granted Environmental Authority conditions. Background studies are being completed to allow for lodgement of EA amendments - which generally are being approved in around 18 to 24 months – required for this scale of mining.

Planning for infrastructure upgrades, monitoring, modelling and procedures have been implemented to enable the collection of baseline environmental data and studies, which will be utilised as part of the potential expansion of on-site activities as Laneway continues the development and planning for large scale mining activities - including on-site processing at the Agate Creek Project.

Given the currently increasing gold price it is hoped more of the current 205,000 t of high-grade Mineral Resource at Sherwood may be able to be incorporated into economic pit shells for future mining along with the expectation that further Mineral Resources can be identified through carefully targeted exploration drilling following the high grade zones to depth.

Forward Work Program Sherwood Region

Laneway are investigating the significant historical pulp library stored on site and 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 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.

Further Exploration Programs

Further exploration drilling programs at Agate Creek are being investigated - targeting further potential high-grade zones including potential extensions of the zones currently being mined. Additional exploration will also target other identified mineralised zones that have previously only been evaluated for potential large tonnage low grade processing. Geological understanding gained from the recent

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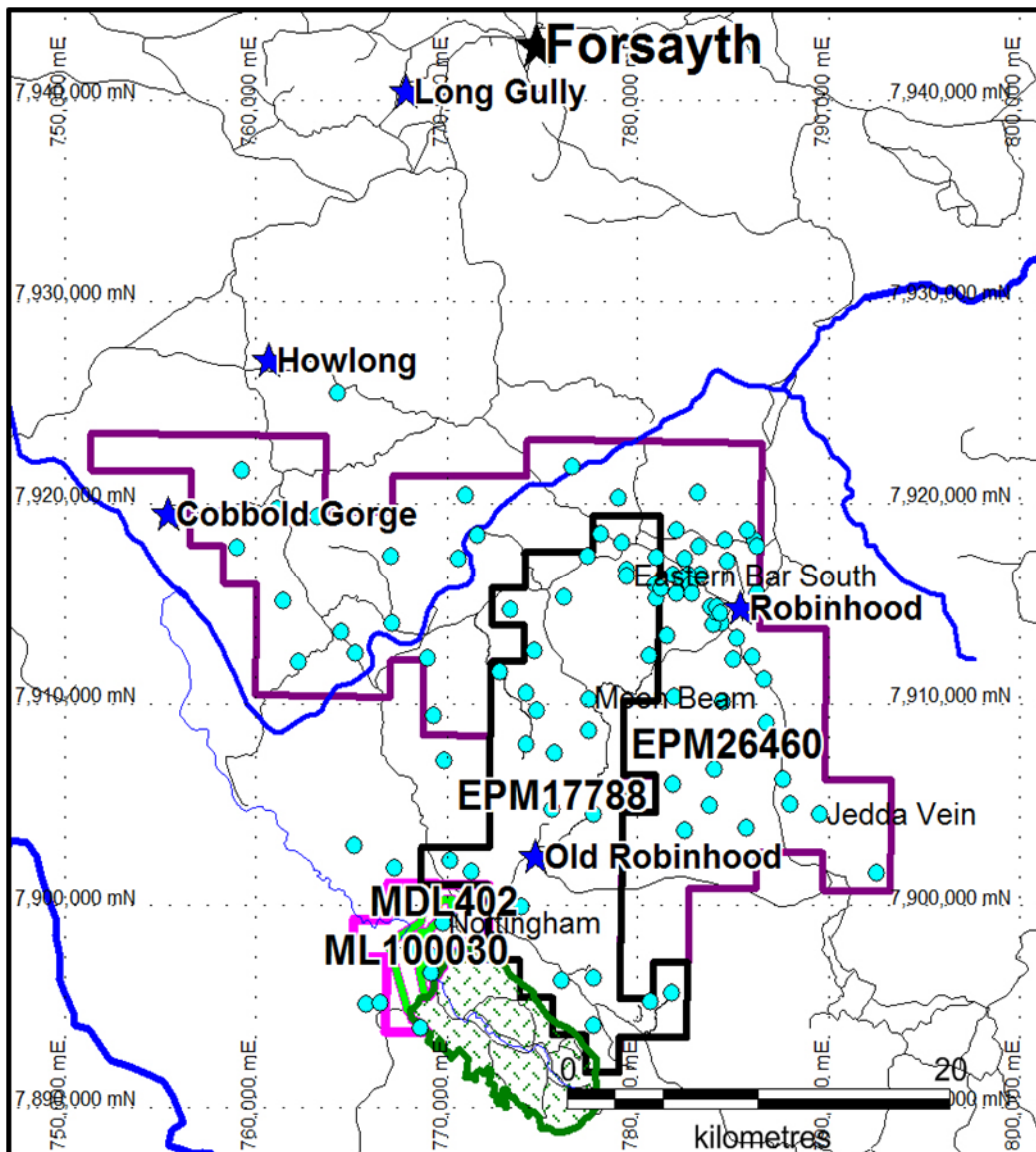
mining campaign will allow for greater targeted drilling of the ore zones with the potential to add to the existing Global Resource.

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 over the past several years has delineated over 60 high priority regional targets, with less than 25% of the tenement holding so far covered. At this stage only 11 prospects have had first pass drilling.

Additional prospects at Eastern Bar, Delaney, Moonbeam and Jedda Creek also have follow up drilling programs planned for 2020 once land access agreements are finalised. The entire tenement package will have further work completed on them in the coming field season including advancement work on at least 40 of the existing prospects with the highest priority targets undergoing assessment for drilling prior to native title clearance and landholder agreements to allow drilling as their prospectivity increase with additional work.



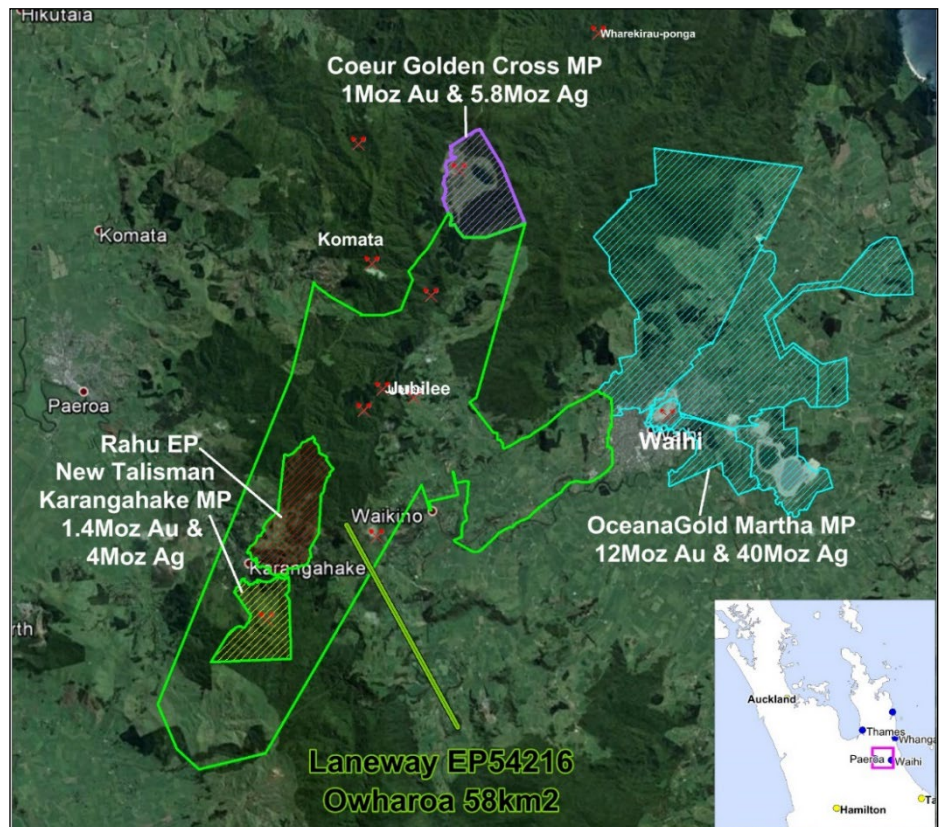
Agate Creek tenement map

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.

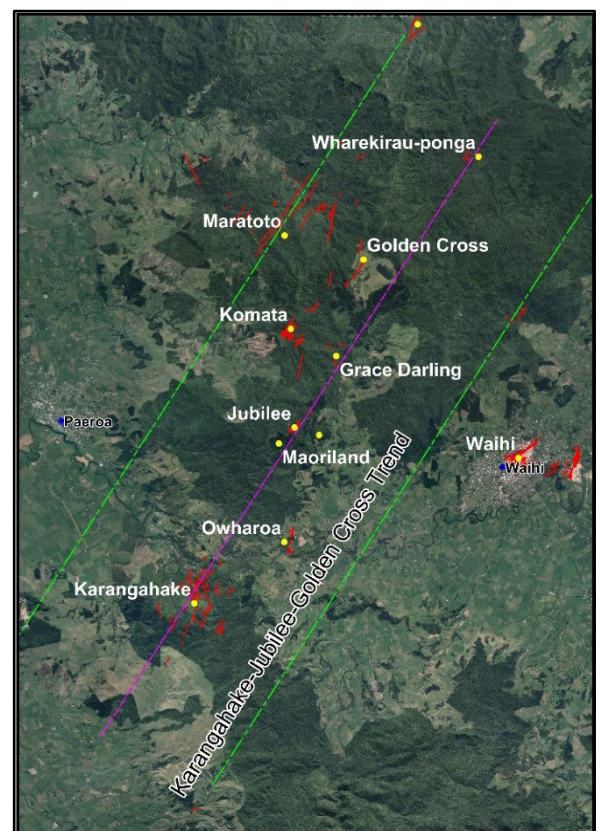
Historic mining occurred in the Project area between 1860 and 1952, with workings reaching a depth of up to 140m from surface. There remains significant scope for down dip and strike extensions of this mineralisation along a >10 km long prospective corridor.



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.



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Exploration Overview

Laneway amalgamated its two current Mineral Exploration Permits (EP54216 & EP52469) into a single Permit EP 54216 still covering 58km². This reduced 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. 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 also state quartz veining was up to 32 feet wide mined in the lower levels 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.

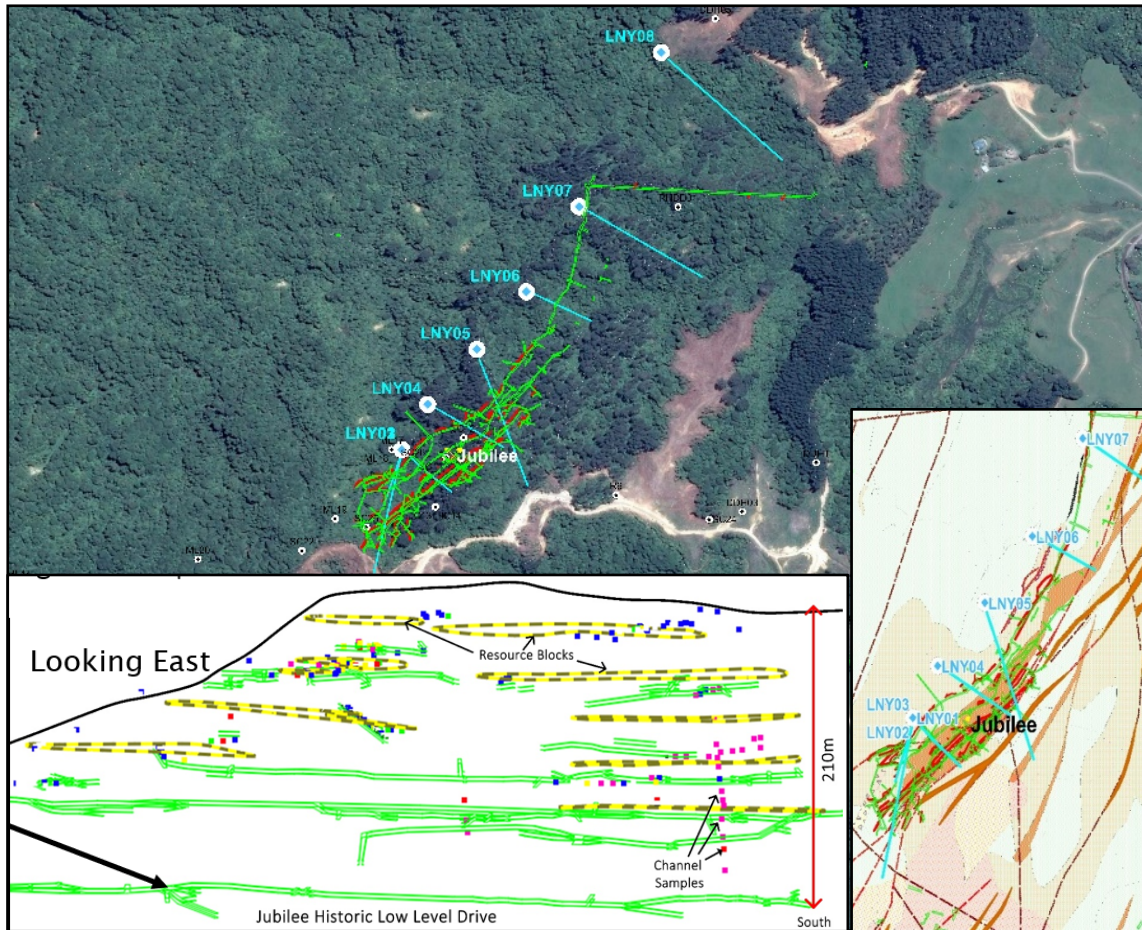
The Jubilee system cannot be viewed as drill tested, and still has significant potential for blind shoots, which is further highlighted from Laneway's geological re-evaluation of historical work including resampling of historical holes, ML018 (drilled in 1987) which intercepted the main Jubilee vein 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

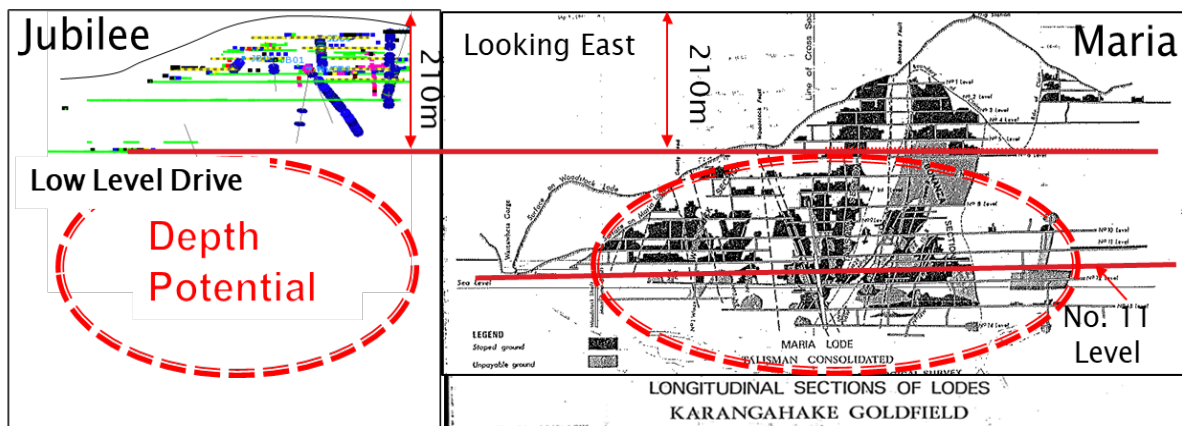
Drilling has been put on hold until COVID19 restrictions in NZ are relaxed and a clear path for access to the site has been established following the end of the quarantine restrictions. All agreements, permitting and drill pads are in place to allow drilling of this target.

The Jubilee area has had less than 10 holes drilled into the area shown below with only 2 of these holes deeper than 200m and as such retains significant potential, particularly when compared to the Maria vein within the Karangahake Mine System which sits 7km directly along trend from Jubilee.

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. These holes specifically target 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.



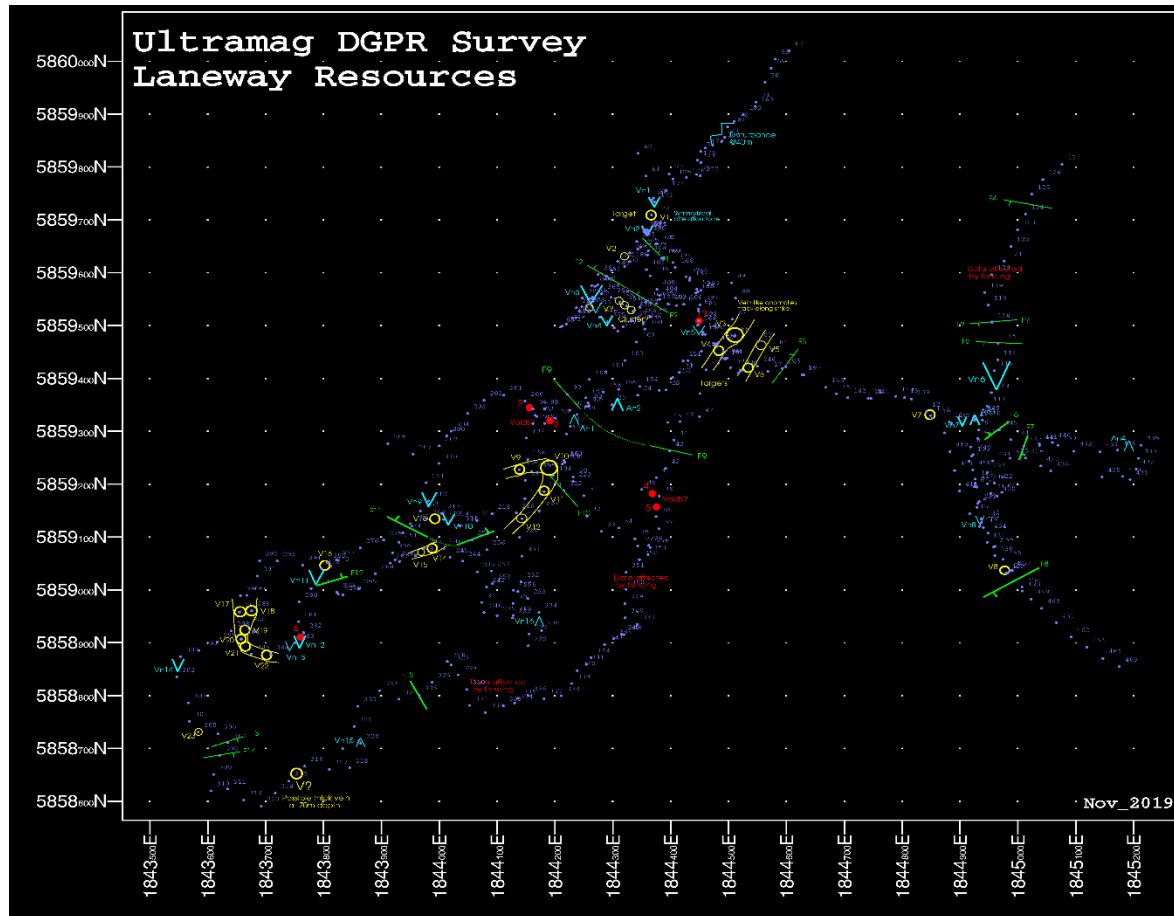
Planned Jubilee Drilling



Section showing potential comparison between Jubilee and Karangahake Systems

GPR Survey

During November 2019 a Ground Penetrating Radar (GPR) geophysical survey was completed at Jubilee. A total of 13.3 line km of GPR was collected across the Jubilee/Sovereign/Maoriland/Scotia area. The program was designed to test the method for use in identifying existing underground workings and hidden structures in order to focus drilling. The thickness of the vegetation and limited access across the Jubilee structure presented challenging conditions for this geophysical method. Results show mixed responses with several potential voids and structures located. Some of these may be incorporated into targeting for planned drilling.



GPR points and overall interpretation at Jubilee

Ashford Coking Coal Project (NSW)

During the year, activities on the Ashford project focused on progressing the project towards a Mining Lease Application including undertaking a Biophysical Strategic Agricultural Land (BSAL) assessment. Sorting technology trials were also undertaken during the quarter to investigate whether the Ashford coal would be amenable to the use of TOMRA XRT sorting as an alternative to conventional wash plant operation for Ashford Coking Coal.

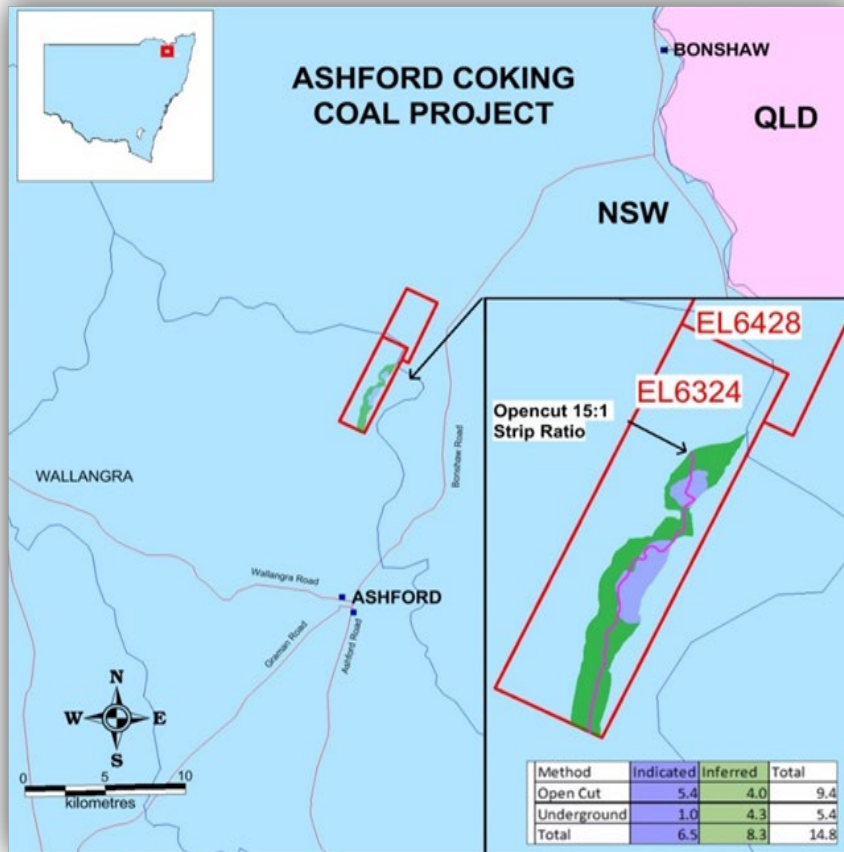
Subsequent to the end of the year, a Binding Term Sheet was entered into with Aus Tin Mining Ltd for the proposed staged sale of the Ashford Coking Coal Project for a combination Aus Tin shares, cash and an ongoing royalty interest. Further details of the proposed sale are contained below.

Background on the Project Area

The Ashford Coking Coal Project is located approximately 60km north of Inverell (northern NSW). Laneway, 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 the Power Station was burning premium quality coking coal.

The JORC resource completed by Laneway in 2017 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.



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 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 (refer ASX Announcement of 20 November 2017).

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.

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

Ashford Coal Quality

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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
Simpreg Yield (no dilution)	mass %	ad	72.4
Simpreg 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

Laneway has in the 2020 financial year been progressing the project towards a Mining Lease Application over the resource area. A LiDAR survey was completed to give detailed topographic information across the project. The assessment of Biophysical Strategic Agricultural Land (BSAL) was completed during the year with no BSAL found within the planned Mining Lease area. A Site Verification Certificate can now be issued over the area allowing the project to avoid the need to go through the expensive and time consuming Gateway Process for the mining lease over the Ashford Coking Coal Resource areas. Additional baseline environmental studies can now be commenced along the Non-gateway route. Native Title investigations over the planned ML area have been compiled giving a clear path for these negotiations to also progress.

Biophysical Significant Agricultural Land Certification (BSAL)

The Ashford BSAL Site Verification Assessment was undertaken during April and May 2020 which was comprised of 39 detailed soil test pit areas within the ML area and the requisite 100m surrounding buffer, test pits were not required on areas previously disturbed such as the historical power station site, waste dumps of mined open pit voids.

- Field work entailed 39 pits dug on a regular spacing of approximately 250-400m between pits
- Pits were selected to test areas where no previous surface disturbance is evident from previous mining
- A backhoe dug pits to approximately 750mm which were measured, photographed and identifiable soil horizons sampled for chemical analysis
- Pit locations were located by GPS and soil horizons logged for BSAL criteria
- A catalogue of field records was created and matched to analysis results to allow areas of BSAL soil to be identified if present

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Results

Field and laboratory work carried out has not identified any area within the proposed Mining Lease application Area where BSAL criteria was met. The full results of soil profile information have been submitted to Department of Planning Industry and Environment – Biodiversity and Conservation Department (DPIE – BCD)

The area of the proposed Mining Lease will now be recorded by Government Authorities as being non BSAL. A Site Verification Certificate can now be issued over the area thus avoiding the need to go through the expensive and time consuming Gateway Process. A clear pathway for the environmental and social impact studies is now known and additional baseline environmental studies can begin.

Ashford TOMRA Sorting Testing

Ashford coal samples were sent to TOMRA Laboratories in Sydney to evaluate TOMRA XRT (X-Ray Transmission) sorting technology for upgrading the Ashford Coking Coal Run of Mine (ROM) material. The XRT image below illustrates that the Coking Coal product (Red) is easily discernible from the “Ash/Stone” (Blue), the latter generally comprising waste rock, intrusive and sheared coal material. The sorter has the capability to identify and separate these two phases efficiently in the 8 – 70mm size range.

The ore sorting on the basis of XRT sensing is well established technology and is low cost and low impact relative to a conventional wash plant. This differentiation by XRT could potentially allow for the coking coal at Ashford to be mined and processed through a sorter and direct sold to market without the need for a wash plant.

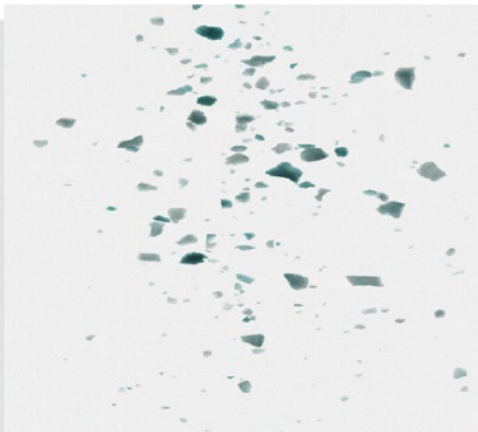
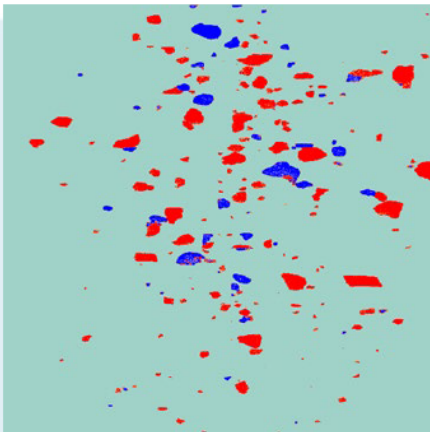
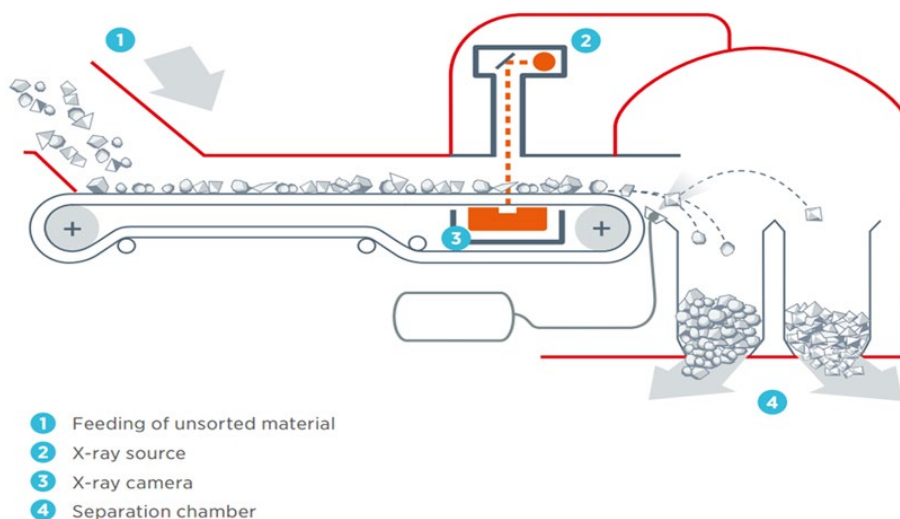
Table 2: Classification scheme XRT		Given colors
Low atomic density (coal)		Red / Orange
High atomic density (stone)		Black / Blue
Background		Grey / Green
	Raw XRT image	Classified XRT image
Sample S3 8-55mm Feed		

Table 2: Raw (left) and processed (right) XRT images of tested material.

To further investigate ore sorting a backhoe was utilised to collect 3 off ~500kg samples of Ashford Coal from the power station legacy stockpile areas from the 1980's. This was the only material available in the volume required to run a continuous test of the sorting technology. The stockpile material was much more oxidised and significantly higher ash than would normally be mined, however it was considered that testing of a high ash material would demonstrate the capabilities of the sorter better than using the much lower ash material that would be mined in the production phase.

In the context of planned run of mine ash levels and market requirements, the continuous ore sorting test indicates that the application of ore sorting technology could benefit the project cost structure significantly. Further testing will be required to optimise the fines size split and the sorting size range. The samples collected for testing by TOMRA Sorting Solutions using X Ray Sorting equipment as an alternative to water based coal wash plant.

A basic depiction of what occurs during sorting is shown below with the unsorted screen sized ROM material being feed onto a belt which is then fed through and x-ray analysis screening area where the particles are classified. Material which has been classified as waste is air ejected off the end of the conveyor belt into a waste hopper, thus upgrading the retained coking coal material by removing rock and ash.



Samples S1 and S2 were selected from the ROM mat of the Ashford power station located on the historic Ashford Colliery. The coal was initially selected hoping to be representative of typical Coking quality feed coal, however test analysis showed it to actually be from the very low quality Cut 10 fault affected area, as such it was combined into a single sample for test sorting

Sample S3 was collected from the stockpile conveyor feed and analysis shows the sample to be closer to coking coal ROM material (although now slightly oxidised due to weathering).

These samples were transported in Bulka Bags to TOMRA Laboratories in Castle Hill in NSW. At TOMRA the samples were,

- Crushed to 55-8mm top size
- Screened of -8mm material
- -8 and +8 material was weighed
- +8mm fraction run through the TOMRA X Ray sorting test plant to give Product and Waste streams.
- Product and waste stream materials were weighed to give a comparative %
- Split samples of Both streams were forwarded for proximal analysis

Sorting Results

The results generated from this set of testwork were a success with both samples giving different results. Sample S1-2 had a very high feed-ash content of 57.4%. which is significantly higher ash than would normally be used as a ROM product under normal mining conditions however the sorting still resulted in an 11.2% reduction in ash if the product stream and rejected very little good quality coal with an extremely high waste material with 74.6% ash. The low start quality of this product is likely due to a combination of factors including the mine not having run since 1993 and also the years of comminution from mine traffic prior to this crushing the softer material (coal) which has been screened out into the fines while the sorted material is a coarser, stonier, and higher ash fraction.

Sample S3 was much more successful due to the feed quality (more representative of fresh ROM Coking Coal). A feed-ash content of 26.4% produced a 15.1% ash product and 61.4% ash waste. Indicative images of both the Coking Coal Product and waste material can be seen below.

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Sample S3 Product

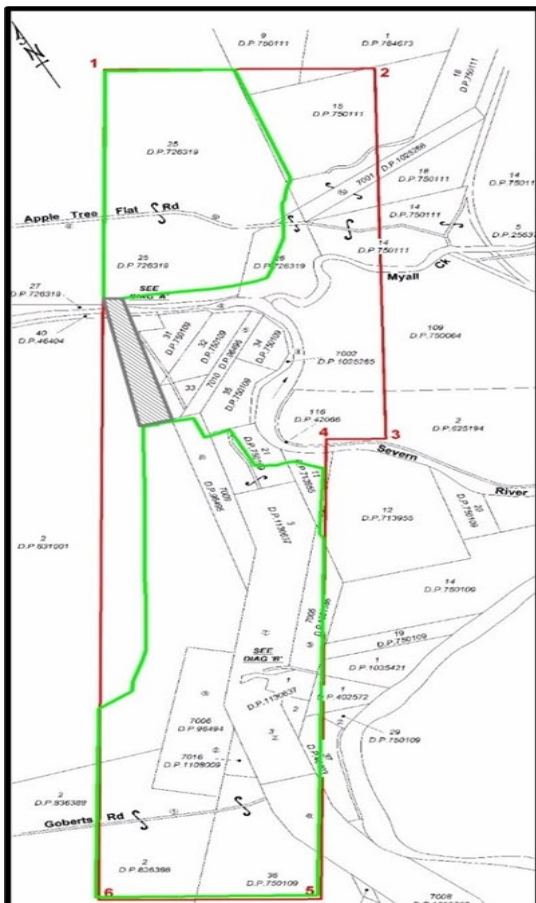


Sample S3 Waste

The test work results supports the potential use of TOMRA XRT sorting as an alternative to conventional wash plant operation for Ashford Coking Coal.

Mining Lease Application

A potential mining lease application area is shown in green which covers the resource areas and also sufficient area to allow for mining, waste, processing and access between the resource areas. Grey shaded area is intended to be a Mining Purposes Lease which will allow access between the 2 main resource areas. Final modifications to the area shown may still be undertaken in line with the recent assessments indicating BSAL was not present, and to ensure the application can undertake the simplest statutory path through the approvals process to grant.



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Infrastructure

Several transport options have been reviewed and assessed as potentially viable

- Road haulage to Port of Brisbane using covered B doubles. Maximum of 500ktpa.
- Road haulage to Inglewood; then rail to port of Brisbane.
- Road haulage to Moree; then rail to port of Newcastle.
- Road haulage to Yetman; then rail to Port of Brisbane. This option requires the Federal Inland Rail project completion

Proposed Sale of Ashford Coking Coal Project

In July 2020 Laneway announced that it had signed a binding term sheet agreement for the proposed staged sale of the Ashford Coking Coal Project to Aus Tin Mining Ltd. As at the date of this report the transaction had not reached completion.

Consideration to be received for the sale to include:

- Laneway being issued a 20% shareholding in Aus Tin (on Aus Tin's enlarged share capital after it strengthens its balance sheet by completing a capital raising and other debt for equity conversions);
- a further \$7m payment (consisting of \$2m cash and a further \$5m in cash or Aus Tin shares issued at a 20% discount); and
- a retained royalty interest for Laneway to be paid \$0.50 per tonne for every tonne of coal produced from the Ashford project.

Proposed Transaction

The binding term sheet with Aus Tin to sell 100 percent of the Ashford Project in two stages (the Proposed Transaction) comprises:

1. Stage 1 being the purchase by Aus Tin Mining of a 40 percent interest in either the Ashford Project itself or the wholly-owned subsidiary of Laneway which owns the Ashford Project, in consideration for the issue of 20 percent of the enlarged share capital of Aus Tin Mining to Laneway. Based upon the proposed capital raisings and debt for equity conversions to be undertaken by Aus Tin, Laneway expects to receive approximately 2 billion Aus Tin (ASX:ANW) shares with respect to the sale of the initial interest in the project. The final structure of the acquisition will depend on what is most efficient for Laneway from a transfer duty, tax and regulatory perspective; and
2. Stage 2 being, an option (the Stage 2 Option) for Aus Tin to purchase the remaining 60 percent interest in the Ashford Project within three years for A\$7 million (payable as to A\$2 million in cash and \$5 million in shares or cash at the election of Aus Tin), plus an ongoing royalty payable to Laneway of \$0.50 per tonne of coal sold from the Ashford Project. The Stage 2 Option must be exercised before the third anniversary of the date on which the Stage 1 acquisition is completed (the Stage 1 Completion).

Stage 1

Stage 1 of the Proposed Transaction is subject to a number of conditions including:

1. both parties conducting and being fully satisfied with the results of its legal, financial and technical due diligence;
2. the strengthening of Aus Tin Mining's balance sheet comprising of:
 - a. a rights issues to be undertaken by Aus Tin to raise a minimum of \$1.2 million in cash to fund exploration, development and corporate costs;
 - b. the conversion of a minimum of \$1.66 million of certain existing Aus Tin debt into equity subject to existing placement capacity and where necessary shareholder approval;
3. the entry into formal transaction documentation; and
4. any necessary shareholder or regulatory approvals.

If these conditions have not been satisfied by 31 October 2020 then either Aus Tin or Laneway may terminate the binding term sheet. As and from the Stage 1 Completion, Laneway will be entitled to nominate two directors to the board of Aus Tin.

Additionally, as from the Stage 1 Completion until such time as:

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1. an additional \$1m of capital is raised by Aus Tin (either through cash subscriptions or debt conversion) (the Non-Lind Cap Raising); and
2. \$1m worth of Aus Tin's Lind Facility is converted into equity in Aus Tin or repaid (separate and in addition to the Non-Lind Cap Raising),

Aus Tin will issue to Laneway (subject to the satisfaction of any necessary approvals), such additional shares as is necessary from time to time to ensure that Laneway holds 20% of the issued share capital of the Company.

Stage 2

Stage 2 of the Proposed Transaction is subject to a number of conditions including:

1. the granting of any shareholder or third-party approval required; and
2. the expiry or termination of Aus Tin's Lind Facility.

Where these conditions have not been satisfied by the third anniversary of the Stage 1 Completion, then Laneway may require Aus Tin to sell the Stage 1 Interest back to Laneway for an amount equal to the aggregate of:

1. the value of the consideration paid for the Stage 1 (the Stage 1 Consideration);
2. the value of all amounts expended by the Company in the development of the Ashford Project since the completion of Stage 1 (the Expenditure); and
3. an amount equal to 30% of the aggregate of the Stage 1 Consideration and the Expenditure.

As and from the completion of the acquisition of Stage 2, Laneway will be entitled to nominate the majority of directors to the board of Aus Tin.

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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 2020.

Directors

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

Names, qualifications, experience and special responsibilities

SG Bizzell BCom MAICD (Executive Chairman)

Stephen is Chairman of boutique corporate advisory and funds management group, Bizzell Capital Partners Pty Ltd. He has had considerable experience and success in the fields of corporate restructuring, debt and equity financing, and mergers and acquisitions and has over 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)
- Strike Energy Limited (appointed December 2018)
- Stanmore Coal Ltd (listed December 2009, resigned following takeover of company May 2020)
- UIL Energy Ltd (listed November 2014, delisted following takeover December 2018)
- Diversa Ltd (appointed August 2010, delisted following takeover October 2016)

RS Anthon BA LLB MAICD (Non-Executive Director)

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)

M Baker BA GAICD (Non-Executive Director)

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)

P Wright BCom BEcon (Non-Executive Director)

Peter has over 20 years' experience in the financial markets with a focus on investment in the resources sector. He is currently a Partner at 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)

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Company Secretary

P Marshall LLB, ACA

Paul holds a Bachelor of Law degree and is a Chartered Accountant. He has more than thirty five years' experience including over twenty five 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	1,088,675,192	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

Corporate Structure

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

Laneway Resources Limited had the following investments in controlled companies throughout the financial year:

- Renison Coal Pty Ltd (100%)
- Agate Creek Holdings Pty Ltd (100%)

Principal Activities

The principal activities of the Group during the year were the mining, exploration and development of gold and coal tenements.

Operating Results

During the financial year Laneway completed the first mining campaign at its high grade near surface gold project at Agate Creek. The mining was completed by the end of the first quarter after which exploration and development activities resumes at the site. Good progress has been made towards the commencement of the next mining campaign despite the impacts of COVID which led to revisions to the planned operational site to ensure social distancing requirements. 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.

Revenue

For the reporting period total gold sold was approximately 8,500 oz with total revenue of over \$19,142,644 from gold sold. Laneway's net share arising from operations under the Tribute Agreement with Maroon Gold was 2,635 oz - \$5,718,440. The company has an amount still owing to it from Maroon Gold of \$1,825,773 for which a provision for the non-recovery of the full amount has been made. After making this provision the company has recorded a net profit of \$11,663,506 for the reporting period. The company has received a total of \$98,500 of benefits from the Governments cashflow boost (\$62,500) and jobkeeper (\$36,000) programs.

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	2020
	\$
Income from sale of gold from Agate Creek	19,142,644
Other income	176,639
Total income	19,319,283

Expenses

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

	2020
	\$
Operational expenses	
Mining costs under Maroon Gold Agreement	13,361,204
Laneway mining costs	196,798
Royalties payable by Laneway	396,247
Provision for doubtful debt Maroon Gold	1,825,000
Depreciation	64,368
Amortisation	463,070
Total operational expenses	16,306,687
Other expenses	
Employment expenses	521,054
Finance costs	295,274
Unwinding of Convertible Note discount	120,375
Corporate and Administration expenses	412,386
Total other expenses	1,349,089

Comparison with Prior Year

For the year ended 30 June 2020, the profit for the Consolidated Entity after providing for income tax was \$1,663,506 (2019: profit \$1,899,948):

	2020	2019
	\$	\$
Revenue	19,319,283	13,232,002
Mining operational expenses	(16,306,687)	(10,066,203)
Finance costs	(295,274)	(278,318)
Employment costs	(521,054)	(411,550)
Unwinding of Convertible Note discount	(120,375)	(78,000)
Other expenses	(412,387)	(497,983)
Profit/(loss) before income tax	1,663,506	1,899,948

The profit for the 2020 financial year is approximately \$236,000 lower than the profit of 2019. This reduction is attributable to:

	\$
Increase in revenue	6,087,281
Increase in operational expenses	(6,240,484)
Increased interest expense	(16,956)
Increase in cost of unwinding Convertible Note discount	(42,375)
Increase in employee costs	(109,504)
Reductions in administrative and other costs	85,596
	(236,442)

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Review of Financial Condition

Capital structure

In the 2020 financial year Laneway issued the following new securities:

Ordinary Shares:

- In August 30,000,000 shares were issued at \$0.005 per share in relation to the conversion of 30,000,000 June 2021 convertible notes
- In August 10,000,000 shares were issued as employee compensation at \$0.009 per share.

At 30 June 2020, the Company had 3,720,065,933 ordinary shares and 390,000,000 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 2020 financial year been funded by revenues arising from the sale of gold from the Agate Creek project.

Dividends

No dividend was paid during the year and none is recommended as at 30 June 2020.

Significant Changes in the State of Affairs

The company continued production of gold at the Agate Creek project in Queensland during the first quarter of the year after which mining operations ceased and the company resumed exploration and development activities at the project. Apart from this there were no other significant changes in the State of Affairs of the Group during the year. COVID-19 has had limited financial impact on Laneway. The company received benefits of \$98,500 from the cashflow boost and jobkeeper programs and had to delay some aspects of the Agate Creek development so as to ensure all health and safety aspects arising could be complied with.

Matters Subsequent to the End of the Financial Year

In July 2020 Laneway announced that it had signed a binding term sheet agreement for the proposed staged sale of the Ashford Coking Coal Project to Aus Tin Mining Ltd. As at the date of this report the transaction had not reached completion.

As at 30 June 2020 the carrying value of the Ashford project was \$980,247.

Consideration to be received for the sale is to include:

- Laneway being issued a 20% shareholding in Aus Tin (on Aus Tin's enlarged share capital after it strengthens its balance sheet by completing a capital raising and other debt for equity conversions) for the sale of an initial 40% interest in the project;
- Aus Tin has the option to purchase the remaining 60 percent interest in the Ashford Project within three years for further \$7m payment (consisting of \$2m cash and a further \$5m in cash or Aus Tin shares issued at a 20% discount) and a retained royalty interest for Laneway to be paid of \$0.50 per tonne for every tonne of coal produced from the Ashford project.

No other matter or circumstance has arisen since 30 June 2020, 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 2020.

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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 2020 and the number of meetings attended by each director. There are no separate Board Committees.

Director	Directors' Meetings	
	A	B
S Bizzell	4	4
R Anthon	4	4
M Baker	4	4
P Wright	4	4

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.

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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.

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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 during the 2020 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	2020 \$	2019 \$	2018 \$	2017 \$	2016 \$
Share price at end of financial year	\$0.006	\$0.01	\$0.004	\$0.003	\$0.004
Earnings/(loss) per share (cents)	0.045	0.053	(0.025)	(0.021)	(0.029)
Profit/(loss) for the financial year	1,663,506	1,899,948	(783,992)	(630,483)	(708,156)
Director & Key Management Personnel remuneration	677,564	676,437	574,695	662,130	580,364

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

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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-Employment	Share-based payment	Total	Performance Related %	% consist-ing of equity
	Salary & Fees \$	Cash Bonus \$	Non-cash benefits \$	Leave provision movement \$	Superannuation \$	Shares/Options \$	\$		
R Anthon									
2020	48,000	-	-	-	-	-	48,000	-	-
2019	37,000	-	-	-	-	-	37,000	-	-
S Bizzell									
2020	156,000	-	-	-	-	-	156,000	-	-
2019	123,360	-	-	-	-	-	123,360	-	-
M Baker									
2020	43,836	-	-	-	4,164	-	48,000	-	-
2019	37,000	-	-	-	-	-	37,000	-	-
P Wright									
2020	48,000	-	-	-	-	-	48,000	-	-
2019	37,000	-	-	-	-	-	37,000	-	-
TOTAL									
2020	295,836	-	-	-	4,164	-	300,000	-	-
2019	234,360	-	-	-	-	-	234,360	-	-

Remuneration of the other key management personnel

	Short-term			Long-term	Post-Employment	Share-based payment	Total	Performance Related %	% consist-ing of equity
	Salary & Fees \$	Cash Bonus \$	Non-cash benefits \$	Leave provision movement \$	Superannuation \$	Shares/Options* \$	\$		
S Hall									
2020	200,000	-	-	2,564	19,000	-	221,564	-	-
2019	192,096	-	-	9,732	18,249	90,000	310,077	29.03%	29.03%
P Marshall									
2020	156,000	-	-	-	-	-	156,000	-	-
2019	132,000	-	-	-	-	-	132,000	-	-
TOTAL									
2020	356,000	0	0	2,564	19,000	0	377,564	-	-
2019	324,096	0	0	9,732	18,249	90,000	442,077	20.36%	20.36%

*The calculation of value of shares issued is the share price on the day that the shares were issued

No long term benefits have been paid or accrued for any director or key management personnel in the year ended 30 June 2020 (2019:nil) other than S. Hall who has a long service leave entitlement of \$20,379 (2019: \$17,046) as at 30 June 2020. S. Hall also has an annual leave entitlement of \$29,120 (2019: \$29,889) as at 30 June 2020.

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 in the 2020 financial period. The full value of the shares issued was accrued as remuneration in the 2019 financial year as the award related 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 2020.

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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

2020	Balance 1/7/19	Granted as Remuneration	Participation in Capital Raises	Appointment/ Resignation	Net Change Other	Balance 30/6/20
Directors						
RS Anthon	74,782,866	-	-	-	-	74,782,866
SG Bizzell	1,086,175,192	-	-	-	2,500,000	1,088,675,192
M Baker	152,394,976	-	-	-	-	152,394,976
P Wright	13,000,419	-	-	-	-	13,000,419
Key Management Personnel						
S Hall	750,000	10,000,000	-	-	-	10,750,000
P Marshall	100,000,000	-	-	-	-	100,000,000
Total	1,427,103,453	10,000,000	-	-	2,500,000	1,439,603,453

Unlisted June 2021 Convertible Notes

2020	Balance 1/7/19	Granted as Remuneration	Participation in Capital Raises	Appointment/ Resignation	Net Change Other	Balance 30/6/20
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 2020 balance date the outstanding balance on the loan facility was \$nil (2019 - \$nil). Interest accrued on the facility during the 2020 financial year was \$nil (2019 - \$7,274). During the year ended 2020 no advances or repayments were made (2019 \$80,000 was advanced to the company and \$264,257 was repaid). The interest rate on the loan facility is 8%.

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. Nambia Pty Ltd as Trustees of the Anthon Family Superannuation Fund (a company associated with Mr Anthon) acquired the debt on a dollar for dollar basis. As at the balance date \$nil (2019: \$211,659) remains an outstanding trade creditor payable after interest of \$nil, (2019- \$20,139) at 10% per annum was accrued 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

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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 2020.

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

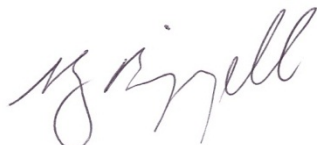
The Company may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Company and/or the group are important.

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 \$21,653 in relation to taxation compliance services and \$3,000 for AGM attendance and scrutineering 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, 29 September 2020

**LANEWAY RESOURCES LIMITED
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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 2020, 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.

A handwritten signature in dark ink, appearing to read 'T R Mann', with a long horizontal flourish extending to the right.

T R Mann
Director

BDO Audit Pty Ltd

Brisbane, 29 September 2020

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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 17 September 2020.

SHAREHOLDER INFORMATION

Distribution of Number of Holders of Each Class of Securities as at 17 September 2020.

Ordinary shares fully paid	
Number of Securities Held	Nos of holders
1 to 1,000	3,000
1,001 to 5,000	434
5,001 to 10,000	132
10,001 to 100,000	479
100,001 and over	1,080
	5,125
Number of shareholders holding less than a marketable parcel of shares	3,863

Twenty Largest Holders of Each Quoted Security

LNy – Ordinary Fully Paid Shares

No.	Name of Shareholder	Holding	% Held
1	Bizzell Capital Partners Pty Ltd	607,513,333	16.09%
2	Bizzell Nominees Pty Ltd	385,516,322	10.21%
3	Downshire Investments Pty Ltd	100,000,000	2.65%
4	Sypco Holdings Pty Ltd	93,762,500	2.48%
4	Warburton Partners Pty Ltd	75,653,866	2.00%
6	Finn Air Holdings Pty Ltd	71,000,000	1.88%
7	BCP Alpha Investments Limited	65,096,988	1.72%
8	Rookharp Capital Pty Limited	64,857,360	1.72%
9	Horrie Pty Ltd	64,551,567	1.71%
10	Mr Colin Robert Searl & Mrs Cynda Searl	62,950,000	1.67%
11	Warburton Partners Pty Ltd	56,333,333	1.49%
12	Mr Phillip Alexander Purdie & Mrs Carol Ann Purdie	52,630,000	1.39%
13	Richard Stacy Anthon	50,000,000	1.32%
13	Nambia Pty Ltd	49,082,049	1.30%
15	BAM Opportunities Fund Pty Ltd	42,335,341	1.12%
15	J P Morgan Nominees Australia Pty Limited	35,746,044	0.95%
17	C & CR Superco Pty Ltd	31,850,000	0.84%
18	Citicorp Nominees Pty Limited	30,556,444	0.81%
19	Dr Michael Ryan & Mrs Kimberley Dale Ryan	29,699,224	0.79%
20	Mr Camm Gibson	28,500,883	0.75%
		1,997,635,254	52.92%

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 1,088,675,192 ordinary shares – 28.8%

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Unquoted Securities

There are the following unquoted securities as at 17 September 2020:

335,000,000 Unlisted \$0.005 30 June 2021 Convertible Notes. There are two holders of the notes with an interest of greater than 20%: 92,000,000 being held by BAM Opportunities Fund Pty Ltd and 87,000,000 are held by Bizzell Nominees 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 2020:

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	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 2020

During the 2020 financial year an updated Mineral Resource estimate (JORC 2012) was completed on the Agate Creek epithermal gold project in North Queensland that includes all drilling on the project to date and includes depletion from all mining during 2019. Mineral Resource estimates were undertaken for the Sherwood, Sherwood West and Sherwood South deposits and were based upon a total of 710 exploration drill holes and over 1,500 sampled blast holes from mining. Independent consultants ResEval Pty Ltd were engaged to update the Resource.

Estimation using a recoverable resource estimation method adjusted to account for a selective mining option includes an allowance for mine dilution which is a similar approach used previously at Agate Creek. This was augmented with narrow restricted domain interpretations for the high-grade lenses that display sufficient continuity.

A global recoverable Mineral Resource is defined for the Agate Creek Project in Table 1 at a 0.5 g/t Au cut-off suitable for a large open pit operation and is reported on the same basis as the previous resource statement.

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 Table 1.

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Table 1: Total recoverable Mineral Resource at 0.5 g/t gold cut-off grade

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
Measured	0.015	4.91	2,400							0.015	4.91	2,400
Indicated	2.45	1.56	123,000				2.18	1.54	108,000	4.63	1.55	231,000
Inferred	1.73	1.15	64,000	0.37	1.16	14,000	1.59	1.14	58,000	3.69	1.15	136,000
Total	4.20	1.40	190,000	0.37	1.16	14,000	3.37	1.37	166,000	8.34	1.38	370,000

Mineral Resources are inclusive of the high-grade Mineral Resource included in Table 2

Table 2: High grade Mineral Resource subsets

Area	Cut-off	Measured			Indicated			Inferred			Total		
	Au g/t	kt	Au g/t	Au oz	kt	Au g/t	Au oz	kt	Au g/t	Au oz	kt	Au g/t	Au oz
Sherwood	2.0	15	4.88	2,400	188	5.61	33,800	2	3.05	200	205	5.53	36,400
Sherwood West	1.0				977	1.87	58,800	118	1.72	6,700	1,095	1.86	65,400
Total		15	4.88	2,400	1,165	2.47	92,600	119	1.78	6,800	1,300	2.44	101,800

Grade and Tonnage rounded to 2 decimal places. Ounces calculated after rounding and reported to nearest 100 Oz

Given the recent increases in the AUD gold price the Mineral Resource estimates is also reported at 0.3 g/t cut-off in Table 3. No recent economic modelling has been undertaken on the project and as such the marginal cut-off grade that would be used for a bulk tonnage operation is unknown but could be assumed to be in the 0.3 to 0.5 g/t Au range.

Table 3: Total recoverable Mineral Resource at 0.3 g/t gold cut-off grade

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
Measured	0.015	4.88	2,400							0.015	4.88	2,400
Indicated	4.90	1.00	157,000				4.13	1.02	135,000	9.04	1.01	292,000
Inferred	3.06	0.83	82,000	0.51	0.96	16,000	3.19	0.78	80,000	6.76	0.81	177,000
Total	7.98	0.94	241,000	0.51	0.96	16,000	7.32	0.91	215,000	15.81	0.93	471,000

Further details of the Mineral Resource estimate are contained in the ASX announcement of 30 January 2020.

The previous Mineral Resource was completed in 2016. The 2016 Mineral Resource in Table 4 and Table 5 can be compared to the current updated Mineral Resource in Table 1 and Table 2.

Table 4: Previous 2016 total recoverable Mineral Resource at 0.5 g/t gold cut-off grade

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	140,000	0.0			2.2	1.6	112,000	5.0	1.6	252,000
Inferred	1.4	1.3	57,000	0.3	1.2	12,000	1.5	1.2	59,000	3.2	1.2	128,000
Total	4.2	1.5	197,000	0.3	1.2	12,000	3.7	1.4	171,000	8.2	1.4	381,000

Table 5: Previous 2016 high grade Mineral Resource subset

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	17,300	0			89	6.01	17,300
Sherwood West	1.0	1018	1.82	59,600	146	1.72	8,100	1164	1.81	67,700
Total		1107	2.16	76,900	146	1.72	8,100	1254	2.11	85,000

The 2019 Mineral Resource update used similar software and parameters as used in 2016. Changes in the estimates can be attributed to:

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- Additional data at Sherwood and relevant to the Mineral Resource estimates including:
 - Over 1500 blast holes for grade control at Sherwood
 - 94 RC holes in 2013 and 2014 targeting the main Sherwood vein
 - 51 follow-up RC holes in 2018 infilling and targeting the main Sherwood vein prior to mining
 - 51 RC holes in 2019 infilling deeper vein target zones and potential pit extensions.
- Reinterpreted with additional high-grade domains for Sherwood constrain infill drilled areas at Sherwood for both mined areas (6 domains) and new deeper areas (3 domains).
- Depletion of the Sherwood pit based on the final pit survey and accounting for some in-pit backfill.
- Alteration of the top cuts with:
 - Lowering from 40 to 30 g/t Au in most areas
 - Elevating from 40 to 80 g/t Au in the new constrained Sherwood domains.
- Resampling and adjustment to wireframes due to survey and software changes over time.
- Adjustments to the estimation parameters for
 - Removal of hard boundary dividing the Sherwood lower domains after creation of new domains constraining many high grades at or near the previous boundary
 - Reduced sample requirements for Sherwood high grade domains with smaller model blocks
 - Updated variograms models for all Sherwood domains based on closer spaced drilling
 - Relaxed sample requirements for Agate Creek Fault to allow for narrow shapes in places.

Mining of 70 kt of ore in 2019 at a high 3 g/t Au cut-off has effectively depleted the Mineral Resource by 120 kt at 4.9 g/t Au for the lower 0.5 g/t Au cut-off.

Ashford Project

The Ashford Coking Coal Project incorporates the Ashford Mine Area (EL 6234 and EL 6428). A JORC resource estimation was completed in the 2017/18 financial year. No revisions have been made in the 2020 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 2020 and 30 June 2019

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 change to the Mineral Resource estimates during the review period from 1 July 2019 to 30 June 2020 apart from the revised JORC resource for the Agate Creek project as noted above.

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.

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STATEMENT OF PROFIT OR LOSS AND OTHER INCOME
FOR THE YEAR ENDED 30 JUNE 2020

		Consolidated	
	Note	2020	2019
		\$	\$
Revenue from contracts with customers	2	19,142,644	13,018,128
Other income/(expenses)	2	176,639	213,874
Production expenses		(13,558,002)	(9,069,955)
Net royalties expense	2	(396,247)	(298,391)
Provision for doubtful debt	2	(1,825,000)	-
Depreciation and amortisation expenses	2	(527,438)	(697,857)
Finance costs	2	(295,274)	(278,318)
Unwinding of Convertible Note discount	7	(120,375)	(78,000)
Employment costs	2	(521,054)	(411,550)
Other expenses		(412,387)	(497,983)
Profit/(Loss) before tax		<u>1,663,506</u>	<u>1,899,948</u>
Income tax expense	3	-	-
Profit/(Loss) for the year		<u>1,663,506</u>	<u>1,899,948</u>
Other comprehensive income		-	-
Total comprehensive income for the year		<u>1,663,506</u>	<u>1,899,948</u>
Total comprehensive income for the year is attributable to:			
Owners of Laneway Resources Limited		<u>1,663,506</u>	<u>1,899,948</u>
Profit/(Loss) per share			
Basic profit/(loss) per share (cents per share)	14	0.045	0.053
Diluted profit/(loss) per share (cents per share)	14	0.051	0.056

The above statement of profit or loss and other income should be read in conjunction with the accompanying notes

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BALANCE SHEET
AS AT 30 JUNE 2020

		Consolidated	
	Note	2020	2019
		\$	\$
Current Assets			
Cash and cash equivalents		593,996	2,648,743
Trade and other receivables	4	1,885,363	698,576
Financial assets at fair value through profit or loss		3,516	3,516
Other assets		39,381	24,692
Total Current Assets		2,522,256	3,375,527
Non-Current Assets			
Other receivables		178,632	178,632
Plant and equipment	5	596,856	54,011
Exploration, evaluation and development assets	6	14,032,810	12,110,828
Total Non-Current Assets		14,808,298	12,343,471
Total Assets		17,330,553	15,718,998
Current Liabilities			
Trade and other payables	7	1,538,755	1,830,151
Borrowings		1,822,430	-
Employee leave provisions		147,349	118,278
Total Current Liabilities		3,508,533	1,948,429
Non-Current Liabilities			
Borrowings	8	-	1,833,875
Provisions	9	205,650	205,650
Total Non-Current Liabilities		205,650	2,039,525
Total Liabilities		3,714,183	3,987,954
Net Assets		13,616,370	11,731,044
Equity			
Equity attributable to equity holders of the parent			
Share capital	10	128,544,819	128,322,999
Reserves	10	344,125	344,125
Accumulated losses		(115,272,574)	(116,936,080)
Total Equity		13,616,370	11,731,044

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

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STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2020

Consolidated	Share Capital	Convertible Note Reserve	Accumulated Losses	Total
	\$	\$	\$	\$
Balance at 1 July 2018	127,798,879	85,000	(118,836,028)	9,047,851
Loss 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
At 1 July 2019	128,322,999	344,125	(116,936,080)	11,731,044
Profit for the year	-	-	1,663,506	1,663,506
Other comprehensive income	-	-	-	-
Total comprehensive income	128,322,999	344,125	(115,272,574)	13,394,550
Transactions with owners in their capacity as owners				
Issue of shares re note conversion	131,820	-	-	131,820
Issue of shares re remuneration	90,000	-	-	90,000
Total transactions with owners	221,820	-	-	221,820
At 30 June 2020	128,544,819	344,125	(115,272,574)	13,616,370

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

LANEWAY RESOURCES LIMITED
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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2020

		Consolidated	
	Note	2020	2019
		\$	\$
Cash Flows from Operating Activities			
Cash receipts in the course of operations		4,912,618	3,654,578
Cash payments in the course of operations		(1,609,467)	(503,678)
Government support re COVID		74,000	
Royalties Paid		(1,736,120)	
Royalty Receipt		601,505	
Interest received		51,293	-
Interest paid		(304,036)	(103,567)
Net Cash From/(Used) in Operating Activities	10	<u>1,989,793</u>	<u>3,047,332</u>
Cash Flow from Investing Activities			
Loans advanced		(1,850,000)	-
Loans repaid		200,000	-
Payments for plant and equipment		(566,314)	(57,264)
Payments for project development		(693,753)	(698,928)
Payments for exploration		(1,134,473)	(794,306)
(Payments)/refunds of security deposits		-	(141,132)
Net Cash Flow From/(Used) in Investing Activities		<u>(4,044,540)</u>	<u>(1,691,630)</u>
Cash Flow from Financing Activities			
Proceeds from issue of shares		-	559,500
Director Loan facility received		-	80,000
Director Loan facility repaid		-	(242,727)
Other Loans received		-	410,945
Other Loans repaid		-	(410,945)
Proceeds from issue of convertible notes		-	895,000
Payments of security issue expenses		-	(170,880)
Net Cash Flow From/(Used) Financing Activities		<u>-</u>	<u>1,120,893</u>
Net increase/(decrease) in cash held		(2,054,747)	2,476,596
Cash at the beginning of the financial year		2,648,743	172,147
Cash at the end of the financial year	10	<u><u>593,996</u></u>	<u><u>2,648,743</u></u>

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

LANEWAY RESOURCES LIMITED - ANNUAL REPORT 2020

Notes to the Financial Statements

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 2020.

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 29 September 2020.

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 2020, 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 2019 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 formed part of the pool of expenditures being amortised during periods of production.

LANEWAY RESOURCES LIMITED - ANNUAL REPORT 2020

Notes to the Financial Statements

Key judgements – Revenue Recognition

The Group adopted AASB15 Revenue from contracts with customers. There is judgement involve in determining how revenue should be recognised, whether its gross or net. The determination of this is based on the below:

The mine operator was entitled the revenues from the first 3.5g/t of any ore refined. Any excess above 3.5g/t was split 60% to Laneway and 40% to Maroon based on monthly production. At all times Laneway retained legal title to the ore and minerals. The Group accounted 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

Going concern basis for accounting

The financial statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the normal course of business.

As disclosed in the financial statements as at 30 June 2020 the Company had net current liabilities of \$986,278. As a result of this position there is a material uncertainty which may cast significant doubt over the consolidated entity's ability to continue as a going concern.

Included within the current liabilities is an amount of \$1,822,430 in relation to June 2021 unlisted convertible notes that are repayable on 30 June 2021 if they have not been converted into ordinary shares before the repayment date. Each convertible note can be converted into a fully paid ordinary share in the company at \$0.005 per share. After taking in account the value of the note liability the company had a positive working capital position of \$836,152 as at 30 June 2020.

In September 2020 the company advised that mining operations are to recommence early October 2020 at the high grade Sherwood deposit within Laneway's 100% owned Agate Creek Gold Project in North Queensland. The campaign is targeting the mining of 43,000t of ore grading 6.5g/t for 8,950oz in two stages: an initial 18,000t to be transported and processed by year end followed by 25,000t of ore which will be stockpiled and scheduled for transportation and processing following the wet season. Laneway anticipates significant positive near term cash flow from this mining campaign that will allow Laneway to continue to pursue its corporate objectives.

As a result of the expected cashflow 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.

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

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 profit or loss and other 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.

LANEWAY RESOURCES LIMITED - ANNUAL REPORT 2020

Notes to the 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 reliably 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 entered into a Mining and Processing Agreement with a mine operator in the 2019 financial year. Through this agreement, the Group engaged the other party to operate / mine its gold tenements for a period of up to 18 months capped at 100,000 tonnes of ore produced.

In consideration for this service the mine operator was entitled to 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 the mine operator based on monthly production. For the period from 1 August 2019 until the end of the mining campaign the excess % was varied to being above 3g/t.

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

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Notes to the Financial Statements

Revenue Recognition (continued)

The Group accounted 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 the customer and was recognised at the point in time when the minerals were sold to the refinery. 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 principal 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.

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.

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Notes to the Financial Statements

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

Each class of property, plant and equipment is carried at cost less, where applicable, any accumulated depreciation and impairment losses. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised in profit or loss. A formal assessment of recoverable amount is made when impairment indicators are present.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future benefits associated with the item will flow to the Consolidated Entity and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

The depreciable amount of all fixed assets is depreciated on a straight line basis over the asset's useful life to the Consolidated Entity commencing from the time the asset is held ready for use. The depreciation rates used for each class of asset is:

<u>Class of Fixed Asset</u>	<u>Depreciation Rate</u>
Motor vehicles	20%
Minesite assets	20%
Exploration equipment	20%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance date.

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.

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Notes to the Financial Statements

Borrowings (continued)

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.

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Notes to the Financial Statements

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.

Liquidity and Funding

At 30 June 2020, the Group had net current liabilities of \$986,277. Included in current liabilities is:

- A convertible note liability of \$1,822,430 in relation to convertible notes that are due for repayment on 30 June 2021. The 390,000,000 notes can be converted into fully paid ordinary shares at \$0.005 per share on or before the repayment date.

Working capital excluding the note liability amounts is \$836,152.

Subsequent to the end of the financial year the company announced it was recommencing mining at its Agate Creek project with the campaign targeting the mining of 43,000t of ore grading 6.5g/t for 8,950oz in two stages: an initial 18,000t to be transported and processed by year end followed by 25,000t of ore. Laneway anticipates significant positive near term cash flow from this mining campaign.

Based upon its cash reserves, undrawn finance facilities and expected earnings, the Group is comfortable it has sufficient funding capacity to continue to grow the business organically and meet all its obligations.

New and amended standards adopted by the group

A number of new or amended standards became applicable for the current reporting period however the group did not have to change its accounting policies as the revised standards did not have any impact on the group's accounting policies and did not require retrospective adjustments.

- AASB 16 Leases

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 16 Leases

This standard and its consequential amendments were applied from 1 July 2019, replacing the accounting requirements applicable to leases in AASB 117 Leases and related interpretations. AASB 16 introduces a single lessee accounting model that eliminates the requirement for leases to be classified as operating or finance leases. This means that for most leases, a right-of-use asset and a lease liability will be recognised, with the right-of-use asset being depreciated and the lease liability being unwound in principal and interest components over the life of the lease.

As at 30 June 2020 the Consolidated Entity was not involved in a lease as described under AASB 16, so the adoption of AASB 16 Leases did not have any impact on the group's accounting policies and did not require retrospective adjustments

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Notes to the Financial Statements

	Consolidated Entity	
	2020	2019
	\$	\$
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	19,142,644	13,017,928
Other income		
Fair value gain/(loss) on other financial assets	(633)	(1,017)
Interest income	63,572	-
Government COVID Jobkeeper and Cashflow Boost	98,500	-
Other income	15,200	200
Write back of accrued expenses from prior periods	-	214,891
	<u>176,639</u>	<u>214,074</u>
Provision for doubtful debt		
Maroon Gold receivable	1,825,000	-
Mineral royalty expenses		
Payable on mineral production	1,326,006	899,906
Recoverable under Agate Creek Tribute Agreement	(929,759)	(601,515)
Net royalty expense	<u>396,247</u>	<u>298,391</u>
Depreciation		
Plant and equipment	64,368	3,253
Amortisation		
Amortisation of Agate Creek development costs	463,070	694,604
Unwinding of Convertible Note discount – equity portion	120,375	78,000
Finance costs		
Interest on Convertible Notes	295,274	202,668
Interest – Director related entity	-	27,413
Interest other	-	48,237
	<u>295,274</u>	<u>278,318</u>
Employee benefits expenses		
Defined contribution superannuation expense	1,681	2,020
Other employee benefits expenses	519,373	409,530
Total employee benefits expenses	<u>521,054</u>	<u>411,550</u>

Subsidies

During the year, the Group received COVID-19 related support subsidies from the Australian Government as outlined below

Government Subsidy	Start Date	Program Duration	Subsidy FY 2020
Australia JobKeeper	30/3/2020	6 months	36,000
Australia Cashflow Boost	31/3/2020	6 months	62,500

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Notes to the Financial Statements

	Consolidated Entity	
	2020	2019
	\$	\$
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 2020 and 2019 is as follows:		
Accounting profit/(loss) before income tax	1,663,506	1,899,948
At the statutory income tax rate of 27.5% (2019: 27.5%)	457,464	522,486
Non-deductible expenses	15,741	59,503
Previously unrecognised losses brought to account	(435,447)	(437,141)
Deferred tax assets (brought)/not brought to account	(37,758)	(144,847)
Income tax expense	-	-
Recognised deferred tax assets		
1. Unused tax losses	2,546,688	3,000,061
2. Deductible temporary differences	656,167	165,208
	<u>3,202,855</u>	<u>3,165,269</u>
Recognised deferred tax liabilities		
Assessable temporary differences	3,202,855	3,165,269
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	108,647,980	110,231,425
Potential tax benefit @ 27.5%	29,878,194	30,313,642

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.

	2020	2019
	\$	\$
4. TRADE AND OTHER RECEIVABLES		
Trade receivables	1,874,173	676,897
Less provision for doubtful debt ²	(1,825,000)	-
	49,173	676,897
Loan extended ¹	1,677,279	-
Other receivables	158,911	21,679
	<u>1,885,363</u>	<u>698,576</u>

¹ The short-term loan facility (of up to \$2m) is repayable on 30 November 2020. Interest receivable by the Company on the funds advanced is at 8% per annum. As at the date of this report the outstanding balance was \$857,693. The loan has been advanced to BAM Opportunities Fund Pty Ltd to enable the Company to generate a return in excess of current cash deposit rates on surplus cash held and is secured by a first ranking fixed and floating charge over the assets of the borrower.

² A provision of \$1,825k has been made for the amount still owing by Maroon Gold in relation to the Tribute mining agreement. Receivers and Managers were appointed to Maroon Gold in August 2020 and while there remains the prospect of some recovery of the amount owed at this time a provision for a full non-recovery has been made.

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5. PROPERTY, PLANT AND EQUIPMENT

	Minesite Assets \$	Motor Vehicles \$	Consolidated Entity Exploration Equip \$	Total \$
At 30 June 2019				
Cost	27,264	76,732	-	103,996
Accumulated depreciation	(1,001)	(48,984)	-	(49,985)
Net carrying amount	26,263	27,748	-	54,011
At 30 June 2020				
Cost	427,794	224,960	58,457	711,211
Accumulated depreciation	(33,616)	(70,711)	(10,026)	(114,353)
Net carrying amount	394,178	154,249	48,431	596,858
Period ended 30 June 2020				
At 1 July 2019, net of accumulated depreciation	26,263	27,748	-	54,011
Additions	400,530	148,226	58,457	607,213
Depreciation charge for the year	(32,615)	(21,727)	(10,026)	(64,368)
At 30 June 2020, net of accumulated depreciation	394,178	154,247	48,431	596,856

6. EXPLORATION EVALUATION AND DEVELOPMENT ASSETS

Exploration and development costs carried forward in respect of areas of interest

Areas of production

- At cost

- Accumulated amortisation

Areas not in production

- Exploration phase

Reconciliation

Exploration expenditure capitalised

- Opening balance

- Current year expenditure

- Transfer to development expenditure

Carried forward

Development expenditure capitalised

- Opening balance

- Current year expenditure

- Transfer from exploration expenditure

- Amortisation

Carried forward

	Consolidated Entity 2020 \$	2019 \$
2,304,908	1,157,674	
(1,157,674)	(694,604)	
1,147,234	463,070	
12,885,576	11,647,759	
14,032,810	12,110,829	
11,647,759	11,772,392	
1,237,817	517,904	
-	(642,537)	
12,885,576	11,647,759	
463,069	-	
1,147,234	515,136	
-	642,537	
(463,069)	(694,604)	
1,147,234	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.

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	Consolidated Entity	
	2020	2019
	\$	\$

7. TRADE AND OTHER PAYABLES (CURRENT)

Trade creditors	792,441	643,534
Other payables and accruals	746,314	1,186,617
	<u>1,538,755</u>	<u>1,830,151</u>

Included in the above are aggregate amounts payable to the following related parties

Directors and director related entities	93,403	361,719
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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 17.

	Consolidated Entity	
	2020	2019
	\$	\$

8. BORROWINGS (CURRENT AND NON CURRENT)

Current

Secured		
Convertible notes	1,822,430	-

Non-Current

Secured		
Convertible notes	-	1,833,875

Convertible notes:

Number Issued: 420,000,000 at \$0.005 per note

Number Converted: 30,000,000 notes were converted in the 2020 financial year

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 \$1,822,430 (2019 - \$1,833,875) is reflected in financial liabilities while the equity component of \$127,570 (2019 - \$265,125) of the issued June 2021 Convertible Notes is reflected in the convertible note reserve.

	Consolidated Entity	
	2020	2019
	\$	\$

The convertible notes are presented in the balance sheet as follows:

Face value of notes issued	2,100,000	2,100,000
Value of equity component	(344,125)	(344,125)
	<u>1,755,875</u>	<u>1,755,875</u>
Unwinding of equity component – interest expense	198,375	78,000
Notes converted equity component	(131,820)	-
Convertible note liability	<u>1,822,430</u>	<u>1,833,875</u>

	Consolidated Entity	
	2020	2019
	\$	\$

9. PROVISIONS (NON-CURRENT)

Restoration	205,650	205,650
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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.

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	Consolidated Entity	
	2020	2019
	\$	\$

10. SHARE CAPITAL

(a) Issued and paid up capital

Ordinary shares fully paid	128,544,819	128,322,999
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(b) Movements in shares on issue	2020		2019	
	Nos of shares	\$	Nos of shares	\$
Ordinary shares fully paid				
Beginning of the financial year	3,680,065,933	128,322,999	3,480,065,933	127,798,879
Increases				
- Placement of shares (1)	-	-	200,000,000	600,000
- Conversion of Notes (2)	30,000,000	131,820		
- Employee remuneration shares (3)	10,000,000	90,000		
- Share issue costs	-	-	-	(75,880)
	<u>3,720,065,933</u>	<u>128,544,819</u>	<u>3,680,065,933</u>	<u>128,322,999</u>

- (1) Issue of shares by way of placement at 0.3 cents per share
(2) Conversion of 30 million unlisted June 2021 \$0.005 notes
(3) Issue of employee remuneration shares at 0.9 cents per share

(c) Convertible Notes

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

Terms	1-Jul-19	additions	converted	expired	30-Jun-20
Unlisted Notes \$0.005 30 June 2021	420,000,000	-	(30,000,000)	-	390,000,000

The company issued a total of 328,000,000 unlisted 30 June 2021 \$0.005 convertible notes during the 2019 year raising a total of \$1,640,000. 30,000,000 notes were converted into ordinary shares (one ordinary share per note) during the period.

(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	
	2020	2019
	\$	\$
Convertible Note Equity Reserve		
At beginning of year	344,125	85,000
Reserve arising on issue of convertible notes	-	259,125
Balance at end of year	<u>344,125</u>	<u>344,125</u>

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

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	Consolidated Entity	
	2020	2019
	\$	\$
11. STATEMENT OF CASH FLOWS		
Reconciliation of the operating profit after tax to the net cash flows from operating activities		
Profit/(loss) from ordinary activities after tax	1,663,506	1,899,948
<i>Add/(less) non-cash items</i>		
Provision for employee entitlements	29,071	18,105
Convertible Note liability revision	120,375	78,000
Fair value (gain)/loss available-for-sale through profit of loss	633	1,017
Depreciation	64,368	3,253
Amortisation	463,070	694,604
Provision for doubtful debt	1,825,000	-
<i>Changes in operating assets & liabilities during the year</i>		
(Increase)/decrease in receivables	(1,333,845)	(698,576)
(Increase)/decrease in prepayments	(15,321)	(5,329)
(Decrease)/increase in creditors	(388,090)	445,381
(Decrease)/increase in accruals	(438,974)	610,929
	<u>1,989,793</u>	<u>3,047,332</u>
Reconciliation of cash		
- Cash at bank	<u>593,996</u>	<u>2,648,743</u>

Non cash financing and investing activities

Loan and Creditor Repayments

2020: During the year a total of 10m ordinary shares were issued at \$0.009 per share in relation to the payment of an employee bonus for the 2019 financial year. In addition a total of 30m ordinary shares were issued in relation to the conversion of 30m June 2021 \$0.005 convertible notes.

2019: During the year 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.

12. 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	
	2020	2019
	\$	\$
The commitments to be undertaken are as follows:		
Payable		
- not later than 12 months	1,241,818	1,001,818
- between 12 months and 5 years	1,760,000	2,853,636
	<u>3,001,818</u>	<u>3,855,454</u>

13. SHARE BASED PAYMENTS

Equity based instruments - Shares

The Company issued a total of 10,000,000 shares to Mr S Hall during the 2020 financial year 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.

14. CONTINGENCIES

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

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15. EARNINGS/(LOSS) PER SHARE

	Consolidated Entity	
	2020	2019
	\$	\$
Earnings/(Loss) per share		
Basic earnings/(loss) per share (cents per share)	0.045	0.053
Diluted earnings/(loss) per share (cents per share)	0.051	0.056

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	1,663,506	1,899,948
Earnings used in calculating basic earnings/(loss) per share	<u>1,663,506</u>	<u>1,899,948</u>
Profit/(loss) from continuing operations	1,663,506	1,899,948
Interest/amortisation expense in relation to dilutive convertible notes	295,274	280,668
Earnings used in calculating diluted earnings/(loss) per share	<u>1,958,780</u>	<u>2,180,616</u>

	<u>Number</u>	<u>Number</u>
Weighted average number of ordinary shares on issue used in the calculation of basic earnings per share	3,716,568,665	3,591,444,015
Effect of dilutive securities	195,000,000	269,468,493
Adjusted weighted average nos of ordinary shares used in calculating dilutive earnings per share	3,911,568,665	3,860,912,508

Conversions, calls, subscriptions or issues after 30 June 2020

The company issued 55,000,000 shares in July 2020 following the conversion of 55,000,000 Unlisted \$0.005 2021 Convertible notes.

	Consolidated Entity	
	2020	2019
	\$	\$

16. 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	66,752	42,731
(ii) Other services –		
- Tax compliance services	21,653	56,240
- AGM services	3,000	-
Total	<u>91,405</u>	<u>98,971</u>

	Consolidated Entity	
	2020	2019
	\$	\$

17. DIRECTOR AND KEY MANAGEMENT PERSONNEL DISCLOSURES

Key management personnel compensation

Short term employee benefits	651,836	558,456
Share based payments	-	90,000
Post-employment benefits	25,728	27,981
Total	<u>677,564</u>	<u>676,437</u>

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 2020 balance date the outstanding balance on the loan facility was \$nil (2019 - \$nil). Interest accrued on the facility during the 2020 financial year was \$nil (2019 - \$7,274). During the year ended 2020 no advances or repayments were made (2019 \$80,000 was advanced to the company and \$264,257 was repaid). The interest rate on the loan facility is 8%.

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17. DIRECTOR AND KEY MANAGEMENT PERSONNEL DISCLOSURES (continued)

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. Nambia Pty Ltd as Trustees of the Anthon Family Superannuation Fund (a company associated with Mr Anthon) acquired the debt on a dollar for dollar basis. As at the 2019 balance date \$211,659 remained as an outstanding trade creditor payable after interest of \$20,139 (at 10% per annum) was accrued in the 2019 financial year in relation to the outstanding liability. The services were based on normal commercial terms and conditions. The loan was repaid in full in July 2019.

Rent for office premises totalling \$30,500 was charged for the period from 1 July 2019 to 31 October 2019, 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. In the full 2019 financial year: \$64,721 was charged for rent by Bizzell Capital Partners Pty Ltd.

For the period from November 2019 to 30 June 2020 rent of \$57,200 was charged, on normal commercial terms, by Mallee Bull Investments Pty Ltd as trustee for the Mallee Bull Property Trust an entity associated with Mr Stephen Bizzell's spouse and Mr Peter Wright.

18. 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 17 above.

19. 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.

	New Zealand \$	Australia \$	Consolidated \$
30-Jun-20			
Revenue:			
Revenue from outside the Consolidated Entity	-	19,319,917	19,319,917
Total Revenue	-	19,319,917	19,319,917
Segment result	-	1,663,506	1,663,506
Income tax	-	-	-
Net Profit	-	1,663,506	1,663,506
<u>Non-cash items included in profit above:</u>			
Depreciation and amortisation	-	527,438	527,438
Provision for doubtful debt	-	1,825,000	1,825,000
Assets:			
Segment assets	1,077,173	16,253,380	17,330,553
Liabilities:			
Segment liabilities	259	3,713,924	3,714,183
<u>Segment acquisitions:</u>			
Capitalised exploration expenditure	194,754	2,190,297	2,385,051
<u>Details on non-current assets:</u>			
Plant and equipment	-	596,856	596,856
Exploration expenditure (see Note 6)	1,077,173	12,955,637	14,032,810
	1,077,173	13,552,493	14,629,666

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19. SEGMENT INFORMATION (continued)

30-Jun-19	New Zealand \$	Australia \$	Consolidated \$
Revenue:			
Revenue from outside the Consolidated Entity	-	13,018,128	13,018,128
Total Revenue	-	13,018,128	13,018,128
Segment result	-	1,899,948	1,899,948
Income tax	-	-	-
Net Profit	-	1,899,948	1,899,948
<u>Non-cash items included in profit above:</u>			
Depreciation and amortisation	-	697,857	697,857
Assets:			
Segment assets	882,590	14,836,408	15,718,998
Liabilities:			
Segment liabilities	-	3,987,954	3,987,954
<u>Segment acquisitions:</u>			
Capitalised exploration expenditure	116,034	917,007	1,033,041
<u>Details on non-current assets:</u>			
Plant and equipment	-	54,011	54,011
Exploration expenditure (see Note 4)	882,420	11,228,409	12,110,829

20. 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.

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20. FINANCIAL RISK MANAGEMENT (continued)

The consolidated entity manages liquidity risk by monitoring forecast cash flows. The company received revenue from its Agate Creek project from April 2019 to September 2019. As at 30 June 2020 the company has cash assets of \$593,996. The cashflow from operations is to recommence in the 2021 financial year and as at the date of this report the company anticipates it will generate sufficient cash to meet its planned expenditures over the next 12 months. In addition to the cash held at 30 June 2020 the company also has a receivable loan of \$1,667,279 due for repayment by 30 November 2020 along with a loan facility from a director related entity totalling \$2,000,000 of which \$nil (2019 - \$nil) has been drawn upon as at 30 June 2020. 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 - 2020	Carrying Amount	Contractual Cash flows	<1 year	1 - 5 years	> 5 years
Financial Liabilities	\$	\$	\$	\$	\$
Trade and Other Payables	1,538,755	1,538,755	1,538,755	-	-
Convertible Notes June 2021	1,968,279	2,388,349	2,388,349	-	-
	<u>3,507,034</u>	<u>3,927,104</u>	<u>3,927,104</u>	<u>-</u>	<u>-</u>

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	1,988,486	2,887,500	315,000	2,572,500	-
	<u>3,818,637</u>	<u>4,717,651</u>	<u>2,145,151</u>	<u>2,572,500</u>	<u>-</u>

(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.

2020	Floating interest rate	Fixed interest rate	Non-interest bearing	Total carrying amount as per the balance sheet	Weighted average effective interest rate
	2020	2020	2020	2020	2020
	\$	\$	\$	\$	%
<i>Financial assets</i>					
Cash and cash equivalents	-	-	593,996	593,996	0.00%
Loan advanced	-	1,677,279	-	1,677,279	8.00%
Total financial assets	<u>-</u>	<u>1,677,279</u>	<u>593,996</u>	<u>2,271,275</u>	
<i>Financial liabilities</i>					
Trade and other payables	-	-	1,538,755	1,538,755	0.00%
Convertible Notes June 2021	-	1,950,000	-	1,950,000	15.00%
Total financial liabilities	<u>-</u>	<u>1,950,000</u>	<u>1,538,755</u>	<u>3,488,755</u>	
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
	\$	\$	\$	\$	%
<i>Financial assets</i>					
Cash and cash equivalents	-	-	2,648,743	2,648,743	0.00%
Total financial assets	<u>-</u>	<u>-</u>	<u>2,648,743</u>	<u>2,648,743</u>	
<i>Financial liabilities</i>					
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	<u>-</u>	<u>2,311,659</u>	<u>-</u>	<u>2,311,659</u>	

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.

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20. FINANCIAL RISK MANAGEMENT (continued)

(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 \$4933 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.

21. PARENT COMPANY INFORMATION

The Parent Entity of the Group is Laneway Resources Limited.

Parent Entity Financial Information

	2020	2019
	\$	\$
Current assets	2,522,254	3,375,525
Non-current assets	14,808,300	12,343,473
Total assets	<u>17,330,554</u>	<u>15,718,998</u>
Current liabilities	3,508,533	1,948,429
Non-current liabilities	205,650	2,039,525
Total liabilities	<u>3,714,183</u>	<u>3,987,954</u>
Net assets	<u>13,616,370</u>	<u>11,731,044</u>
Issued capital	128,544,819	128,322,999
Reserves	344,125	344,125
Accumulated losses	(115,272,574)	(116,936,080)
Total equity	<u>13,616,370</u>	<u>11,731,044</u>
Profit/(loss) after income tax	1,663,506	1,899,948
Other comprehensive income	-	-
Total comprehensive income	<u>1,663,506</u>	<u>1,899,948</u>

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

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22. SUBSEQUENT EVENTS

In July 2020 Laneway announced that it had signed a binding term sheet agreement for the proposed staged sale of the Ashford Coking Coal Project to Aus Tin Mining Ltd. As at the date of this report the transaction had not reached completion. As at 30 June 2020 the carrying value of the Ashford project was \$980,247.

Consideration to be received for the sale to include:

- Laneway being issued a 20% shareholding in Aus Tin (on Aus Tin's enlarged share capital after it strengthens its balance sheet by completing a capital raising and other debt for equity conversions);
- a further \$7m payment (consisting of \$2m cash and a further \$5m in cash or Aus Tin shares issued at a 20% discount); and
- a retained royalty interest for Laneway to be paid \$0.50 per tonne for every tonne of coal produced from the Ashford project.

Proposed Transaction

The binding term sheet with Aus Tin to sell 100 percent of the Ashford Project in two stages (the Proposed Transaction) comprises:

1. Stage 1 being the purchase by Aus Tin Mining of a 40 percent interest in either the Ashford Project itself or the wholly-owned subsidiary of Laneway which owns the Ashford Project, in consideration for the issue of 20 percent of the enlarged share capital of Aus Tin Mining to Laneway. Based upon the proposed capital raisings and debt for equity conversions to be undertaken by Aus Tin, Laneway expects to receive approximately 2 billion Aus Tin (ASX:ANW) shares with respect to the sale of the initial interest in the project. The final structure of the acquisition will depend on what is most efficient for Laneway from a transfer duty, tax and regulatory perspective; and
2. Stage 2 being, an option (the Stage 2 Option) for Aus Tin to purchase the remaining 60 percent interest in the Ashford Project within three years for A\$7 million (payable as to A\$2 million in cash and \$5 million in shares or cash at the election of Aus Tin), plus an ongoing royalty payable to Laneway of \$0.50 per tonne of coal sold from the Ashford Project. The Stage 2 Option must be exercised before the third anniversary of the date on which the Stage 1 acquisition is completed (the Stage 1 Completion).

Stage 1

Stage 1 of the Proposed Transaction is subject to a number of conditions including:

1. both parties conducting and being fully satisfied with the results of its legal, financial and technical due diligence;
2. the strengthening of Aus Tin Mining's balance sheet comprising of:
 - a. a rights issues to be undertaken by Aus Tin to raise a minimum of \$1.2 million in cash to fund exploration, development and corporate costs;
 - b. the conversion of a minimum of \$1.66 million of certain existing Aus Tin debt into equity subject to existing placement capacity and where necessary shareholder approval;
3. the entry into formal transaction documentation; and
4. any necessary shareholder or regulatory approvals.

If these conditions have not been satisfied by 31 October 2020 then either Aus Tin or Laneway may terminate the binding term sheet. As and from the Stage 1 Completion, Laneway will be entitled to nominate two directors to the board of Aus Tin.

Additionally, as from the Stage 1 Completion until such time as:

1. an additional \$1m of capital is raised by Aus Tin (either through cash subscriptions or debt conversion) (the Non-Lind Cap Raising); and
2. \$1m worth of Aus Tin's Lind Facility is converted into equity in Aus Tin or repaid (separate and in addition to the Non-Lind Cap Raising),

Aus Tin will issue to Laneway (subject to the satisfaction of any necessary approvals), such additional shares as is necessary from time to time to ensure that Laneway holds 20% of the issued share capital of the Company.

Stage 2

Stage 2 of the Proposed Transaction is subject to a number of conditions including:

1. the granting of any shareholder or third-party approval required; and
2. the expiry or termination of Aus Tin's Lind Facility.

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22. SUBSEQUENT EVENTS (continued)

Where these conditions have not been satisfied by the third anniversary of the Stage 1 Completion, then Laneway may require Aus Tin to sell the Stage 1 Interest back to Laneway for an amount equal to the aggregate of:

1. the value of the consideration paid for the Stage 1 (the Stage 1 Consideration);
2. the value of all amounts expended by the Company in the development of the Ashford Project since the completion of Stage 1 (the Expenditure); and
3. an amount equal to 30% of the aggregate of the Stage 1 Consideration and the Expenditure.

As and from the completion of the acquisition of Stage 2, Laneway will be entitled to nominate the majority of directors to the board of Aus Tin.

Apart from the matter noted above no other matter or circumstance has arisen since 30 June 2020, 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 2020.

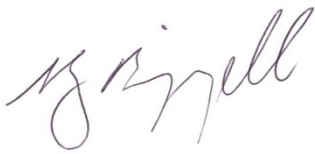
DIRECTORS' DECLARATION

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 2020 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, 29 September 2020

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 2020, 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 2020 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 (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

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

Material uncertainty related to going concern

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

Key audit matters

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

Carrying value of exploration and evaluation assets

<i>Key audit matter</i>	<i>How the matter was addressed in our audit</i>
<p>Refer to note 6 in the financial report.</p> <p>The Group carries exploration and evaluation assets as at 30 June 2020 in relation to the application of the Group's accounting policy for exploration and evaluation assets.</p> <p>The recoverability of exploration and evaluation asset is a key audit matter due to:</p> <ul style="list-style-type: none"> • The significance of the total balance. • The level of procedures undertaken to evaluate management's application of the requirements of AASB 6 Exploration for Evaluation of Mineral Resources ('AASB 6') in light of any indicators of impairment that may be present. • During the prior 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 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. 	<p>Our procedures in relation to exploration, evaluation and development assets included, but were not limited to the following:</p> <ul style="list-style-type: none"> • 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

<i>Key audit matter</i>	<i>How the matter was addressed in our audit</i>
<p>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.</p> <p>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 2020. It also required significant auditor effort due to the complex nature of accounting for revenue under the Mining and Processing Agreement that was entered into with the mine operator.</p>	<p>Our audit procedures included amongst others:</p> <ul style="list-style-type: none"> 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.

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 2020, but does not include the financial report and the auditor's report thereon.

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

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

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

Responsibilities of the directors for the Financial Report

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

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

Auditor's responsibilities for the audit of the Financial Report

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

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

https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.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 30 to 33 of the directors' report for the year ended 30 June 2020.

In our opinion, the Remuneration Report of Laneway Resources Limited, for the year ended 30 June 2020, 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



T R Mann
Director

Brisbane, 29 September 2020