

## ASX ANNOUNCEMENT

18 January 2021

### Processing of Ore from Agate Creek Gold Mine Commences

#### Highlights

- + The first ore from the current mining campaign at Laneway's 100% owned Agate Creek gold mine in North Queensland now being processed at the Lorena Gold Mine CIL plant.
- + There is approximately 4,400 tonnes of 6g/t Au ore currently available to be processed which it is anticipated will be processed over the next 10 days.



Figure 1 - Lorena Gold Mine CIL Processing Plant starting Processing Agate Creek Ore

- + Mining operations at Agate Creek have been temporarily suspended due to localised flooding and resultant road closures caused by the recent rainfall from ex-Tropical Cyclone Imogen and the associated tropical low which saw almost 500mm of rain falling on the mine site area over a 10 day period. Further rainfall is predicted from Cyclone Kimi which is expected to make landfall tonight. Access restrictions due to current flooding and road closures will likely see the suspension of mining until after the wet season.
- + The current mining campaign from which Laneway aims to extract 43,000 t at 6.5 g/t gold (~ 9,000 oz gold) will still be undertaken via two high grade parcels as originally planned. The impact of the recent weather will see some of the planned ore from the first parcel delayed and incorporated into the second parcel which will now be expected to total approximately 38,000t of ore and to be mined and processed as after the end of the wet season (anticipated March / April).
- + Since mining commenced in late October 2020, approximately 4,800 tonnes of high grade ore (grading approximately 6 g/t gold) has been mined with 4,400t of material trucked from Agate

Creek prior to the onset of the rain. 400t of high grade ore along with a further 7,000 tonnes of low grade ore (grading approximately 2.5 g/t) remain on the ROM pad at Agate Creek ready to be transported once road conditions allow.

- + In addition to the ore mined, over 90,000 BCM of waste has also been removed from the pit, which means much of the pre-stripping of waste to expose the remaining ore blocks has already been completed.

The Board of Laneway Resources Limited (“Laneway” or “the Company”) (ASX: LNY) is pleased to provide an update on the progress of gold production from the high grade Sherwood deposit within the 100% owned Agate Creek Gold Project in North Queensland.

## Mining Activities

The first blast took place on 22 October 2020 at the Sherwood pit and since then over 90,000 BCM of waste has been removed from the pit and approximately 4,800 tonnes of high grade ore (grading approximately 6 g/t gold) has been mined with 4,400t transported from Agate Creek prior to road closures caused by flooding from rainfall associated with ex-Tropical Cyclone Imogen. There is 400t of high grade still at the mine ROM along with a further 7,000 tonnes of low grade ore (grading approximately 2.5 g/t) also mined and stockpiled.

The first ore of the 4,400t high grade parcel has now begun to be processed at the Lorena Gold Mine Carbon in Leach (CIL) processing plant.

Following the current temporary suspension in mining it is expected that a single cut back design will be utilised to extract the remaining ore. Updated pit designs and scheduling will be undertaken to optimise the economic extraction of the remaining approximately 38,000 tonnes of ore that will be mined in this current campaign. During the current mining campaign Laneway plans to extract a total of 43,000t at 6.5g/t gold (~9,000oz gold) from Sherwood pit.

The ore now being processed at the Lorena Gold Mine CIL processing plant is being processed at a fixed price per tonne with the expectation this initial parcel will be completed processing over the next 10 days with gold recoveries forecast at >90%.

## Future Plans

Beyond this current mining campaign, the potential for further near term high grade mining has also been identified with one of the larger Whittle pit optimisation runs generating a much larger pit shell containing 120,000 t of high grade material at 5.7 g/t Au for 22,000 oz Au. Mining of this larger pit shell will require amendments to the currently granted Environmental Authority conditions associated with Mining Lease 100030. Background environmental studies are being undertaken currently to allow for lodgement of the necessary EA amendments, intend to be lodged for approval during 2021.

Other activities also continue to be progressed with a view towards the longer-term, large-scale development of the project. Infrastructure upgrades, monitoring, modelling and procedures have also been implemented to allow for the collection of baseline environmental data and studies, which will be utilised as part of the 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.

Laneway also continues to evaluate and progress the exploration of the broader mineralisation potential at Agate Creek. The multi-element spectral study is currently continuing onsite which will assist in prospect targeting and planning for the 2021 drilling campaigns is well advanced with numerous regional targets to be drilled this year.

Given the current high gold price it is expected more of the current 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 high grade Mineral Resources can be identified through carefully targeted future exploration drilling following the high grade Zones to depth.

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. Additional potential toll treatment of high-grade ore will continue to be targeted in the shorter term to provide additional cash flow to fund significant further exploration and development for the company whilst minimising the requirement for equity capital raisings.

Chairman Stephen Bizzell noted “We are pleased to have commenced the processing of the first batch of high-grade ore from the current mining campaign at the Lorena processing plant with material revenue to still be received this Quarter . Whilst the recent heavy rainfall and flooding has temporarily suspended mining activities, the delays shouldn’t impact materially on the expected outcomes from the current mining campaign and the plans the Company has for a busy 2021 as we focus in parallel on the planning, approvals and development of the larger volume of high grade ore encompassed by the larger Whittle pit shell, undertake drilling programs targeting over 60 regional exploration targets and then turn our attention to options for onsite processing of the almost half a million ounces of gold resource already identified at Agate Creek.”

This Announcement is Authorised by the Board of Directors

For further information contact:

Stephen Bizzell

Chairman, Laneway Resources

Phone: (07) 3108 3500

E-Mail: [admin@lanewayresources.com.au](mailto:admin@lanewayresources.com.au)

For further information visit the website: <https://www.lanewayresources.com.au>

Visit us on Twitter: [https://twitter.com/Laneway\\_Res](https://twitter.com/Laneway_Res)

Visit us on LinkedIn: <https://www.linkedin.com/company/laneway-resources-limited/>

## Competent Persons Statements

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

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

ASX Announcement titled:

‘Significant High-Grade Resource Increase for Agate Creek’ dated 30 January 2020.



The report is available to view on the Laneway Resources website [www.lanewayresources.com.au](http://www.lanewayresources.com.au). The report was issued in accordance with the 2012 Edition of the JORC Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. The company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and, in the case of estimates of Mineral Resources or Ore Reserves that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.