



## Quarterly Activities Report for the period ended 31<sup>st</sup> December 2020



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ASX Code: LNY

### Directors

Mr Stephen Bizzell (Chairman)  
Mr Rick Anthon  
Mr Mark Baker  
Mr Brad Gordon  
Mr Peter Wright

### Company Secretary

Mr Paul Marshall

## Highlights

### Agate Creek Gold Project

- + Mining operations at Agate Creek recommenced during the quarter.
- + The first parcel of ore from the current campaign is currently being processed at the Lorena Gold Mine CIL processing plant with the first gold pour occurring last week.
- + Mining operations have been temporarily suspended due to localised flooding and resultant road closures caused by the recent heavy rainfall from ex-Tropical Cyclone Imogen and ex-Tropical Cyclone Kimi and the associated tropical lows. 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) is being undertaken in two stages of high grade parcels. The second parcel of ore, which will now be expected to total approximately 38,000 t, will be mined and processed as soon as possible after the end of the wet season (anticipated March / April).
- + Since mining commenced in late October, approximately 4,800 tonnes of high grade ore 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 remain on the ROM pad at Agate Creek ready to be transported once road conditions allow.
- + There is approximately 4,400 tonnes of 6g/t Au grade ore that has been transported to the Lorena processing plant and available to be processed. To date approximately 2,200 tonnes of this ore has been crushed and fed into the plant with gold recoveries expected to be >90%.
- + In addition to the ore mined, over 90,000 BCM of waste has also been removed from the pit, which means a significant portion of waste pre-stripping to expose the remaining ore blocks has already been completed for when mining recommences. A new optimisation of the mine schedule and pit design are currently underway, to further accelerate this process.
- + Laneway is continuing to progress other processing plant options which may be utilised longer term for the processing of high grade ore from Agate Creek including for the second batch of ore from this mining campaign following the wet season.
- + Potential for further high grade mining beyond this campaign has been identified with Whittle pit optimisation process generating a much larger Open Pit Shell containing 120,000 tonnes at 5.7 g/t Au for 22,000 Oz Au inclusive of the current planned mining. Studies are underway to facilitate environmental approvals required before mining of this larger Open Pit Shell lodgement of these permits are planned for 2021.
- + The anticipated significant positive cash flow from this mining campaign will continue to provide a sound financial platform for the Company to progress its project portfolio including additional exploration and appraisal of the broader Agate Creek Project.
- + In preparation for future drilling programs, Laneway is currently undertaking a multi-element spectral study to assist in the more accurate targeting of the main mineralized zones at depth (including potential bonanza zones) at Sherwood & Sherwood West, Nottingham and potentially also regional targets.

- + This multi-element spectral study work program is well underway and it is intended to have the analysis complete to assist in selection of drill targets for drilling early in the 2021 field season. A significant drilling program will be implemented following full analysis and interpretation of the results of this program.
- + Laneway has a strategy in the near term of continuing to campaign mine the near surface high grade material at Agate Creek and to process the ore via third party processing plants. Laneway's longer term strategy is to continue to appraise the highly prospective Agate Creek Project both for additional near surface high grade gold, and to evaluate the broader mineralisation potential at Agate Creek and progress the development and planning for large scale mining activities including on-site processing of the Mineral Resource of 471,000 ounces of gold that has been defined thus far.

### New Zealand Gold Project

- + A planned drilling program focusing within and below the historically mined area of Jubilee, targeting both the main Jubilee Vein System and also a newly identified vein zone is on track to be completed during the coming months - assuming COVID-19 quarantines and restricted NZ travel and access arrangements allow.

### Ashford Coking Coal Project

- + Activities on the Ashford project during the quarter focused on progressing environmental and other studies required for the Mining lease Application together with further work on transport logistics for the pathway to market for coal from the project.
- + Progress was also made towards satisfaction of the condition's precedent to the completion of the proposed staged sale of the Ashford Coking Coal Project to Aus Tin Mining Ltd.
- + Subsequent to the end of the quarter, shareholder approval for the first stage of the transaction was obtained from Aus Tin Mining's shareholders as well as significant progress was recently made by Aus Tin with respect to strengthening their balance sheet with the completion of a capital raising and obtaining shareholder approvals for the conversion of existing debt to equity.
- + Consideration to be received for the sale of the Ashford project is to include:
  - + Laneway being issued an initial 20% shareholding in Aus Tin;
  - + 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. The current Indicated and Inferred Resource at Ashford is 14.8 million tonnes of in-situ coal.

### Corporate

- + Mr Brad Gordon was appointed as a director of the Company during the quarter. Mr Gordon is a seasoned mining executive with over 30 years of experience in the gold mining industry, during which time he has successfully led and grown the value of large mining operations around the world.

## Company Overview

Laneway Resources is an emerging resource development company with two projects primarily targeting gold in Queensland and New Zealand plus a coking coal resource project in Northern New South Wales (which is currently proposed to be sold).

The Company has previously undertaken gold mining activities at its Agate Creek high grade gold project in 2019 that achieved material positive cash flow for the Company. Further mining of high-grade ore re-commenced during the quarter at Agate Creek - again utilising off site toll treatment of ore through a third-party processing plant.

This cash flow from the current mining will establish a sound financial platform for the Company to progress its project portfolio including additional exploration appraisal of the broader Agate Creek Project area.

### Agate Creek Gold Project

North Queensland

- 100% interest
- Epithermal Gold

### Ashford Coking Coal Project

Northern NSW

- 100% interest  
(Binding Term Sheet for sale of project)
- Coking Coal

### New Zealand Gold Project

North Island, New Zealand

- 100% interest
- Epithermal Gold



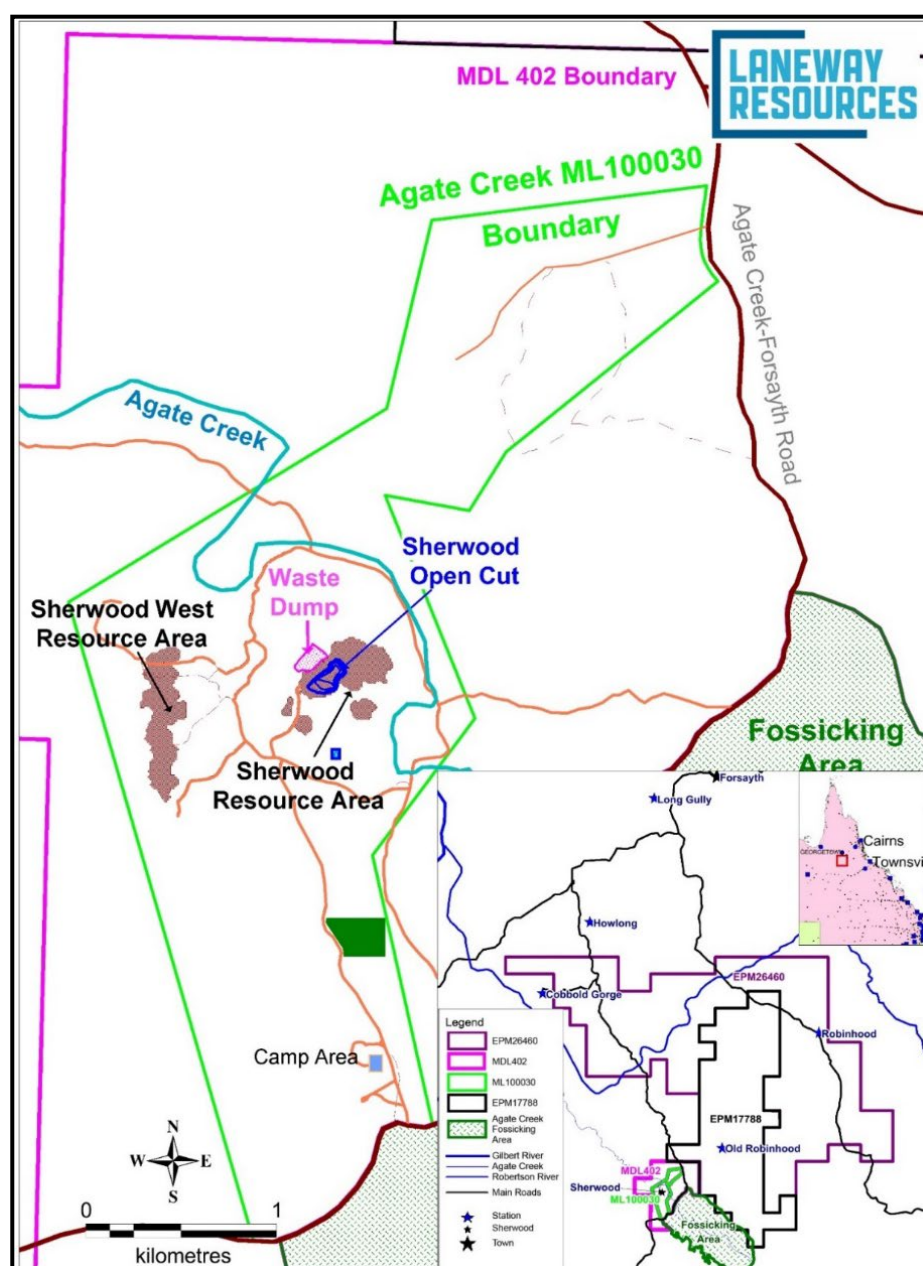
Location of Laneway Resources' Projects



## Agate Creek Gold Project

The Agate Creek Gold Project is located approximately 40km south of Forsayth and 60km west of Kidston in North Queensland. The Project covers a total of 647.5 km<sup>2</sup> and comprises the following tenures EPM 17788, EPM 26460, MDL 402 & ML 100030.

The Mining Lease (ML 100030) - which covers the near surface high grade Sherwood and Sherwood West gold prospects as well as areas for all necessary infrastructure to support mining operations - was granted by the Queensland Department of Natural Resources, Mines and Energy with an effective date of 1<sup>st</sup> March 2019, for a 20 year term.



## 2020 Mining Campaign

The first blast in the current mining campaign 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.



Approximately 2,200t of the high grade parcel has been crushed and begun to be processed at the Lorena Gold Mine CIL processing plant. The crushing and processing of the balance of Laneway's ore at Lorena is awaiting the repair of the crushing plant supplied and operated by a third party contractor at the Lorena site which has had a breakdown whilst crushing Laneway ore. Once the crusher has been repaired, the balance of Laneway's ore will be crushed and processed which is expected to occur within the next 2 weeks.

Mining operations continue to be temporarily suspended due to localised flooding and road closures. Once mining is able to recommence, it is expected that a single cut back design will be utilised to extract the remaining ore. Updated pit designs and scheduling is currently being 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 being processed at the Lorena Gold Mine CIL processing plant is being processed at a fixed price per tonne with gold recoveries forecast at >90%.

Whilst the toll processing agreement entered into with the operators of the Lorena Gold Mine CIL processing plant will allow for the subsequent batch of ore in this mining campaign to also be processed through the plant, Laneway is continuing to progress other processing plant options which may be utilised longer term for the processing of high grade ore from Agate Creek, including for the second batch of ore from this mining campaign.





Photo of gold doré bar poured at Lorena



Lorena Gold Mine CIL Processing Plant



## Future Plans

Beyond the 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 which are intended 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 moving forward 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.

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

In preparation for the 2021 drilling programs, Laneway is currently undertaking a multi-element spectral study to assist in the more accurate targeting of the main mineralized zones at depth (including potential bonanza zones) at Sherwood & Sherwood West, Nottingham and potentially also regional targets.

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.





## Mineral Resource

An updated Mineral Resource estimate (JORC 2012) was completed in January 2020 on the Agate Creek epithermal gold project in North Queensland that includes all drilling on the project (except the recently completed 34 hole program) and also takes 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 1500 sampled blast holes from mining. Independent consultants ResEval Pty Ltd were engaged to update the Agate Creek Project Mineral Resource.

A global recoverable Mineral Resource is defined for the Agate Creek Project in Table 1 at a 0.5 g/t Au cut-off suitable for a large open pit operation. 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 a lower cut-off grade.

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
<b>Total</b>	<b>4.20</b>	<b>1.40</b>	<b>190,000</b>	<b>0.37</b>	<b>1.16</b>	<b>14,000</b>	<b>3.37</b>	<b>1.37</b>	<b>166,000</b>	<b>8.32</b>	<b>1.37</b>	<b>367,000</b>

*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
<b>Total</b>		<b>15</b>	<b>4.88</b>	<b>2,400</b>	<b>1,165</b>	<b>2.47</b>	<b>92,600</b>	<b>119</b>	<b>1.78</b>	<b>6,800</b>	<b>1,300</b>	<b>2.44</b>	<b>101,800</b>

*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
<b>Total</b>	<b>7.98</b>	<b>0.94</b>	<b>241,000</b>	<b>0.51</b>	<b>0.96</b>	<b>16,000</b>	<b>7.32</b>	<b>0.91</b>	<b>215,000</b>	<b>15.79</b>	<b>0.92</b>	<b>471,000</b>

## Multi-Element Spectral Study Work Program

In preparation for future drilling programs, Laneway is undertaking a multi-element spectral study to assist in the more accurate targeting of the main mineralized zones at depth (including potential bonanza zones) at Sherwood & Sherwood West, Nottingham and potentially also regional targets. Laneway is currently utilising the significant historical pulp library stored on site to complete a detailed litho-geo-chemical & alteration geochemical multi element analysis, along with alteration zonation deposit modelling. Multi-element data is expected to be useful in identifying fluid conduits and metal zonation patterns at Sherwood and regionally.

Multi-element geochemical modelling has successfully determined dimension, genesis, deposit type and vectors to mineralisation within other mineralised systems in other areas throughout Australia.

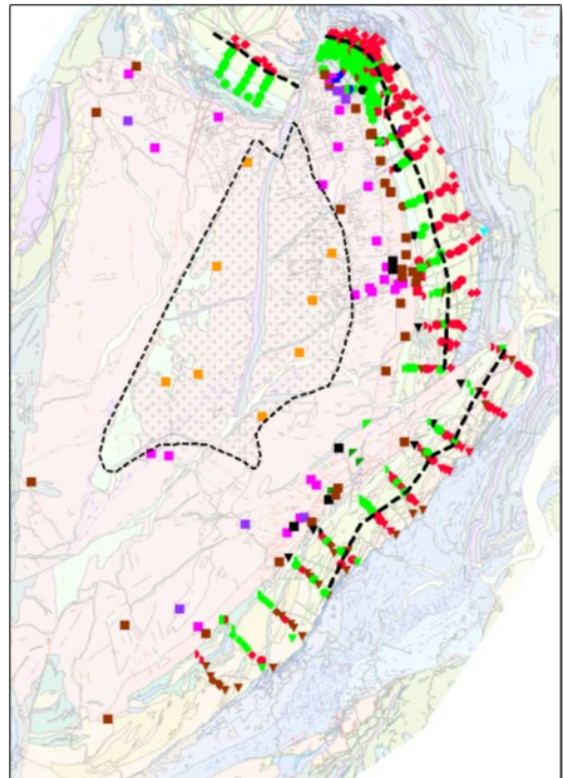
Laneway's study involves analysis of existing pulp samples (~50,000) from historical drilling using portable x-ray fluorescence (XRF) and ASD analysis followed by selective four acid multi-element digest to correlate handheld measurements and allow ioGAS modelling of results.

Of the estimated 50,000 historic pulps that are estimated to be available on site, over 60% have now been accessed, re-ordered and resorted, sample identification number & drill hole number confirmed giving an accurate 3D co-ordinate of the pulp for future data analysis. These pulp samples once prepared then undergo magnetic susceptibility and conductivity analysis approximately 60% of pulps have had this first step completed.

Pulps are then sub sampled to enable analyses by TerraSpec ASD 4 spectrometer which gives a full-range UV/Vis/NIR/SWIR (350 nm - 2500 nm) spectroradiometers and spectrometers used for material identification and analysis. Multielement analysis by a Niton Portable XRF is then completed before 1 in 20 of the samples are sent away for 4 acid digest and ICPOES analysis by a NATA accredited laboratory for correlation to the XRF data. pXRF analysis is a time consuming process due to analysis time required by the technique which is creating a slight bottle neck in processing. As currently only 15% of pulps have been analysed through all processes, a second pXRF machine has now been sourced to accelerate this analysis.

It is expected all onsite analysis will be completed by early March, which will allow for all new data to be incorporated into existing geological models to generate a more comprehensive 3D fluid pathway model, with the aim of assisting in significantly expanding the current gold inventory of the project. This is expected to allow for more accurate targeting of the main mineralized zones at depth (including potential bonanza zones) at Sherwood & Sherwood West, Nottingham and also potentially also regional targets.

- This work program analysis once complete will assist in selection of drill targets for drilling early in the 2021 "dry" field season. A significant drilling program will be implemented following full analysis and interpretation of the results of this program.
- The figure below shows some of the correlations between deposit type and mineralising fluids including geochemical markers that are significant in the primary mineralising event and fluid flows.





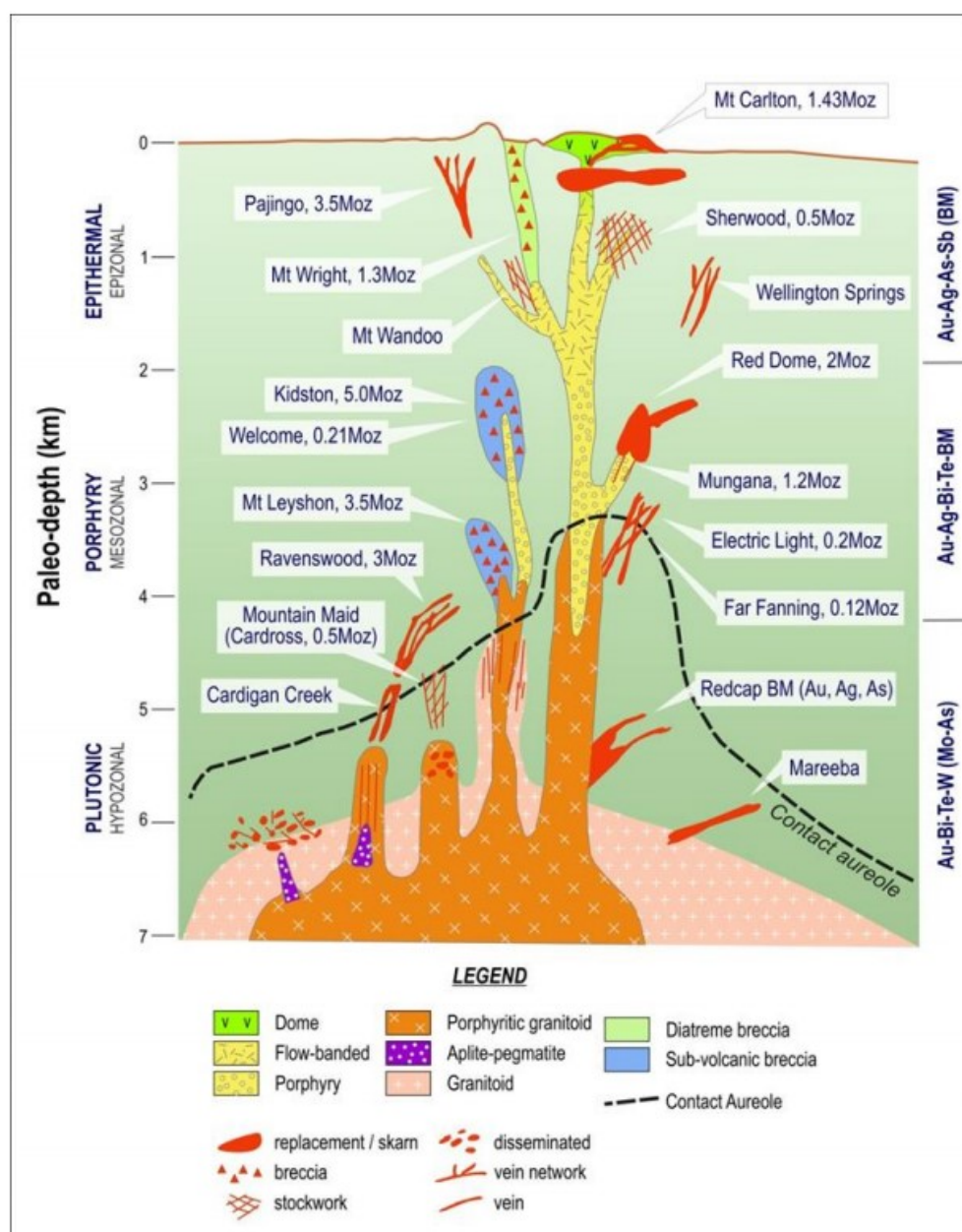


Figure 1 Beams and Morrison 2015 – Charters Towers Roundup

### CLASSIFICATION SCHEME

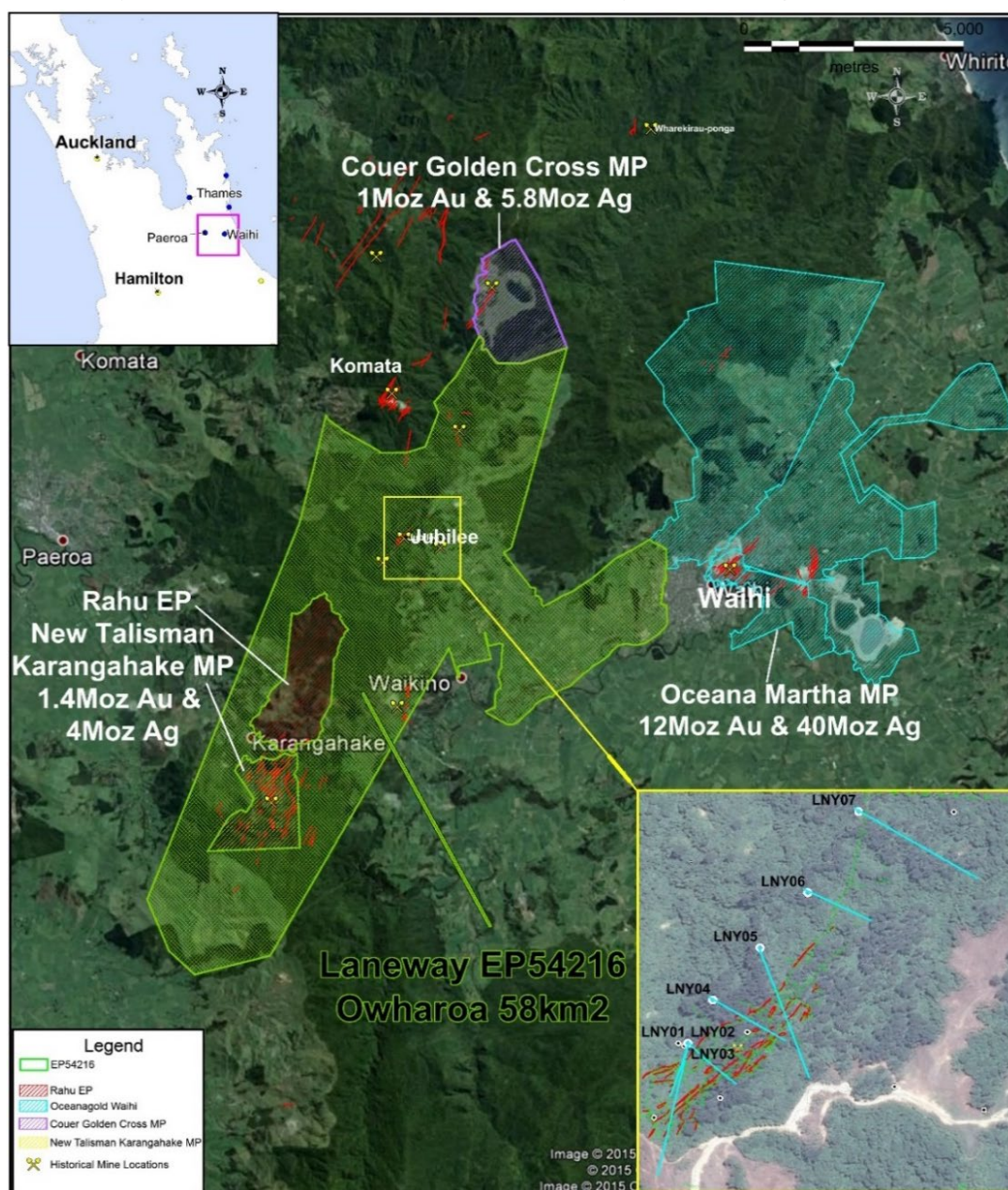
<b>AU+BM (NO BI +/-AS, TE)</b>	OROGENIC GRANITE-HOSTED TYPE e.g. Charters Towers
<b>AU BI TE AS SB (+/-BM)</b>	PLUTONIC IRGS TYPE and or mafic intrusion e.g. Ravenswood
<b>AU-BI-BM +/-TE</b>	PORPHYRY AU TYPE and or intermediate intrusion e.g. Mt Leyshon, Mt Wright CU -RICH    ZN-RICH    PB-RICH
<b>AU BI MO W +/- BM</b>	PORPHYRY AU TYPE with felsic intrusion e.g. Mt Remarkable, Kidston
<b>AU AG TE</b>	LOW SULFIDATION EPITHERMAL VEINS e.g. Pajingo
<b>AU AG AS</b>	EPITHERMAL HOTSPRING DEPOSITS e.g. Wirralie
<b>AU AG TE AS +/- BM</b>	HI-SULFIDATION EPITHERMAL e.g. Mt Carlton

## New Zealand Gold Project

The NZ project area 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 adjacent to Oceana Gold's operating Waihi Mine.

The area hosts approximately 50 low-sulphidation epithermal prospects and deposits and has yielded in excess of 45 million ounces of bullion. Workings generally only reached 140m below surface. The Karangahake orebody on the southern end is shown to have up to 700m vertical continuity (unusual in epithermal deposits) and Jubilee is likely the strike extent of the Karangahake system but was only historically mined to 200m and never tested at depth. There remains significant scope for down dip and strike extensions of this mineralisation particularly along a >10 km long prospective corridor.

Mineralisation occurs as discrete low sulphidation high grade epithermal veins, primarily of banded quartz/chalcedony within rhyolites and andesites. Laneway has identified a 2m wide zone which originally assayed at 7.8g/t Au but was never followed up in ML018 (drilled in 1987). Within this 2m metre zone Laneway located and re-assayed a 30cm wide vein which returned an assay result of 521g/t Au.



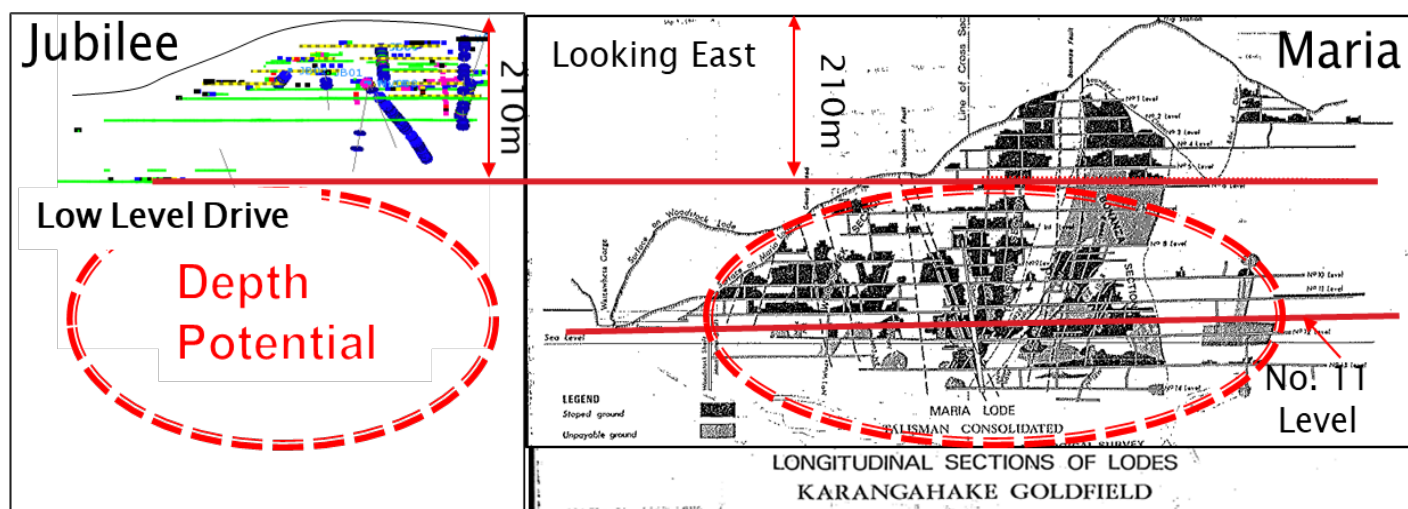
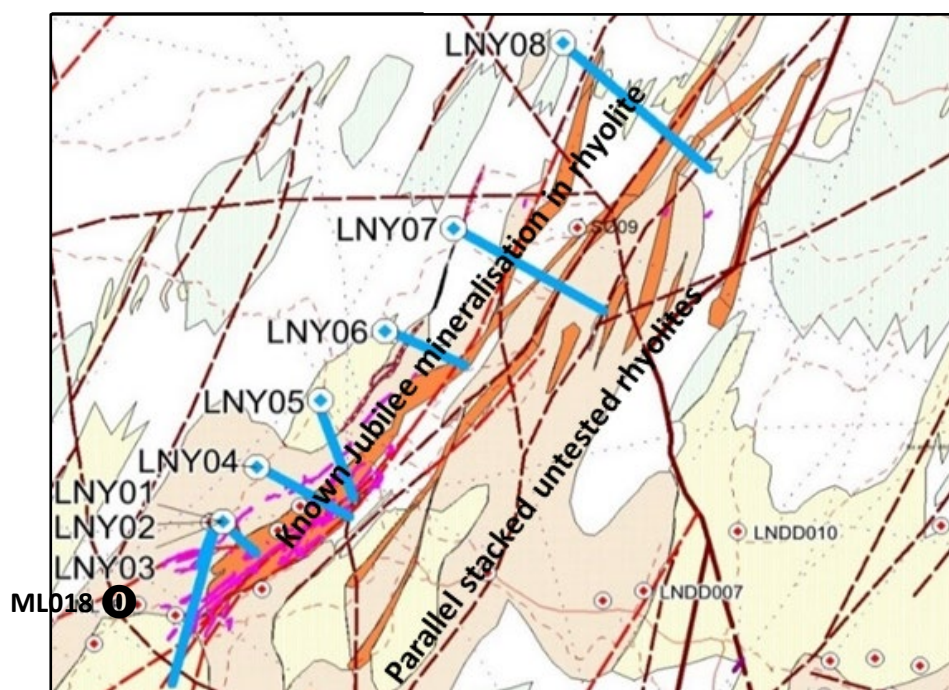


## Forward Exploration and Drilling - NZ

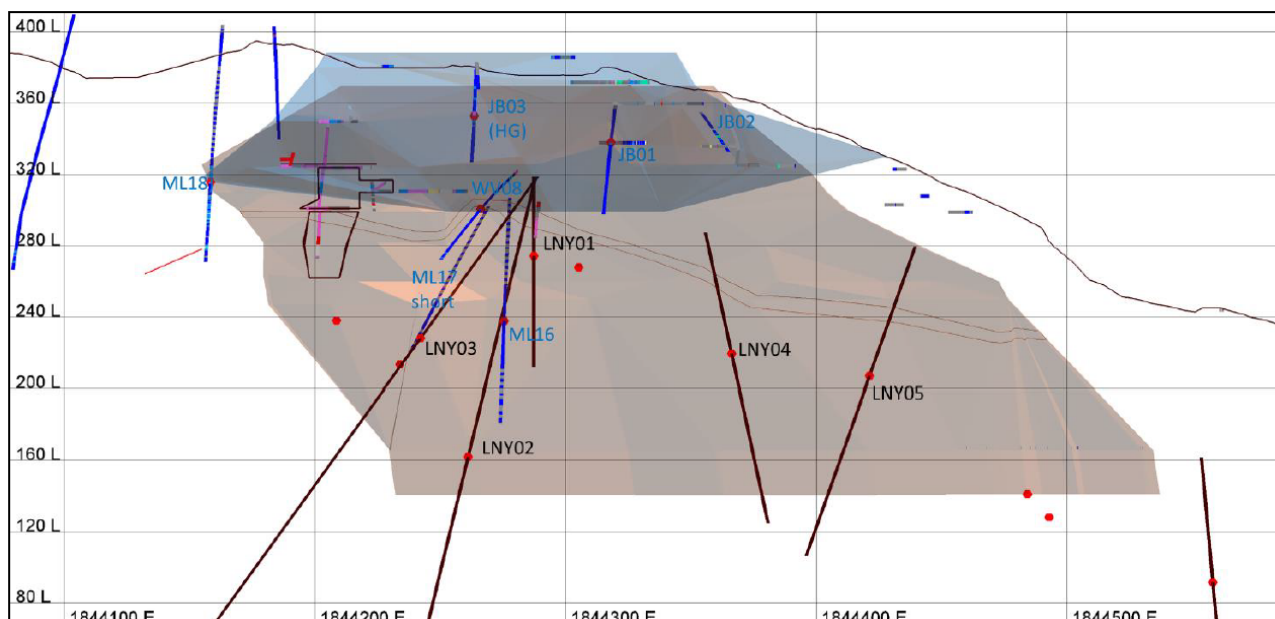
Drilling continues to be on hold until COVID19 travel restrictions to NZ are relaxed and a clear logistics path for access to the site for Laneway personnel and drilling equipment and crews has been established following the end of the quarantine restrictions. Planning is well advanced for the drilling to be undertaken this year once travel restrictions allow.

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.

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. With 8 drill ready targets (LNY01-08) at the Jubilee Prospect targeting both along strike and down dip extensions of known mineralisation and new targets. All agreements, permitting and drill pads are now in place to allow drilling of this target.



Section showing potential comparison between Jubilee and Karangahake Systems



**Figure 2 NE-SW Long Section of wireframes, sampling with existing and planned vein intersections**

Vein structure wireframing and modelling based on face sampling undertaken from the old mined stopes have been utilised to inform drill locations and the drilling program will be varied as more information becomes available during the program. Drilling access and permitting is still current and arrangements are being progressed with drilling contractors in preparation for upcoming drill plan finalisation.

Hole	X	Y	Z	Depth	Azim	Dip	Target
LNY01	1844219	5859497	319	200	135	-40	Follow up LN18 521 g/t Au in a new lower system
LNY02	1844220	5859498	319	450	200	-75	Jubilee extension below workings
LNY03	1844220	5859499	319	400	195	-50	Jubilee targeting high grade chip samples
LNY04	1844268	5859578	310	250	120	-50	Jubilee resource depth extension between levels
LNY05	1844359	5859677	311	400	160	-50	Jubilee resource depth extension between levels
LNY06	1844451	5859781	290	300	115	-75	Test depth extent of sulphide zone under previous stoping
LNY07	1844550	5859934	280	400	120	-50	
LNY08	1844706	5860211	191	500	135	-60	

**Figure 3 Proposed Drill Holes in Jubilee Vein System Area**



## Ashford Coking Coal Project (NSW)

During the quarter, activities on the Ashford project focused on progressing the project towards a Mining Lease Application as has been previously outlined.

An agreement has previously been entered into with Aus Tin Mining Ltd for the staged sale of the Ashford Coking Coal Project for a combination Aus Tin shares, cash and an ongoing royalty interest. Progress was made during the quarter on satisfying the conditions precedent to completion of the sale. Further details of the proposed sale are contained below.

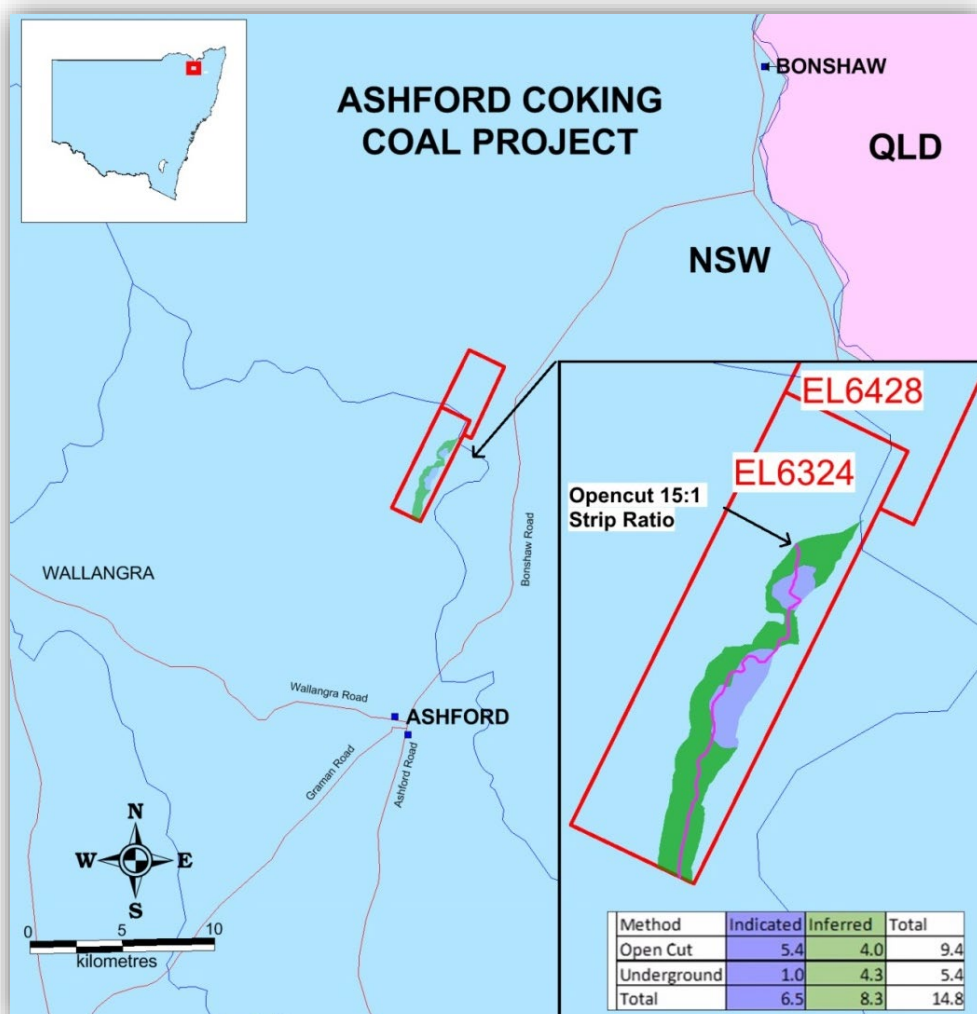
### Background on the Project Area

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 km<sup>2</sup>. 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, utilised to supply 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.

### Ashford TOMRA Sorting Testing

Samples were sent to TOMRA Laboratories in Sydney in 2020 to evaluate TOMRA XRT (X-Ray Transmission) sorting technology for upgrading the Ashford Coking Coal Run of Mine (ROM) material. 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 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.

The results generated from this set of test work demonstrated a significant reduction in % ash in the Ashford coal sample and will be further investigated as part of the mining studies.



**Ashford Project Resource & Tenure Map**

## Infrastructure

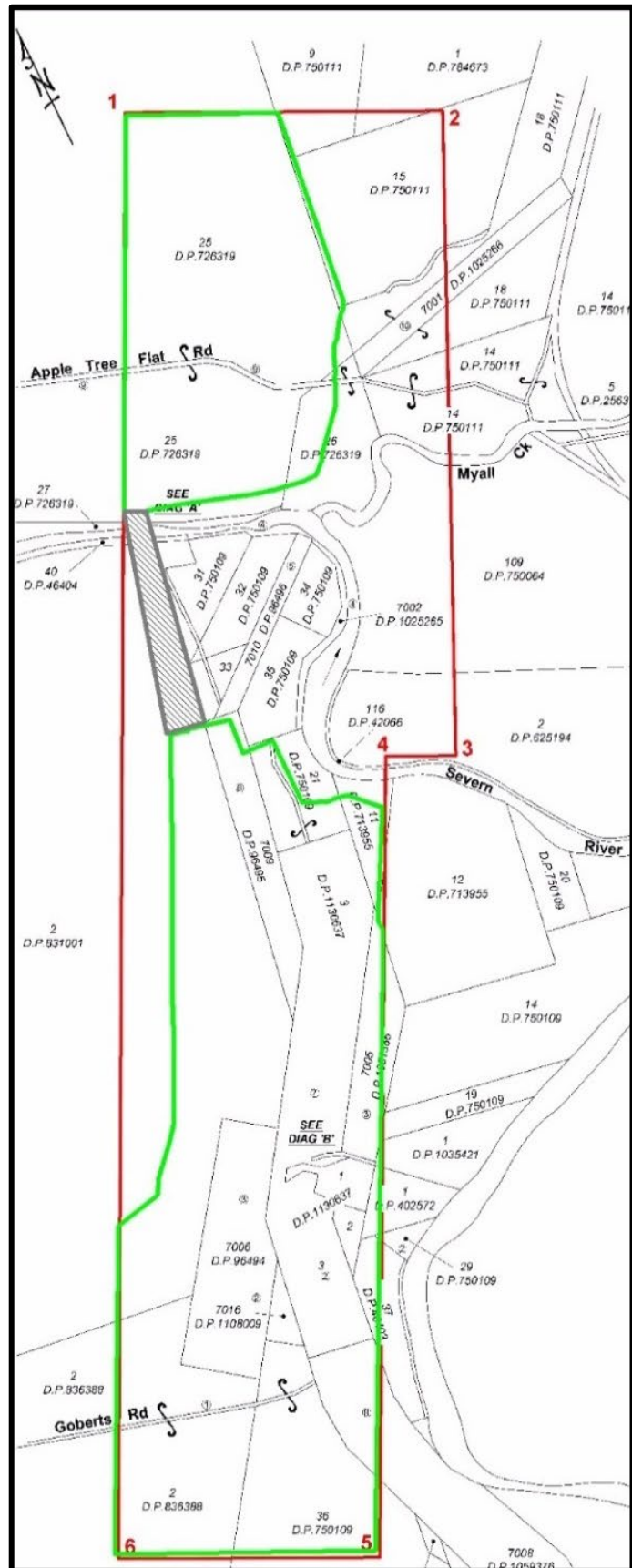
Several transport options have been reviewed and assessed as viable at current coking coal prices, including the following:

- Road haulage to North Star a road haul of approximately 122km; then rail to Port of Brisbane. The Federal Inland Rail project completion date is scheduled for Q3 2023/Q1 24.
- 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.

## 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.



**Figure 4 Approximate Planned ML Boundary**



## 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).

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

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

## 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

## Proposed Sale of Ashford Coking Coal Project

In July 2020 an agreement was entered into for the proposed staged sale of the Ashford Coking Coal Project to Aus Tin Mining Ltd (“Aus Tin”) (ASX : ANW).

Consideration to be received by Laneway to include:

- Laneway being issued an initial 20% shareholding in Aus Tin (on Aus Tin’s enlarged share capital after it completes a capital raising and other debt for equity conversions). Based upon the capital raising recently completed by Aus Tin and the debt conversions being 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;
- a further \$7m payment (consisting of \$2m cash and a further \$5m in cash or Aus Tin shares issued at a 20% discount) once Aus Tin exercise the stage 2 option; and
- a retained royalty interest for Laneway to be paid \$0.50 per tonne for every tonne of coal produced from the Ashford project. The current Indicated and Inferred Resource at Ashford is 14.8 million tonnes of in-situ coal.

The proposed transaction will allow Laneway to:

- Bring forward realisation of value for the Ashford Project for Laneway shareholders;
- Remain focussed on progressing the Company’s gold mining and exploration projects;
- Provide a ‘pure play’ gold investment profile for investors;
- Obtain funding for the Ashford Coking Coal Project which will enable the project to be progressed in a manner that is not dilutive to the existing issued capital of Laneway;
- Retain considerable exposure to the Ashford Projects’ future potential value through both the 20% initial shareholding interest in Aus Tin, the further cash and share consideration to be issued to Laneway upon exercise of the stage 2 option and the retained royalty interest on coal sold from the project; and
- Provide Laneway shareholders with exposure to Aus Tin Mining’s other existing projects including the Taronga Tin Project and the Mt Cobalt and Pembroke nickel, copper and cobalt projects.

Under the agreement that Laneway has entered into with Aus Tin, Laneway will sell 100 percent of the Ashford Project in two stages (**the Proposed Transaction**) comprising:

1. **Stage 1** being the purchase by Aus Tin Mining of a 40 percent interest in 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 together with reimbursement to Laneway of costs incurred on the project since the agreement was entered into; 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**).

Subsequent to the end of the quarter, shareholder approval for the first stage of the transaction was obtained from Aus Tin Mining's shareholders as well as significant progress was recently made by Aus Tin with respect to satisfying the conditions precedent and strengthening their balance sheet with the completion of a capital raising and obtaining shareholder approvals for the conversion of existing debt to equity. It is expected that completion of stage 1 of the acquisition should occur during February.

## Appointment of Director

During the quarter, Mr Bradley Gordon was appointed as a non-executive director of the Company.

Brad is a seasoned mining executive with over 30 years of experience in the gold mining industry, during which time he has successfully led and grown the value of large mining operations around the world. He was from 2013 until December 2017 the CEO of Acacia Mining Plc, a London Stock Exchange listed gold mining company with mines and exploration projects across Africa. He led an impressive turnaround of that company through rejuvenation and re-engineering of its assets, corporate structures and culture and oversaw an increase in the market capitalisation of Acacia from £450 million to £2.5 billion.

Brad was previously also the CEO of Intrepid Mines from 2008 to 2013, a TSX and ASX listed precious metals exploration and development company with primary operations in Indonesia. During his time as CEO of Intrepid the market capitalisation grew from A\$120 million to a peak of A\$1.4 billion. Prior to his time at Intrepid, Brad was the CEO of Emperor Mines, with gold mines in Fiji and Papua New Guinea and at the time was the third largest gold producer listed on the ASX. Before that, he held a series of progressively senior positions with Placer Dome including as Managing Director of their Papua New Guinea operations with responsibility for the Porgera and Misima gold mines.

Brad holds a Mining Engineering degree from the Western Australian School of Mines and an Executive MBA from INSEAD, France.

## Corporate

Available funding at the end of the quarter totalled \$2.18m comprising cash at bank, a short-term investment loan fund receivable, and an undrawn debt facility.

The Company also continues to actively pursue the balance of funds still owing to Laneway by Maroon Gold from the 2019 mining campaign. Maroon Gold is currently progressing a recapitalisation process which, if successful, would likely see Laneway recover the full amount owed. It is anticipated that a resolution on this matter maybe reached in the current quarter. The amount owing by Maroon Gold of approximately \$2m is not included in the Company's currently available funding noted above.

A total of \$315,000 was spent on exploration and development activities in the quarter with \$280,000 on the Agate Creek project, \$13,000 on the New Zealand exploration project and \$22,000 on the Ashford Coal project.

Corporate, administrative and staff costs paid during the quarter totalled \$12,000 being Director fees.

## Approved by the Board

For further information contact:

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## Competent Persons Statements

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

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

ASX Announcement titled:

'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.

The information relating to the Mineral Resources at the Ashford Coking Coal Project is extracted from the ASX Announcement as follows:

ASX Announcement titled:

'Ashford Coking Coal Project - Increased Resource' dated 20 November 2017.

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, and also "Australian Guidelines for the Estimation and Classification of Coal Resources, (2014)". 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.

## Schedule of Interests in Mining Tenements

Laneway Resources Limited held the following interests in mining and exploration tenements as at 31<sup>st</sup> December 2020. There were no changes during the quarter.

### Queensland Tenements

<i>Type &amp; Title No.</i>	<i>Location</i>	<i>Interest</i>
MDL402	Agate Creek	100%
EPM17788	Agate Creek	100%
EPM26460	Agate Creek	100%
ML 100030	Agate Creek	100%

### NSW Tenements

<i>Type &amp; Title No.</i>	<i>Location</i>	<i>Interest</i>
EL6234	Ashford	100%
EL6428	Ashford No III	100%

### New Zealand Tenements

<i>Type &amp; Title No.</i>	<i>Location</i>	<i>Interest</i>
EP54216	Owharoa	100%