



## Quarterly Activities Report for the period ended 31 December 2016



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ASX Code: LNY

**Directors**  
Mr Stephen Bizzell (Chairman)  
Mr Rick Anthon  
Mr Mark Baker  
**Company Secretary**  
Mr Paul Marshall

## Highlights

### *Agate Creek Gold Project (North Queensland)*

- + The Mining Lease Application process (MLA 100030) - which covers the high grade near surface Sherwood and Sherwood West Prospects - continued, with ML grant expected following completion of landowner and Native Title agreements. Mining is planned to commence shortly after ML grant.
- + Land Court process with the final land owner to determine compensation for the Mining Lease is well advanced with submissions from both parties complete. The Court's decision regarding quantum of compensation payable is expected in Q1 2017.
- + The Environmental Authority is in place (EPSL03068015). The Environmental Bond (financial assurance) is expected to reflect the small area of disturbance and the limited activities on site - processing and tailings will be off lease.
- + Mine planning for phase 1 is complete - very simple near surface orebody.
- + 3<sup>rd</sup> party processing options - including at the Georgetown Mill which is on care and maintenance and is expected to require minimal lead time prior to being able to treat the Agate Creek ore.
- + Drilling - the next round of drilling is planned to commence after the end of the current wet season.

### *LNJV Gold Project (North Island, New Zealand)*

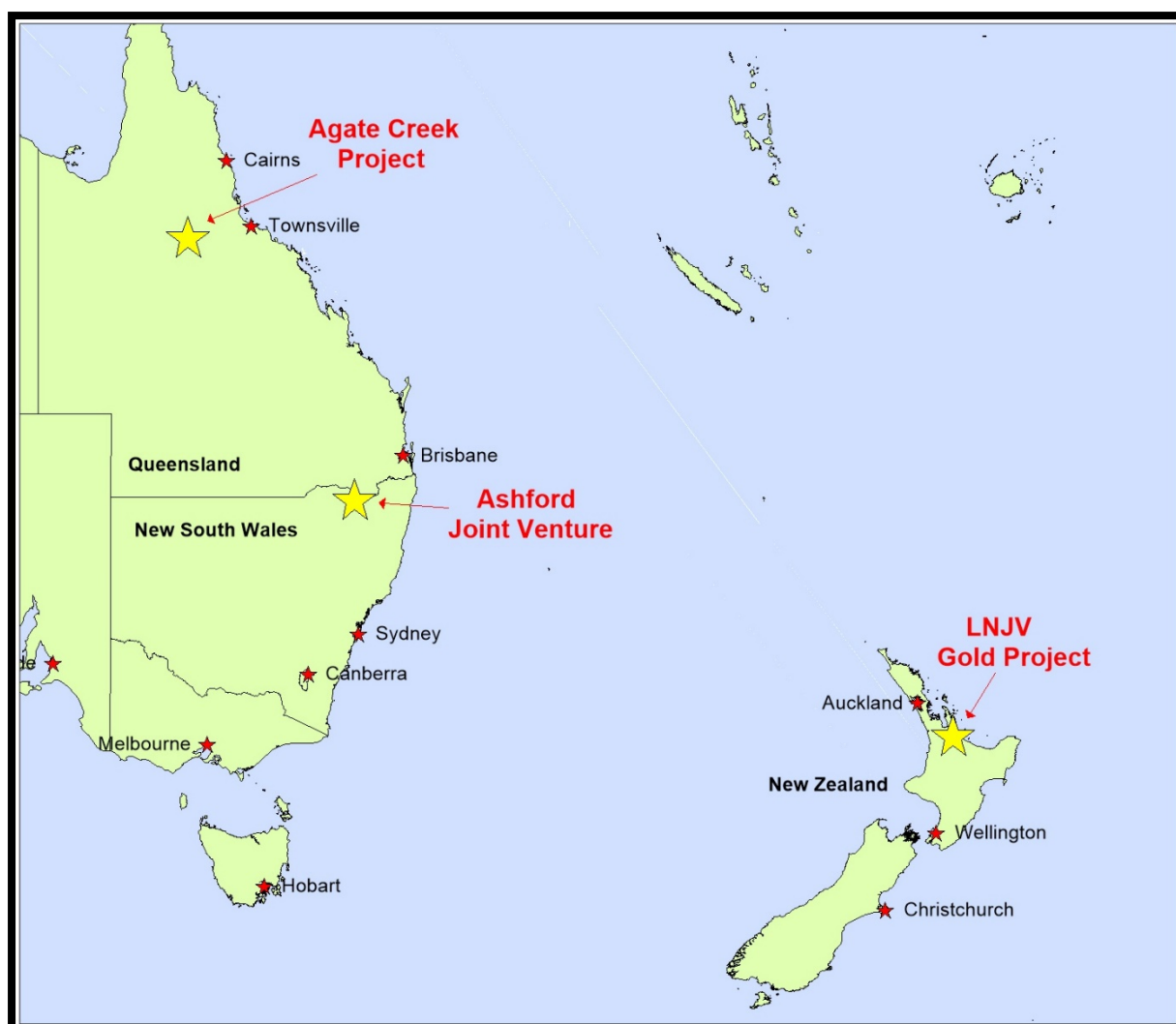
- + Additional drill targets identified from the soil geochemistry and geophysical data were commenced during November 2016.
- + Eleven drill holes have been completed to date as part of the Phase One drilling program for 4,300m.
- + A total of approx 5,000m is planned to be completed by the end of Q1 2017 with several additional drill targets identified.
- + The Phase 2 IP survey was completed during the quarter. A total of 12.5 line km of data was collected from Lines 1, 3, 5 and 7. Interpretation is ongoing but initial work indicates the cover is probably too thick in the area to see through using this method.
- + 341 infill soil samples were also completed during the quarter with assays still currently outstanding. Geological interpretation and assessment of the drill core has confirmed the model, and target generation activities are therefore ongoing. The complex fault system is making targeting of gold mineralisation difficult.
- + No significant gold results have been received to date.

### Corporate

- + Laneway Staffing levels at Agate Creek and in NZ have remained constant.
- + Expenditure of \$900,000 on Agate Creek and LNJV projects in the quarter.
- + Safety – Q4 2016 was accident and injury free. Another LTI free quarter.

### Projects Overview

Laneway Resources is an emerging gold producer with multiple projects in Queensland, New South Wales and New Zealand primarily targeting gold.



Location of Laneway Resources' projects

## Agate Creek Gold Project (100% owned by LNY)

### Mining Lease Application (MLA 100030)

In February 2015 the Company lodged a Mining Lease Application (MLA 100030) with Queensland's Department of Natural Resources and Mines (DNRM) over its Agate Creek Gold Project (the "Project"). The total area under the MLA is 689.3 Hectares covering the Sherwood and Sherwood West near surface high-grade prospects as well as prospective extensions to the known mineralisation areas and the planned locations of necessary infrastructure to support mining operations.

The Environmental Authority is in place (EPSL03068015) for the proposed mining operations.

The main outstanding requirements to enable grant of the ML are finalisation of the last of the landowner and Native Title agreements with negotiations progressing. Laneway has initiated Land Court proceedings with the final land owner to determine compensation for the Mining Lease. The Land Court process is well advanced with submissions from both parties complete. The Court's decision regarding quantum of compensation payable is expected in Q1 2017



Agate Creek MLA with mine layout

The grant of the ML will be an integral milestone in the Project's progress towards commencing high-grade (low strip ratio) open cut mining operations at Agate Creek. The Company plans to process the high-grade ore from the Project at a 3rd party processing plant and is progressing arrangements for this. Utilising an existing processing plant will significantly reduce the capital expenditure and time to first gold production.



## 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 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.

0.5 g/t cut-off	Sherwood			Sherwood South			Sherwood West			Total		
Resource Classification	Mt	Gold (g/t)	Gold (oz)	Mt	Gold (g/t)	Gold (oz)	Mt	Gold (g/t)	Gold (oz)	Mt	Gold (g/t)	Gold (oz)
Indicated	2.80	1.60	140,000				2.20	1.60	112,000	5.00	1.60	252,000
Inferred	1.40	1.30	57,000	0.30	1.20	12,000	1.50	1.20	59,000	3.20	1.24	128,000
Total	4.20	1.50	197,000	0.30	1.20	12,000	3.70	1.44	171,000	8.20	1.46	381,000
Grade and tonnage rounded to two decimal places. Ounces calculated after rounding and reported to nearest 1,000 ounces.												
High Grade Sub Set	Cut-Off Grade		Indicated			Inferred			Total			
	Au (g/t)		kt	Gold (g/t)	Gold (oz)	kt	Gold (g/t)	Gold (oz)	kt	Gold (g/t)	Gold (oz)	
Sherwood	2		89	6.01	17,300				89	6.01	17,300	
Sherwood West	1		1080	1.82	59,600	146	1.72	8,100	1164	1.81	67,700	
Total			1169	2.16	76,900	146	1.72	8,100	1253	2.16	85,000	

Table 1 – Updated Mineral Resource Figures and Table 2 – High Grade sub set for Mineral Resource

The introduction of the high-grade domains provides a basis for assessing 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 interpretation and drilling to be defined with confidence. The next round of drilling is planned to commence after the end of the current wet season.

## Mining and Processing Agreement for Agate Creek



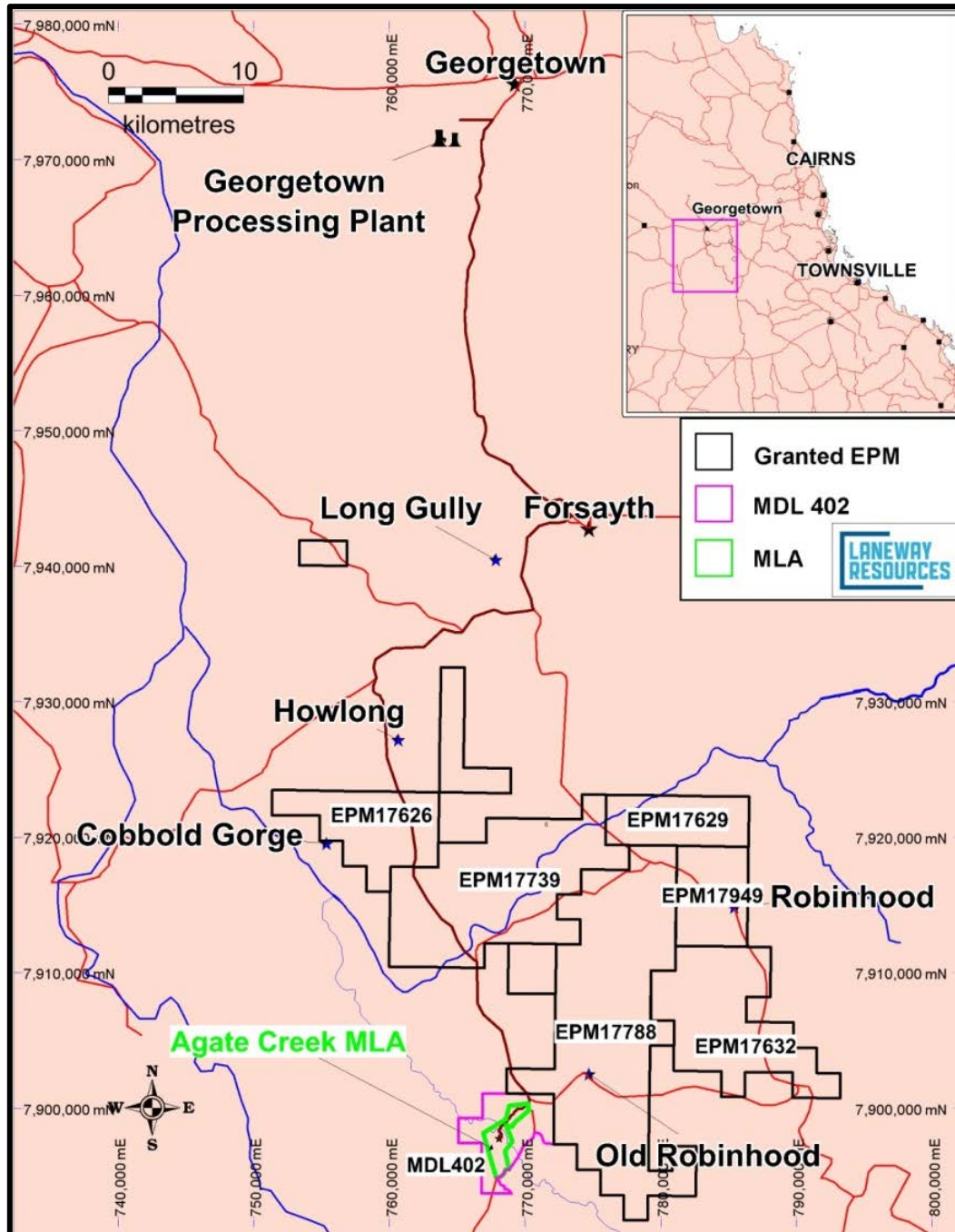
EOPL's Georgetown Gold Processing Plant

A Heads of Agreement (HoA) was signed in 2015 with the owner of the Georgetown Plant, Etheridge Operations, to undertake mining operations at Agate Creek and process ore at the Georgetown Plant.

Other 3<sup>rd</sup> party processing plant options are also available.

## Agate Creek Project Background

The Agate Creek Gold Project is located approximately 40km south of Forsayth and 60km west of Kidston in North Queensland. The project comprises as of EPM's 17788, 17632, 17949, 17739, 17626, 17629 and MDL402 covering a total of 620km<sup>2</sup>. Consolidation of these EPM's is being progressed with the department and is well advanced which will lead to significant cost and time savings with the statutory reporting.

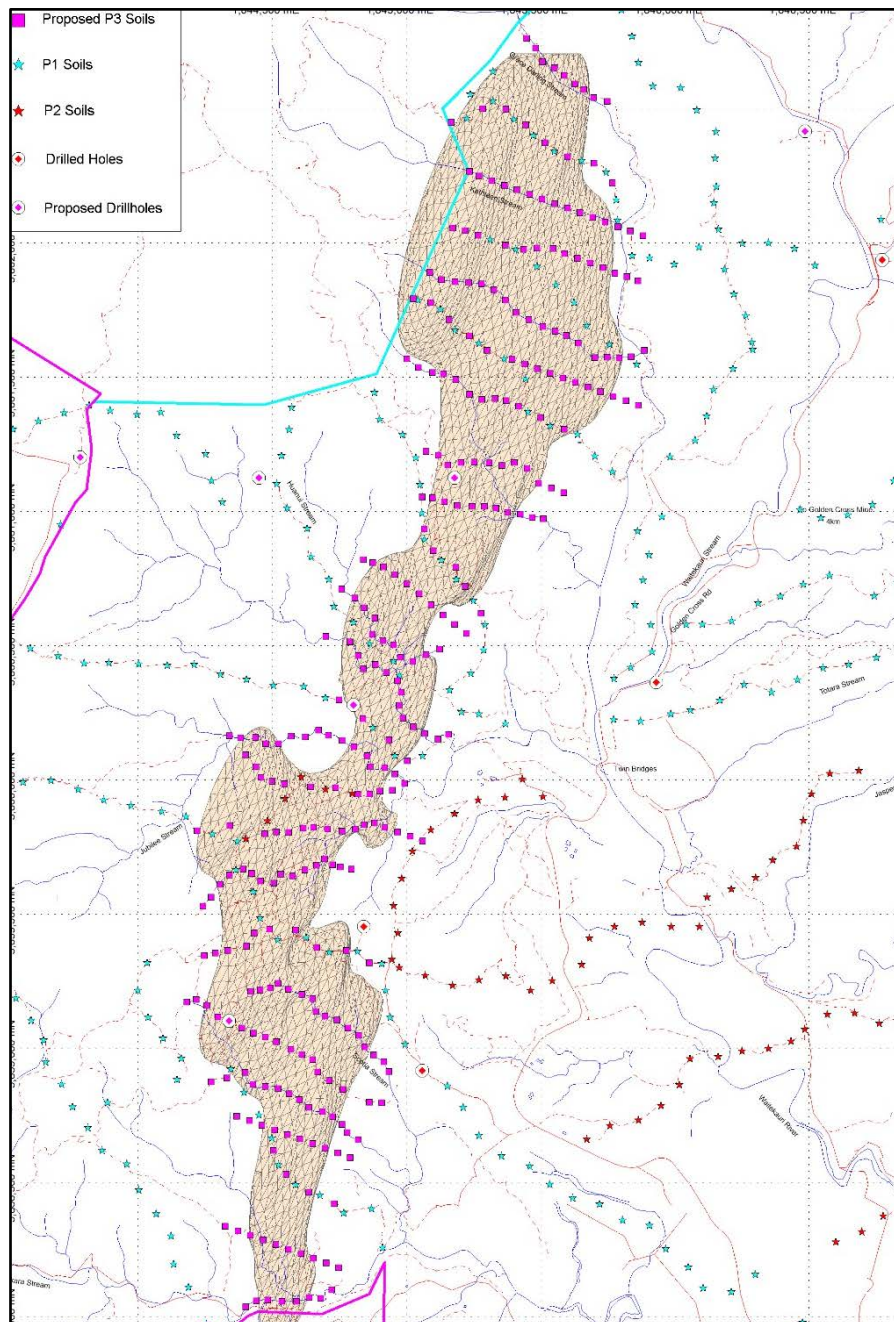


Location of Agate Creek Project Tenure.

## LNJV Gold Project (100% LNY)

Exploration activities are progressing well on the LNJV Gold Project in New Zealand with an extensive geological mapping, rock chipping and geochemical soil sampling program completed. Newcrest are currently fully funding all activities to earn an 80% interest in the Project. Eleven drill holes in the Phase One drilling program have been completed to date with additional drill targets selected. The diamond drill program recommenced during the quarter. Drilling is being undertaken by local Waihi company, Alton Drilling.

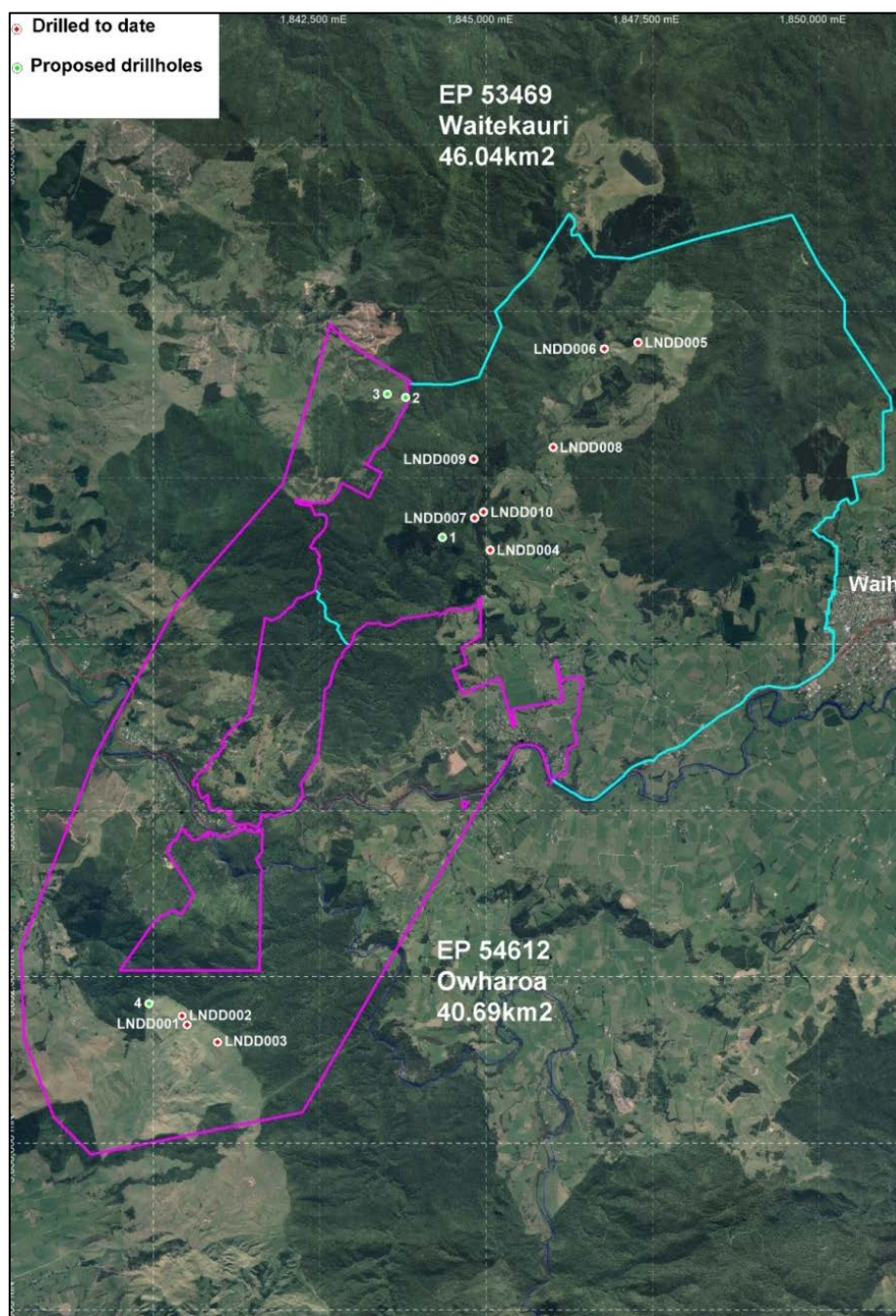
A 3rd geochemical program of infill soil sampling program in the Waitekauri area was undertaken during the quarter. The aim was to cover the 3D modelled chargeability anomaly that trends north-northeast near the Maoriland-Jubilee prospects. Sampling started on 19 November 2016 and was completed on 29 November 2016 for a total of 341 samples with assays still currently outstanding.



**Phase 3 Infill soil program completed during November**



Currently eleven drill holes have been completed to date as part of the Phase One drilling program for 4,300m. A total of approximately 5,000m is planned to be completed by the end of Q1 2017 with several additional drill targets identified.



#### Planned and completed drillholes across the Project

The second IP survey started on 21 September 2016 and finished on 18 November 2016. A total of 12.5 line km of data was collected from Lines 1, 3, 5 and 7. Interpretation is ongoing but initial work indicates the cover is probably too thick in the area to see through using this method.

Geological interpretation and assessment of the drill core has confirmed the model, and target generation activities are therefore ongoing. The complex fault system is making targeting of gold mineralisation difficult. No significant gold results have been received to date.

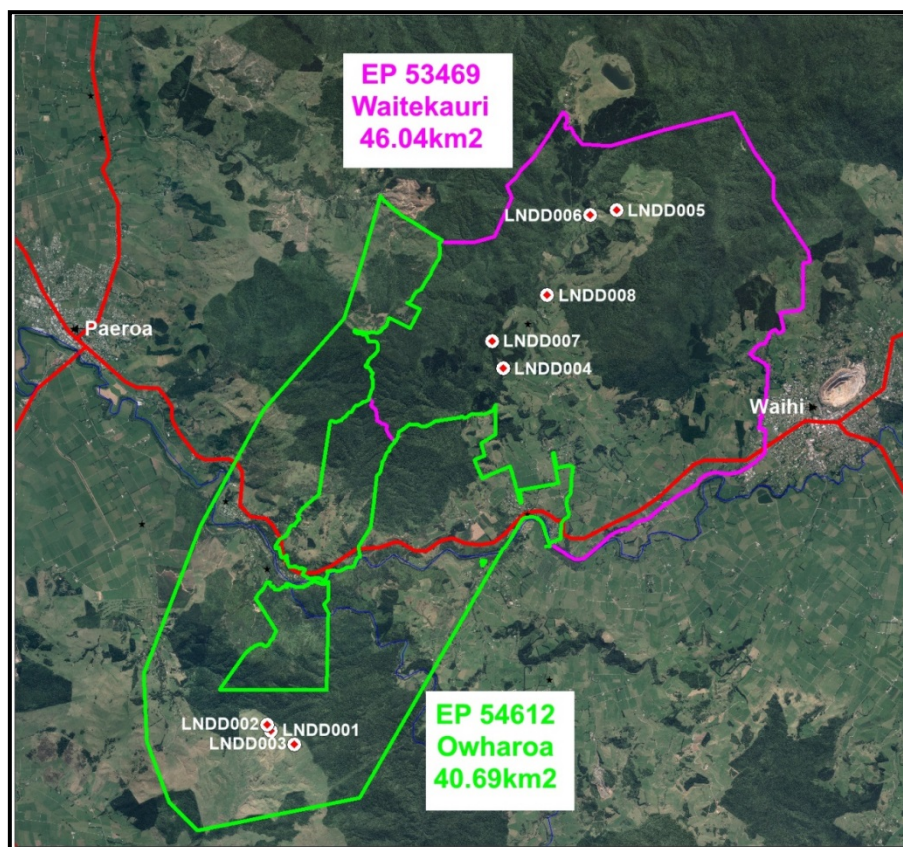


## Background on Project

LNJV comprises two granted exploration permits (EP53469 and EP54216) covering approximately 80km<sup>2</sup>. The Project is located on the North Island of New Zealand within the Hauraki goldfield, within the mineralised corridor that is host to Oceana operating Martha Mine (Waihi) and the Golden Cross gold-silver mine. The Hauraki goldfields have yielded in excess of 45 million ounces of gold and silver from approximately 50 low-sulphidation epithermal deposits.

The region was extensively mined between 1860 and 1952 with historic workings reaching a depth of up to 140m from surface and there remains significant scope for down dip extension of this mineralisation. There is also the potential to delineate near surface resources that may be amenable to standard open cut mining techniques.

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 for future exploration.



Plan showing Laneway Exploration Permits & Surrounding Permits and Mines

Andesite-hosted deposits comprise about 95% of past gold production. Gold and silver are localised in quartz veins that range up to 30m wide and approximately 800m long. Rhyolite-hosted deposits have produced less than 5% of the total historic gold production, but they have potential as low grade, large tonnage deposits. Gold and silver occur in sheeted and stockwork quartz veins, breccia pipes and disseminated in hydrothermally altered wall rocks, typical of hot springs type epithermal gold deposits.

## Schedule of Interests in Mining Tenements

Laneway Resources Limited held the following interests in mining and exploration tenements as at 31 December 2016: There were no changes in the quarter.

### Queensland Tenements

<b>Type &amp; Title No.</b>	<b>Location</b>	<b>Interest</b>
MDL402	Agate Creek	100%
EPM17632	Agate Creek	100%
EPM17788	Agate Creek	100%
EPM17949	Agate Creek	100%
EPM17626	Agate Creek	100%
EPM17739	Agate Creek	100%
EPM17629	Agate Creek	100%
MLA 100030	Agate Creek	100% Application

### NSW Tenements

<b>Type &amp; Title No.</b>	<b>Location</b>	<b>Interest</b>
EL6234	Ashford	50%
EL6428	Ashford North	50%

### New Zealand Tenements

<b>Type &amp; Title No.</b>	<b>Location</b>	<b>Interest</b>
EP53469	Waitekauri	100%*
EP54216	Owharoa	100%*

\* In accordance with the previously announced Farm-In Agreement between Laneway and Newcrest New Zealand Exploration Pty Ltd (Newcrest) and upon completion of both Minimum Work Programs for either tenement, Newcrest has the right to earn 80% of the Project / tenement and will be named on the title.

A total of \$900,000 was spent on exploration projects in the quarter with \$98,000 on the Agate Creek project and \$802,000 on the New Zealand exploration project.

**For further information contact:**

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## Competent Persons Statement

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

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

- ASX Announcement titled 'Resource Update for Agate Creek Gold Project' dated 1 February 2016.

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