

LANEWAY RESOURCES LIMITED

A.C.N. 003 049 714

ANNUAL REPORT 30 JUNE 2016

LANEWAY RESOURCES LIMITED
ANNUAL REPORT 2016

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**LANEWAY RESOURCES LIMITED
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CORPORATE INFORMATION

This annual report covers Laneway Resources Limited ("Company" or "Laneway") as a consolidated entity comprising Laneway Resources Limited and its subsidiaries ('the Consolidated Entity'). 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)

SECRETARY

Paul Marshall

AUSTRALIAN BUSINESS NUMBER

ABN 75 003 049 714

REGISTERED OFFICE AND PRINCIPAL BUSINESS ADDRESS

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AUDITORS

BDO Audit Pty Ltd
Level 10,
12 Creek St
Brisbane QLD 4000

STOCK EXCHANGE LISTING

Australian Securities Exchange Ltd
ASX Codes:
Ordinary shares - LNY

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The directors present their review of operations for the year ended 30 June 2016.

Review of Operations 2016

Laneway Resources is an emerging resource development company with projects in Queensland, New South Wales and New Zealand primarily targeting gold but also holding a coal project.

Location of Laneway Resources Projects

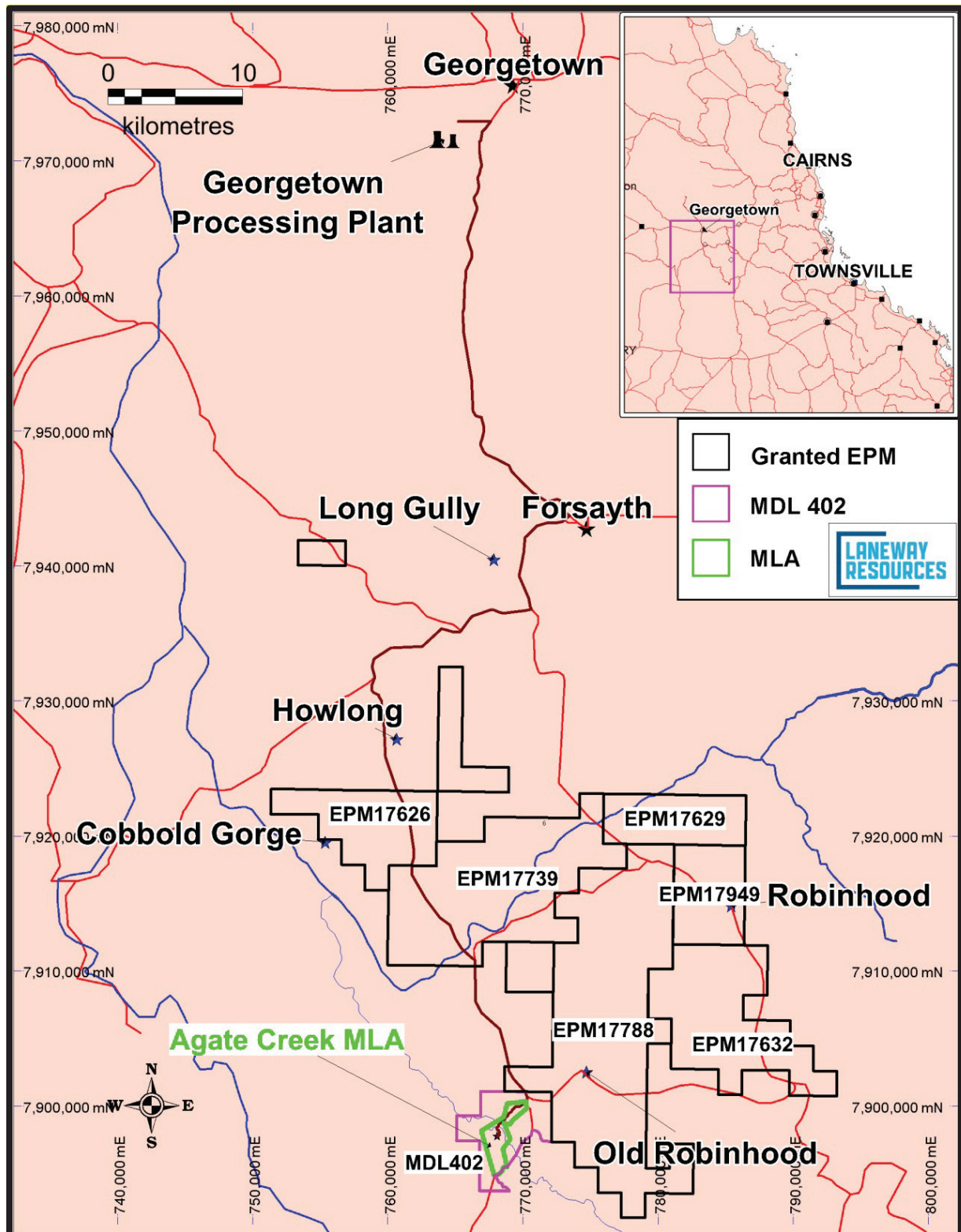


Agate Creek Gold Project (100% interest)

The Agate Creek Project includes in total 6 separate exploration permits (EPM's), one mineral development lease (MDL) and one mining lease application (MLA). The current tenement package covers a total area of 620km² and 182 sub-blocks. The project comprises MDL402, EPM17788, EPM17739, EPM17632, EPM17949, EPM17626, EPM17629, and MLA100030. The project is located approximately 65 km south of Georgetown, 40km south of Forsayth and 60km west of Kidston in northeast Queensland.

Laneway has a JORC compliant resource, completed in early 2016, at the Sherwood Deposit within MLA100030 comprising a combined Indicated and Inferred Mineral Resource of 8.2 Million tonnes at 1.46g/t gold for 381,000 ounces at a 0.5 g/t gold cut-off grade which includes a high grade sub-set of 90,000t @ 6g/t.

Agate Creek Project Location



Geology and Mineralisation

The Agate Creek Project is situated within the historic Etheridge Goldfield where gold, silver, copper and lead along with minor amounts of tin, tantalum and niobium have been historically produced from placer and hard rock (mostly vein) sources. The largest deposit in the area is the Kidston deposit which is approximately 60km east of the Agate Creek Project and has produced over 3Moz of gold. The Sherwood resource is the largest undeveloped epithermal mineralisation in the area. At Bald Mountain, located 7km northwest of the Sherwood Prospect, and at Mount Hogan 40km to the southeast, epithermal and mesothermal styles of gold mineralisation are noted in association with several intrusions located on or close to the Robertson Fault. Additionally historically narrow-vein mining has taken place within the Forsayth and Georgetown area along or adjacent to the fault traces.

Sherwood

Gold mineralisation at Sherwood is a low-sulphidation, adularia-sericite type epithermal system genetically related to the emplacement of Permo-Carboniferous porphyritic rhyolite and andesite extrusives and intrusives. The Sherwood Deposit model is shown in the figure below. Most mineralisation occurs within the Robertson Fault Zone near the intersection of the Robin Hood Fault and is spatially associated with (and often within) rhyolite. The mineralised zones are interpreted as boiling outflow zones, likely fossil geysers.

The Agate Creek Fault (part of the Robertson Fault Zone) forms the eastern boundary to mineralisation at Sherwood. All significant mineralisation found at Sherwood occurs within close proximity to the faulted contact of Proterozoic rocks and Robin Hood Granodiorite.

Sherwood West

Sherwood West is located 1km west of Sherwood and hosted within a thrust fault dipping at 30 degrees which has been infilled with Rhyolite breccias and hosts the mineralisation in this area. The known mineralised zone extends over 1km along strike, has good tonnage prospects and opens up the potential for a bonanza zone at depth along with the newly defined higher grade zone near surface at Sherwood. Mapped extension appears to extend structure additional 1km.

Metallurgical Sampling Program

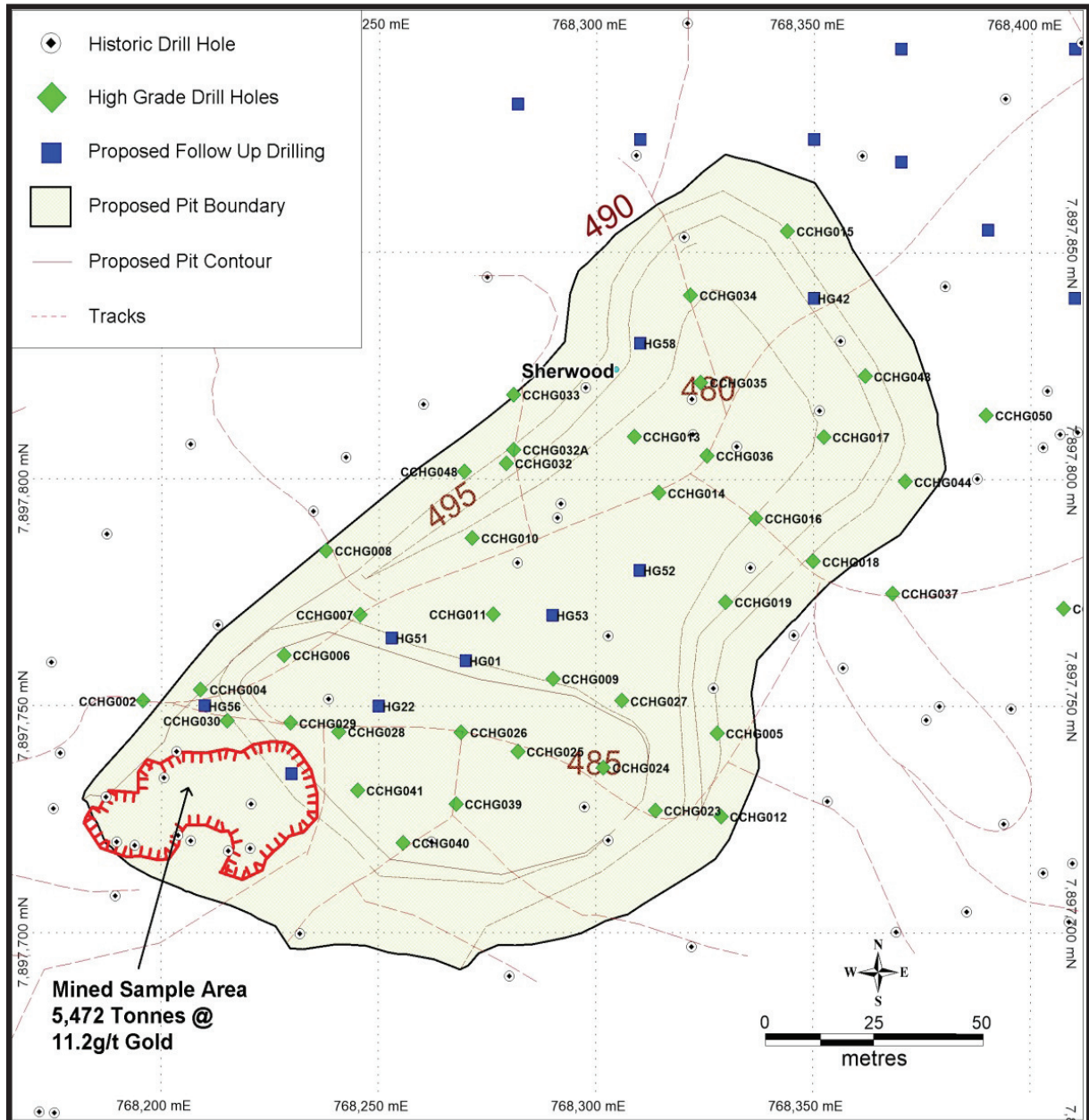
The extraction and processing of the test metallurgical sample from Agate Creek was completed during December 2013 and January 2014 through the Georgetown CIL plant. A total sample of 5,472 dry metric tonnes was removed from the surface of a high grade pod near the top of Sherwood within MDL402. A total of 1,725 ounces of gold was recovered from the sample. The recovered gold grade was 9.8g/t Au from a feed grade of 11.2g/t Au. This represents a gold recovery rate of 87%. Some basic circuit and reagent improvements have been identified which the company expects would boost recoveries to +90% for future processing.

The sample was designed to provide indicative project economics, grind characteristics, metallurgical and recovery information, to support the progress of a new feasibility study based around using the Georgetown plant. This option was seen as a potential alternative processing option for feasibility studies and also plant design. Compared to building a stand-alone large scale >1million tonnes per annum plant onsite at Sherwood which had been the focus of all previous exploration and feasibility studies. This option would involve much lower CAPEX and the potential to mine the deposit economically in the nearer term.

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Planned Drilling

Drilling is planned, as noted below, for the near term in the Sherwood area to infill gaps in the current data and help to finalise pit design.



Agate Creek Preliminary Pit Boundary Showing Planned Infill Drilling

Sherwood Resource 2016

An updated mineral resource estimate was completed in early 2016 for Sherwood Deposit for a JORC compliant global Mineral Resource of 381,000 ozs at 0.5 g/t gold cut-off grade (Table 1). Independent consultants ResEval Ltd were engaged to calculate the mineral resource estimate using computer block modelling and Multiple Indicator Kriging techniques. Resource estimates were undertaken for all Deposits using Multiple Indicator Kriging, with a top grade cut of 40 g/t gold. Wireframes based on geological interpretation by Laneway were used to restrict the geometries of the estimate and consequently the resource estimate. The current estimate is a recoverable resource estimate that is adjusted to account for a selective mining option and includes an allowance for mine dilution.

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The 2016 update includes a high grade zone at Sherwood with an Indicated Mineral Resource of 89,000 tonnes @ 6.0 g/t. The extracted ore from this zone is planned to be mined and trucked to the Georgetown Gold processing plant for treatment once the ML is granted.

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 Current Global Resource Estimates & High Grade Sub-Set

Competent Persons Statement

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.

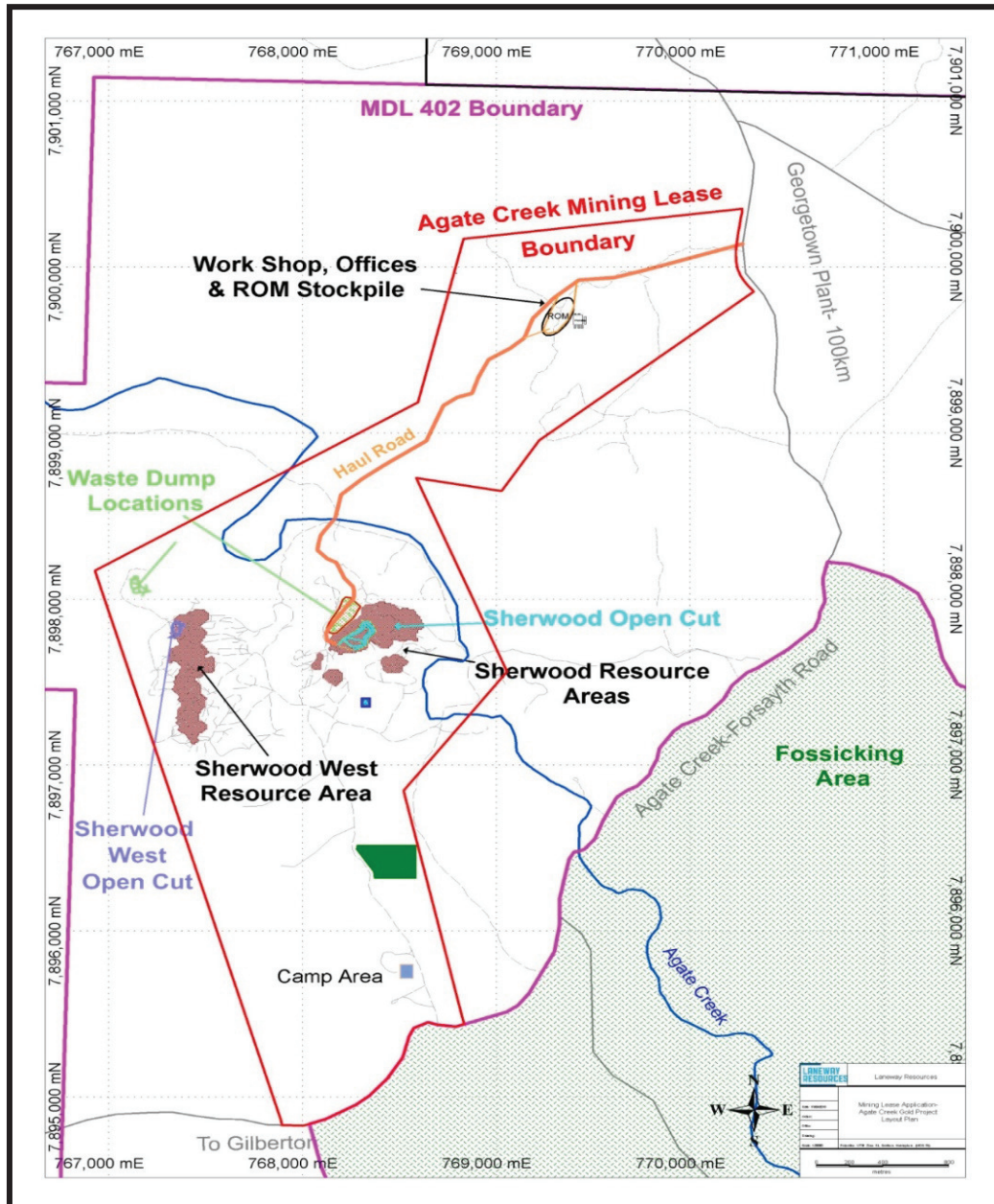
The report is available to view on the Laneway Resources website www.lanewayresources.com.au. The report was issued in accordance with the 2012 Edition of the JORC Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. The company confirms that it is not aware of 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.

Mining Lease Application (MLA) 100030

In February 2015 the Laneway lodged a Mining Lease Application (MLA 100030) with Queensland's Department of Natural Resources and Mines (DNRM). The MLA covers 689.3 Hectares which encompasses 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 Facility Description has been accepted by DNRM.

The two outstanding requirements to enable grant of the ML are finalisation of the landowner and the Native Title agreements, with negotiations currently on-going with both parties. The grant of the ML will be an integral milestone in the Project's progress towards 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 the nearby Georgetown 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.

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MLA area showing deposit location and planned infrastructure

Mining and Processing Agreement for Agate Creek

A Heads of Agreement (HoA) was signed in June 2015 with the new owner of the Georgetown Plant, Etheridge Operations Pty Ltd (EOPL), to undertake mining operations at Agate Creek and process ore through EOPL's CIL plant at Georgetown located 90km to the north of Agate Creek. This HoA establishes the basis for commencing open cut mining and processing operations of high grade ore from the Agate Creek Gold Project (the Project) upon successful grant of the Agate Creek Mining Lease.

Pursuant to the HoA, the Company aims to process initially up to 200,000 tonnes of high grade ore (+8 g/t) from the Project at the Georgetown processing plant which has a current nominal throughput capacity of 100,000tpa. Refurbishment work is currently underway to lift the Mill's grinding capacity to 200,000tpa with the reconditioning of the plant's second 20tph mill which was not used by the previous owners.

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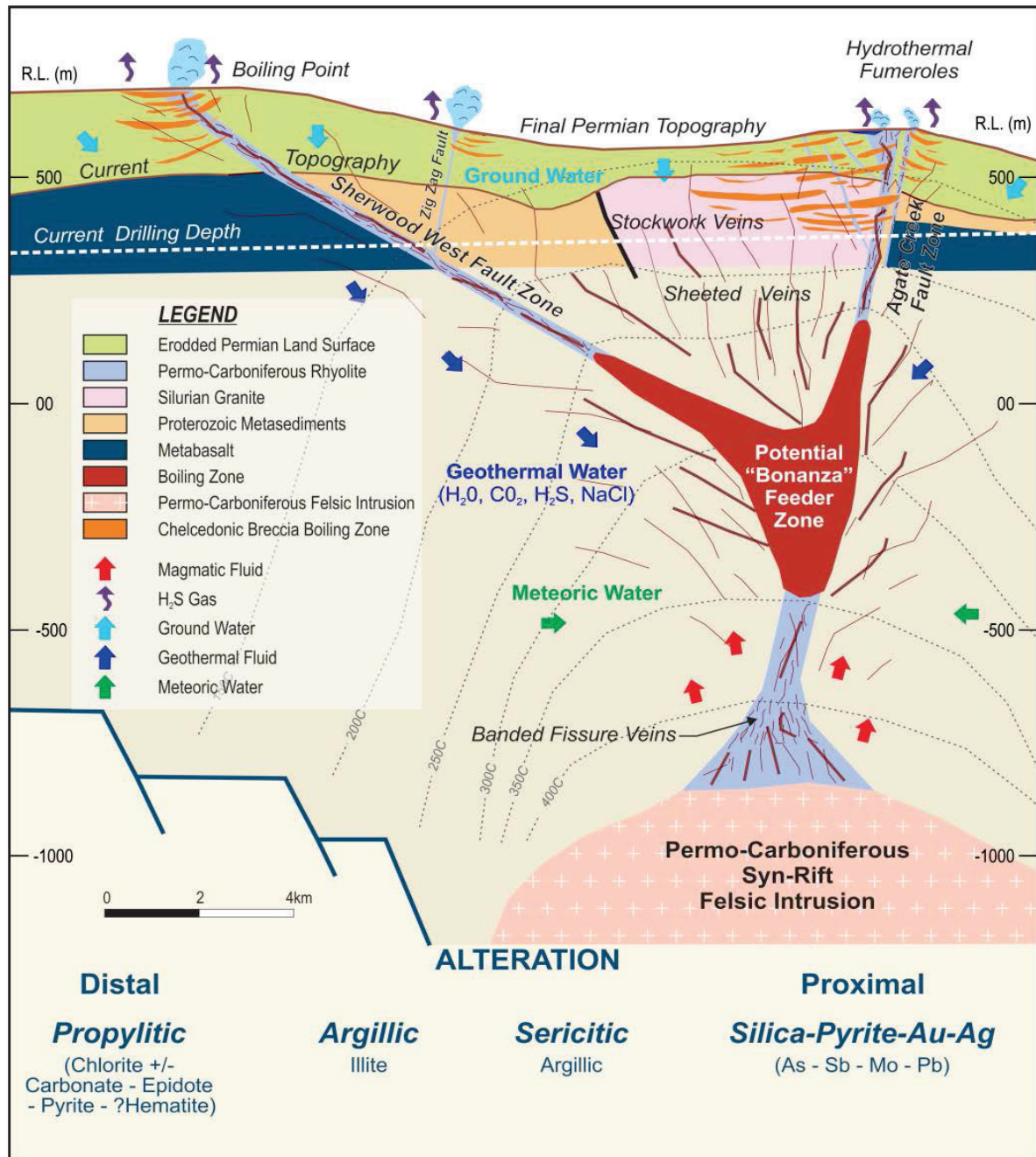
Summary of Key Terms of HoA with EOPL

- Direct costs incurred with respect to the project including but not limited to haul road and access road construction and maintenance, waste dump preparation, support facilities, blast hole drilling, sampling and assaying, mining, transportation of ore, crushing, milling and transportation of gold bars to the refinery, will be incurred and paid for by EOPL;
- Activities and costs to be incurred in relation to the mining and processing will be managed by and done at the direction of EOPL and will report to a Project Operating Committee which will have equal number of representatives from Laneway and EOPL;
- For the first 80,000 tonnes of ore, Gold produced will be paid 60% to Laneway and 40% to EOPL above 4 g/t gold head grade (after the first 300 ounces to EOPL);
- For the next 120,000 tonnes of ore, Gold produced will be paid 70% to Laneway and 30% to EOPL above 4 g/t gold head grade;
- Priority will be given to Agate Creek ore through the Georgetown Plant; and
- Rehabilitation liability for the activities pursuant to the bulk test and compensation arrangements with landholders will be at Laneway's expense.

The agreement represents a significant milestone for Laneway by providing the opportunity to mine and process ore from Agate Creek on a commercial scale, with minimal capital requirements thereby enabling the near term generation of significant cashflow for the Company.



EOPL's Georgetown Gold Processing Plant



A Low Sulphidation Epithermal Gold Model for Agate Creek

Agate Creek Regional Prospects

The majority of work completed on the Agate Creek Project has been undertaken at Sherwood with over 480 drillholes completed. There has also been over 6,000 rockchips, 3,000 stream sediments, 1,600 soil samples and over 100 line km of geological mapping completed to date regionally.

The completed regional mapping and sampling has defined numerous high priority regional targets with less than 25% of the tenement holding so far covered. This work has led to the delineation of 47 regional targets of which 8 have had first pass drilling. Four of these prospects returned positive results and have follow up drilling programs planned. An additional 3 prospects have first pass drill programs planned and have Native Title clearances ready for drilling. With the high quality targets already generated and 75% of the tenement area still to be mapped the high prospectivity of the area is evident.

Jedda Vein

Work completed at Jedda consisted of rockchip sampling and geological mapping. A total of 22 samples were taken along the vein with a number of targets identified. Jedda is a brecciated to fractured quartz vein outcropping over 300m along strike and up to 10m wide. The vein dips approximately 70 degrees towards 285 and strikes toward the northeast. Host rock is granite which appears largely unaltered. Vein shows abundant brecciation, boxworks and fresh sulphides in places.

Eastern Bar and Eastern Bar South

Eastern Bar Creek is a gossanous quartz vein breccia ridge trending northwest with anomalous gold, silver and base metals within Proterozoic metasediments. The ridge can be traced over 1km and is up to 12m wide. The conceptual exploration target for this prospect is a polymetallic gossanous vein system up to 1km long by 10m thick averaging 5g/t Au with associated 50g/t Ag, 1% Cu and up to 15% Pb.

Seven holes were drilled in 2009 and intersected gossanous quartz vein breccias within metasediments. Results showed encouraging silver and copper which indicates a zone of mineralisation 3-8m wide over approximately 300m along strike that is open at both ends and at depth. Planned 2nd round drilling can be seen below.

Eastern Bar South is located approximately 200m down along a ridge from Eastern Bar Creek. It has shallow old diggings within micaceous metasediments where Cu, Pb, Ag and Au were extracted. Historical rockchips show values of up to 79g/t Au in granites and pegmatites. The prospect is in an area where outcrop is limited but near the edge of the granite metasediment contact. During 2009 twelve rockchips were taken at Eastern Bar South with best results including 36g/t Au, 643g/t Ag, 2.28% Cu and 22.6% Pb and 52g/t Au. Drilling is planned to better define the mineralised zone and sub-surface geology.

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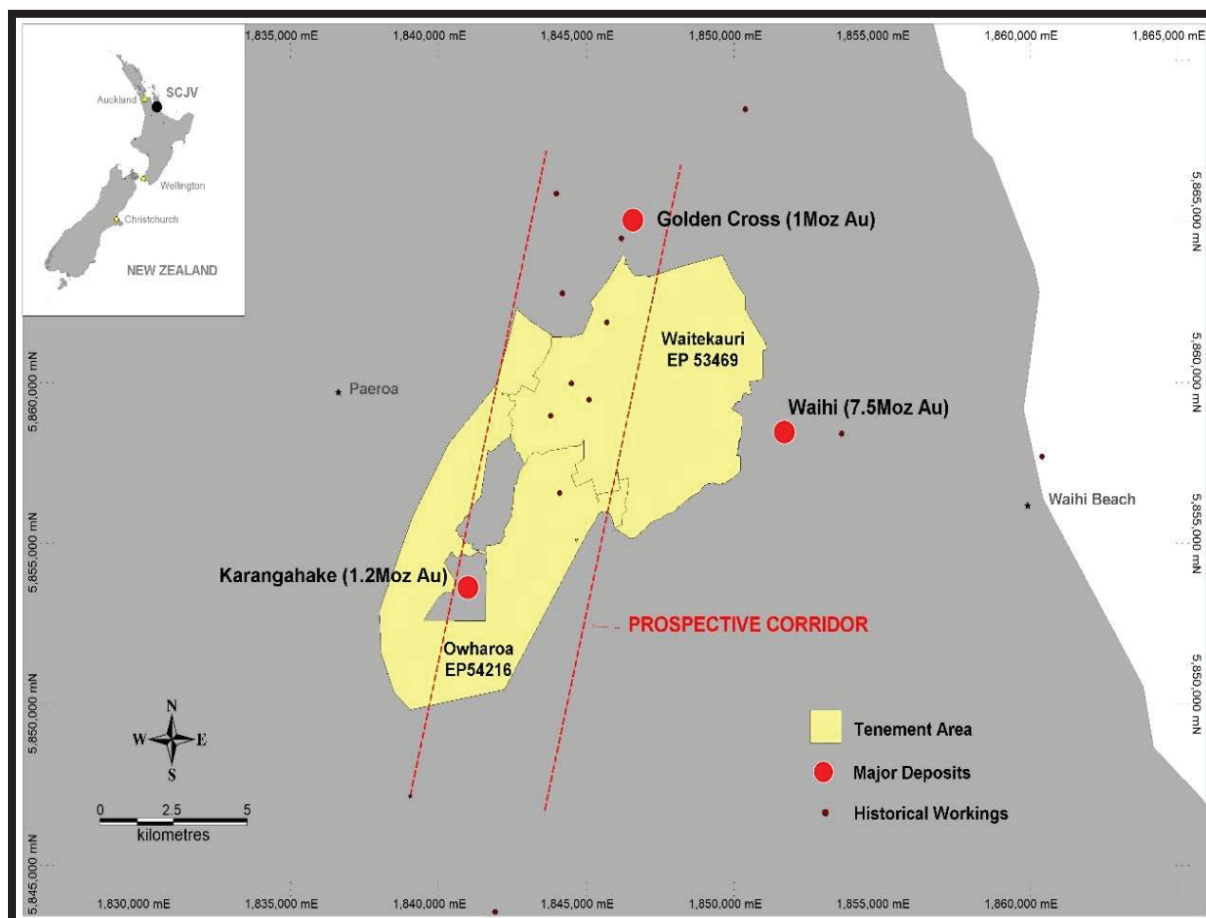
LNJV Gold Project – New Zealand

Laneway is pleased that exploration activities are progressing well on the LNJV Gold Project which 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 Oceanagold operating Waihi Mine.

As outlined in Laneway's announcements of 1st June 2015 & 13th July 2015, Laneway has entered into a farm-in agreement (Agreement) with Newcrest. The Agreement is now active and exploration activities are well underway.

Key terms of the Agreement include:

- Newcrest to solely fund two stages of Minimum Work Programs associated with the Permits, with the first stage forming a Minimum Commitment;
- Laneway will be the Manager of the Project during the Earn-in period and will earn a Management Fee. At its election Newcrest may elect to become the Manager;
- Upon completing both Minimum Work Programs for either Permit Newcrest has the right to earn 80% of the Project/Permit and will be named on title;
- Following the Farm-In period, the parties may enter into a Joint Venture to jointly fund the future development of the Project in accordance with their equity position;
- If Laneway elects not to fund the ongoing development of the Joint Venture after the Farm-in period, its interest will be diluted through a mutually agreed formula. If Laneway's interest in the Project dilutes below 10% then it will convert to a Net Smelter Royalty (NSR) of 2%; and
- Newcrest may elect to purchase 1% of the NSR for \$500,000.



Location of LNJV Permit areas including prospective structural corridor

Exploration Overview

Geochemical Sampling

The Phase One ridge & spur soil sampling throughout both EP53469 (Waitekauri) & EP54216 (Owharoa) was completed in November 2015. The program was designed on a nominal 500m line spacing with 100m sample spacing as topography allowed. Laneway collected over 1,000 surface geochemical samples across the project. Rockchips were taken in conjunction with soil sampling where outcropping rock was available. Results returned several low level anomalies to the south and east of New Talismans Karangahake Mining Lease and in the Waitekauri Valley within the north-northeast trending structural corridor which is host to the Jubilee, Grace Darling, Maoriland, Sovereign and Scotia Deposits. Spectral results from these samples show broad zones of clay alteration that may be associated with hydrothermal alteration. Anomalous zones of geochemistry and clay alteration were followed up with geological mapping and infill sampling as required.

Geophysical Survey

Follow up from the geochemical program included the decision to conduct a geophysical program of pole – di-pole Induced Polarisation (IP) survey which was completed in March 2016 with 18.55 line km of data collected in total at 400 m line spacing of which 6 line km (two lines) were from Owharoa and 12.55 line km (four lines) were from Waitekauri. As part of this program historical IP survey data was reprocessed and merged with newly acquired data. The IP program was completed during March 2016 and confirmed the extension of the corridor of mineralisation from Golden Cross through to an area south of Karangahake (approx. 15km long). Targets generated from the IP survey were prioritised along with the geochemical, geological data to define several drill targets. The program defined several anomalies along this trend some of which have been drilled.

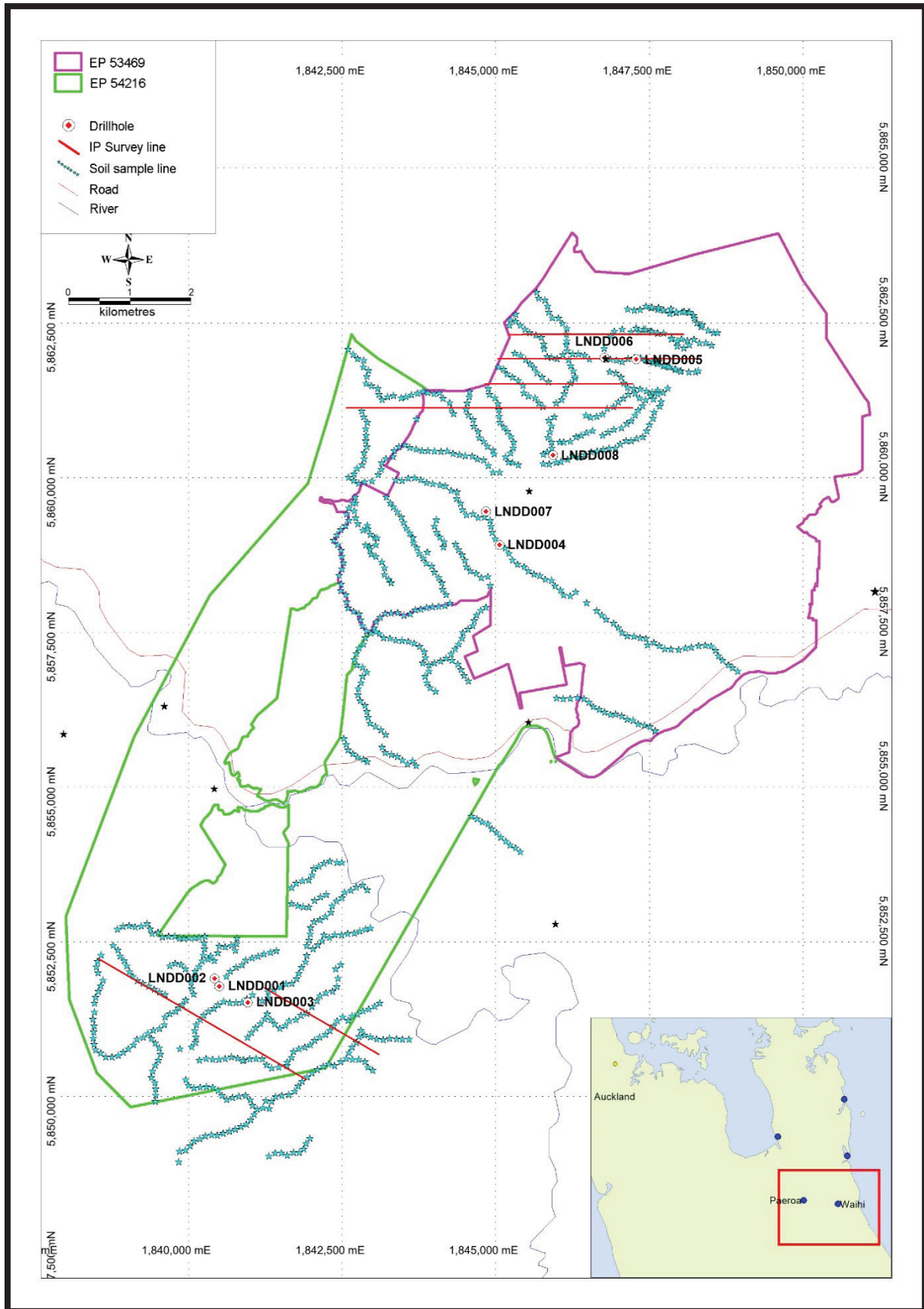
Diamond Drilling

The Drilling contract was awarded to Alton Drilling a Waihi based company. Drilling Commenced on the project on the 28th April 2016 with three holes completed on EP54216 (LNDD001, 002, 003) for a total of 1015.7. An Additional 5 holes have now been completed on EP53469 for a total of 1921.3m. LNDD004, 005, 006, 007 and 008 have been completed with assays being returned for 6 of these holes. Locations can be seen in the figure below. All holes have encountered zones which explain the targets interpreted initially, however gold results for these zones have been minimal. Drilling is currently on hold awaiting a break in the weather to allow further access tracks to be installed and also some procedural permitting delays associated with the underlying land classifications within the farm land and also DoC access permits. Drilling is expected to re-commence in October.



Typical drill site set up showing minimal footprint

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Work completed within the LNJV Gold Project to date. Stars in EP54216 indicate samples collected prior to partial relinquishment of EP54216.

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Background on the LNJV Gold Project Area

The Hauraki goldfield is host to approximately 50 low-sulphidation epithermal prospects and deposits, and has yielded in excess of 45 million ounces of gold and silver.

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 mineralization throughout a >7 km long prospective corridor. 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.

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.



Oceana Gold Martha Mine, Waihi New Zealand

Project Name Change

During the period local government suggested to LNJV that the project name not include Southern Coromandel to be sensitive to prevailing community attitudes towards the Coromandel Peninsula located 100km to the north of the project. Henceforth the project shall be called LNJV Gold Project. It will no longer be referred to as SCJV or Southern Coromandel JV.

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Planned Exploration 2016/17 Financial Year

Geochemical Sampling

An additional infill program has been designed on a nominal 500m line spacing with 100m sample spacing as topography allows to fill a gap in existing data. Planned lines can be seen in the figure below. An additional 150 samples have been collected from within EP 53469 at the time of compiling this document.

Geophysical Survey

Following the technical success of LNDD005 drilling an IP target under cover the LNJV has planned and additional 20km of pole – di-pole Induced Polarisation (IP) survey to investigate the eastern portion of the Permit which is under the cover sequence of the Whakamoehau Andesite. The second IP survey is specifically targeting potential blind mineralisation beneath post-mineral cover. Using geochemistry and geophysical techniques, the LNJV has mapped out the post-mineral cover contact on the eastern side of the Waitekauri Valley. The post-mineral cover contact is important locally as the Favona epithermal Au-Ag deposit is hosted along this contact. The second IP program is started in September 2016 and is expected to define further targets for drilling in a region which has not been historically prospected due to the level of late cover over the prospective andesites of the region.

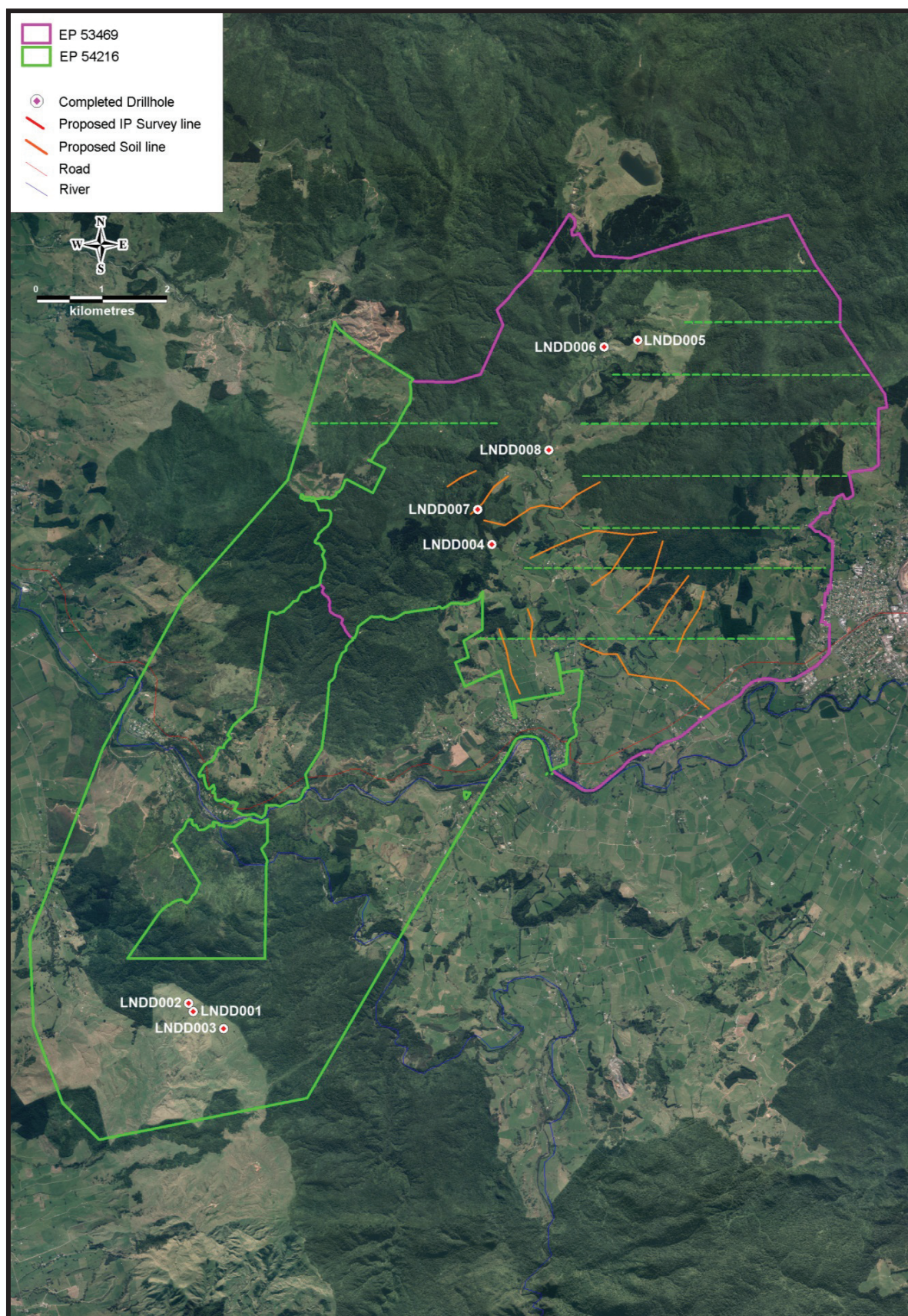
Diamond Drilling

Diamond drilling provides a definitive test for gold potential within the area tested. Laneway intends to continue testing all drill targets that have been generated, as well as using the earlier mentioned strategies to come up with new targets to test. Drilling of these targets enables the LNJV to make commercially justifiable decisions in future.

Drilling is currently on hold awaiting a break in the weather to allow further access tracks to be installed and also some procedural permitting actions associated with the underlying land classifications within the farm land and also DoC access permits. Drilling is expected to re-commence in October with several holes still planned.

LNJV are hopeful that the additional IP and surface geochemical programs will generate several additional drilling targets.

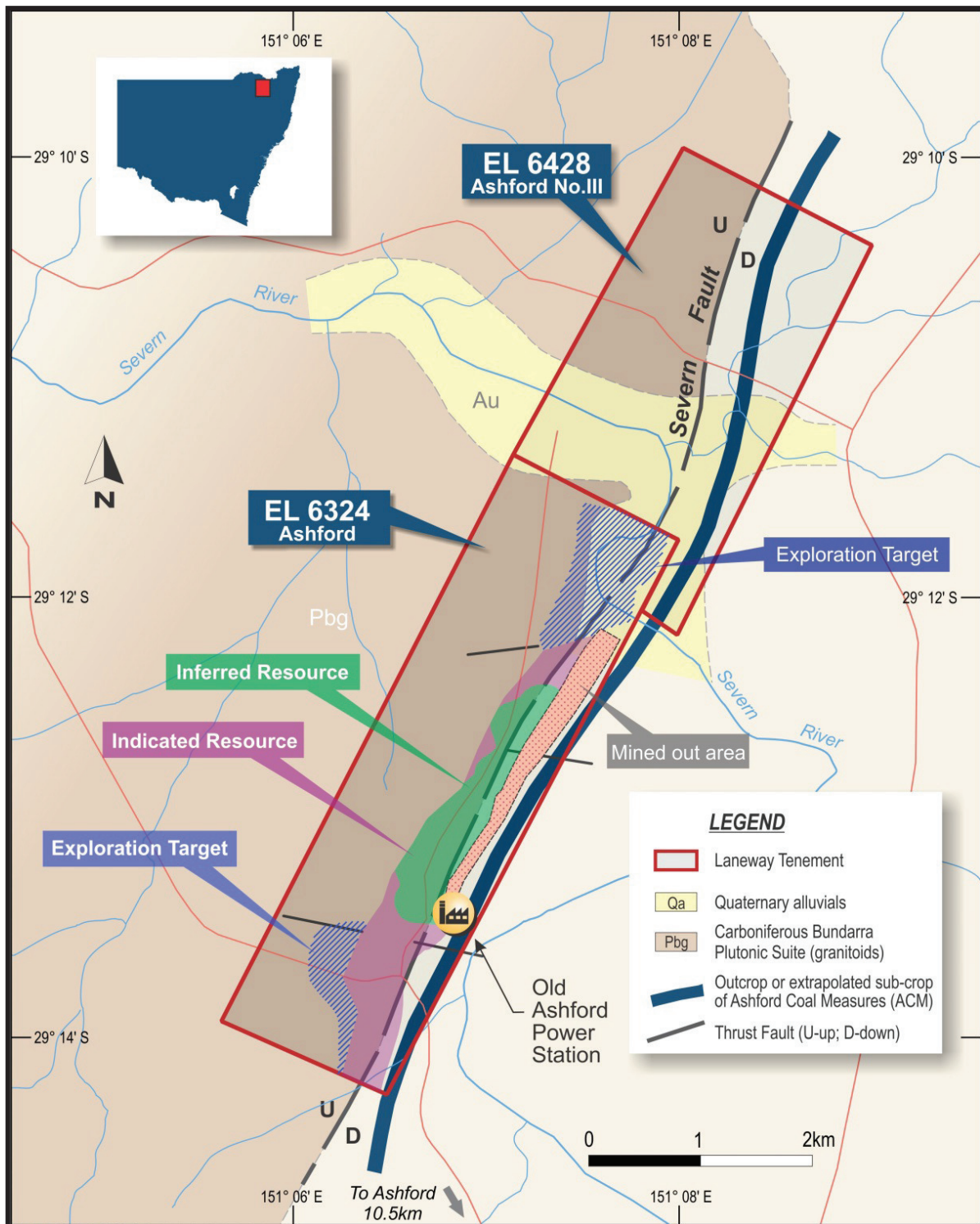
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Planned drilling, IP and Soil Samples across the LNJV Project

Ashford (50% interest) Coal Projects

The Ashford Coking Coal Project comprises a 50% Joint Venture with Northern Energy Corporation (NEC), a 100% subsidiary of New Hope Corporation. The Joint Venture incorporates the Ashford Mine Area (EL 6234 and EL 6428), where a resource comprising coking coal of 8 Mt indicated and 5 Mt inferred has been identified. NEC is managing both areas with limited work being undertaken during the year.



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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" or "Laneway") for the year ended 30 June 2016.

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 20 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)
- Diversa Ltd (appointed August 2010)
- Renascor Resources Ltd (listed December 2010)
- Stanmore Coal Ltd (listed December 2009)
- UIL Energy Ltd (listed November 2014)
- Titan Energy Services Ltd (listed December 2011, resigned December 2015)
- HRL Holdings Ltd (appointed September 2009, resigned August 2014)
- Dart Energy Ltd (listed August 2010, resigned November 2013)

RS Anthon BA LLB MAICD (Non-Executive Director)

Rick Anthon 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)
- Elementos Ltd (appointed January 2015, resigned October 2015)
- Pacific American Coal Ltd (appointed October 2010, resigned February 2015)
- Stratum Metals Ltd (appointed October 2011, resigned December 2014)
- Lamboo Resources Ltd (appointed June 2012, resigned January 2014)

M Baker BA GAICD (Non-Executive Director)

Mark is Chief Executive Officer of the Melbourne Press Club and a former senior editor and national 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.

Mark has not been a director of any other listed companies in the last 3 years.

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Company Secretary

P Marshall LLB, ACA

Paul Marshall holds a Bachelor of Law degree and is a Chartered Accountant. He has more than thirty years experience including over twenty years spent in commercial roles as Company Secretary and CFO for a number of listed and unlisted companies mainly in the resources sector.

Interests in the shares and options of the Company

Interests of the directors in the shares and options of the Company as at the date of this report are:

	Ordinary Shares
Stephen Bizzell	1,099,902,623
Rick Anthon	72,782,866
Mark Baker	150,394,976

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 consolidated entity during the year were the exploration for and evaluation of gold and coal tenements.

Operating Results

During the year Laneway continued with exploration activities on its gold project at Agate Creek in Queensland with good progress being made following a drilling program during the year and with the Company now in a position to seek a Mining Licence with the aim of starting to mine and process up to 200,000 tonnes of high grade near surface ore from the Agate Creek Gold Project. Laneway also commenced exploration activities on its New Zealand tenements following the entering into a Farm-In agreement with Newcrest covering Laneway's Southern Coromandel Gold Project in New Zealand. Newcrest will solely fund two stages of Minimum Work Programs associated with the project. Upon completing both Minimum Work Programs Newcrest has the right to earn 80% of the Project/Permit.

Revenue

As an early stage exploration company, Laneway Resources Limited does not generate any income.

Expenses

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

	2016 \$
Employment and consultancy expenses	395,226
Depreciation expense	1,459
Finance costs	31,938
Impairment of exploration expenditure	-
Administration expenses	278,668
Total expenses	707,291

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Comparison with Prior Year

For the year ended 30 June 2016, the loss for the Consolidated Entity after providing for income tax was \$708,156 (2015: loss of \$3,116,223):

	2016 \$	2015 \$
Revenue and other income/(expenses)	(865)	151
Exploration expenditure impairment	-	(2,297,345)
Depreciation and amortisation expenses	(1,459)	(4,190)
Finance costs	(31,938)	(44,316)
Employment costs	(395,226)	(400,973)
Other expenses	(278,668)	(369,550)
Loss before income tax	(708,156)	(3,116,223)

Excluding the impact of impairment charges which is not recurring in nature nor comparable, the adjusted loss for the 2016 financial year is approximately \$111,000 lower than the adjusted loss of 2015. This reduction is attributable to:

	\$
Reduced interest expense due to the full repayment of loans during the year.	(12,378)
Reduction in employee costs	(5,747)
Other net changes in sundry revenue, administrative and other costs	(92,596)
	(110,721)

Review of Financial Condition

Capital structure

In the 2016 financial year Laneway issued the following new securities:

- In December, following shareholder approval obtained at the AGM, the company issued 120,000,000 shares by way of a placement raising \$360,000.
- Approval for the issue of shares to repay loan advances and to pay creditors was also received at the 2016 AGM. Liabilities of \$823,818 were extinguished by the issue of 274,606,082 shares.
- A total of 47,857,140 shares issued at \$0.0035 (\$167,500) was also approved at the AGM to meet the costs of a drilling program undertaken at Agate Creek.
- A further 25,000,000 shares were issued in February and May at \$0.005 (\$125,000) to meet the costs of the drilling program undertaken at Agate Creek.
- A total of 70,000,000 shares at \$0.0035 (\$245,000) was also approved at the AGM to meet the prior costs of a drilling program undertaken at Agate Creek.
- In February \$703,119 was raised by the issue of 234,373,031 shares following the exercise of unlisted 31/1/16 \$0.003 options.
- In March \$248,000 was raised in relation to the placement of 82,666,667 shares at \$0.003 per share.
- In March and May a further \$527,500 was raised in relation to the placement of 175,833,334 shares following an underwriting of the 31/1/16 unlisted \$0.003 options exercise.

At 30 June 2016, the Company had 3,023,078,319 ordinary shares 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 2016 financial year continued to be supported by the raising of capital and by a loan facility provided by the Chairman of the Company while it seeks to develop the exploration assets owned by the Company.

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Dividends

No dividend was paid during the year and none is recommended as at 30 June 2016.

Significant Changes in the State of Affairs

There were no significant changes in the State of Affairs of the Consolidated Entity during the year.

Matters Subsequent to the End of the Financial Year

No matter or circumstance has arisen since 30 June 2016, that has significantly affected, or, may significantly affect the operations of the Consolidated Entity, the results of those operations, or the state of affairs of the Consolidated Entity in financial years subsequent to 30 June 2016.

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 Consolidated Entity's operations in subsequent financial years other than information which the directors believe comment on or disclosure of, would prejudice the interests of the Consolidated Entity.

Share Options

At balance date and at the date of this report there is a total of 12,500,000 unlisted 30 September 2016 \$0.005 options outstanding.

Meetings of Directors

The following table sets out the number of director's meetings held during the year ended 30 June 2016 and the number of meetings attended by each director. There are no separate Board Committees.

Director	Directors' Meetings	
	A	B
S Bizzell	2	2
R Anthon	2	2
M Baker	2	2

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

B = Number of meetings attended.

Indemnification of 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 Consolidated Entity. 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 consolidated entity 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 Consolidated Entity or intervene in any proceedings to which the Consolidated Entity is a party for the purpose of taking responsibility on behalf of the Consolidated Entity for all or any part of those proceedings. The Consolidated Entity 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 Company).

Remuneration Policy

The performance of the Company depends upon the quality of its directors and executives. To prosper, the Company 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 Company. Further details on the remuneration of directors and executives are set out in this Remuneration Report.

The Company 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 Company. 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 Company 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 Company 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 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 invoiced at a weekly rate of \$2,320.

Paul Marshall is engaged as Company Secretary and CFO. His agreement is a consultancy style agreement for the provision of services. Services are invoiced at a weekly rate of \$2,500.

Vaughan Wishart has been engaged as Chief Operating Officer from March 2016. His agreement is a consultancy style agreement for the provision of services. Services are invoiced at \$1,000 per day.

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

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

Measures	2016 \$	2015 \$	2012 \$	2011 \$	2010 \$
Share price at end of financial year	\$0.004	\$0.005	\$0.002	\$0.022	\$0.001
Earnings/(loss) per share (cents)	(0.029)	(0.19)	(0.15)	(5.26)	(18.34)
Loss for the financial year	(708,156)	(3,116,223)	(1,636,903)	(3,603,983)	(4,191,446)
Director & Key Management Personnel remuneration	580,364	526,197	542,726	725,942	787,145

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

- 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) – appointed October 2014
B Harrison	Director (Non-executive) – resigned October 2014

Key Management Personnel

S Hall	Exploration Manager
P Marshall	Company Secretary
V Wishart	COO (appointed March 2016)

Key management personnel are those directly accountable and responsible for the operational management and strategic direction of the Company and the Consolidated Entity.

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Director remuneration

	Short-term				Post-Employment	Share-based payment	Total	Performance Related %	% consist-ing of equity
	Salary & Fees \$	Cash Bonus \$	Non-cash benefits \$	Termination Payments \$	Superannuation \$	Shares/Options \$	\$		
R Anthon									
2016	36,000	-	-	-	-	-	36,000	-	-
2015	34,500	-	-	-	-	-	34,500	-	-
S Bizzell									
2016	120,640	-	-	-	-	-	120,640	-	-
2015	120,640	-	-	-	-	-	120,640	-	-
M Baker [^]									
2016	36,000	-	-	-	-	-	36,000	-	-
2015	27,000	-	-	-	-	-	27,000	-	-
B Harrison [*]									
2015	8,333	-	-	-	-	-	8,333	-	-
TOTAL									
2016	192,640	-	-	-	-	-	192,640	-	-
2015	190,473	-	-	-	-	-	190,473	-	-

^{*}B Harrison (resigned October 2014)

[^]M Baker (appointed October 2014)

Remuneration of the other key management personnel

	Short-term				Post-Employment	Share-based payment	Total	Performance Related %	% consist-ing of equity
	Salary & Fees \$	Cash Bonus \$	Non-cash benefits \$	Termination Payments \$	Superannuation \$	Shares/Options \$	\$		
S Hall									
2016	187,876	-	-	-	17,848	-	205,724	-	-
2015	187,876	-	-	-	17,848	-	205,724	-	-
P Marshall									
2016	130,000	-	-	-	-	-	130,000	-	-
2015	130,000	-	-	-	-	-	130,000	-	-
V Wishart									
2016	52,000	-	-	-	-	-	52,000	-	-
TOTAL									
2016	369,876	-	-	-	17,848	-	387,724	-	-
2015	317,876	-	-	-	17,848	-	335,724	-	-

No long term benefits have been paid or accrued for any director or key management personnel in the year ended 30 June 2016 (2015:nil). No long term benefits have been paid or accrued for any director or key management personnel in the year ended 30 June 2016 (2015:nil), other than S. Hall who has a long service leave entitlement of \$6,476 (2015: \$3,358) as at 30 June 2016. S. Hall also has an annual leave entitlement of \$20,936 (2015: \$28,854).

Compensation securities: Granted and vested during the year and issued on exercise of compensation options

No compensation securities were issued during the 2016 or the 2015 financial years. No shares were issued on the exercise of compensation options in the 2015 or 2016 financial years. There are currently no outstanding compensation options on issue.

Option holdings of directors and key management personnel

No options were held by directors or key management personnel at 30 June 2016 or 2015.

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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, public offer transactions and conversion of Convertible Notes are included within Net Change Other in the table below:

Ordinary Shares

	Balance 1/7/15	Granted as Remuneration	On Exercise of Options	Appointment/ Resignation	Net Change Other	Balance 30/6/16
2016 Directors						
RS Anthon	25,490,567	-	-	-	47,292,299	72,782,866
SG Bizzell	997,902,623	-	-	-	102,000,000	1,099,902,623
M Baker	100,320,533	-	-	-	50,074,443	150,394,976
Key Management Personnel						
S Hall	14,833	-	-	-	1,000,000	1,014,833
P Marshall	20,318,465	-	-	-	60,000,000	80,318,465
Total	1,144,047,021	-	-	-	260,366,742	1,404,413,763

Unlisted 31 January 2016

\$0.003 Options

	Balance 1/7/15	Acquired on issue 1/12/15	Exercised	Lapsed	Net Change Other	Balance 30/6/16
2016 Directors						
RS Anthon	-	32,488,009	(14,844,290)	(17,643,719)	-	-
SG Bizzell	-	70,000,000	(32,000,000)	(38,000,000)	-	-
M Baker	-	37,547,700	(12,528,743)	(25,018,957)	-	-
Key Management Personnel						
P Marshall	-	30,000,000	(30,000,000)	-	-	-
Total	-	170,035,709	(89,373,033)	(80,662,676)	-	-

Loans with directors and key management personnel.

Bizzell Nominees Pty Ltd a company associated with Mr Stephen Bizzell provided a loan facility to the company initially during the 2014 year. The total facility provided is for up to \$2,000,000. At the 30 June 2016 balance date the outstanding balance on the loan facility was \$nil (2015 - \$146,377). Interest accrued on the facility during the 2016 financial year was \$7,348 (2015 - \$32,357). The facility remains in place however the balance outstanding was reduced to nil during the 2016 financial year. During the year ended 30 June 2016 \$172,200 (2015 - \$124,000) was advanced to the company and \$326,925 was repaid consisting of \$244,200 in cash payments and \$82,725 settled through the issue of shares (2015 - \$494,574 - consisting of \$288,000 in cash payments and \$206,574 settled through the issue of shares). The interest rate on the loan is 10%.

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

Purchases

Mr R S Anthon was a Director of Hemming+ Hart, Lawyers until 1 November 2013. Hemming+ Hart had provided legal services to Laneway over a number of years and a debt was owed to Hemming and Hart at the time of Mr Anthon's departure from the firm. On 3 July 2014 Laneway and ACN 143 114 719 Pty Ltd executed a Deed of Acknowledgment and Debt and a General Security Agreement (GSA) to secure the payment of the outstanding fees. On 23 December 2014 ACN 143 114 719 Pty Ltd assigned the debt and the rights under the GSA to Nambia Pty Ltd as Trustees of the Anthon Family Superannuation Fund (a company associated with Mr Anthon) after Nambia acquired the debt on a dollar for dollar basis. As at the balance date \$150,000 (2015: \$167,271) remains an outstanding trade creditor payable. The services were based on normal commercial terms and conditions.

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 2016.

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

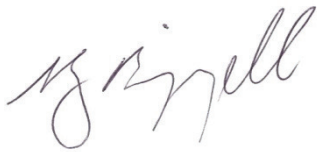
The Company may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Company and/or the group are important.

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 no fees 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, 28 September 2016

**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 2016, 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 black 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, 28 September 2016

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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 20 September 2016.

SHAREHOLDER INFORMATION

Distribution of Number of Holders of Each Class of Securities as at 23 September 2016.

Ordinary shares fully paid	
Number of Securities Held	Nos of holders
1 to 1,000	3,143
1,001 to 5,000	509
5,001 to 10,000	166
10,001 to 100,000	240
100,001 and over	638
	4,696
Number of shareholders holding less than a marketable parcel of shares	4,112

Twenty Largest Holders of Each Quoted Security

LNy – Ordinary Fully Paid Shares

No.	Name of Shareholder	Holding	% Held
1	BIZZELL CAPITAL PARTNERS PTY LTD	600,013,333	19.85
2	BIZZELL NOMINEES PTY LTD	355,673,144	11.77
3	DOWNSHIRE INVESTMENTS PTY LTD	80,318,465	2.66
4	SYPCO HOLDINGS PTY LTD	75,975,173	2.51
5	WARBURTON PARTNERS PTY LTD	75,653,866	2.50
6	MR COLIN MARK BAKER	66,407,777	2.20
7	BCP ALPHA INVESTMENTS LIMITED	65,062,097	2.15
8	ROOKHARP INVESTMENTS PTY LIMITED	55,000,000	1.82
9	RICHARD STACY ANTHON	54,282,900	1.80
10	HORRIE PTY LTD	50,000,000	1.65
11	MR COLIN ROBERT SEARL & MRS CYNDA SEARL	42,200,000	1.40
12	J P MORGAN NOMINEES AUSTRALIA LIMITED	35,055,226	1.16
13	NAMBIA PTY LTD	32,600,243	1.08
14	BIZZELL NOMINEES PTY LTD	32,000,000	1.06
15	MR BENJAMIN ALEXANDER FISHER	31,111,111	1.03
15	MR PHILLIP ALEXANDER PURDIE & MRS CAROL ANN PURDIE	30,999,999	1.03
17	DOUG SCOTT HOLDINGS PTY LTD	30,640,000	1.01
18	MR NICHOLAS ANDREW WANE CUNNINGHAM	28,851,914	0.95
19	MRS ROSETTA KATIE BLOOM & MR JEREMY SAMUEL	28,266,667	0.94
20	MRS PETA LOUISE KLEIN	24,343,330	0.81
		1,794,455,245	59.36

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 1,099,902,623 ordinary shares – 36.38%

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Unquoted Securities

There were 12,500,000 unlisted \$0.005 30/9/16 options on issue at 30 June 2016. These are all held by one holder Etheridge Operations Pty Ltd.

Interests in Mining Tenements

Laneway Resources Limited held the following interests in mining and exploration tenements as at 20 September 2016:

Queensland Tenements

Type	Title No	Location	Interest
EPM	17632	Agate Creek	100%
EPM	17949	Agate Creek	100%
MDL	402	Agate Creek	100%
EPM	17788	Agate Creek	100%
EPM	17626	Agate Creek	100%
EPM	17739	Agate Creek	100%
EPM	17629	Agate Creek	100%
MLA (Application)	100030	Agate Creek	100%

NSW Tenements

Type	Title No	Location	Interest
EL	6234	Ashford	50%
EL	6428	Ashford North	50%

New Zealand Tenements

Type	Title No	Location	Interest
EP	53469	Waitekauri	100%
EP	54216	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 2016 and 30 June 2015

During the 2016 financial year the company completed an updated JORC resource estimate for the Agate Creek project. On 1 February 2016 Laneway announced (ASX Release 1 February 2016: Resource Update for Agate Creek Gold Project), an updated JORC compliant global Mineral Resource of 381,000 ozs at 0.5 g/t gold cut-off grade (Table 1), which replaced the earlier 2011 Mineral Resource announcement. The 2016 update includes drilling completed in 2014 and 2015 and also a high grade zone at Sherwood with an Indicated Mineral Resource of 89,000 tonnes @ 6.0 g/t (Table 2).

The global recoverable Mineral Resource in Table 1 is at a 0.5 g/t Au cut-off suitable for a large open pit operation.

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Table 1: Total recoverable Mineral Resource at 0.5 g/t gold cut-off grade (rounded to '000 oz)

Classification	Sherwood			Sherwood South			Sherwood West			Total		
	Mt	Au g/t	Au oz	Mt	Au g/t	Au oz	Mt	Au g/t	Au oz	Mt	Au g/t	Au oz
Indicated	2.8	1.6	140000	0.0			2.2	1.6	112000	5.0	1.6	252000
Inferred	1.4	1.3	57000	0.3	1.2	12000	1.5	1.2	59000	3.2	1.2	128000
Total	4.2	1.5	197000	0.3	1.2	12000	3.7	1.4	171000	8.2	1.4	381000

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.

Table 2: High grade Mineral Resource subsets (rounded to '00 oz)

Area	Cut-off	Indicated			Inferred			Total		
		Kt	Au g/t	Au oz	Kt	Au g/t	Au oz	Kt	Au g/t	Au oz
Sherwood	2.0	89	6.01	17300	0			89	6.01	17300
Sherwood West	1.0	1018	1.82	59600	146	1.72	8100	1164	1.81	67700
Total		1107	2.16	76900	146	1.72	8100	1254	2.11	85000

The Company had previously reported, at a 0.5 g/t gold cut-off, a combined Indicated and Inferred Resource of 9.47 million tonnes at 1.36g/t gold for 414,000 ounces, pursuant to the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' (the "JORC Code") 2004 Edition.

Previous 2011 Resource Estimate 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	3.0	1.5	147000	0.0			2.9	1.3	124000	6.0	1.4	271000
Inferred	1.4	1.4	60000	0.3	1.3	13000	1.8	1.2	70000	3.5	1.3	143000
Total	4.4	1.5	207000	0.3	1.3	13000	4.8	1.3	194000	9.5	1.4	414000

Ashford Joint Venture

The Ashford Coking Coal Project comprises a 50% Joint Venture with Northern Energy Corporation (NEC), now a 100% subsidiary of New Hope Corporation. The Joint Venture incorporates the Ashford Mine Area (EL 6234 and EL 6428) and NEC is managing both areas. Total resources within EL6234 have been estimated at 13 million tonnes of insitu coal with 8 million Tonnes classified as indicated and 5 million tonnes as inferred. Of the total resource, 4.4 million tonnes are at a depth less than 100m while 8.6 million tonnes are between 100m and 200m depth. These estimates are pursuant to the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' (the "JORC Code") 2004 Edition. The Mineral Resource was last reported in February 2012. There has been no material change to the Resource Statement reported in 2012.

The table below presents a summary of the results of the resource estimate.

Mineral Resource Statement – Ashford Coking Coal Project 30 June 2016 and 30 June 2015

SEAMS	DEPTH RANGE (M)	INDICATED (Mt)	INFERRED (Mt)	TOTAL (Mt)
A1 –A5	0-200	8	5	13
TOTAL		8	5	13

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Material Changes and Resource Statement Comparison

There have been no material changes to the Mineral Resource during the review period from 1 July 2015 to 30 June 2016. The changes between the 2011 and the 2016 resource estimates for Agate Creek are noted below.

Classification	2016 Resource Estimate*			2011 Resource Estimate*			Change*		
	Mt	Au g/t	Au oz	Mt	Au g/t	Au oz	Mt	Au g/t	Au oz
Indicated	5.0	1.6	252000	6.0	1.4	271000	(1.0)	0.2	(19000)
Inferred	3.2	1.2	128000	3.5	1.3	143000	(0.3)	(0.1)	(15000)
Total	8.2	1.4	381000	9.5	1.4	414000	(1.3)	-	(33000)

*Total recoverable Mineral Resource at 0.5 g/t gold cut-off grade (rounded to '000 oz)

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 (except Ashford Coal Resource) 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.

Information herein relating to Ashford Coal Resources is based on information compiled by Mr Patrick Tyrrell who is a member of the Australian Institute of Mining and Metallurgy. Mr Patrick Tyrrell is currently an employee of New Hope Coal Limited. Mr Patrick Tyrrell has sufficient experience relevant to the style of mineralisation and type of deposit being reported and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Minerals Resources and Ore Reserves' (the JORC Code). Mr Patrick Tyrrell consents to the inclusion in the report of the matters based on the information in the form and context in which it appears.

The information for the Ashford Coal Resources was prepared and first disclosed under the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported.

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STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2016

		Consolidated	
	Note	2016	2015
		\$	\$
Revenue	2	1	1
Other Income/(Expenses)	3	(866)	150
Impairment of exploration assets	13, 4	-	(2,297,345)
Depreciation and amortisation expenses	4	(1,459)	(4,190)
Finance costs	4	(31,938)	(44,316)
Employment costs	4	(395,226)	(400,973)
Other expenses	4	(278,668)	(369,550)
Loss before tax		(708,156)	(3,116,223)
Income tax expense	5	-	-
Loss for the year		(708,156)	(3,116,223)
Other comprehensive income		-	-
Total comprehensive income for the year		(708,156)	(3,116,223)
Total comprehensive income for the year is attributable to:			
Owners of Laneway Resources Limited		(708,156)	(3,116,223)
Loss per share			
Basic and diluted loss per share (cents per share)	25	(0.03)	(0.20)

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

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BALANCE SHEET
AS AT 30 JUNE 2016

		Consolidated	
	Note	2016	2015
		\$	\$
Current Assets			
Cash and cash equivalents	6	643,500	41,911
Other financial assets	8	3,366	4,233
Other receivables	9	21,630	19,339
Total Current Assets		668,496	65,483
Non-Current Assets			
Other receivables	10	37,500	80,000
Property, plant & equipment	12	-	1,459
Exploration and evaluation assets	13	9,478,551	9,520,722
Total Non-Current Assets		9,516,051	9,602,181
Total Assets		9,667,664	9,667,664
Current Liabilities			
Trade and other payables	14	998,507	2,386,378
Borrowings	15	2,849	199,463
Provisions	16	65,581	60,769
Total Current Liabilities		1,066,937	2,646,610
Non-Current Liabilities			
Borrowings	17	-	150,226
Provisions	18	205,650	205,650
Total Non-Current Liabilities		205,650	355,876
Total Liabilities		1,272,587	3,002,484
Net Assets		8,911,961	6,665,180
Equity			
Equity attributable to equity holders of the parent			
Share capital	19	126,333,515	123,378,577
Accumulated losses	20	(117,421,553)	(116,713,397)
Total Equity		8,911,961	6,665,180

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 2016

Consolidated	Share Capital	Accumulated Losses	Total
	\$	\$	\$
Balance at 1 July 2014	121,375,290	(113,597,174)	7,778,116
Loss for the year	-	(3,116,223)	(3,116,223)
Other comprehensive income	-	-	-
Total comprehensive income	-	(3,116,223)	(3,116,223)
Transactions with owners in their capacity as owners	-	-	-
Shares issued during the year	2,003,287	-	2,003,287
Total transactions with owners	2,003,287	-	2,003,287
At 30 June 2015	123,378,577	(116,713,397)	6,665,180
At 1 July 2015	123,378,577	(116,713,397)	6,665,180
Loss for the year	-	(708,156)	(708,156)
Other comprehensive income	-	-	-
	-	(708,156)	(708,156)
Transactions with owners in their capacity with owners			
Shares issued during the year	2,954,937	-	2,954,937
Total transactions with owners	2,954,937	-	2,954,937
At 30 June 2016	126,333,515	(117,421,553)	8,911,961

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

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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2016

		Consolidated	
	Note	2016	2015
		\$	\$
Cash Flows from Operating Activities			
Payments to suppliers and employees		(373,585)	(420,259)
Interest received		1	1
Interest paid		(6,237)	(11,959)
Net Cash Used in Operating Activities	21	(379,821)	(432,217)
Cash Flow From Investing Activities			
Receipt of farm-in funds		2,326,621	-
Payments for exploration & development		(2,414,263)	(853,380)
Refunds of security deposits		42,500	5,000
Net Cash Flow Used in by Investing Activities		(45,142)	(848,380)
Cash Flow from Financing Activities			
Proceeds from issue of shares		970,500	908,176
Loans received non-related parties		138,700	612,815
Loan received – Director loan facility		172,200	-
Loan repaid – Director loan facility		(242,200)	(288,000)
Repayment of finance lease principal		(10,648)	(9,545)
Net Cash Flow from Financing Activities		1,026,552	1,223,446
Net increase/(decrease) in cash held		601,589	(57,151)
Cash at the beginning of the financial year		41,911	99,062
Cash at the end of the financial year	21	643,500	41,911

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

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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.

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 2016.

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 28 September 2016.

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 2016, 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".

Going concern basis for accounting

The consolidated entity has a net deficiency of current assets at 30 June 2016 of \$398,440 (30 June 2015: \$2,581,127) and has incurred losses of \$708,156 for the year ended 30 June 2016 (2015 loss: \$3,116,223). These conditions give rise to a material uncertainty which may cast significant doubt about the ability of the consolidated entity to continue as a going concern.

The ability of the consolidated entity to continue as a going concern is principally dependent upon one or more of the following:

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- Continuation of debt funding. The company has been advised that its Chairman will continue to support the company in the 2016 financial year until such time as it has raised further funds either by way of a capital raising, a sale of an interest in a project or by way of a corporate transaction;
- Continued support of directors and key management personnel by way of deferring payment of amounts owing;
- Proceeds from additional capital raisings by the company; and
- The realisation of funds from the sale of certain assets.

As at the date of this report the directors are unable to confirm the success or otherwise of the asset sale process.

As a result of the ongoing support from a director of the company, the continued support of other directors and key management personnel, the current status of capital raisings, and the anticipated successful asset sales 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 consolidated entity 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 statements.

This financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or the amounts or classification of liabilities and appropriate disclosures that may be necessary should the consolidated entity be unable to continue as a going concern.

Principles of Consolidation

Subsidiaries

Subsidiaries are all entities (including structured entities) over which the consolidated entity has control. The consolidated entity controls an entity when the consolidated entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the consolidated entity.

Intercompany transactions, balances and unrealised gains on transactions between consolidated entity companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the consolidated entity.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of comprehensive income, statement of changes in equity and balance sheet respectively.

Joint Ventures

The consolidated entity's share of the assets, liabilities, revenue and expenses of joint ventures are included in the appropriate items of the consolidated financial statements.

Foreign Currencies

Items included in the financial statements of each of the Group entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Australian dollars, which is the Company's functional and presentation currency.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Exploration and Evaluation Assets

Costs carried forward

Exploration, evaluation and development expenditure incurred is accumulated in respect of each identifiable area of interest. Such expenditures comprise net direct costs and an appropriate portion of related overhead expenditure but does not include overheads or administration expenditure not having a specific nexus with a

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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.

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.

Revenue Recognition

Amounts disclosed as revenue are net of returns, trade allowances and duties and taxes paid.

Interest revenue is accrued on a time basis, by reference to the principle outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimate future cash receipts through the expected life of the financial asset to that asset's net carrying value.

Taxes

Income taxes

The income tax expense or benefit for the period is the tax payable on the current periods taxable income based on the notional income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates which are enacted or substantively enacted for each jurisdiction. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability. An exception is made for certain temporary differences arising from the initial recognition of an asset or a liability. No deferred tax asset or liability is recognised in relation to these temporary differences if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses. Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the parent entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

Goods and Services Tax (GST)

Revenues, expenses, and assets are recognised net of the amount of GST, except where the GST incurred on a purchase of goods or services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the assets or as part of the expense item as applicable, and except for receivables and payables which are stated inclusive of GST.

Cash flows are included in the Statement of Cash Flows on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from or payable to the taxation authority are classified as operating cash flows. The net amount of GST recoverable from or payable to the taxation authority is

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included as part of receivables or payables in the balance sheet. Commitments and contingencies are disclosed net of the amount of GST recoverable from or payable to the taxation authority.

Leases

Leases are classified at their inception as either operating or finance leases based on the economic substance of the agreement so as to reflect the risks and benefits incidental to ownership.

Operating leases

The minimum lease payments of operating leases, where the lessor effectively retains substantially all of the risks and benefits of ownership of the leased item, are recognised as an expense on a straight line basis.

Finance leases

Leases which effectively transfer substantially all of the risks and benefits incidental to ownership of the leased item to the consolidated entity are capitalised at the present value of the minimum lease payments. A lease liability of equal value is also recognised. Minimum lease payments are allocated between interest expense and reduction of the lease liability with the interest expense calculated using the interest rate implicit in the lease and recognised directly in net profit.

Cash and Cash Equivalents

For purposes of the Statement of Cash Flows, cash and cash equivalents includes cash on hand, deposits at call with financial institutions and other highly liquid investments with short periods to maturity which are readily convertible to cash on hand and are subject to an insignificant risk of changes in value, net of outstanding bank overdrafts.

Receivables

All trade receivables are recognised at the amounts receivable as they are due for settlement no more than 30 days from the date of recognition.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision of doubtful receivables is established when there is objective evidence that the consolidated entity will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the assets carrying amount and the present value of the estimated future cash flows, discounted at the effective interest rate. The amount of the provision is recognised in profit or loss.

The carrying amounts of the loans are reviewed at each balance date to determine whether there is any indication of impairment. If any such indication exists, the loan is impaired to its recoverable amount. The recoverable amount of the receivables carried at amortised cost is calculated as the present value of estimated future cash flows, discounted at the original effective interest rate.

Investments and Other Financial Assets

The consolidated entity classifies its investments in the following categories: financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and, in the case of assets classified as held-to-maturity, re-evaluates this designation at each reporting date.

(i) Financial Assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading which are acquired principally for the purpose of selling in the short term with the intention of making a profit. Derivatives are also categorised as held for trading unless they are designated as hedges.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the consolidated entity provides money, goods or services directly to a debtor with no intention of selling the receivable. They are included in current assets, except for those with maturities greater than 12 months after the balance sheet date which are classified as non-current assets. Such assets are carried at amortised cost using the effective rate interest method. Gains and losses are recognised in profit and loss when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

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(iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the consolidated entity's management has the positive intention and ability to hold to maturity.

(iv) Available-for-sale financial assets

Available-for-sale financial assets, comprising principally marketable equity securities, are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the balance sheet date.

Regular purchases and sales of investments are recognised on trade-date – the date on which the consolidated entity commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the consolidated entity has transferred substantially all the risks and rewards of ownership. Available-for-sale financial assets and financial assets at fair value through profit and loss are subsequently carried at fair value. Loans and receivables and held-to-maturity investment are carried at amortised cost using the effective interest method. Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category, including interest and dividend income, are presented in profit or loss within other income or other expenses in the period in which they arise.

Changes in the fair value of monetary securities denominated in a foreign currency and classified as available-for-sale are analysed between translation differences resulting from changes in amortised cost of the security and other changes, in the carrying amount of the security. The translation differences are recognised in profit and loss and other changes in carrying amount are recognised in equity. Changes in the fair value of other monetary and non-monetary securities classified as available-for-sale are recognised in equity.

When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments recognised in equity are reclassified to profit or loss as gains and losses from investment securities.

The fair values of quoted investment are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the consolidated entity established fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models making maximum use of market inputs and relying as little as possible on entity-specific inputs.

The consolidated entity assesses at each balance date whether there is objective evidence that a financial asset or group of financial assets is impaired. In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of a security below its cost is considered in determining whether the security is impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition costs and the current fair value, less any impairment loss on that financial asset previously recognised in profit and loss – is removed from equity and recognised in profit or loss.

Property, Plant and Equipment

Plant and Equipment

The exploration plant and equipment is recorded at cost less accumulated depreciation, where depreciation is calculated on a straight line basis over the estimated useful lives for the period the assets are put to productive use. Estimates of remaining useful lives are made on a regular basis for all assets, with annual reassessments for major items. The expected useful lives are as follows:

Major depreciation periods are	
- Motor vehicles	5-6 years
- Plant & equipment	3-8 years

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

All loans and convertible notes are initially measured 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

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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.

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.

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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Parent entity financial information

The financial information for the parent entity, Laneway Resources Limited, disclosed in note 31 has been prepared on the same basis as the consolidated financial statements, except as set out below.

(i) Investments in subsidiaries

Investments in subsidiaries are accounted for at cost in the individual financial statements of the parent entity.

(ii) Tax Consolidation Legislation

Laneway Resources Limited and its wholly owned Australian subsidiaries entered the tax consolidation regime with effect from 1 July 2004. As a consequence the subsidiaries are no longer subject to income tax as separate entities unless the parent entity is in default of its obligations, a default is probable, or the tax amounts relate to taxable income incurred prior to the implementation of the tax consolidation regime. The tax sharing agreement will limit potential liabilities of the subsidiary entities, should Laneway Resources Limited be in default of its obligations. Amounts payable or receivable under such a tax sharing agreement with the parent entity will be recognised in accordance with the terms and conditions of the agreement as tax related amounts receivable or payable. The impact on the income tax expense and results of Laneway Resources Limited is immaterial because of the current tax position of the Group.

New Accounting Standards and Interpretations

The Consolidated Entity adopted all new Accounting Standards and Interpretations effective for the year ended 30 June 2016. There were no material impacts on the financial statements of the Consolidated Entity as a result of adopting these standards.

AASB 9 Financial Instruments

This standard and its consequential amendments are currently applicable to annual reporting periods beginning on or after 1 January 2018. This standard introduces new classification and measurement models for financial assets, using a single approach to determine whether a financial asset is measured at amortised cost or fair value. To be classified and measured at amortised cost, assets must satisfy the business model test for managing the financial assets and have certain contractual cash flow characteristics. All other financial instrument assets are to be classified and measured at fair value. This standard allows an irrevocable election on initial recognition to present gains and losses on equity instruments (that are not held-for-trading) in other comprehensive income, with dividends as a return on these investments being recognised in profit or loss. In addition, those equity instruments measured at fair value through other comprehensive income would no longer have to apply any impairment requirements nor would there be any 'recycling' of gains or losses through profit or loss on disposal. The accounting for financial liabilities continues to be classified and measured in accordance with AASB 139, with one exception, being that the portion of a change of fair value relating to the entity's own credit risk is to be presented in other comprehensive income unless it would create an accounting mismatch. The Consolidated Entity has not yet evaluated the impact adoption of this standard will have.

AASB 15 Revenue from Contracts with Customers

This standard and its consequential amendments are currently applicable to annual reporting periods beginning on or after 1 January 2017. This standard requires recognised revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. This means that revenue will be recognised when control of goods or services is transferred, rather than on transfer of risks and rewards as is currently the case under IAS 18 Revenue. The Consolidated Entity has not yet evaluated the impact adoption of this standard will have.

AASB16 Leases

This standard and its consequential amendments are currently applicable to annual reporting periods beginning on or after 1 January 2019. When effective, this standard will replace the current accounting requirements applicable to leases in AASB117 Leases and related interpretations. AASB16 introduces a single lessee accounting model that eliminates the requirement for leases to be classified as operating or finance leases. This means that for all leases, a right-to-use asset and a liability will be recognised, with the right-to-use asset being depreciated and the liability being unwound in principal and interest components over the life of the lease. The Consolidated Entity has not yet evaluated the impact adoption of this standard will have.

There are no other standards that are not yet effective and that would be expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

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	Consolidated Entity 2016 \$	2015 \$
2. REVENUE		
Revenues from continuing operations		
Bank interest income	1	1
3. OTHER INCOME/(EXPENSES)		
Other income from continuing operations		
Fair value gain/(loss) on financial assets at fair value through profit and loss	(867)	150
	Consolidated Entity 2016 \$	2015 \$
4. EXPENSES		
Loss from ordinary activities before income tax includes the following specific items:		
Depreciation of non-current assets		
- Plant and equipment	1,459	4,190
Finance costs		
Finance charges under finance leases	958	2,798
Interest loan – Director related entity	7,348	32,357
Interest loan – non-related entity	18,872	-
Interest other	4,760	9,898
	31,938	44,316
Write off of exploration and development expenditure	-	2,297,345
Minimum operating lease rental payments	14,400	14,400
Employee benefits expenses		
Defined contribution superannuation expense	2,821	3,893
Other employee benefits expenses	392,405	397,080
Total employee benefits expenses	395,226	400,973
	Consolidated Entity 2016 \$	2015 \$
5. 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 2016 and 2015 is as follows:		
Accounting (loss) before tax from continuing operations	(708,156)	(3,116,223)
(Loss) before tax from discontinued operations	-	-
Accounting (loss) before income tax	(708,156)	(3,116,223)
At the statutory income tax rate of 30% (2015: 30%)	(212,447)	(934,867)
Non-deductible expenses	22,276	714,126
Deferred tax assets not brought to account	190,171	220,741
Income tax expense	-	-

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	Consolidated Entity	
	2016	2015
	\$	\$
Recognised deferred tax assets		
1. Unused tax losses	2,725,852	2,753,340
2. Deductible temporary differences	117,713	102,877
	<u>2,843,565</u>	<u>2,856,217</u>
Recognised deferred tax liabilities		
Assessable temporary differences	2,843,565	2,856,217
	<u>2,843,565</u>	<u>2,856,217</u>
Net deferred tax recognised	<u>-</u>	<u>-</u>
Unrecognised temporary differences and tax losses		
Unused tax losses and temporary differences for which no deferred tax asset has been recognised	106,701,147	106,039,756
	<u>106,701,147</u>	<u>106,039,756</u>
Potential tax benefit @ 30%	32,010,344	31,811,927
	<u>32,010,344</u>	<u>31,811,927</u>

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.

	Consolidated Entity	
	2016	2015
	\$	\$
6. CASH AND CASH EQUIVALENTS (CURRENT)		
Cash at bank and in hand	643,500	41,911
	<u>643,500</u>	<u>41,911</u>

7. TRADE AND OTHER RECEIVABLES (CURRENT)

Other receivables	-	-
	<u>-</u>	<u>-</u>

Allowance for impairment loss

Current trade and other receivables are non-interest bearing and are generally on 0-90 day terms. A provision for impairment loss is recognised when there is objective evidence that an individual receivable is impaired.

Consolidated	2016			2015		
	Total	Amount Impaired	Amount not impaired	Total	Amount Impaired	Amount not impaired
	\$	\$	\$	\$	\$	\$
Not past due	-	-	-	-	-	-
Past due [0-90] days	-	-	-	-	-	-
Past due [>90] days	-	-	-	-	-	-
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

Fair value and credit risk

Due to the short term nature of the current receivables the carrying value is assumed to approximate their fair value. Collateral is not held as security.

	Consolidated Entity	
	2016	2015
	\$	\$
8. OTHER FINANCIAL ASSETS		
Australian listed shares	3,366	4,233
	<u>3,366</u>	<u>4,233</u>

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	Consolidated Entity 2016 \$	2015 \$
9. OTHER RECEIVABLES (CURRENT)		
Prepayments	21,630	19,339

	Consolidated Entity 2016 \$	2015 \$
10. RECEIVABLES (NON-CURRENT)		
Other receivables	37,500	80,000

Other receivables are security bonds in relation to leases and tenements held and term deposits lodged as security in relation to guarantees provided for tenements held.

11. INVESTMENTS IN CONTROLLED ENTITIES

Investments held by Laneway Resources Limited:

	Percentage of equity interest	
	2016 %	2015 %
All companies are incorporated in Australia		
Renison Coal Pty Ltd	100	100
Agate Creek Holdings Pty Ltd	100	100

12. PROPERTY, PLANT AND EQUIPMENT

	Motor Vehicles \$	Consolidated Plant & Equip \$	Total \$
At 30 June 2015			
Cost	87,799	43,392	131,191
Accumulated depreciation	(87,799)	(41,933)	(129,732)
Net carrying amount	-	1,459	1,459
At 30 June 2016			
Cost	87,799	-	87,799
Accumulated depreciation	(87,799)	-	(87,799)
Net carrying amount	-	-	-

Movements during the year:

Period ended 30 June 2016

At 1 July 2015, net of accumulated depreciation	-	1,459	1,459
Additions	-	-	-
Disposals cost	-	(43,392)	(43,392)
Disposals accumulated depreciation	-	43,392	43,392
Depreciation charge for the year	-	(1,459)	(1,459)
At 30 June 2016, net of accumulated depreciation	-	-	-

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	Consolidated		
	Motor Vehicles	Plant & Equip	Total
	\$	\$	\$
Period ended 30 June 2015			
At 1 July 2014, net of accumulated depreciation	2,550	3,098	5,649
Additions	-	-	-
Disposals net book value	-	-	-
Depreciation charge for the year	(2,550)	(1,639)	(4,190)
At 30 June 2015, net of accumulated depreciation	-	1,459	1,459

The carrying value of plant and equipment held under finance leases and hire purchase contracts at 30 June 2016 is \$nil (2015 - \$nil). Leased assets held under hire purchase are pledged as security for the related finance leases and hire purchase liabilities.

	Consolidated Entity	
	2016	2015
	\$	\$
13. EXPLORATION AND EVALUATION ASSETS (NON CURRENT)		
Exploration costs carried forward in respect of areas of interest		
- Exploration phase	9,478,551	9,520,722
<u>Reconciliation</u>		
Exploration expenditure capitalised		
- Opening balance	9,520,722	10,612,595
- Current year expenditure	2,284,450	1,205,472
- Current year farm-in receipts	(2,326,621)	-
- Write off/disposed in current year	-	(2,297,345)
Carried forward	9,478,551	9,520,722

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.

Laneway entered into of a Farm-in Agreement with Newcrest Mining ("Newcrest") in the 2016 year in relation to tenements held in New Zealand. During the period Newcrest provided \$2,326,621 to cover the exploration program. The consolidated entity recognises these contributions as a reduction of capitalised exploration and evaluation assets as shown in the movement schedule above. Of the funds provided, at balance date \$576,182 remained to meet expenditures in the 2017 year. The funds provided to date were in excess of the carried forward capitalised expenditure for the New Zealand segment, resulting in a net amount of \$(104,408) being included in the above carried forward figure.

14. TRADE AND OTHER PAYABLES (CURRENT)

Trade creditors	592,293	2,058,201
Other payables and accruals	406,214	330,177
	<u>998,507</u>	<u>2,388,378</u>

Included in the above are aggregate amounts payable to the following related parties
Directors and director related entities

209,329 935,357

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 27.

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	Note	Consolidated Entity 2016 \$	2015 \$
15. BORROWINGS (CURRENT)			
Secured			
Lease Liabilities	22	2,849	10,648
Unsecured			
Advances re future security issues (a)		-	95,000
Loan payable (b)		-	93,815
		<u>2,849</u>	<u>199,463</u>

Secured Liability:

The lease liabilities are secured by charges over the assets subject to the liability.

(a) As at 30 June 2015 the company had received advances in relation to future issues of securities that require shareholder approval to be obtained before the securities can be issued.

(b) Included within loan payable at 30 June 2015 was an amount of \$93,815 in relation to a loan facility provided by Etheridge Operations Pty Ltd. Laneway entered into a short term loan agreement with Etheridge Operations Pty Ltd in June 2015. The loan facility was for up to \$750,000 and interest at 12% applied to any outstanding balances. As at 30 June 2015 a total of \$93,815 had been drawn under the loan facility. The facility was unsecured and was drawn to a maximum of \$307,444 during the year. Interest of \$18,872 was accrued in relation to the loan. The loan plus accrued interest was fully repaid in the 2016 financial year by the issue of \$200,000 of shares at \$0.003 per share and \$107,687 in cash.

	Consolidated Entity 2016 \$	2015 \$
16. PROVISIONS (CURRENT)		
Employee benefits	<u>65,581</u>	<u>60,769</u>

17. BORROWINGS (NON CURRENT)

Secured			
Lease Liabilities	22	-	2,849
Loan from director related entity	27	-	147,377
		<u>-</u>	<u>150,226</u>

Secured liability: The lease liabilities are secured by charges over the assets subject to the liability

Secured Loan from Director: The loan funds advanced by Bizzell Nominees Pty Ltd are secured by a first ranking fixed and floating charge over all of the Group's assets. Full details of the loan from director related entities, including undrawn amounts, are given in note 27.

	Consolidated Entity 2016 \$	2015 \$
18. PROVISIONS (NON-CURRENT)		
Restoration	<u>205,650</u>	<u>205,650</u>

A provision for restoration is recognised in relation to the exploration activities for costs such as reclamation, and restoration. Estimates of the restoration obligations are 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
2016 **2015**
\$ **\$**

19. SHARE CAPITAL

(a) Issued and paid up capital

Ordinary shares fully paid 126,333,515 123,378,577

(b) Movements in shares on issue

	2016		2015	
	Nos of shares	\$	Nos of shares	\$
Ordinary shares fully paid				
Beginning of the financial year	2,062,742,065	123,378,577	1,378,598,483	121,375,290
Increases				
- Issued to pay creditors (1)	254,782,222	764,347	-	-
- Repayment of related party loan (2)	19,823,860	59,472	-	-
- Exercise of unlisted 31/1/16 \$0.003 options (3)	234,373,031	703,119	-	-
- Underwriting of unlisted 31/1/16 \$0.003 options (4)	175,833,334	527,500	-	-
- Issued to pay exploration drilling costs (5)	25,000,000	125,000	-	-
- Issued to pay creditor (6)	-	-	12,150,056	32,307
- Placement (7)	202,666,667	608,000	325,326,860	975,980
- Issued to pay director fees and loan advances (8)	-	-	66,666,666	200,000
- Issued to pay exploration drilling costs (9)	47,857,140	167,500	70,000,000	245,000
- Exercise of convertible notes (10)	-	-	160,000,000	400,000
- Exercise of unlisted options (11)	-	-	50,000,000	150,000
	3,023,078,319	126,333,515	2,062,742,065	123,378,577

- (1) Shares issued at 0.3 cents to pay creditors
(2) Outstanding director loan was repaid by the issue of shares at 0.3 cents per share
(3) Shares issued at 0.3 cents following the exercise of 31/1/16 \$0.003 unlisted options
(4) Shares issued at 0.3 cents in relation to the underwriting of the exercise of 31/1/16 \$0.003 unlisted options
(5) Shares issued at 0.5 cents to pay exploration drilling costs
(6) Shares issued at 0.2559 cents to pay creditor
(7) Issue of shares by way of placement at 0.3 cents per share
(8) Outstanding director fees and loans were repaid by the issue of shares at 0.3 cents per share
(9) Shares issued at 0.35 cents to pay exploration drilling costs
(10) Shares issued at 0.25 cents following the exercise of unlisted convertible notes
(11) Shares issued at 0.3 cents following the exercise of unlisted 23/6/15 options

(c) Share Options

The following options were on issue at the start and at the end of the financial year.

Terms	1-Jul-15	additions	exercised	expired	30-Jun-16
Unlisted Options 0.3 cents 31 January 2016	-	535,272,749	(234,373,031)	(300,899,716)	-
Unlisted Options 0.5 cents 30 Sept 2016	-	12,500,000	-	-	12,500,000

The company issued a total of 535,272,749 unlisted 31 January 2016 \$0.003 options on 1 December 2015 in relation to a placement of shares at \$0.003 per share. The company issued a total of 12,500,000 unlisted 30 September 2016 \$0.005 options on 27 May 2016 in relation to the payment of exploration and drilling services.

(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.

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(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.

20. ACCUMULATED LOSSES

	Consolidated Entity	
	2016	2015
	\$	\$
Balance at the beginning of the year	(116,713,397)	(113,597,174)
Net profit/(loss) attributable to members of Laneway Resources Limited	(708,156)	(3,116,223)
Balance at end of year	<u>(117,421,553)</u>	<u>(116,713,397)</u>

21. STATEMENT OF CASH FLOWS

Reconciliation of the operating loss after tax to the net cash flows from operating activities

Loss from ordinary activities after tax	(708,156)	(3,116,223)
<i>Add/(less) non-cash items</i>		
Provision for employee entitlements	4,813	24,801
Write down of exploration and development expenditure	-	2,297,345
Fair value (gain)/loss available-for-sale through profit of loss	867	(150)
Depreciation	1,459	4,190
<i>Changes in operating assets & liabilities during the year</i>		
(Increase)/decrease in prepayments	(2,291)	164
(Decrease)/increase in creditors	210,982	58,583
(Decrease)/increase in accruals	112,506	87,843
	<u>(379,820)</u>	<u>(643,449)</u>

Reconciliation of cash

- Cash at bank	<u>643,500</u>	<u>41,911</u>
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Non cash financing and investing activities

Loan and Creditor Repayments

During the financial year shares were issued to repay amounts owing by the company as follows:

- 47,857,140 shares were issued at \$0.0035 per share for the payment of drilling services at the Agate Creek project totalling \$167,500.
- 25,000,000 shares were issued at \$0.005 per share along with 12,500,000 unlisted 30/9/16 \$0.005 options, for the payment of drilling services at the Agate Creek project totalling \$125,000.
- 86,490,527 shares were issued at \$0.003 per share to repay loans totalling \$259,472.
- 254,782,222 shares were issued at \$0.0030 per share for the payment of creditors totalling \$764,347.

22. EXPENDITURE COMMITMENTS

Lease expenditure commitments

(i) Operating leases

Minimum lease payments		
- payable within one year	14,400	14,400
- payable between one and five years	8,400	22,800
Total contracted at balance date	<u>22,800</u>	<u>37,200</u>

Terms and Conditions

The Group leases office equipment under non-cancellable operating leases expiring within one to two years. The leases have varying terms. On renewal, the terms of the leases are renegotiated.

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22. EXPENDITURE COMMITMENTS (continued)

		Consolidated Entity	
		2016	2015
		\$	\$
(ii) Finance lease	Note		
- payable within one year		2,901	11,606
- payable between one and five years		-	2,901
- total minimum payments		2,901	14,507
- future finance charges		(52)	(1,010)
- lease liability		2,849	13,497
- current liability	15	2,849	10,648
- non-current liability	17	-	2,849
Finance lease		2,849	13,497

Terms and Conditions

Finance leases relate to motor vehicles which have residual payments with options to purchase at the end of the lease term.

Future exploration

The consolidated entity has certain obligations to expend minimum 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.

The commitments to be undertaken are as follows:

Payable			
- not later than 12 months		1,554,318	1,332,491
- between 12 months and 5 years		2,139,045	2,691,978
		3,693,363	4,024,469

23. SHARE BASED PAYMENTS

Equity based instruments - Options

The Company has in prior periods granted options over ordinary shares to directors, employees and consultants as part of their remuneration packages. No such employee options were granted in the 2016 or 2015 financial years and there are no employee options outstanding.

24. CONTINGENCIES

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

25. LOSS PER SHARE

Loss per share

Basic and diluted (loss) per share (cents per share)

The following reflects the income and share data used in the calculations of basic and diluted earnings/ (loss) per share:

Loss from continuing operations

Earnings used in calculating basic and diluted loss per share

Consolidated Entity	
2016	2015
\$	\$
(0.03)	(0.19)

(708,156) (3,116,223)

(708,156) (3,116,223)

<u>Number</u>	<u>Number</u>
2,468,417,909	1,648,619,999
-	-
2,468,417,909	1,648,619,999

Weighted average nos of ordinary shares on issue used in the calculation of basic earnings per share

Effect of dilutive securities

Adjusted weighted average nos of ordinary shares used in calculating dilutive earnings per share

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Conversions, calls, subscriptions or issues after 30 June 2016

There have been no shares and other equity instruments issued subsequent to year end.

	Consolidated Entity	
	2016	2015
	\$	\$
26. 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	41,170	39,843
(ii) Other services –		
- nil	-	-
Total	41,170	39,843

27. DIRECTOR AND KEY MANAGEMENT PERSONNEL DISCLOSURES

	Consolidated Entity	
	2016	2015
	\$	\$
Key management personnel compensation		
Short term employee benefits	562,516	508,349
Share based payments	-	-
Post-employment benefits	17,848	17,848
Total	580,346	526,197

Loans with directors and key management personnel.

Bizzell Nominees Pty Ltd a company associated with Mr Stephen Bizzell provided a loan facility to the company during the 2014 year. The total facility provided is for up to \$2,000,000. At the 30 June 2016 balance date the outstanding balance on the loan facility was \$nil (2015 - \$147,377). Interest accrued on the facility during the 2016 financial year was \$7,348 (2015 - \$32,357). The facility remains in place however the balance outstanding was reduced to nil during the 2016 financial year. During the year ended 30 June 2016 \$172,200 (2015 - \$124,000) was advanced to the company and \$326,925 was repaid consisting of \$244,200 in cash payments and \$82,725 settled through the issue of shares (2015 - \$494,574 consisting of \$288,000 in cash payments and \$206,574 settled through the issue of shares). The interest rate on the loan is 10%.

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

Purchases

Mr R S Anthon was a Director of Hemming+ Hart, Lawyers until 1 November 2013. Hemming+ Hart had provided legal services to Laneway over a number of years and a debt was owed to Hemming and Hart at the time of Mr Anthon's departure from the firm. On 3 July 2014 Laneway and ACN 143 114 719 Pty Ltd executed a Deed of Acknowledgment and Debt and a General Security Agreement (GSA) to secure the payment of the outstanding fees. On 23 December 2014 ACN 143 114 719 Pty Ltd assigned the debt and the rights under the GSA to Nambia Pty Ltd as Trustees of the Anthon Family Superannuation Fund (a company associated with Mr Anthon) after Nambia acquired the debt on a dollar for dollar basis. As at the balance date \$150,000 (2015: \$189,380) remains an outstanding trade creditor payable. Interest of \$11,260 was accrued on the debt in the 2016 year (2015 - \$17,558) at an interest rate of 10%. During the year a total of \$50,641 was paid to reduce the liability by way of the issue of 16,880,249 shares at \$0.003 per share. The services were based on normal commercial terms and conditions.

Rent for office premises totalling \$37,177 (2015: \$51,770 - for an 18 month period) was charged, on normal commercial terms and conditions) by Bizzell Capital Partners Pty Ltd, a company associated with Mr Stephen Bizzell, for head office premises in Brisbane.

28. 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 27 above.

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29. 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-16	\$	\$	\$
Revenue:			
Revenue from outside the Consolidated Entity	-	-	1
Other unallocated revenue	-	-	-
Total Revenue	-	-	1
Segment result	-	(708,156)	(708,156)
Income tax	-	-	-
Net Loss	-	(708,156)	(708,156)
<u>Non-cash items included in loss above:</u>			
Depreciation and amortisation	-	1,459	1,459

	New Zealand	Australia	Consolidated
30-Jun-16	\$	\$	\$
Assets:			
Segment assets	466,373	9,718,176	10,184,549
Unallocated corporate assets	-	-	-
Consolidated Total Assets	466,373	9,718,176	10,184,549
Liabilities:			
Segment liabilities	9,504	8,902,457	8,911,961
Unallocated corporate liabilities	-	-	-
Consolidated Total Liabilities	9,504	8,902,457	8,911,961
<u>Segment acquisitions:</u>			
Capitalised exploration expenditure	1,782,227	502,223	2,284,450
<u>Details on non-current assets:</u>			
Exploration expenditure (see Note 13)	(104,048)	9,582,599	9,478,551

	New Zealand	Australia	Consolidated
30-Jun-15	\$	\$	\$
Revenue:			
Revenue from outside the Consolidated Entity	-	1	1
Other unallocated revenue	-	-	-
Total Revenue	-	1	1
Segment result	-	(3,116,223)	(3,116,223)
Income tax	-	-	-
Net Loss	-	(3,116,223)	(3,116,223)
<u>Non-cash items included in loss above:</u>			
Depreciation and amortisation	-	4,190	4,190
Write off of exploration and development expenditure	-	2,297,345	2,297,345

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30-Jun-15	New Zealand \$	Australia \$	Consolidated \$
Assets:			
Segment assets	440,346	9,227,318	9,667,664
Unallocated corporate assets	-	-	-
Consolidated Total Assets	440,346	9,227,318	9,667,664
Liabilities:			
Segment liabilities	64,816	2,937,668	3,002,484
Unallocated corporate liabilities	-	-	-
Consolidated Total Liabilities	64,816	2,937,668	3,002,484
<u>Segment acquisitions:</u>			
Capitalised exploration expenditure	126,021	1,079,450	1,205,471
<u>Details on non-current assets:</u>			
Plant and equipment	-	1,459	1,459
Exploration expenditure	440,346	9,080,376	9,520,722
	440,346	9,081,835	9,522,181

30. 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, a loan from a director related entity, finance lease liabilities and convertible notes.

The Board has overall responsibility for the determination of the consolidated entity's risk management objectives and policies and, whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the consolidated entity's executive management. The consolidated entity's risk management policies and objectives are therefore designed to minimise the potential impacts of these risks on the results of the consolidated entity where such impacts may be material.

(b) Credit Risk

Credit risk is the risk that the other party to a financial instrument will fail to discharge their obligation resulting in the Group incurring a financial loss. This usually occurs when debtors fail to settle their obligations owing to the Group. The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets, is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the balance sheet and notes to the financial statements. Credit risk is reviewed regularly by the Board. It arises from exposure to customers as well as through deposits with financial institutions.

(c) Liquidity risk

Liquidity risk is the risk that the consolidated entity may encounter difficulties raising funds to meet financial obligations as they fall due. Liquidity risk is reviewed regularly by the Board.

The consolidated entity manages liquidity risk by monitoring forecast cash flows. At 30 June 2016 the Group has a loan facility from a director related entity totalling \$2,000,000 of which \$nil has been drawn upon as at 30 June 2016 (2015: Facility of \$2,000,000 of which \$147,377 has been drawn). 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.

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Maturity Analysis –Consolidated Entity - 2016	Carrying Amount	Contractual Cash flows	<1 year	1 - 5 years	> 5 years
Financial Liabilities	\$	\$	\$	\$	\$
Trade and Other Payables	998,507	998,507	998,507	-	-
Lease Liabilities	2,849	2,901	2,901	-	-
	<u>1,001,356</u>	<u>1,001,408</u>	<u>1,001,408</u>	<u>-</u>	<u>-</u>

Maturity Analysis – Consolidated entity - 2015	Carrying Amount	Contractual Cash flows	<1 year	1 - 5 years	> 5 years
Financial Liabilities	\$	\$	\$	\$	\$
Trade and Other Payables	2,386,378	2,386,378	2,386,378	-	-
Lease Liabilities	13,497	14,507	11,606	2,901	-
Loans from non-related party	188,815	188,815	188,815	-	-
Loan from Director Related Entity	147,377	147,377	-	147,377	-
	<u>2,736,067</u>	<u>2,737,077</u>	<u>2,586,799</u>	<u>150,278</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. For further details on interest rate risk refer to the tables below:

2016	Floating interest rate	Fixed interest rate	Non-interest bearing	Total carrying amount as per the balance sheet	Weighted average effective interest rate
	2016	2016	2016	2016	2016
	\$	\$	\$	\$	%
<i>Financial assets</i>					
Cash and cash equivalents	-	-	643,500	643,500	0.00%
Total financial assets	-	-	643,500	643,500	
<i>Financial liabilities</i>					
Trade and other payables	-	-	998,507	998,507	-
Lease and hire purchase	-	2,849	-	2,849	8.00%
Total financial liabilities	-	2,849	998,507	1,001,356	
2015	Floating interest rate	Fixed interest rate	Non-interest bearing	Total carrying amount as per the balance sheet	Weighted average effective interest rate
	2015	2015	2015	2015	2015
	\$	\$	\$	\$	%
<i>Financial assets</i>					
Cash and cash equivalents	-	-	41,911	41,911	0.00%
Total financial assets	-	-	41,911	41,911	
<i>Financial liabilities</i>					
Trade and other payables	-	-	2,386,378	2,386,378	-
Loan from non-related parties	-	93,815	95,000	188,815	12.00%
Loan from director related entity	-	147,377	0	147,377	10.00%
Lease and hire purchase	-	13,497	-	13,497	8.00%
Total financial liabilities	-	254,689	2,481,378	2,736,067	

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Notes to the Financial Statements

The consolidated entity has performed a sensitivity analysis relating to its exposure to interest rate risk. At 30 June 2016 the effect on profit and equity as a result of changes in the interest rate is \$nil (2015: nil).

This analysis assumes all other variables remain constant.

(ii) Currency Risk

The consolidated entity does not have any material currency risk exposure under financial instruments entered into by the consolidated entity. The company held New Zealand Dollars of \$633,801 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 in relation to the farm-in by Newcrest Mining to Laneway's New Zealand projects and as such there is no currency risk associated with the NZD held at the period end.

(iii) Other Price Risk

The consolidated entity does not have any material other price risk exposures under financial instruments entered into by the consolidated entity.

(e) Fair Values

The fair values of trade and other receivables, security deposits, financial assets at fair value through profit and loss, interest bearing loans and borrowings and trade and other payables approximate their carrying value.

31. PARENT COMPANY INFORMATION

The Parent Entity of the Consolidated Entity is Laneway Resources Limited.

Parent Entity Financial Information

	2016	2015
	\$	\$
Current assets	668,495	65,481
Non-current assets	9,516,053	9,602,183
Total assets	<u>10,184,548</u>	<u>9,667,665</u>
Current liabilities	1,066,937	2,646,609
Non-current liabilities	205,650	355,876
Total liabilities	<u>1,272,587</u>	<u>3,002,485</u>
Net assets	<u>8,911,961</u>	<u>6,665,180</u>
Issued capital	126,333,515	123,378,577
Accumulated losses	(117,421,553)	(116,713,397)
Total equity	<u>8,911,962</u>	<u>6,665,180</u>
Loss after income tax	(708,156)	(3,116,224)
Other comprehensive income	-	-
Total comprehensive income	<u>(708,156)</u>	<u>(3,116,224)</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 Consolidated Entity. Refer to Note 22 for details. The Parent Entity has no material contingent assets, contingent liabilities or guarantees at balance date.

32. JOINT VENTURE ARRANGEMENTS

Jointly controlled assets

Ashford Coking Coal Joint Venture Project

The Ashford Coking Coal Project comprises a 50% Joint Venture with Northern Energy Corporation (NEC), now a 100% subsidiary of New Hope Corporation. The Joint Venture incorporates the Ashford Mine Area (EL6234 and EL6428), where a coking coal resource has been identified. NEC is managing the joint venture activity. The Group's interests in the assets employed in the joint venture are included in the balance sheet, in accordance with the accounting policy described in note 1, under the following classifications:

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	2016 \$	2015 \$
Non-Current assets		
Exploration and evaluation assets	151,687	151,687
Total Non-Current Assets	<u>151,687</u>	<u>151,687</u>

Future exploration

The consolidated entity has certain obligations to expend minimum amounts on exploration in the joint venture tenement areas to maintain its interest in the joint ventures. 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.

The commitments to be undertaken are as follows:

Payable

- not later than 12 months	133,333	100,000
- between 12 months and 5 years	-	233,333
	<u>133,333</u>	<u>333,333</u>

Farm In

Laneway entered into of a Farm-in Agreement with Newcrest Mining in the 2016 year in relation to tenements held in New Zealand. Key terms of the Agreement include:

- Newcrest to solely fund two stages of Minimum Work Programs associated with the Permits, with the first stage forming a Minimum Commitment;
- Laneway will be the Manager of the Project during the Earn-in period and will earn a Management Fee. At its election Newcrest may elect to become the Manager;
- Upon completing both Minimum Work Programs for either Permit Newcrest has the right to earn 80% of the Project/Permit and will be named on title;
- Following the Farm-In period, the parties may enter into a Joint Venture to jointly fund the future development of the Project in accordance with their equity position;
- If Laneway elects not to fund the ongoing development of the Joint Venture after the Farm-in period, its interest will be diluted through a mutually agreed formula. If Laneway's interest in the Project dilutes below 10% then it will convert to a Net Smelter Royalty (NSR) of 2%; and
- Newcrest may elect to purchase the 1% NSR for \$500,000.

During the period Newcrest provided NZ\$2,585,134 to cover the exploration program. Of the funds provided at balance date NZ\$633,801 remained to meet expenditures in the 2017 year. At the date of this report Newcrest has not earned any interest in the projects as the minimum work programs are still to be completed.

33. SUBSEQUENT EVENTS

No matter or circumstance has arisen since 30 June 2016, that has significantly affected, or, may significantly affect the operations of the Consolidated Entity, the results of those operations, or the state of affairs of the Consolidated Entity in financial years subsequent to 30 June 2016.

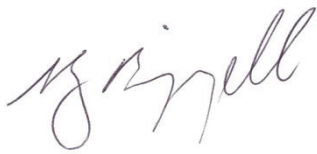
DIRECTORS' DECLARATION

In the directors' opinion:

- (a) the attached financial statements and notes and the Remuneration Report in the Directors' Report set out on pages 24 to 27 are in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2016 and of its performance for the financial year ended on that date; and
 - (ii) complying with Accounting Standards, Corporations Regulations 2001 and other mandatory professional reporting requirements; and
- (b) the financial report also complies with International Financial Reporting Standards as issued by the International Accounting Standards Board (IASB) as disclosed in note 1; 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 pursuant to section 295(5) of the Corporations Act 2001.



SG Bizzell
Chairman

Brisbane, 28 September 2016

INDEPENDENT AUDITOR'S REPORT

To the members of Laneway Resources Limited

Report on the Financial Report

We have audited the accompanying financial report of Laneway Resources Limited, which comprises the balance sheet as at 30 June 2016, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility 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 Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Laneway Resources Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

Opinion

In our opinion:

- A. the financial report of Laneway Resources Limited is in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2016 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and
- B. the financial report also complies with *International Financial Reporting Standards* as disclosed in Note 1.

Emphasis of matter

Without modifying our opinion, we draw attention to Note 1 in the financial report, which indicates that the ability of the consolidated entity to continue as a going concern is dependent upon the continued debt funding by the executive chairman, future successful raising of necessary funding through equity, successful exploration and subsequent exploitation of the consolidated entity's tenements, and/or sale of non-core assets. These conditions, along with other matters as set out in Note 1, indicate the existence of a material uncertainty that may cast significant doubt about the consolidated entity's ability to continue as a going concern and therefore, the consolidated entity may be unable to realise its assets and discharge its liabilities in the normal course of business.

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 24 to 27 of the directors' report for the year ended 30 June 2016. 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.

Opinion

In our opinion, the Remuneration Report of Laneway Resources Limited for the year ended 30 June 2016 complies with section 300A of the *Corporations Act 2001*.

BDO Audit Pty Ltd



T R Mann
Director

Brisbane, 28 September 2016