

ASX ANNOUNCEMENT

31 July 2014

Capital Raising to Fund Exploration Activities and Project Approvals at Agate Creek Gold Project

Highlights

- + Capital Raising of \$400,000 via a convertible note issue
- + Convertible notes have a one year term and a conversion price 0.25 cents (a 25% premium to the last closing price of Laneway shares on ASX)
- + Subscribers for the convertible notes have the option to subscribe for up to a further \$400,000 worth of ordinary shares at an issue price of 0.3 cents prior to 31 August 2014
- + Proceeds of the capital raising to fund exploration activities and project approvals at Agate Creek Gold Project

The Board of Laneway Resources Limited (**Laneway**, ASX:LNY) is pleased to announce that the Company has entered into firm commitments for a capital raising of \$0.4 million to raise new funds to continue to develop Laneway's projects and meet its strategic goals.

Capital Raising Summary

The capital raising consists of the issue of 160,000,000 convertible notes (convertible into ordinary shares on a one for one basis) with an issue price of 0.25 cents and a one year term. The conversion price represents a 25% premium to Laneway's last closing price (0.2 cents per share). Detailed terms of the convertible notes are contained in the attached Appendix.

The Company has also agreed with the participants in the Capital Raising that they can subscribe for a further amount of \$400,000 worth of ordinary shares at an issue price of 0.3 cents prior to 31 August 2014 subject to receipt of any necessary shareholder or regulatory approvals.

The Capital Raising will enable the Company to advance its Agate Creek gold, New Zealand gold and NSW coal projects as well as provide general working capital.



Funds will be primarily directed towards Laneway's 100% owned Agate Creek gold project including completing the work required to vary the current MDL conditions to be able to conduct a larger metallurgical sample of up to 40,000 tonnes to further investigate potential process route and gold recovery refinements following the 5,472 tonne metallurgical sample taken from the project earlier this year from which 1,725 ounces of gold were successfully recovered.

For and on behalf of the Board

JPK Marshall
Company Secretary



Appendix - Convertible Notes Terms

Definitions

Company means Laneway Resources Ltd

Convert means the redemption of a Convertible Note in conjunction with the Company applying the principal amount of that Convertible Note in subscription for Shares and **Conversion** will be construed accordingly.

Conversion Formula means 1 Convertible Note to 1 Share.

Conversion Notice means a notice in the form set out on each Holding Statement.

Convertible Notes means Convertible Notes to be created and issued by the Company having the Conditions of Issue.

Issue Price means 0.25 cents per Convertible Note.

Redemption Date means 26 June 2015.

Shares means fully paid ordinary shares in the capital of the Company (ASX Code: LNY).

Term means the period from the Subscription Date to the Redemption Date.

Issue of Convertible Notes

The Convertible Notes are issued on the terms and conditions set out in these Conditions of Issue.

Quotation

The Company will not seek the quotation of the Convertible Notes on the Australian Securities Exchange Ltd.

Conversion

- a) The Note Holder may Convert the Convertible Notes into shares in the Company in accordance with the Conversion Formula at any time during the Term by providing a Conversion Notice to the Company.
- b) If this Conversion requires the approval of the Company's shareholders the Company will convene a meeting of its shareholders for this purpose and will not be required to Convert or redeem the Convertible Notes until shareholder approval is obtained. If shareholder approval is not obtained to the Conversion the Company will immediately redeem the Convertible Notes.

Redemption

If the Convertible Notes are not earlier converted then the Company will redeem the Convertible Notes at the Redemption Date by repayment to the Note Holder of the Subscription Amount.

Consent to Become a Member

The Note Holder acknowledges and agrees that upon Conversion, the Note Holder will become a member of the Company.

Discharge and Release

The Company will immediately be discharged and released from its liabilities, obligations and covenants under this Deed in respect of any Convertible Note on the first to occur of the redemption or Conversion of the Convertible Notes.

Governing Law

This Schedule shall be governed by and construed in accordance with the laws of Queensland.