

ASX ANNOUNCEMENT

16 October 2020

High Grade Gold Mining Resumes at Agate Creek Sherwood Pit

Highlights

- + Mining activities have commenced at Laneway's 100% owned Agate Creek gold mine in North Queensland with ~9,000oz gold to be mined in two stages from the Sherwood Pit in the current campaign.
- + Mining contractor currently mobilising heavy earthmoving machinery to site and Blast Hole drilling now underway with the initial blast planned for next week.
- + Laneway's plans mining 43,000t @ 6.5g/t from the Sherwood Open Pit to be processed in two stages, an initial 18,000t to be processed this Quarter and remaining 25,000t stockpiled for transporting and processing post wet season.
- + The 43,000t of ore is to be toll processed at the Lorena Gold Mine CIL processing plant at a fixed price per tonne with processing the of initial 18,000t beginning around mid-November expected to be completed over a 3 week period with gold recoveries forecast at ~90%.
- + Laneway anticipates significant positive near term cash flow from this production campaign with the majority of payment for gold produced from the initial stage to be received before year end.
- + This funding will contribute to Laneway's further pursuit of its corporate objectives including ongoing exploration and appraisal of the broader Agate Creek Project without shareholder dilution.
- + Laneway is continuing to progress other processing plant options which may be utilised longer term for the processing of high grade ore from Agate Creek including for the second batch of ore from this mining campaign.
- + Potential for further high grade mining beyond this campaign has been identified with Whittle pit optimisation process generating a much larger Open Pit Shell containing 120,000 tonnes at 5.7 g/t Au for 22,000 Oz Au.
- + Studies are underway to facilitate environmental approvals required before mining of this larger Open Pit Shell can begin – which is targeted for 2021.
- + Laneway also continues to evaluate and progress the broader mineralisation potential at Agate Creek and the development and planning for large scale mining activities including on-site processing of the Mineral Resource of 471,000 ounces of gold that has been defined thus far.

The Board of Laneway Resources Limited (“Laneway” or “the Company”) (ASX: LNY) is pleased to advise that mining activities have commenced at the high grade Sherwood deposit within the 100% owned Agate Creek Gold Project in North Queensland.

Mining Activities

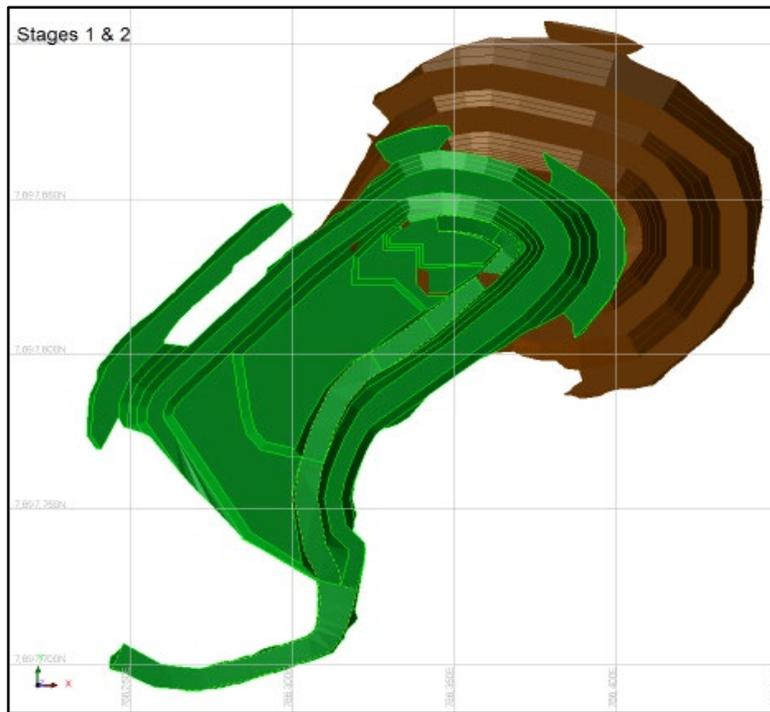
Blast Hole drilling has commenced in the pit area with the initial blast planned for next week. The mining contractor, Maas Group, is currently mobilising the mining fleet with some plant now on site with the balance scheduled to arrive in the coming days.



Blast hole drilling in preparation for initial blast – 16/10/2020

Pit designs and mine planning have been finalised for the planned two stages of cut back which has been preferred to optimise ore timing and maximise near term cash flow.

The two combined cut back designs as per below will allow the economic extraction in this mining campaign of 42,800 tonnes at 6.5g/t for 8,950 Ounces of contained gold at an overall strip ratio of 11:1.



Basic pit outlines Green Stage 1 cut back which will produce around 18,000t of ore material
 Brown Stage 2 cut back which will produce and additional 25,000t of ore material



Toll Processing Agreement

Laneway has executed a Toll Treatment Agreement with Lorena Gold Mine Pty Ltd at the operational Carbon in Leach (CIL) gold processing plant. Laneway's ore is scheduled into Lorena's processing plans during November correlating well with Laneway's mining schedule. Laneway anticipates the Lorena plant will yield >90% gold recoveries given its configuration with the added benefit of robust processing rates (~35 tonnes per hour) which will mean processing of the initial 18,000t batch should be completed in approximately 3 weeks. Laneway should receive payment for the majority of the gold recovered from the initial 18,000t campaign within 60 days of start of mining.

Transportation of the ore should commence before the end of October with ore processing scheduled to commence mid-November. Toll Treatment including crushing has been set as a fixed price per tonne of ore processed.

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



Lorena Gold Mine CIL Processing Plant

Future Plans

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

Other activities are also continuing to be progressed with a view towards the longer-term large-scale development of the project. Infrastructure upgrades, monitoring, modelling and procedures have also been implemented to allow for the collection of baseline environmental data and studies, which will be utilised moving forward as part of the expansion of on-site activities as Laneway continues the development and planning for large scale mining activities including on-site processing at the Agate Creek Project.

Given the current high gold price it is expected more of the current 205,000t of high grade Mineral Resource at Sherwood may be able to be incorporated into economic pit shells for future mining along with the expectation that further high grade Mineral Resources can be identified through carefully targeted future exploration drilling following the high grade Zones to depth.

The long-term aim for the Agate Creek mine is for conventional on-site processing of the larger commercial grade Mineral Resource of 471,000 ounces of gold that has been defined. Additional potential toll treatment of high-grade ore will continue to be targeted in the shorter term to provide additional cash flow to fund significant further exploration and development for the company without the requirement for equity capital raisings.



Laneway's Chairman, Stephen Bizzell commented: "With mining activities now underway at a time of continuing high gold prices, we are looking forward to the significant cash generation from this mining campaign to support the self-funded ongoing appraisal and exploitation of the Agate Creek project and the Company's broader project portfolio."



This Announcement is Authorised by the Board of Directors

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Competent Persons Statements

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

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

ASX Announcement titled:

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

The report is available to view on the Laneway Resources website www.lanewayresources.com.au. 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.