

ASX ANNOUNCEMENT

21 September 2020

Laneway set to resume gold production from Agate Creek under tolling agreement

Highlights

- + Contract mining to commence early October at the high grade Sherwood deposit within Laneway's 100% owned Agate Creek Gold Project in North Queensland.
- + Material from Sherwood to be toll treated at the Lorena Gold Mine CIL processing plant pursuant to a Toll Milling Agreement that has now been signed.
- + The final pit designs and mine plan have been completed optimising ore timing and near term cashflows, and Maas Group have been appointed as the mining contractors.
- + The current campaign is targeting the mining of 43,000t of ore grading 6.5g/t for 8,950oz in two stages: an initial 18,000t to be transported and processed by year end followed by 25,000t of ore which will be stockpiled and scheduled for transportation and processing following the wet season.
- + Laneway anticipates significant positive near term cash flow from this mining campaign with fixed price toll treatment of Sherwood ore scheduled at Lorena in November 2020 and completed within 3 weeks, recoveries forecast at ~90% and majority of the payment for gold produced from the initial stage to be received before year end.
- + Cashflow from this production campaign will allow Laneway to continue to pursue its corporate objectives including ongoing exploration and appraisal of the broader Agate Creek Project without shareholder dilution.
- + Potential for high grade mining beyond the current campaign has been identified with Whittle pit optimisation process also generating a much larger Open Pit Shell containing 120,000 tonnes at 5.7 g/t Au for 22,000 Oz Au with studies underway to facilitate required environmental approvals.
- + Laneway also continues to evaluate and progress the development and planning for large scale mining activities at Agate Creek 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 the final agreements have been put in place to enable recommencement of mining operations at the high grade Sherwood deposit within the 100% owned Agate Creek Gold Project in North Queensland.

Toll Processing Agreement

Laneway has executed a Toll Milling Agreement with Lorena Gold Mine Pty Ltd at the operational Carbon in Leach (CIL) gold processing plant located near Cloncurry in north west Queensland. 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 18,000 t 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 will commence during 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.



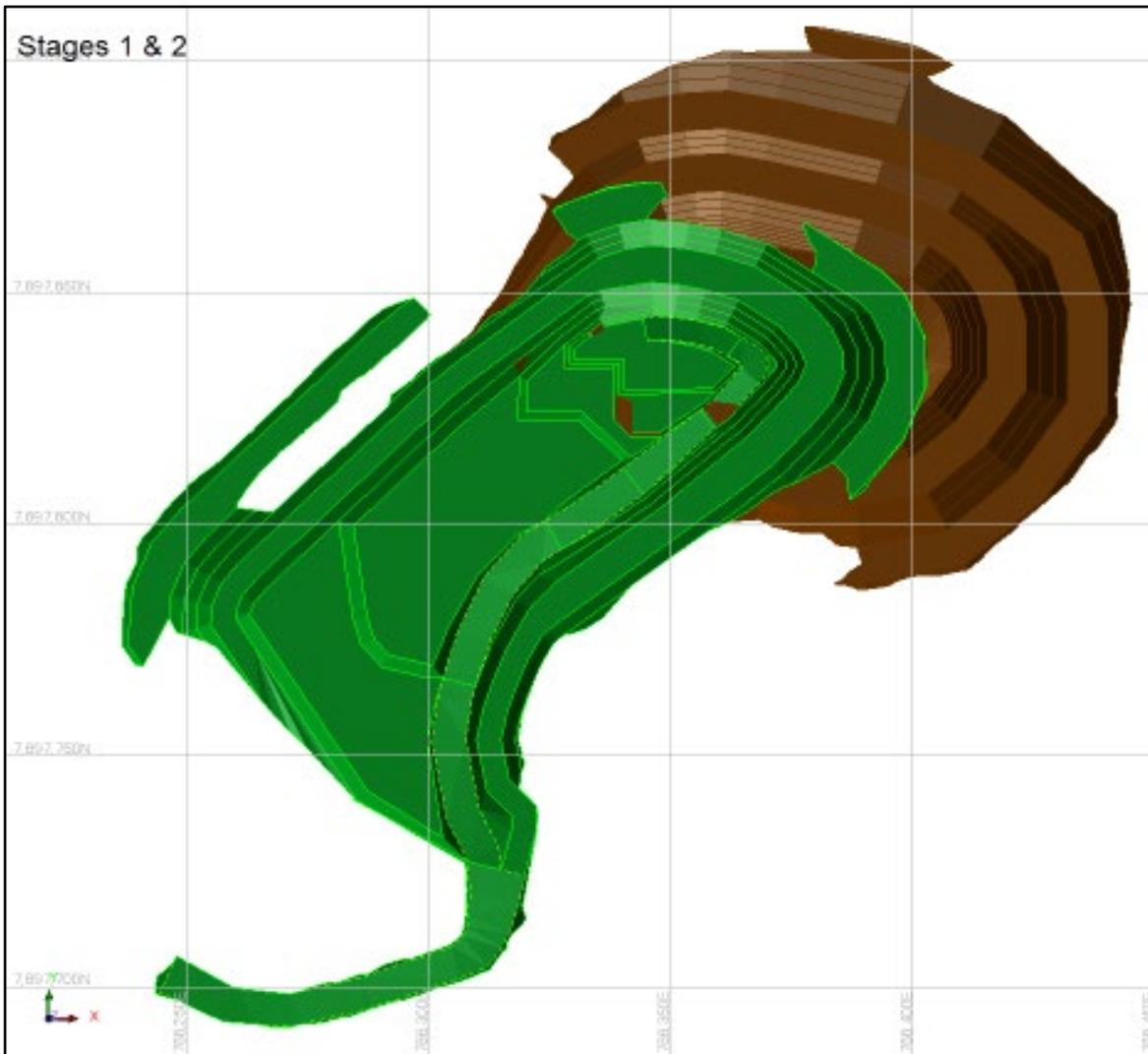
Lorena Gold Mine CIL Processing Plant

Mine Planning and Mining Contract

Pit designs and mine planning have now been completed with several scenarios compared as part of the final mine planning to optimise ore timing and cash flows. A two stage approach has been preferred which will maximise near term cash flow.

Following a competitive tender process, the Mining Contract has been awarded to well credentialed contractor, MAAS Group with final rostering and Safety Management plans now being finalised. Mobilisation of Maas Group’s mining equipment is due to commence late next week, with drill and blast activities to commence shortly thereafter and the expectation mining will commence during the first week of October

The two combined cut back designs as per below will allow the economic extraction in the upcoming mining campaign of 42,800 tonnes at 6.5g/t for 8,950 Ounces of contained gold at an overall stripping 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



Future Plans

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

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

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 at Agate Creek. 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 requirements for equity capital raisings.

Laneway's Chairman, Stephen Bizzell noted: "We are very pleased to have finalised the mine plan and contractual arrangements to enable mining of high-grade gold ore at Agate Creek to commence shortly. We look forward to working with our mining contractor, Maas Group, and processing plant operator, Lorena Gold Mine on this next mining campaign. With the current high Australian dollar gold prices, we expect very healthy cash generation from this mining campaign beginning in the December 2020 Quarter to support the self-funded ongoing exploitation of the Agate Creek Project."

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.