

LANEWAY RESOURCES LIMITED

A.B.N. 75 003 049 714

INTERIM FINANCIAL REPORT

FOR THE HALF-YEAR ENDED 31 DECEMBER 2017

LANEWAY RESOURCES LIMITED

CORPORATE DIRECTORY	
DIRECTORS Stephen Bizzell (Chairman) Rick Anthon Mark Baker Peter Wright	AUSTRALIAN BUSINESS NUMBER ABN 75 003 049 714
SECRETARY Paul Marshall	STOCK EXCHANGE LISTING Australian Securities Exchange ASX Code: LNY ordinary shares
PRINCIPAL BUSINESS ADDRESS Level 9 1 Eagle St Brisbane Qld 4000 Telephone: (07) 3108 3500 Email: admin@lanewayresources.com.au	REGISTERED OFFICE Level 9 1 Eagle St Brisbane Qld 4000
SHARE REGISTRY Link Market Services Ltd Level 21 10 Eagle Street Brisbane Qld 4000 Telephone: 1300 554 474	AUDITORS BDO Audit Pty Ltd Level 10, 12 Creek Street Brisbane QLD 4000 Phone:+ 61 7 3237 5999

**LANEWAY RESOURCES LIMITED
DIRECTORS' REPORT**

Your directors present their report on the consolidated entity consisting of Laneway Resources Limited and the entities it controlled at the end of, or during, the half-year ended 31 December 2017.

Directors

The directors of the company in office during the half-year and until the date of this report are:

SG Bizzell (Chairman)

RS Anthon (Non-executive Director)

CM Baker (Non-executive Director)

P Wright (Non-executive Director) – appointed 31 October 2017

Review and Results of Operations and Significant Changes in the State of Affairs

During the half year, Laneway's progressed the planning and approvals processes for the commencement of mining activities at the Agate Creek gold project in North Queensland, carried out further exploration activities on its gold project in New Zealand and brought its ownership of the Ashford coal project up to 100%.

Agate Creek Gold Project

The Agate Creek Gold Project area covers a total of 647.5 km² comprising the following tenures - EPM's 17788, 26460 and MDL402. There has been approximately 59,000 metres of drilling completed on the project to date. Agate Creek is located 60km due west of the Kidston Gold Mine, which produced 3.4 million ozs in gold and silver between 1985 and 2001, and was for a time Australia's largest single gold producer drawing on a 1.87g/t orebody.

The Agate Creek project is currently defined as two principal areas, Sherwood and Sherwood West, which are situated on the north western edge of a Permian caldera measuring 10km by 5km. Numerous other historic mines are within the Etheridge Gold Field which historically produced 1 million ozs of gold between 1870 and 1914. Laneway strategically controls much of the southern end of the Etheridge Field.

In 2017 Laneway announced (ASX Release 1 February 2017: 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). The global recoverable Mineral Resource is defined for the Agate Creek Project in Table 1 at a 0.5 g/t Au cut-off suitable for a large open pit operation. 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 in Table 2. Table 2 represents a subset of Table1.

0.5 g/t cut-off Resource Classification	Sherwood			Sherwood South			Sherwood West			Total		
	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 - Mineral Resource Figures and Table 2 - High Grade sub set for Mineral Resource

In 2014 a metallurgical sample of 5,472 tonnes of outcropping ore from Sherwood grading 11.2g/t produced 1,725 ozs at a recovered gold grade of 9.8g/t when processed through the nearby Georgetown Plant.

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Mining Lease Application (MLA 100030) has been lodged with Queensland's Department of Natural Resources and Mines (DNRM) over part of the Agate Creek Gold Project. The total area of the MLA is 689.3 Hectares covering the Sherwood and Sherwood West near surface high-grade prospects as well as prospective extensions to the known mineralisation areas. Allowance has also been made within the ML for the location of all necessary infrastructure to support mining operations. The Environmental Authority is also in place (EPSL03068015) for the start of proposed mining operations and Landholder Compensation Agreements are finalised. Native Title arrangements with the Traditional Owners regarding compensation, employment and training opportunities are now being progressed and once concluded will allow the company to seek the grant of the Mining Lease by DNRM.

The grant of the ML would enable the company to commence high-grade (low strip ratio) open cut mining operations at Agate Creek. Utilising an existing processing plant will significantly reduce the capital expenditure and time to first gold production. The start of mining and processing will be able to commence shortly after grant of the Mining Lease subject to any wet season constraints. Several processing options are available and given the simple shallow open cut nature of the orebody, only minor further mine planning and infrastructure is required prior to the start of mining.

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 2017.*

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.

New Zealand Gold Project (100% LNY)

The project comprises two granted exploration permits (EP53469 and EP54216). The Project is located on the North Island of New Zealand within the Hauraki goldfield, within the mineralised corridor that is host to Oceana operating Martha Mine (Waihi); the Golden Cross gold-silver mine and also extends through the New Talisman Karangahake Project.

The Hauraki goldfields have yielded in excess of 45 million ounces of gold and silver from approximately 50 low-sulphidation epithermal deposits. 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. 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. 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.

During the half year Laneway completed drilling the Komata Extension hole LNDD014. The hole was planned to intersect the southern extension of the Empire South-Komata trend which was highlighted by anomalous surface geochemistry. Drilling, logging and selective sampling of the drill hole to 790.8m was completed in January 2018 with samples sent off in 2 assay batches. The drill hole consisted of variably altered andesite with several strongly altered and silicified zones within the target area, along with banded to brecciated quartz veining, minor fluorite veins and disseminated pyrite. Assay results are expected in the next few weeks.

A 5-year Extension of Duration (EoD) was recently granted by NZP&M over the Owharoa EP 54216. The Project area now covers 58km². There are still several drill ready target areas within the project area. The most exciting of these areas is the 500m long Jubilee trend which was historically mined

**LANEWAY RESOURCES LIMITED
DIRECTORS' REPORT**

around the turn of last century. Recorded production was 1,300oz of bullion from 2,118 tons of quartz and several historical reports also state quartz veining was up to 32 feet wide in the lower levels 200m below surface. The Jubilee area has only had 2 holes deeper than 200m drilled and as such retains significant open depth potential, particularly when compared to the Maria vein within the Karangahake Mine which sits 7km directly along trend.

Ashford Coking Coal Project (100% LNY)

The Ashford Coking Coal Project is located approximately 60km north of Inverell (northern NSW) and, prior to the recently completed acquisition, comprised a 50/50 joint venture with Northern Energy Corporation (NEC, a subsidiary of New Hope Corporation)) and Renison Coal Pty Ltd a wholly owned subsidiary of Laneway Resources Ltd. During the period, Laneway entered into a Sale and Purchase Agreement and the acquisition of NEC's interest was completed at the end of January 2018. With the purchase now complete, Laneway now has a 100% interest in the project.

Laneway intends to progress the project towards a Mining Lease Application over the resource area within the next 12 months.

The Ashford Coking Coal Project incorporates the historic Ashford Mine Area (EL 6234 and EL 6428). A new increased resource estimate was completed during the period. Total resources within EL6234 have been now estimated at 14.8 million tonnes of in-situ coal with 6.5 million tonnes classified as Indicated and 8.3 million tonnes as Inferred. Of the total resource, 9.4 million tonnes are likely to be accessible by conventional open cut methods to a 15:1 vertical waste to in-situ coal tonnes stripping ratio cut off. A further 5.4 million tonnes are expected to be mined via high wall mining methods. These estimates reconcile well with previous studies.

Coal Quality studies investigating the potential coking quality from a raw product found that the seam could qualify as a semi hard coking coal provided the raw ash is not above 10.5%.

Method	Indicated (Mt)	Inferred (Mt)	Total (Mt)
Open Cut	5.4	4.0	9.4
Underground	1.0	4.3	5.4
Total	6.5	8.3	14.8

Competent Persons Statement

The information relating to the Mineral Resources at the Ashford Coking Coal Project is extracted from the ASX Announcement as follows:

ASX Announcement titled: 'Ashford Coking Coal Project - Increased Resource' dated 20 November 2017.

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, and also "Australian Guidelines for the Estimation and Classification of Coal Resources, (2014)". 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.

**LANEWAY RESOURCES LIMITED
DIRECTORS' REPORT**

Auditor Independence Declaration under Section 307C of the Corporations Act 2001

The Auditor's Independence Declaration is attached and forms part of the Directors' Report for the half-year ended 31 December 2017.

Signed in accordance with a resolution of the Directors.

A handwritten signature in black ink, appearing to read 'S. Bizzell', written in a cursive style.

**Stephen G Bizzell
Director
Brisbane 15 March 2018**

DECLARATION OF INDEPENDENCE BY T R MANN TO THE DIRECTORS OF LANEWAY RESOURCES LIMITED

As lead auditor for the review of Laneway Resources Limited for the half-year ended 31 December 2017, 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 review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Laneway Resources Limited and the entities it controlled during the period.



T R Mann
Director

BDO Audit Pty Ltd

Brisbane, 15 March 2018

LANEWAY RESOURCES LIMITED
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2017

	Note	31 December 2017 \$	31 December 2016 \$
Revenue		133	650
Finance costs		(24,953)	(3,124)
Employment costs		(240,027)	(181,940)
Other expenses		(157,723)	(148,801)
Loss before tax		(422,570)	(333,215)
Income tax expense		-	-
Loss for the period		(422,570)	(333,215)
Other comprehensive income		-	-
Total comprehensive income for the half-year		(422,570)	(333,215)
Basic loss per share (cents per share)	6	(0.014)	(0.011)
Diluted loss per share (cents per share)	6	(0.014)	(0.011)

The Consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

LANEWAY RESOURCES LIMITED
CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2017

	Note	31 December 2017 \$	30 June 2017 \$
Current Assets			
Cash and cash equivalents	3	67,401	54,017
Trade and other receivables		-	2,352
Financial assets		4,533	4,533
Other current assets		55,691	19,318
Total Current Assets		<u>127,625</u>	<u>80,220</u>
Non-Current Assets			
Trade and other receivables		37,500	37,500
Exploration and evaluation assets	7	10,975,628	10,332,979
Total Non-Current Assets		<u>11,013,128</u>	<u>10,370,479</u>
Total Assets		<u>11,140,753</u>	<u>10,450,699</u>
Current Liabilities			
Trade and other payables	8	1,920,139	1,397,298
Borrowings	9	124,900	-
Provisions		91,091	84,887
Total Current Liabilities		<u>2,136,128</u>	<u>1,482,186</u>
Non-Current Liabilities			
Borrowings	9	290,950	368,620
Provisions		205,650	205,650
Total Non-Current Liabilities		<u>496,600</u>	<u>574,270</u>
Total Liabilities		<u>2,632,730</u>	<u>2,056,455</u>
Net Assets		<u>8,508,023</u>	<u>8,394,243</u>
Equity			
Issued capital	2	126,982,629	126,446,279
Accumulated losses		(118,474,606)	(118,052,036)
Total Equity		<u>8,508,023</u>	<u>8,394,243</u>

The Consolidated Balance Sheet should be read in conjunction with the accompanying notes

LANEWAY RESOURCES LIMITED

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2017**

	Note	31 December 2017 \$	31 December 2016 \$
Cash Flows from Operating Activities			
Cash receipts in the course of operations		133	650
Cash payments in the course of operations		(92,981)	(79,255)
Interest paid		-	(620)
Net cash used in operating activities		<u>(92,848)</u>	<u>(79,225)</u>
Cash Flows from Investing Activities			
Exploration farm-in receipts		-	1,458,905
Payments for exploration & evaluation		(458,018)	(1,425,043)
Net cash used in investing activities		<u>(458,018)</u>	<u>33,861</u>
Cash Flows from Financing Activities			
Proceeds from issue of shares		536,350	-
Advance receipt of placement funds		99,900	-
Loans received		118,000	125,000
Loans (repaid)		(190,000)	-
Repayment of finance lease principal		-	(2,849)
Net cash flows provided by financing activities		<u>564,250</u>	<u>122,151</u>
Net increase/(decrease) in cash held		13,384	76,788
Cash at the beginning of the period		54,017	643,500
Cash at the end of the period	3	<u><u>67,401</u></u>	<u><u>720,288</u></u>

The Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes

LANEWAY RESOURCES LIMITED

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2017**

	Issued Capital	Accumulated Losses	Total
	\$	\$	\$
Balance at 1 July 2016	126,333,515	(117,421,553)	8,911,961
Loss for the period	-	(333,215)	(333,215)
Other comprehensive income	-	-	-
Total comprehensive income	-	(333,215)	(333,215)
Transactions with owners in their capacity with owners			
Total transactions with owners	-	-	-
Balance at 31 December 2016	126,333,515	(117,754,768)	8,578,746
Balance at 1 July 2017	126,446,279	(118,052,036)	8,394,243
Loss for the period	-	(422,570)	(422,570)
Other comprehensive income	-	-	-
Total comprehensive income	-	(422,570)	(422,570)
Transactions with owners in their capacity with owners			
Issue of shares re share placement	536,350	-	536,350
Total transactions with owners	536,350	-	536,350
Balance at 31 December 2017	126,982,629	(118,474,606)	8,508,023

The Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes

LANEWAY RESOURCES LIMITED

1. BASIS OF PREPARATION OF HALF-YEAR FINANCIAL STATEMENTS

This general purpose financial report for the interim half-year reporting period ended 31 December 2017 has been prepared in accordance with Australian Accounting Standard AASB134: Interim Financial Reporting and the Corporations Act 2001.

The interim report does not include all notes of the type normally included in an annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial report. Accordingly, this interim financial report is to be read in conjunction with the annual report for the year ended 30 June 2017 and any public announcements made by Laneway Resources Limited during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The accounting policies and methods of computation adopted are consistent with those of the previous financial year and corresponding interim reporting period. New and revised standards have been issued by the AASB during the half-year; however there are no material changes to the policies that affect measurement of the results or financial position of the consolidated entity.

Fair Values

The fair values of cash and cash equivalents, trade and other receivables, security deposits, interest bearing loans and borrowings and trade and other payables approximate their carrying value.

Going concern basis for accounting

The consolidated entity has a net deficiency of current assets at 31 December 2017 of \$2,008,503 (30 June 2017: \$1,401,966) and has incurred losses of \$422,570 for the half-year period to 31 December 2017 (2016 loss: \$333,215). 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:

- Continuation of debt funding. The company has been advised that its Chairman will continue to support the company until such time as it has raised sufficient further funds either by way of a capital raising, a sale of an interest in a project or by way of a corporate transaction;
- Proceeds from capital raisings by the company;
- Successful implementation of the Agate Creek project development plan leading to commencement of high grade low strip open cut mining at the project;
- 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; and,
- The continued support of the company's trade and other creditors.

As a result of the ongoing support from the Chairman of the company, the anticipated successful implementation of the Agate Creek project or additional capital raisings 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.

LANEWAY RESOURCES LIMITED

2. ISSUED CAPITAL

Ordinary Shares	Half-year Ended Dec 2017		Year Ended June 2017	
	Nos of shares	\$	Nos of shares	\$
Ordinary shares fully paid				
Beginning of the financial period	3,060,666,527	126,446,279	3,023,078,319	126,333,515
Increases				
- Issued to pay creditors (1)	-	-	37,588,208	112,765
- Placement (2)	161,066,072	536,350	-	-
	<u>3,221,732,599</u>	<u>126,982,629</u>	<u>3,060,666,527</u>	<u>126,446,279</u>

(1) Shares issued at 0.3 cents to pay creditors

(2) Issue of shares by way of placement at 0.333 cents per share

Share Options

There were no options on issue at the start, during or at the end of the financial period.

3. RECONCILIATION OF CASH

Cash and cash equivalents at the end of the half-year as shown in the Statement of Cash Flows is reconciled to the related items in the Balance Sheet as follows:

	31 December	Consolidated	31 December
	2017	30 June	2016
	\$	\$	\$
Cash and cash equivalents	67,401	54,017	720,288
	<u>67,401</u>	<u>54,017</u>	<u>720,288</u>

4. CONTINGENT ASSETS AND LIABILITIES

Since the last annual reporting date, there has been no material change of any contingent assets or liabilities.

LANEWAY RESOURCES LIMITED

5. SEGMENT INFORMATION

Reportable Segments

The principal geographical areas of operation of the Consolidated Entity are as follows:

- Australia
- New Zealand

Operating segments are identified on the basis of internal reports that are regularly reviewed by the executive team in order to allocate resources to the segment and assess its performance.

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
31-Dec-17	\$	\$	\$
Revenue:			
Revenue from outside the Consolidated Entity	-	133	133
Other unallocated revenue	-	-	-
Total Revenue	-	133	133
Segment result	-	(422,570)	(422,570)
Income tax	-	-	-
Net Loss	-	(422,570)	(422,570)
Assets:			
Segment assets	556,711	10,469,582	11,026,293
Unallocated corporate assets	-	-	114,460
Consolidated Total Assets	556,711	10,469,582	11,140,753
	New Zealand	Australia	Consolidated
31-Dec-16	\$	\$	\$
Revenue:			
Revenue from outside the Consolidated Entity	-	650	650
Other unallocated revenue	-	-	-
Total Revenue	-	650	650
Segment result	-	(333,215)	(333,215)
Income tax	-	-	-
Net Loss	-	(333,215)	(333,215)
30-Jun-17			
Assets:			
Segment assets	167,842	10,282,857	10,450,699
Unallocated corporate assets	-	-	-
Consolidated Total Assets	167,842	10,282,857	10,450,699

LANEWAY RESOURCES LIMITED

6. LOSS PER SHARE

	Consolidated Entity	
	31 December 2017	31 December 2016
	\$	\$
Loss per share		
Basic and diluted loss per share (cents per share)	(0.014)	(0.011)
The following reflects the income and share data used in the calculations of basic and diluted loss per share:		
Loss for the period	(422,570)	(333,215)
Earnings used in calculating basic and diluted loss per share	(422,570)	(333,215)
Weighted average no. of ordinary shares on issue	3,105,349,173	3,023,078,319

7. EXPLORATION AND EVALUATION ASSETS

	Consolidated Entity	
	Half-year Ended 31 December 2017	Year Ended 30 June 2017
	\$	\$
Exploration costs carried forward in respect of areas of interest		
- Exploration phase	10,975,628	10,332,979
Reconciliation		
Exploration expenditure capitalised		
- Opening balance	10,332,979	9,478,551
- Net Current period/year expenditure	642,649	2,537,188
- Farm-in funds received	-	(1,682,760)
- Written off during the period/year	-	-
Carried forward	10,975,628	10,332,979

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 2015 year in relation to tenements held in New Zealand. During the period ended 30 June 2017 Newcrest provided \$1,682,760 to cover the exploration program. The consolidated entity recognised 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 \$nil remained to meet expenditures in the 2018 year as Newcrest withdrew from the Farm-in as at 30 June 2017.

8. TRADE AND OTHER PAYABLES (CURRENT)

	Consolidated Entity	
	Half-year Ended 31 December 2017	Year Ended 30 June 2017
	\$	\$
Trade creditors	1,343,902	912,988
Other payables and accruals	576,237	484,310
	1,920,139	1,397,298

LANEWAY RESOURCES LIMITED

9. BORROWINGS

	Consolidated Entity	
	Half-year Ended 31 December 2017	Year Ended 30 June 2017
	\$	\$
Current		
Loan from director related entity (b)	25,000	-
Receipt re shares issued post period end (c)	99,900	-
	124,900	-
Non Current		
Loan from director related entity (a)	290,950	368,620

- (a) Secured Loan from Director: Bizzell Nominees Pty Ltd a company associated with Mr Stephen Bizzell has provided a loan facility to the company. The total facility provided is for up to \$2,000,000. At the 31 December 2017 balance date the outstanding balance on the facility was \$290,950 including interest accrued (but not paid) of \$33,950. During the period ended 31 December 2017 drawdowns of \$93,000 and repayments of \$190,000 were made. The interest rate on the loan is 10%.

The loan currently expires on 30 June 2019, bears interest at 10% and is secured by way of a fixed and floating charge over all of the Group's assets.

- (b) Advance from Director: An entity connected with Mr Peter Wright has advanced \$25,000 to Laneway interest free and on no fixed terms.
- (c) Receipts of \$99,900 had been received by the company in relation to the placement of ordinary shares that was completed on 5 January 2018. As at 31 December 2017 this amount was repayable should the placement not be completed.

10. SUBSEQUENT EVENTS

On 5 January 2018 the company issued a total of 125,000,000 ordinary shares at \$0.00333 per share raising \$416,250 in relation to a placement of ordinary shares.

During the half year, Laneway entered into a Sale and Purchase Agreement to acquire the 50% of the Ashford Coking Coal project owned by Northern Energy Corporation Ltd (NEC) (a wholly owned subsidiary of New Hope Corporation (NHC)). The acquisition was completed on 31 January 2018 with the payment of \$375,000 and gives Laneway Resources Ltd, through its wholly owned subsidiary Renison Coal Pty Ltd, a 100% ownership interest in the project.

LANEWAY RESOURCES LIMITED

Directors' Declaration

In the Directors' opinion:

- (a) the attached financial statements and notes as set out on pages 8 to 16 are in accordance with the Corporations Act 2001 and:
 - (i) comply with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001; and
 - (ii) give a true and fair view of the Consolidated Entity's financial position as at 31 December 2017 and of its performance for the half year ended on that date; and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the board of directors.

On behalf of the directors



Stephen G Bizzell
Director

Brisbane
15 March 2018

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Laneway Resources Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Laneway Resources Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated balance sheet as at 31 December 2017, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year then ended, notes comprising a statement of accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of the Group is not in accordance with the *Corporations Act 2001* including:

- (i) Giving a true and fair view of the Group's financial position as at 31 December 2017 and of its financial performance for the half-year ended on that date; and
- (ii) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

Emphasis of matter - Material uncertainty relating to going concern

We draw attention to Note 1 in the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern and therefore the Group may be unable to realise its assets and discharge its liabilities in the normal course of business. Our conclusion is not modified in respect of this matter.

Directors' responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year 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 half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2017 and its financial performance for the half-year ended on that date and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of the Group, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, 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 the Group, would be in the same terms if given to the directors as at the time of this auditor's review report.

BDO Audit Pty Ltd



T R Mann
Director

Brisbane, 15 March 2018