

## ASX ANNOUNCEMENT

8 October 2018

# MINING AND PROCESSING AGREEMENT FOR AGATE CREEK GOLD PROJECT

### Highlights

- + **Mining & Processing Agreement entered into with Maroon Gold to mine and process up to 100,000 tonnes of high grade near surface ore from the Agate Creek Gold Project**
- + **Agreement with Maroon Gold provides for Maroon to undertake and meet the costs of the mining, transportation and processing of ore under Laneway's supervision through Maroon's Black Jack Gold Processing Plant located outside Charters Towers**
- + **Significant milestone for Laneway providing the opportunity to produce gold with minimal capital exposure and realise near term cashflow from the Project following Mining Lease grant**
- + **Mining proposed to commence shortly after grant of the Agate Creek Mining Lease**

The Board of Laneway Resources Limited (**Laneway**, or the **Company**) (**ASX:LNY**) is pleased to announce it has signed an Agreement with, Maroon Gold Pty Ltd (**Maroon**) the owner of the Black Jack Mine Site & Processing Plant at Charters Towers, to undertake mining operations at Agate Creek and process ore through Maroon's wholly owned CIL processing plant.

### Summary of Key Terms of Agreement with Maroon

- 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 and rehabilitation of the disturbed area, will be incurred and paid for by Maroon;
- Gold produced will be paid 60% to Laneway and 40% to Maroon above 3.5 g/t gold head grade with the initial 3.5g/t produced to be retained by Maroon;
- All State Government and Third Party Royalty costs will be shared by both parties in proportion to their share of gold received;
- Compensation arrangements with landholders will be at Laneway's expense; and
- Maroon will provide an interest free unsecured loan to Laneway for an amount of up to \$500,000 to meet costs to be incurred to complete the process for the Mining Lease grant including Native Title and Landholder obligations, tenement holding costs and environmental liability financial assurance requirements.

Laneway's Chairman, Stephen Bizzell, commented: "This 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."

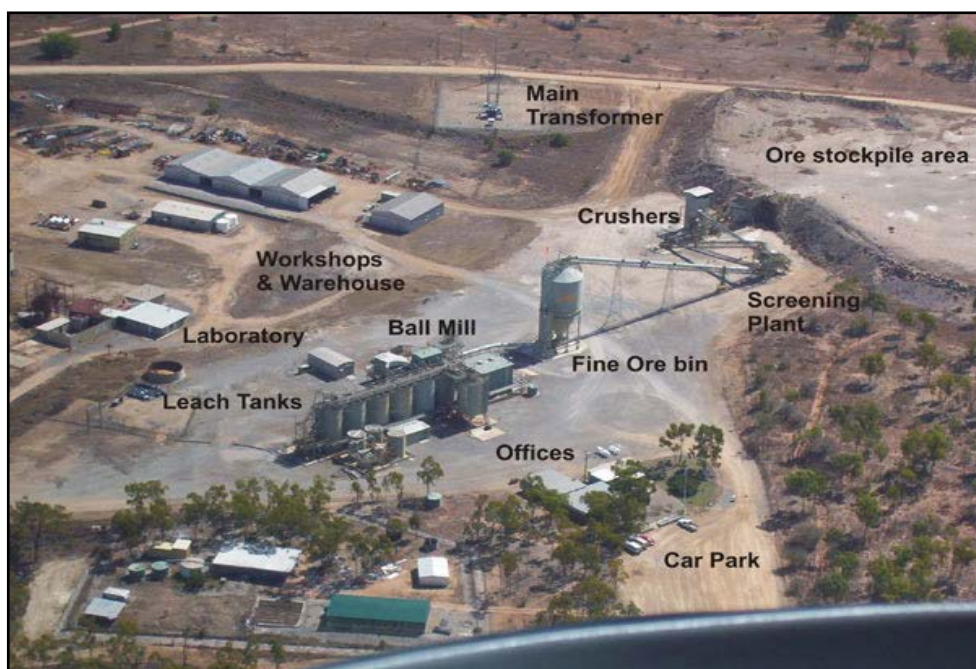
The Agreement establishes the basis for open cut mining, transport and processing operations of high grade ore from the Agate Creek Gold Project (the Project) upon successful grant of the Agate Creek Mining Lease. The Mining Lease Application (MLA 100030) that Laneway lodged in February 2015 with Queensland's Department of Natural Resources and Mines, covers the near surface high grade Sherwood and Sherwood West prospects, as well as areas for all necessary infrastructure to support mining operations. Progress is well advanced on the remaining requirements for the grant of the Mining Lease with the Company expecting these to be completed in the near term.

Pursuant to the Agreement, mining and processing of initially up to 100,000 tonnes of high grade ore from the Project through Maroon's Plant. Commissioning works are currently being finalised at the Black Jack Plant Site (pictured below) which has the capacity to process up to 340,000tpa. Utilising an existing processing plant significantly reduces the capital expenditure and time to first gold production, for Laneway.

Laneway processed a small Metallurgical Sample through a CIL Plant at Georgetown and had previously entered into a Heads of Agreement for the processing of ore from Agate Creek through this plant. The previous Heads of Agreement has been terminated and this Agreement with Maroon Gold provides for a better commercial outcome for Laneway and a more certain route towards commencing mining and processing operations.

The technical and commercial information gained from this initial sample processed in 2014 has been critical to the planning for the further development of the Project. The initial sample of 5,472 dry metric tonnes produced a total of 1,725 ounces of gold was produced at a recovered gold grade of 9.8g/t gold from a feed head grade of 11.2g/t gold (a gold recovery rate of 87%).

The circuit and reagent requirements highlighted by this test has been incorporated into process design improvements during the recommissioning works at the Black Jack Plant which now includes a Falcon concentrator and Gekko Intensive Leach Reactor and other minor changes which the Company expects will achieve recoveries of 90% to 95%.



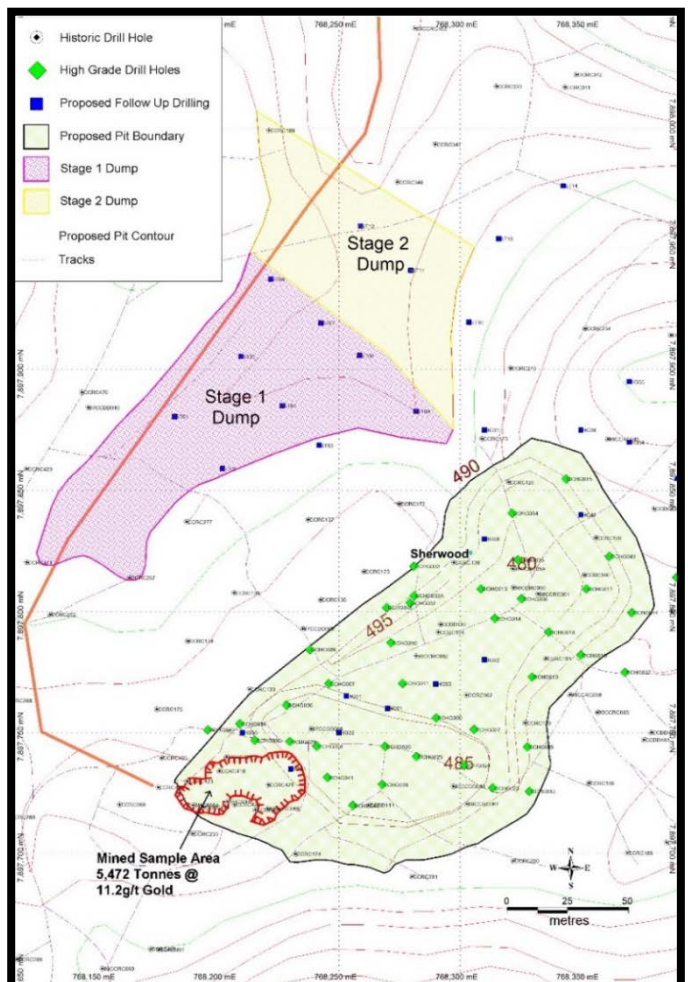
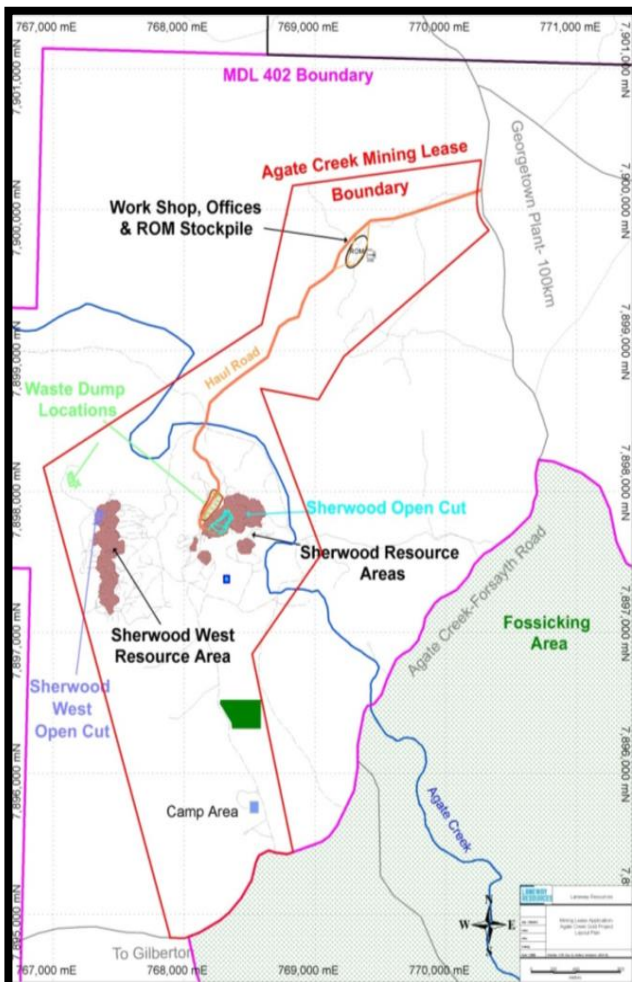
## Background on the Agate Creek Gold Project

The proposed mining operations will be undertaken in the area covered by Mining Lease Application (MLA 100030) which 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. The Environmental Authority is also in place (EPSL03068015) for the start of proposed mining operations.

Landholder Compensation Agreements are finalised. Native Title arrangements with the Traditional Owners regarding compensation, employment and training opportunities are progressing well and once concluded will allow the grant of the Mining Lease by DNRM.

The grant of the ML will allow the Project to progress towards commencing 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.

Given the simple shallow open cut nature of the orebody and the ores low reagent consumption characteristics, only minor mine planning and infrastructure will be required prior to the start of mining. Start of mining and processing will be able to commence shortly after grant of the Mining Lease subject to any wet season constraints.



**ML Application 100030 which hosts Laneways Mineral Resources & Basic Mine Layout**

## Mineral Resource

A global recoverable Mineral Resource is defined for the Agate Creek Project at a 0.5 g/t Au cut-off suitable for a large open pit operation. A continuous high-grade sub-set of the Mineral Resource can be interpreted at cut-off of 2 g/t Au for Sherwood and 1 g/t Au for Sherwood West shown in Table 1.

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
<b>Total</b>	<b>4.20</b>	<b>1.50</b>	<b>197,000</b>	<b>0.30</b>	<b>1.20</b>	<b>12,000</b>	<b>3.70</b>	<b>1.44</b>	<b>171,000</b>	<b>8.20</b>	<b>1.46</b>	<b>381,000</b>
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	
<b>Total</b>			<b>1169</b>	<b>2.16</b>	<b>76,900</b>	<b>146</b>	<b>1.72</b>	<b>8,100</b>	<b>1253</b>	<b>2.16</b>	<b>85,000</b>	

**Mineral Resource Figures and Table 1 - High Grade sub set of Mineral Resource**

For and on behalf of the Board  
**JPK Marshall**  
**Company Secretary**

**For further information contact:**  
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## Competent Persons Statements

The information in this report that relates to Exploration Results 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:

**'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](http://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.