



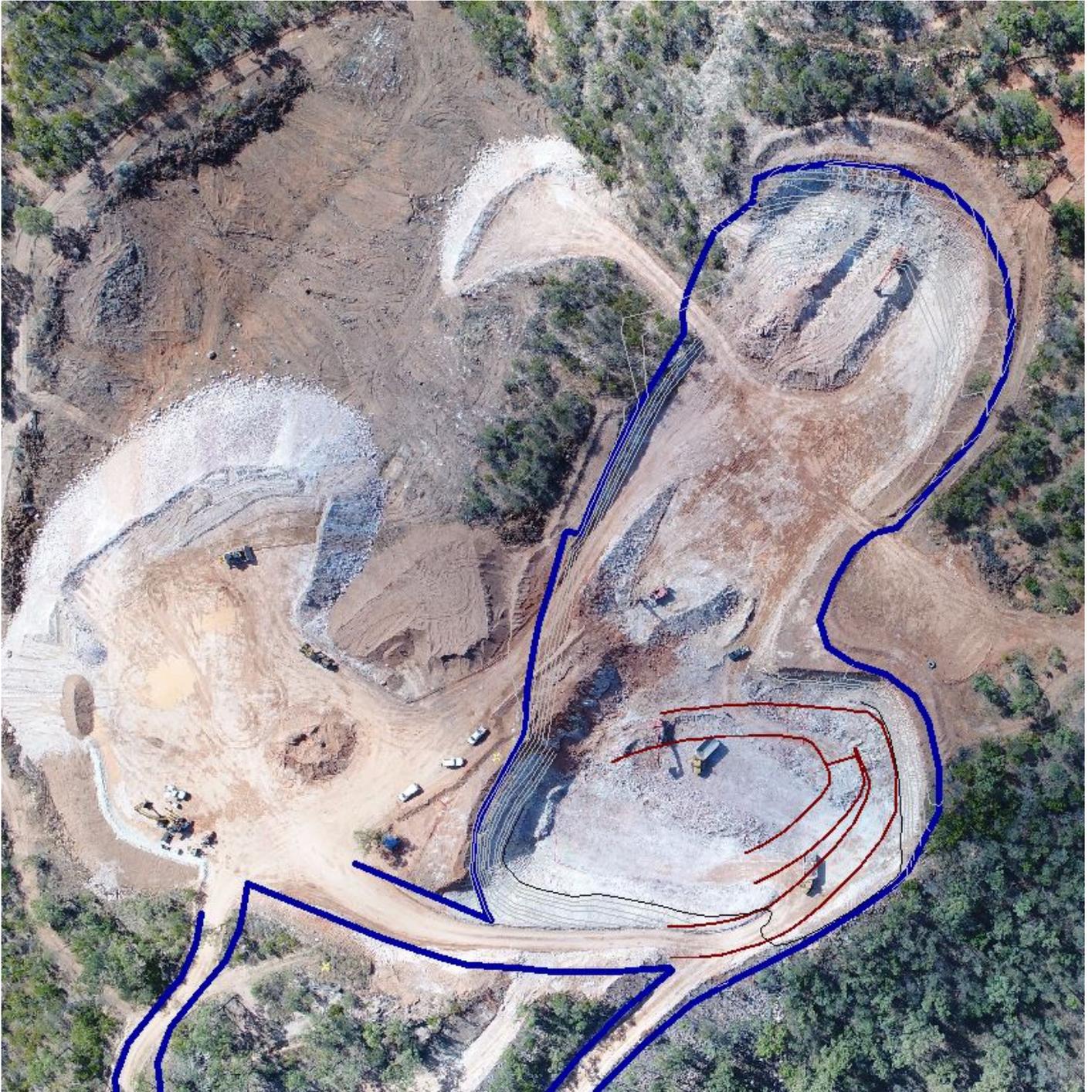
## ASX ANNOUNCEMENT

26 June 2019

### Agate Creek Gold Production Update

#### Highlights

- + Mining, transportation and processing of ore is continuing according to plan at Laneway Resources' 100% owned Agate Creek Gold Mine with over 26,000 tonnes of ore now mined and processed through Maroon Gold's Black Jack Gold Processing Plant at Charters Towers.
- + Monthly production data for May has now been reconciled with 3,493 ounces of gold recovered during May from the processing of 13,679 tonnes of Agate Creek ore with a reconciled head grade of 8.04 g/t gold.
- + Processing plant recovery has continued at over 98% with 65% of the gold produced via Gravity / ILR (Intensive Leach Reactor) methods and the balance recovered by CIL (Carbon in Leach).
- + Total refined gold sold during the month was 3,490 ounces with refined gold sold in the period, since the project commenced operations in April, to 31 May is 4,814 ounces.
- + Laneway's share of the reconciled gold sales to 31 May is 1,766 ounces and the value realised for Laneway's net share of refined gold sold in this period is approximately \$3.23 million.
- + Average processing rate at the Black Jack Gold Plant for May was 20 tonnes per hour (tph), with a steady state processing rate achieved of 22 tph for the Agate Creek ore through the plant. Mining & Processing is being undertaken pursuant to the Agreement Laneway has entered into with Maroon which allows toll treatment of up to 100,000 t of the high-grade ore through Maroon's Gold Processing Plant.
- + Mining continued steadily at site during May with strip ratios continuing at around 6:1 - with this ratio anticipated to be the overall average for the full mining period. Mining is currently scheduled to continue for another 7-8 weeks, with ore transportation to Charters Towers expected to continue for up to 2 weeks following the end of mining, while onsite rehabilitation is being completed.
- + Updated pit designs are currently being completed incorporating the recently announced high grade drilling results. The mining schedules will then be reviewed to determine the potential to incorporate additional ore tonnages for mining as part of this program, and any change to the mining term.
- + Laneway is achieving material positive cash flow from the current mining activities at the Agate Creek high grade project aided by continuing high prices for AUD denominated gold. The cash flow being generated will enable the Company to progress its project portfolio with a primary focus on planned Resource expansion at Agate Creek.
- + Planning is well advanced for further drilling programs at Agate Creek targeting further potential high-grade zones and with an objective of adding to the existing Resource.



**Figure 1 Overview of current pit and waste dump areas**

The Board of Laneway Resources Limited (“Laneway” or “the Company”) (ASX:LNY) is pleased to provide an update on mining activities and advise of the reconciled monthly results for May, of mining and processing of high-grade ore at the Sherwood deposit within the 100% owned Agate Creek Gold Project in North Queensland.

The Company brought the project into production quickly following the grant by the Queensland Government Department of Natural Resources, Mines and Energy of a Mining Lease (ML100030) over the Sherwood deposit - achieving the first gold pour on 22 April, within 10 weeks of the Lease being granted

Overall gold recovery for May totalled 3,493 ounces from 13,679 tonnes of material with a reconciled grade of 8.04 g/t. Gold bullion was poured from gold and silver recovered by gravity, ILR (Intensive Leach Reactor) and CIL (Carbon in Leach) extraction methods at Maroon’s Black Jack Processing Plant. Refined gold sold during the month totalled 3,490 ounces of 99.999% gold. Current plant recoveries continue to be higher than expected with over 98% being maintained since start-up. Significantly, 65% of this gold has been recovered through the Gravity / ILR

portion of the plant with additional gold recovery achieved via traditional CIL methods. Bullion refined has averaged around 73% gold and 26% silver in line with expectations given the high gravity recoveries.

Processing rates are currently averaging  $\approx 20$  tonnes per hour, with 22tph the steady state rate being consistently achieved for processing Agate Creek ore through the Black Jack Plant. The processing rate is being continually reviewed to create the optimum metallurgical conditions to continue the current excellent recovery rates. Processing is expected to continue for around 10 weeks assuming processing rates continue around 22 tph.

During May the mined ore blocks were of overall lower grade than those mined during April hence the lower overall average head grade. The recovered gold grades remain significantly higher than the modelled figures incorporated in the Sherwood High Grade subset of the Resources estimate of 89,000t @ 6.01g/t (refer Table 2 below). This is likely to be due to the selective mining techniques, aimed at minimisation of dilution, being undertaken onsite. This is likely to reduce the overall tonnes being mined as part of this program whilst not reducing the total contained ounces recoverable significantly, however the recent drilling may also increase initially anticipated ore tonnes available to be mined economically.

During May stripping ratios continued around 6:1 with this ratio expected to be the overall average for the mining period. On-site at Agate Creek mining is being undertaken by conventional load and haul techniques utilising 40t Articulated Mining trucks being loaded by an excavator. Grade control and geological supervision is being conducted by Laneway personnel focussing on maintaining high grade ore with minimal dilution. Mining is currently scheduled to continue for around another 7-8 weeks, with ore transportation to Maroon Gold's Plant at Charters Towers expected to continue for 2 weeks following end of mining.

Pursuant to the Mining and Processing Agreement entered into with Maroon, the ore is being transported to and then processed through Maroon's wholly owned Black Jack Gold processing plant. Utilising an existing processing plant has significantly reduced the capital expenditure and time to first gold production for Laneway. Costs covered by the agreement include, but are not limited to, mining; transportation, crushing and processing of ore; and rehabilitation of the disturbed area, and are being incurred and paid for by Maroon. Gold produced is being paid 60% to Laneway and 40% to Maroon when above a 3.5 g/t gold head grade with the initial 3.5g/t produced being retained by Maroon towards the mining, transport and processing costs.

Since mining operations commenced at Agate Creek over 26,000t have been mined and processed through Maroon's Black Jack Plant. Recoveries are still over 98% with  $\approx 6,700\text{Oz}$  recovered up to 16<sup>th</sup> June with the unreconciled head grade for the entire period averaging  $\approx 8.3$  g/t Au.

Laneway's share of the reconciled gold sold from 17 April to 31 May totals 1,766 ounces with net proceeds of approximately \$3.2 million. The initial advance provided by Maroon to Laneway has now been fully repaid.

Laneway is achieving material positive cash flow from the mining activities at the Agate Creek high grade project aided by recent high prices for AUD denominated gold. The expected cash flow will establish a sound financial platform for the company to progress its project portfolio including planned exploration targeting resource expansion at Agate Creek and exploration appraisal of the broader Agate Creek Project area.

Planning is well advanced for further drilling programs at Agate Creek targeting additional potential high-grade zones - including potential extensions of the zones currently being mined. Additional exploration will also target other identified mineralised zones that have previously only been evaluated for potential large tonnage low grade processing. Geological understanding gained from the current mining campaign will allow for greater targeted drilling of the ore zones with the potential to add to the existing Mineral Resource.

The exploration within Laneway's large Exploration Tenement area at Agate Creek will be advanced with the objectives of confirming the potential for additional small tonnage high grade zoned deposits capable of being toll treated along with the targeting of additional large tonnage targets to supplement the possible long term mining and processing of the lower grade Agate Creek Resources onsite.

## Mineral Resource

A global recoverable Mineral Resource has been 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 shown in Table 2 ( NB: These mineral estimates were completed prior to receipt of the results from the recent drilling program & prior to the current mining activities and do not include impacts of either.)

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>	

Table 1 - Mineral Resource Figures and Table 2 - High Grade sub set for Mineral Resource

For and on behalf of the Board

JPK Marshall  
Company Secretary

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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.