

ASX ANNOUNCEMENT

15th March 2019

Progress towards Mining at Agate Creek Gold Project

Highlights

- + Significant progress has been made towards the commencement of mining operations in the past month since the Queensland Government Department of Natural Resources, Mines and Energy advised of the grant of a Mining Lease (ML100030) at Laneway Resources' 100% owned Agate Creek Gold Project.
- + Laneway currently expects mining activities to commence in early April with transportation of ore and processing through Maroon Gold's Plant at Charters Towers to follow shortly thereafter.
- + The Company has lodged the Financial Assurance under the project's Environmental Authority required to enable commencement of mining activities.
- + Necessary repairs to the roads for the ore transportation route from Agate Creek to the processing plant which were affected by the recent severe weather and flooding in North Queensland are nearing completion.
- + Mining camp has now been mobilised to site and the mining fleet is expected to be mobilised to site over the next two weeks.
- + Pit designs for the initial mining campaign have been finalised.
- + The mining, transportation and processing activities are to be carried out pursuant to the Mining and Processing Agreement Laneway has entered into with Maroon Gold Pty Ltd which will allow toll treatment of high-grade ore through Maroon's Gold Processing Plant at Charters Towers.
- + Laneway anticipates material positive cash flow from the mining activities at the Agate Creek high grade project aided by recent high prices for AUD denominated gold.
- + Maroon Gold have notified Laneway that their Black Jack Gold Processing Plant was not damaged by the recent severe weather event and, after a period of being shut down due to limited road access from Charters Towers, the Plant has now been restarted and is currently fully operational.

The Board of Laneway Resources Limited ("Laneway" or "the Company") (ASX:LNY) is pleased to advise of the significant progress that has been made towards the commencement of mining operations following the grant last month by the Queensland Government Department of Natural Resources, Mines and Energy of a Mining Lease (ML100030) over the Sherwood deposit within the 100% owned Agate Creek Gold Project in North Queensland.

The Commencement Date of the Mining Lease was 1 March 2019 and the Company has lodged a Financial Assurance under the project's Environmental Authority (EPSL03068015) which was required prior to being able to commence mining activities. The total area of the Mining Lease is 689.3 Hectares which covers the Sherwood and Sherwood West near surface high-grade prospects along with prospective extensions to the known mineralisation areas.

It is now expected that mining operations will commence in early April. Pursuant to the Mining and Processing Agreement entered into with Maroon Gold Pty Ltd (Maroon), the ore will be transported to and then processed through Maroon's wholly owned CIL processing plant. Maroon has recently completed the recommissioning of the Black Jack Plant Site (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.

Due to the recent severe weather and flooding that affected North Queensland, particularly the Townsville region, council and state road damage assessments and repairs have had to be completed prior to mobilisation of mining equipment to site and before road haulage of ore from Agate Creek to the Black Jack Processing Plant at Charters Towers can commence. These works are nearing completion and the mining camp has now been able to be mobilised to site and mining equipment should be able to be mobilised to site over the next two weeks.

Maroon Gold have notified Laneway that their Black Jack Gold Processing Plant was not damaged by the recent severe weather event and, after a period of being shut down due to limited road access from Charters Towers, the Plant has now been restarted and is currently fully operational.

The results of the recent drilling program that returned spectacular high grade gold assay results (refer ASX Announcement of 14 January 2019) are being incorporated into the existing resource model with final ore block definition to establish key mining areas near completion. Numerous and consistent high-grade intersections were encountered in the recent drilling program with several intersections exceeding 100 g/t gold and grades of up to 564 g/t gold. Several of these high grade intervals are within 10m of current land surface and as such it is expected will be part of some of the earliest material to be mined, transported and processed.

The proposed mining operations will be undertaken in the area covered by the Mining Lease (ML100030) over part of the Agate Creek Gold Project.

Pit designs for the initial mining campaign have been finalized to enable the start of mining and reflect the simple shallow open cut nature of the orebody.

Laneway anticipates material positive cash flow this year 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 the Ashford Coking Coal project, its NZ Gold assets and additional exploration appraisal of the broader Agate Creek Project area.

For and on behalf of the Board

JPK Marshall
Company Secretary

For further information contact:
Stephen Bizzell
Chairman, Laneway Resources
Phone: (07) 3108 3500
E-Mail: admin@lanewayresources.com.au

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.