

LANEWAY RESOURCES LIMITED

A.B.N. 75 003 049 714

INTERIM FINANCIAL REPORT

FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

LANEWAY RESOURCES LIMITED

CORPORATE DIRECTORY	
DIRECTORS Stephen Bizzell (Chairman) Rick Anthon Mark Baker	AUSTRALIAN BUSINESS NUMBER ABN 75 003 049 714
SECRETARY Paul Marshall	STOCK EXCHANGE LISTING Australian Securities Exchange ASX Codes: 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 15 324 Queen St Brisbane Qld 4000 Telephone: 1300 554 474	AUDITORS BDO Audit Pty Ltd Level 10, 12 Creek Street Brisbane QLD 4000 Phone:+ 617 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 2014.

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 – appointed 2 October 2014)

BW Harrison (Non-executive Director – resigned 2 October 2014)

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

Agate Creek Gold Project

The Agate Creek Gold Project is comprised of EPM's 17626, 17629, 17632, 17739, 17788, 17949 and MDL402 (the "Project") with over 58,697 metres of drilling completed to date. In 2011 Laneway Resources compiled a JORC (2004) compliant Resource, comprising a combined Indicated and Inferred Mineral Resource of 9.5Mt at 1.36g/t gold for 414,000oz at a 0.5g/t gold cut-off grade.

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	3.01	1.53	147,000				2.94	1.31	124,000	5.95	1.42	271,000
Inferred	1.38	1.36	60,000	0.30	1.34	13,000	1.84	1.17	70,000	3.52	1.26	143,000
Total	4.39	1.47	207,000	0.30	1.34	13,000	4.78	1.25	194,000	9.47	1.36	414,000

Grade and tonnage rounded to two decimal places. Ounces calculated after rounding and reported to nearest 1,000 ounces.

During the period the Company completed a 4,257m reverse circulation (RC) drill program (the "Program"). The program met its objective of demonstrating a material extension at Sherwood of the shallow high grade mineralisation beyond the area of the Metallurgical Sample that was extracted in early 2014 and yielded 5,472 tonnes @ 11.2 g/t gold supporting the potential for near term production via the Georgetown processing plant. Mineralisation extends for over 200m down dip and 100m along strike and remains open in 3 directions from the Metallurgical Sample, with results from the Program confirming the high grade nature of the target zone including 1m @ 90.4 g/t (HG28). Significant results received from the Program include:

- 6m @ 24.3 g/t gold from 6m (HG28), including 2m @ 59.0 g/t from 7m
- 1m @ 61.9 g/t gold from 9m (HG27)
- 3m @ 7.7 g/t gold from 6m as well as 3m @ 10.7g/t gold from 14m (HG26)
- 3m @ 9.6g/t gold from 13m (HG06)
- 1m @ 14.5 g/t gold from 17m; 2m @ 12g/t gold from 47m and 3m @ 4.2g/t gold from 65m (HG10)

The Program also confirmed that Sherwood West, located approximately 1km west of Sherwood, contains near surface high grade mineralisation, similar to that at Sherwood with the most significant result being 6m @ 8.2 g/t gold from 9m including 1m @ 21.6 g/t gold from 9m and 2m @ 11.3 g/t gold from 11m (CCRC507). Follow up infill drilling will be completed at a later date to better define the high grade zones and allow further mine planning works that may result in the extension of the Agate Creek mine life.

The success of the Program has given increased confidence of the potential of the Project and the Company will soon commence another drilling program aimed at defining the shallow high grade Resource further. Following the completion of this next drill program the Company intends to table an updated JORC Resource.

LANEWAY RESOURCES LIMITED DIRECTORS' REPORT

The Company lodged a Mining Lease Application (MLA) with Queensland's Department of Natural Resources and Mines (DNRM) over its Agate Creek Gold Project (ASX release 25 February 2015). The MLA covers the near surface high grade Sherwood and Sherwood West prospects, as well as areas for all necessary infrastructure to support mining operations. The Company is progressing all things necessary to bring the Project into production via the Georgetown processing plant which will significantly reduce capital expenditures requirements, as well as time to first gold production.

Competent Persons Statement

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 in this report that relates to Mineral Resources 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 2004 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.

This Mineral Resource information was prepared and first disclosed under the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported.

Corporate

During the period since 30 June 2014 the company has also undertaken:

- A \$400,000 convertible note capital raising was successfully completed by way of the issue of 160,000,000 unlisted 26 June 2015 convertible notes. Each note is convertible into one ordinary fully paid share in Laneway. If the note is not converted by the redemption date then the Company will redeem the convertible notes at the redemption date by repayment to the note holder of the subscription amount.
- A capital raising of \$599,000 via a share issue at an issue price of 0.3 cents per share was completed in December.
- A Drilling Funding Agreement was entered into for up to \$350,000 worth of drilling and associated activities to be funded by the issue of up to 100,000,000 ordinary shares at an issue price of 0.35 cents per share. This agreement enabled the company to undertake the successful Agate Creek drilling program during the period.
- Subsequent to the end of the period a further Capital Raising of \$750,000 via a share issue of 250 million shares at an issue price of 0.3 cents per share was announced. Placement participants will be also issued a free attaching option to acquire a further share at 0.3 cents exercisable before 23 June 2015 (subject to any necessary shareholder approvals).
- Also subsequent to the end of the period a further Drilling Funding Agreement was established for up to \$300,000 worth of drilling and associated activities to be funded by the issue of up to 60 million ordinary shares at an issue price of 0.5 cents per share with 30 million free attaching options exercisable at 0.8 cents (subject to any necessary shareholder approvals).

**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 2014.

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 16 March 2015**


DECLARATION OF INDEPENDENCE BY K L COLYER TO THE DIRECTORS OF LANEWAY RESOURCES LIMITED

As lead auditor for the review of Laneway Resources Limited for the half-year ended 31 December 2014, 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.

BDO Audit Pty Ltd



K L Colyer
Director

Brisbane, 16 March 2015

LANEWAY RESOURCES LIMITED
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

	Note	31 December 2014 \$	31 December 2013 \$
Revenue		1	-
Depreciation and amortisation expenses		(3,392)	(10,514)
Finance costs	9	(33,160)	(363,529)
Exploration costs written off	8	(2,186,279)	-
Employment costs		(206,777)	(188,383)
Other expenses		(214,510)	(422,919)
Loss before tax		<u>(2,644,117)</u>	<u>(985,345)</u>
Income tax expense		-	-
Loss for the period		<u>(2,644,117)</u>	<u>(985,345)</u>
Other comprehensive income		-	-
Total comprehensive income for the half-year		<u>(2,644,117)</u>	<u>(985,345)</u>
Total comprehensive income for the half year is attributable to:			
Owners of Laneway Resources Limited		<u>(2,644,117)</u>	<u>(985,345)</u>
Basic loss per share (cents per share)	7	(0.19)	(0.12)
Diluted loss per share (cents per share)	7	(0.19)	(0.12)

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 2014

	Note	31 December 2014 \$	30 June 2014 \$
Current Assets			
Cash and cash equivalents	3	60,483	99,062
Trade and other receivables		35,495	-
Financial assets		4,083	4,083
Other current assets		49,711	19,503
Total Current Assets		<u>149,772</u>	<u>122,648</u>
Non-Current Assets			
Trade and other receivables		90,000	85,000
Property, plant & equipment		2,258	5,649
Exploration and evaluation assets	8	9,054,457	10,612,595
Total Non-Current Assets		<u>9,146,715</u>	<u>10,703,245</u>
Total Assets		<u>9,296,487</u>	<u>10,825,893</u>
Current Liabilities			
Trade and other payables		2,185,179	2,197,525
Borrowings	9	480,081	109,545
Provisions		54,504	35,967
Total Current Liabilities		<u>2,719,764</u>	<u>2,343,037</u>
Non-Current Liabilities			
Borrowings	9	360,787	499,090
Provisions		205,650	205,650
Total Non-Current Liabilities		<u>566,437</u>	<u>704,740</u>
Total Liabilities		<u>3,286,201</u>	<u>3,047,777</u>
Net Assets		<u>6,010,286</u>	<u>7,778,116</u>
Equity			
Issued capital	2	122,251,577	121,375,290
Accumulated losses		(116,241,291)	(113,597,174)
Total Equity		<u>6,010,286</u>	<u>7,778,116</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 2014**

	Note	31 December 2014 \$	31 December 2013 \$
Cash Flows from Operating Activities			
Cash receipts in the course of operations		-	-
Cash payments in the course of operations		(439,894)	(250,909)
Interest received		1	-
Interest paid		(10,711)	(1,390)
Net cash used in operating activities		<u>(450,604)</u>	<u>(252,299)</u>
Cash Flows from Investing Activities			
Payments for exploration & evaluation		(391,740)	(497,541)
Exploration drilling grant received		-	141,708
Tenement security deposits		(5,000)	10,000
Net cash used in investing activities		<u>(396,740)</u>	<u>(345,833)</u>
Cash Flows from Financing Activities			
Proceeds from share issues		598,981	330,634
Proceeds from convertible note issue		300,000	-
Advance receipts re capital raising		70,000	-
Proceeds from borrowings		-	235,000
Repayment of borrowings		(155,574)	-
Repayment of finance lease principal		(4,642)	(4,880)
Net cash flows provided by financing activities		<u>808,765</u>	<u>560,754</u>
Net increase/(decrease) in cash held		(38,579)	(37,378)
Cash at the beginning of the period		99,062	32,990
Cash at the end of the period	3	<u>60,483</u>	<u>(4,388)</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 2014**

	Issued Capital	Accumulated Losses	Total
	\$	\$	\$
Balance at 1 July 2013	99,335,123	(111,960,271)	(12,625,148)
Loss for the period	-	(985,345)	(985,345)
Other comprehensive income	-	-	-
Total comprehensive income	<u>99,335,123</u>	<u>(112,945,616)</u>	<u>(13,610,493)</u>
Transactions with owners in their capacity with owners			
Issue of shares re share placement and entitlement offer	1,299,212	-	1,299,212
Issue of shares re project acquisition	20,000	-	20,000
Issue of shares to repay creditors and borrowings	<u>20,720,955</u>	<u>-</u>	<u>20,720,955</u>
Total transactions with owners	<u>22,040,167</u>	<u>-</u>	<u>22,040,167</u>
Balance at 31 December 2013	<u>121,375,290</u>	<u>(112,945,616)</u>	<u>8,429,674</u>
Balance at 1 July 2014	121,375,290	(113,597,174)	7,778,116
Loss for the period	-	(2,644,117)	(2,644,117)
Other comprehensive income	-	-	-
Total comprehensive income	<u>121,375,290</u>	<u>(116,241,291)</u>	<u>5,133,999</u>
Transactions with owners in their capacity with owners			
Issue of shares re share placement	398,980	-	398,980
Issue of shares re drill funding agreement	245,000	-	245,000
Issue of shares to repay creditors and borrowings	<u>232,307</u>	<u>-</u>	<u>232,307</u>
Total transactions with owners	<u>876,287</u>	<u>-</u>	<u>876,287</u>
Balance at 31 December 2014	<u>122,251,577</u>	<u>(116,241,291)</u>	<u>6,010,286</u>

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

LANEWAY RESOURCES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

1. BASIS OF PREPARATION OF HALF-YEAR FINANCIAL STATEMENTS

This general purpose financial report for the interim half-year reporting period ended 31 December 2014 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 2014 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 trade and other receivables, security deposits, financial assets at fair value through profit and loss, 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 2014 of \$2,569,992 (30 June 2014: \$2,220,389) and has incurred losses of \$2,644,117 (including a non-cash expense of \$2,186,279 in relation to a write off of previously capitalised exploration expenditure) for the half-year period to 31 December 2014 (2013 loss: \$985,345). 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.

During the period the company raised a total of \$400,000 from an issue of convertible notes, a total of \$398,980 from a share placement, repaid other loans and creditors of \$232,307 and paid for exploration drilling of \$245,000 by the issue of shares in the company.

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 additional 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; and
- 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.

As a result of the ongoing support from the Chairman of the company and the anticipated successful asset sales 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.

LANEWAY RESOURCES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2014**

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.

2. ISSUED CAPITAL

	Half-year Ended Dec 2014		Year Ended June 2014	
	Nos of shares	\$	Nos of shares	\$
Ordinary shares fully paid				
Beginning of the financial period	1,378,598,483	121,375,290	68,496,150	99,335,123
Increases				
- Placement and entitlement offer (1)	-	-	86,614,164	1,299,212
- Repayment of related party loan (2)	-	-	1,091,012,088	19,638,218
- Issue to pay loan funds non-related parties (3)	-	-	117,920,547	884,404
- Issue to pay director fees (4)	-	-	13,222,200	198,333
- Project acquisition (5)	-	-	1,333,334	20,000
- Issue to pay creditor (6)	12,150,056	32,307	-	-
- Placement (7)	132,993,528	398,980	-	-
- Issue to pay director fees and repay loans (8)	66,666,666	200,000	-	-
- Issue to pay exploration drilling costs (9)	70,000,000	245,000	-	-
	1,660,408,733	122,251,577	1,378,598,483	121,375,290

- (1) Issue of shares by way of placement and entitlement offer to shareholders at 1.5 cents per share
(2) Repayment of loan funds advanced by a director related entity. A total of \$19.638m was repaid by the issue of shares at 1.8 cents per share
(3) Loan funds advanced by non-related parties were repaid by the issue of shares at 0.075 cents per share
(4) Outstanding director fees owed to non-executive directors were repaid by the issue of shares at 1.5 cents per share
(5) Shares were issued at 1.5 cents per share in relation to project acquisition costs
(6) Shares issued at 0.2559 cents to pay creditor
(7) Issue of shares by way of placement at 0.3 cents per share
(8) Outstanding director fees and loans were repaid by the issue of shares at 0.3 cents per share
(9) Shares issued at 0.35 cents to pay exploration drilling costs

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 2014 \$	Consolidated 30 June 2014 \$	31 December 2013 \$
Cash and cash equivalents	60,483	99,062	-
Borrowings - overdraft	-	-	(4,388)
	60,483	99,062	(4,388)

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2014**

5. SUBSEQUENT EVENTS

Subsequent to the end of the reporting period the Company announced the following:

- Capital raising of \$750,000 via a share issue of 250 million shares at an issue price of 0.3 cents per share. Placement participants will be also issued a free attaching option to acquire a further share at 0.3 cents exercisable before 23 June 2015 (subject to any necessary shareholder approvals). On 12 March 2015 an initial tranche of 192,333,332 ordinary shares and 51,666,667 unlisted \$0.003 23 June 2015 Options was issued, with the balance of the issues to be made once shareholder approval has been obtained.
- A further Drilling Funding Agreement has also been established for up to \$300,000 worth of drilling and associated activities to be funded by the issue of up to 60 million ordinary shares at an issue price of 0.5 cents per share with 30 million free attaching options exercisable at 0.8 cents (subject to any necessary shareholder approvals).
- The proceeds of the capital raising and the Drilling Funding Agreement to be primarily focused on funding exploration activities and project approvals at Agate Creek Gold Project.

6. 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-14	\$	\$	\$
Revenue:			
Revenue from outside the Consolidated Entity	-	1	1
Other unallocated revenue	-	-	-
Total Revenue	-	1	1
Segment result	-	(2,644,117)	(2,644,117)
Income tax	-	-	-
Net Loss	-	(2,644,117)	(2,644,117)
Assets:			
Segment assets	384,744	8,761,971	9,146,715
Unallocated corporate assets	-	-	149,772
Consolidated Total Assets	384,744	8,761,971	9,296,487

LANEWAY RESOURCES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2014**

	New Zealand	Australia	Consolidated
31-Dec-13	\$	\$	\$
Revenue:			
Revenue from outside the Consolidated Entity	-	-	-
Other unallocated revenue	-	-	-
Total Revenue	-	-	-
Segment result	-	(985,345)	(985,345)
Income tax	-	-	-
Net Loss	-	(985,345)	(985,345)
30-Jun-14			
Assets:			
Segment assets	314,325	10,388,920	10,703,245
Unallocated corporate assets	-	122,648	122,648
Consolidated Total Assets	314,325	10,511,568	10,825,893

7. LOSS PER SHARE

	Consolidated Entity	
	31 December 2014 \$	31 December 2013 \$
Loss per share		
Basic and diluted loss per share (cents per share)	(0.19)	(0.12)

The following reflects the income and share data used in the calculations of basic and diluted loss per share:

Loss for the period	(2,644,117)	(985,345)
Earnings used in calculating basic and diluted loss per share	(2,644,117)	(985,345)
Weighted average no. of ordinary shares on issue	1,428,115,865	829,019,953

8. EXPLORATION AND EVALUATION ASSETS

	Consolidated Entity	
	Half-year Ended 31 December 2014 \$	Year Ended 30 June 2014 \$
Exploration costs carried forward in respect of areas of interest		
- Exploration phase	9,054,457	10,612,595
Reconciliation		
Exploration expenditure capitalised		
- Opening balance	10,612,595	10,488,444
- Net Current period/year expenditure	628,141	967,197
- Grants received	-	(141,708)
- Current year sales of minerals	-	(806,894)
- Bad debt write off	-	466,894
- Written off during the period/year ¹	(2,186,279)	(361,339)
Carried forward	9,054,457	10,612,595

¹ During the prior period the company decided to cease any further exploration and analysis activities at certain tenements and accordingly capitalised costs associated with these tenements were written off.

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 RESOURCES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2014**

9. FINANCIAL LIABILITIES

	Consolidated Entity	
	Half-year Ended 31 December 2014	Year Ended 30 June 2014
	\$	\$
Current		
Lease Liabilities	10,081	9,545
Advance proceeds for capital raising (a)	70,000	100,000
Convertible Notes (b)	400,000	-
	<u>480,081</u>	<u>109,545</u>
 Non Current		
Lease Liabilities	8,319	13,497
Loan from director related entity (c)	352,468	485,593
	<u>360,787</u>	<u>499,090</u>

- (a) Advance proceeds for capital raising: As at 31 December 2014 the company had received a total of \$70,000 in relation to the capital raising undertaken after the end of the financial period (see note 5).
- (b) The company completed a capital raising by way of the issue of 160,000,000 unlisted 26 June 2015 convertible notes during the half year. Each note is convertible into one ordinary fully paid share in Laneway. If the note is not converted by the redemption date then the Company will redeem the convertible notes at the redemption date by repayment to the note holder of the subscription amount.
- (c) 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 2014 balance date the outstanding balance on the facility was \$352,468 including interest accrued (but not paid) during the half year period of \$22,449. During the period ended 31 December 2014 net repayments of the loan of \$55,574 were made while \$100,000 was repaid by the issue of shares at \$0.003 per share. The interest rate on the loan is 10%.

LANEWAY RESOURCES LIMITED

DIRECTORS' DECLARATION

In the directors' opinion:

- the attached financial statements and notes thereto comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes thereto give a true and fair view of the consolidated entity's financial position as at 31 December 2014 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5) of the Corporations Act 2001.

On behalf of the directors



Stephen G Bizzell
Director

Brisbane
16 March 2015

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Laneway Resources Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Laneway Resources Limited, which comprises the balance sheet as at 31 December 2014, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the half-year ended on that date, notes comprising a statement of accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year's end or from time to time during the half-year.

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 consolidated entity's financial position as at 31 December 2014 and its 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 Laneway Resources Limited, 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 Laneway Resources Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

Conclusion

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 Laneway Resources Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2014 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*

Emphasis of matter

Without modifying our conclusion, we draw attention to Note 1 in the half-year financial report, which indicates that the ability of the consolidated entity to continue as a going concern is dependent upon the continued debt funding by the executive chairman, the future successful raising of necessary funding through equity, successful exploration and subsequent exploitation of the consolidated entity's tenements, and/or sale of non-core assets. These conditions, along with other matters as set out in Note 1, indicate the existence of a material uncertainty that may cast significant doubt about the consolidated entity's ability to continue as a going concern and therefore, the consolidated entity may be unable to realise its assets and discharge its liabilities in the normal course of business.

BDO Audit Pty Ltd

BDO



K L Colyer
Director

Brisbane, 16 March 2015