

**LANEWAY RESOURCES LIMITED**

**A.B.N. 75 003 049 714**

**INTERIM FINANCIAL REPORT**

**FOR THE HALF-YEAR ENDED 31 DECEMBER 2015**

**LANEWAY RESOURCES LIMITED**

| <b>CORPORATE DIRECTORY</b>   |  |
|--|--|
| <b>DIRECTORS</b><br>Stephen Bizzell (Chairman)<br>Rick Anthon<br>Mark Baker  | <b>AUSTRALIAN BUSINESS NUMBER</b><br>ABN 75 003 049 714  |
| <b>SECRETARY</b><br>Paul Marshall  | <b>STOCK EXCHANGE LISTING</b><br>Australian Securities Exchange<br>ASX Codes:<br>LNY ordinary shares             |
| <b>PRINCIPAL BUSINESS ADDRESS</b><br>Level 9<br>1 Eagle St<br>Brisbane Qld 4000<br>Telephone: (07) 3108 3500<br>Email: admin@lanewayresources.com.au | <b>REGISTERED OFFICE</b><br>Level 9<br>1 Eagle St<br>Brisbane Qld 4000   |
| <b>SHARE REGISTRY</b><br>Link Market Services Ltd<br>Level 15<br>324 Queen St<br>Brisbane Qld 4000<br>Telephone: 1300 554 474                        | <b>AUDITORS</b><br>BDO Audit Pty Ltd<br>Level 10, 12 Creek Street<br>Brisbane QLD 4000<br>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 2015.

**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)

**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, along with a Mining Licence Application ML100030, with approximately 59,000 metres of drilling completed 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.

Agate Creek 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. Overlying sandstone units have been partly eroded to reveal the original Permian volcanic topography including outcropping gold mineralisation. 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.

On 1 February 2016 Laneway announced (ASX Release 1 February 2016: 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), which replaced the previous 2011 Mineral Resource announcement.

The 2016 update includes drilling completed in 2014 and 2015 and also a high grade zone at Sherwood with an Indicated Mineral Resource of 89,000 tonnes @ 6.0 g/t (Table 2).

The global recoverable Mineral Resource in Table 1 is at a 0.5 g/t Au cut-off suitable for a large open pit operation.

**Table 1: Total recoverable Mineral Resource at 0.5 g/t gold cut-off grade (rounded to '000 oz)**

| Classification | Sherwood |        |        | Sherwood South |        |       | Sherwood West |        |        | Total |        |        |
|----------------|----------|--------|--------|----------------|--------|-------|---------------|--------|--------|-------|--------|--------|
|                | Mt       | Au g/t | Au oz  | Mt             | Au g/t | Au oz | Mt            | Au g/t | Au oz  | Mt    | Au g/t | Au oz  |
| Indicated      | 2.8      | 1.6    | 140000 | 0.0            |        |       | 2.2           | 1.6    | 112000 | 5.0   | 1.6    | 252000 |
| Inferred       | 1.4      | 1.3    | 57000  | 0.3            | 1.2    | 12000 | 1.5           | 1.2    | 59000  | 3.2   | 1.2    | 128000 |
| Total          | 4.2      | 1.5    | 197000 | 0.3            | 1.2    | 12000 | 3.7           | 1.4    | 171000 | 8.2   | 1.4    | 381000 |

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 and reported in Table 2. Table 2 represents a subset of Table 1.

**Table 2: High grade Mineral Resource subsets (rounded to '00 oz)**

| Area          | Cut-off<br>Au g/t | Indicated |        |       | Inferred |        |       | Total |        |       |
|---------------|-------------------|-----------|--------|-------|----------|--------|-------|-------|--------|-------|
|               |                   | Kt        | Au g/t | Au oz | Kt       | Au g/t | Au oz | Kt    | Au g/t | Au oz |
| Sherwood      | 2.0               | 89        | 6.01   | 17300 | 0        |        |       | 89    | 6.01   | 17300 |
| Sherwood West | 1.0               | 1018      | 1.82   | 59600 | 146      | 1.72   | 8100  | 1164  | 1.81   | 67700 |
| Total         |                   | 1107      | 2.16   | 76900 | 146      | 1.72   | 8100  | 1254  | 2.11   | 85000 |

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.

## LANEWAY RESOURCES LIMITED DIRECTORS' REPORT

In June 2015, Laneway entered a 200,000 tonne high grade processing heads of agreement with Etheridge Operations Pty Ltd (Etheridge), the operator of the Georgetown Plant, under which Etheridge would mine, transport and process Agate Creek ore at the Georgetown Plant. Georgetown is situated 100km north of Agate Creek on well-made bitumen and gravel roads.

Etheridge acquired the Georgetown Plant in December 2014, and has subsequently funded drilling of the Agate Creek high grade by a share payment agreement. A Mining Lease application covering the known Agate Creek orebody was lodged with the Queensland Department of Natural Resources & Mines in early 2015. The statutory period for public notification of the Agate Creek Mining Lease Application and public objections to the granting of the Lease expired on 8 December, 2015, without any objections being received by the Department.

Etheridge has advised that in addition to the recommissioning of the Georgetown Plant it is testing United States-sourced centrifugal equipment aimed at a higher percentage gravity recovery of fine gold from the Agate Creek ores. Extensive metallurgical testing indicates that up to 40% of the Agate Creek gold is recoverable by gravity extraction. This has the potential to position the Agate Creek project as a low cost producer.

Etheridge has further advised Laneway that, in addition to bringing the Georgetown Plant back into production at its full 200,000 tpa capacity, it has acquired a further 350,000 tpa milling capacity through its purchase of the Collingwood hard rock tin plant near Cooktown. The Collingwood circuit includes a modern 1992 Marcy ball mill, which combined with the existing Georgetown milling capacity provides the potential to boost mid-term gold production from Agate Creek by significantly lowering the cut-off grade for ore that could be economically processed through the plant.

The Company intends to undertake a further 2,500 m drilling program to:

- Extend the identified high grade mineralisation;
- Ensure the planned waste dump locations do not sterilise potential ore grade material; and
- Drill test identified regional targets.

The drilling program is to be funded pursuant to drilling funding arrangements agreed in 2015. Planning and approvals for the program have been undertaken and the Company is ready to undertake the program in the coming months.

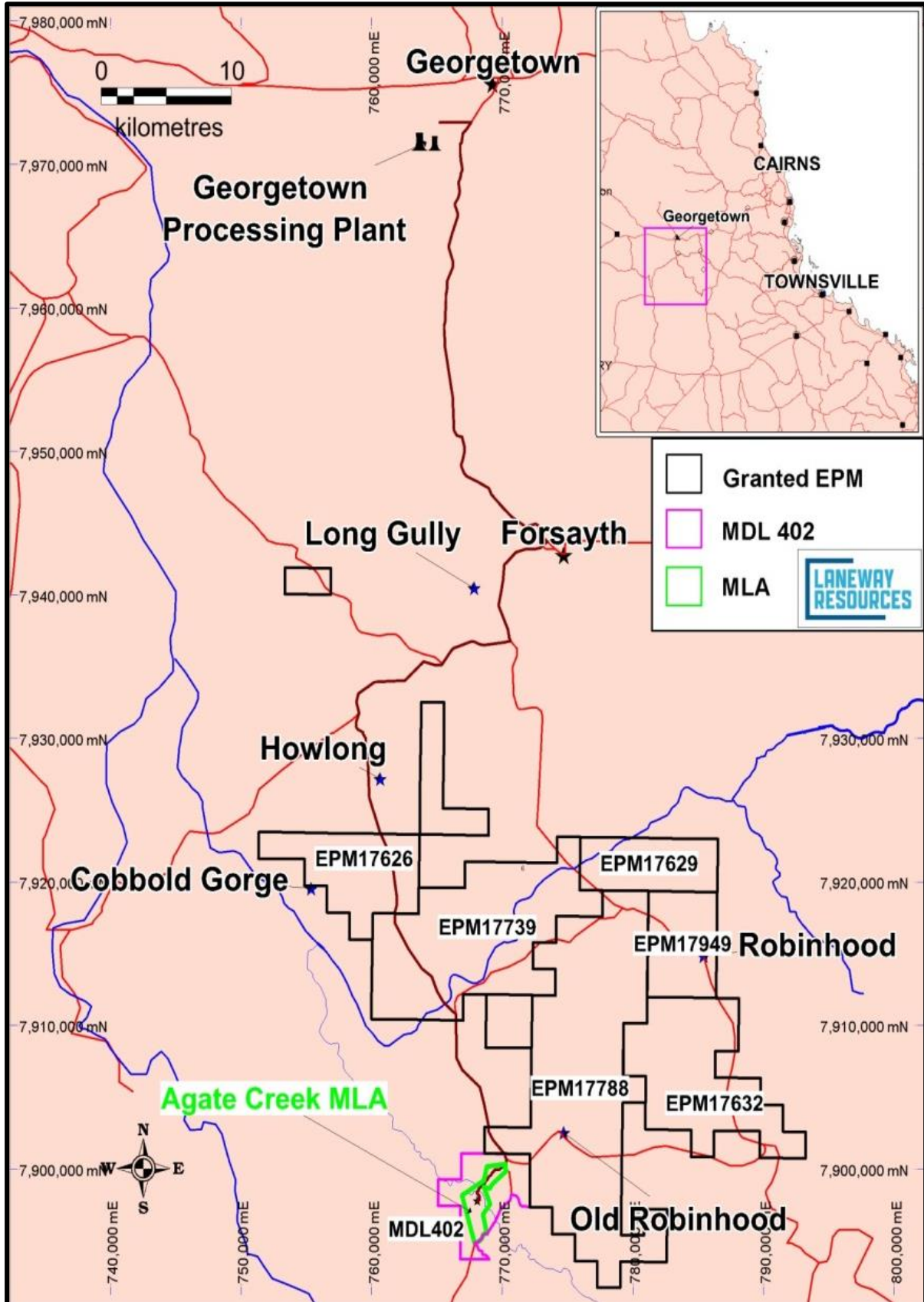
### **Competent Persons Statement**

*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 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.*

LANEWAY RESOURCES LIMITED  
DIRECTORS' REPORT



Agate Creek Project Map

**LANEWAY RESOURCES LIMITED**  
**DIRECTORS' REPORT**

**Southern Coromandel Gold Project (100% LNY)**

Following Laneway's announcements of 1<sup>st</sup> June 2015 & 13<sup>th</sup> July 2015 with respect to the entering into of a Farm-in Agreement with Newcrest, exploration activities have progressed in the period.

Key terms of the SCJV Agreement include:

- Newcrest to solely fund two stages of Minimum Work Programs associated with the Permits, with the first stage forming a Minimum Commitment;
- Laneway will be the Manager of the Project during the Earn-in period and will earn a Management Fee. At its election Newcrest may elect to become the Manager;
- Upon completing both Minimum Work Programs for either Permit Newcrest has the right to earn 80% of the Project/Permit and will be named on title;
- Following the Farm-In period, the parties may enter into a Joint Venture to jointly fund the future development of the Project in accordance with their equity position;
- If Laneway elects not to fund the ongoing development of the Joint Venture after the Farm-in period, its interest will be diluted through a mutually agreed formula. If Laneway's interest in the Project dilutes below 10% then it will convert to a Net Smelter Royalty (NSR) of 2%; and
- Newcrest may elect to purchase 1% of the NSR for \$500,000.

The Southern Coromandel Joint Venture Gold Project is located on the North Island of New Zealand in the Hauraki goldfield, within the mineralised corridor that is host to the historic Karangahake and Golden Cross gold-silver mines, and in the same district as Oceana Gold's Waihi Mine. Drill sites for the Phase 1 Drilling Program have been selected. Processes have been started to obtain consents and approvals from landholders and other stakeholders to undertake a diamond drilling program that will target known mineralised structures. Tenders from drilling contractors have been received and the process of award started. The diamond drill program will commence as soon as the relevant approvals are received.

Ridge & Spur Soil Sampling throughout both EP53469 (Waitekauri) & EP54216 (Owharoa) commenced in August and is ongoing. Soil Samples are being taken every 100m along both ridges and spurs. Basic Geological Mapping as well as Rock Chipping are being completed whilst Soil Sampling. Sample lines are approximately 500m apart topography dependant.

The soil sampling program was completed with a total of 876 soil samples (along with 22 field duplicates and 34 standards) collected across both permits. The soils were completed in conjunction with rockchip sampling and 79 samples were collected (along with 1 standard). All assays for soil sampling have been received and results are encouraging. Rockchips included six samples over 0.1g/t Au, three of which were from the northern extension of Jubilee and three were from regional areas.

An Induced Polarisation geophysical survey has now also been planned and commenced in late January 2016 with the aim to help better define drill targets through-out the tenements in conjunction with the soil geochemistry results.

Subsequent Events

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

- A total of 234,373,031 \$0.003 31/1/16 options were exercised with the 234,373,031 shares being issued in February 2016. The company received \$130,000, repaid loans of \$74,640 and repaid creditors of \$498,479 in relation to the exercise of the unlisted 31/1/16 options.
- 82,666,667 ordinary shares were issued following the completion of a placement at \$0.003 per share to raise \$248,000 and 66,666,667 ordinary shares which were issued at \$0.003, as part of

**LANEWAY RESOURCES LIMITED  
DIRECTORS' REPORT**

the underwritten shortfall under the 31/1/16 option expiry underwriting agreement, in part repayment (\$200,000) of a loan advanced to the company.

**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 2015.

Signed in accordance with a resolution of the Directors.

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

**Stephen G Bizzell  
Director  
Brisbane 15 March 2016**

**LANEWAY RESOURCES LIMITED  
AUDITOR'S INDEPENDENCE DECLARATION**



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**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 2015, 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.

A handwritten signature in black ink, appearing to read 'T R Mann', with a long horizontal flourish extending to the right.

**T R Mann**  
Director

**BDO Audit Pty Ltd**

Brisbane, 15 March 2016



**LANEWAY RESOURCES LIMITED**  
**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE HALF-YEAR ENDED 31 DECEMBER 2015**

|  | Note | 31 December<br>2015<br>\$ | 31 December<br>2014<br>\$ |
|--|------|---------------------------|---------------------------|
| <b>Revenue</b>   |      | 1                         | 1                         |
| Depreciation and amortisation expenses                           |      | (630)                     | (3,392)                   |
| Finance costs  |      | (25,288)                  | (33,160)                  |
| Exploration costs written off                                    | 8    | -                         | (2,186,279)               |
| Employment costs   |      | (191,835)                 | (206,777)                 |
| Other expenses   |      | (157,898)                 | (214,510)                 |
| <b>Loss before tax</b>   |      | <u>(375,651)</u>          | <u>(2,644,117)</u>        |
| Income tax expense   |      | -                         | -                         |
| <b>Loss for the period</b>                                       |      | <u>(375,651)</u>          | <u>(2,644,117)</u>        |
| <b>Other comprehensive income</b>                                |      | -                         | -                         |
| <b>Total comprehensive income for the half-year</b>              |      | <u>(375,651)</u>          | <u>(2,644,117)</u>        |
| Total comprehensive income for the half year is attributable to: |      |                           |                           |
| <b>Owners of Laneway Resources Limited</b>                       |      | <u>(375,651)</u>          | <u>(2,644,117)</u>        |
| Basic loss per share (cents per share)                           | 7    | (0.018)                   | (0.19)                    |
| Diluted loss per share (cents per share)                         | 7    | (0.018)                   | (0.19)                    |

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 2015**

|                                      | Note | 31 December<br>2015<br>\$ | 30 June<br>2015<br>\$ |
|--------------------------------------|------|---------------------------|-----------------------|
| <b>Current Assets</b>                |      |                           |                       |
| Cash and cash equivalents            | 3    | 179,718                   | 41,911                |
| Trade and other receivables          |      | -                         | -                     |
| Financial assets                     |      | 4,233                     | 4,233                 |
| Other current assets                 |      | 46,577                    | 19,339                |
| <b>Total Current Assets</b>          |      | <u>230,528</u>            | <u>65,483</u>         |
| <b>Non-Current Assets</b>            |      |                           |                       |
| Trade and other receivables          |      | 40,000                    | 80,000                |
| Property, plant & equipment          |      | 829                       | 1,459                 |
| Exploration and evaluation assets    | 8    | 9,595,481                 | 9,520,722             |
| <b>Total Non-Current Assets</b>      |      | <u>9,636,310</u>          | <u>9,602,181</u>      |
| <b>Total Assets</b>                  |      | <u>9,866,838</u>          | <u>9,667,665</u>      |
| <b>Current Liabilities</b>           |      |                           |                       |
| Trade and other payables             | 10   | 1,525,957                 | 2,386,378             |
| Borrowings                           | 9    | 410,753                   | 199,463               |
| Provisions                           |      | 60,574                    | 60,769                |
| <b>Total Current Liabilities</b>     |      | <u>1,997,284</u>          | <u>2,646,609</u>      |
| <b>Non-Current Liabilities</b>       |      |                           |                       |
| Borrowings                           | 9    | 23,057                    | 150,226               |
| Provisions                           |      | 205,650                   | 205,650               |
| <b>Total Non-Current Liabilities</b> |      | <u>228,707</u>            | <u>355,876</u>        |
| <b>Total Liabilities</b>             |      | <u>2,225,990</u>          | <u>3,002,485</u>      |
| <b>Net Assets</b>                    |      | <u>7,640,847</u>          | <u>6,665,180</u>      |
| <b>Equity</b>                        |      |                           |                       |
| Issued capital                       | 2    | 124,729,895               | 123,378,577           |
| Accumulated losses                   |      | (117,089,048)             | (116,713,397)         |
| <b>Total Equity</b>                  |      | <u>7,640,847</u>          | <u>6,665,180</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 2015**

|  | Note | 31 December<br>2015<br>\$ | 31 December<br>2014<br>\$ |
|--|------|---------------------------|---------------------------|
| <b>Cash Flows from Operating Activities</b>            |      |                           |                           |
| Cash receipts in the course of operations              |      | -                         | -                         |
| Cash payments in the course of operations              |      | (178,624)                 | (439,894)                 |
| Interest received                                      |      | 1                         | 1                         |
| Interest paid  |      | (5,904)                   | (10,711)                  |
| <b>Net cash used in operating activities</b>           |      | <u>(184,527)</u>          | <u>(450,604)</u>          |
| <b>Cash Flows from Investing Activities</b>            |      |                           |                           |
| Tenement security deposits                             |      | 40,000                    | (5,000)                   |
| Exploration farm-in receipts                           |      | 516,378                   | -                         |
| Payments for exploration & evaluation                  |      | (718,253)                 | (391,740)                 |
| <b>Net cash used in investing activities</b>           |      | <u>(161,875)</u>          | <u>(396,740)</u>          |
| <b>Cash Flows from Financing Activities</b>            |      |                           |                           |
| Proceeds from issue of shares                          |      | 265,000                   | 598,981                   |
| Proceeds from issue of convertible notes               |      | -                         | 300,000                   |
| Advance Receipts re capital raising                    |      | -                         | 70,000                    |
| Loans received   |      | 296,387                   | -                         |
| Loans (repaid)   |      | (72,000)                  | (155,574)                 |
| Repayment of hp/finance lease principal                |      | (5,178)                   | (4,642)                   |
| <b>Net cash flows provided by financing activities</b> |      | <u>484,209</u>            | <u>808,765</u>            |
| Net increase/(decrease) in cash held                   |      | 137,807                   | (38,579)                  |
| Cash at the beginning of the period                    |      | 41,911                    | 99,062                    |
| <b>Cash at the end of the period</b>                   | 3    | <u>179,718</u>            | <u>60,483</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 2015**

|   | <b>Issued<br/>Capital</b> | <b>Accumulated<br/>Losses</b> | <b>Total</b>     |
|---|---------------------------|-------------------------------|------------------|
|   | <b>\$</b>                 | <b>\$</b>                     | <b>\$</b>        |
| <b>Balance at 1 July 2014</b>                                 | 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                                    | -                         | (2,644,117)                   | (2,644,117)      |
| <b>Transactions with owners in their capacity with owners</b> |                           |                               |                  |
| 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             | 232,307                   | -                             | 232,307          |
| Total transactions with owners                                | 876,287                   | -                             | 876,287          |
| <b>Balance at 31 December 2014</b>                            | <b>122,251,577</b>        | <b>(116,241,291)</b>          | <b>6,010,286</b> |
| <b>Balance at 1 July 2015</b>                                 |                           |                               |                  |
|   | 123,378,577               | (116,713,397)                 | 6,665,180        |
| Loss for the period   | -                         | (375,651)                     | (375,651)        |
| Other comprehensive income                                    | -                         | -                             | -                |
| Total comprehensive income                                    | -                         | (375,651)                     | (375,651)        |
| <b>Transactions with owners in their capacity with owners</b> |                           |                               |                  |
| Issue of shares re share placement                            | 360,000                   | -                             | 360,000          |
| Issue of shares re drill funding agreement                    | 823,818                   | -                             | 823,818          |
| Issue of shares to repay creditors and borrowings             | 167,500                   | -                             | 167,500          |
| Total transactions with owners                                | 1,351,318                 | -                             | 1,351,318        |
| <b>Balance at 31 December 2015</b>                            | <b>124,729,895</b>        | <b>(117,089,048)</b>          | <b>7,640,847</b> |

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 2015

#### 1. BASIS OF PREPARATION OF HALF-YEAR FINANCIAL STATEMENTS

This general purpose financial report for the interim half-year reporting period ended 31 December 2015 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 2015 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 2015 of \$1,766,756 (30 June 2015: \$2,581,126) and has incurred losses of \$375,651 for the half-year period to 31 December 2015 (2014 loss: \$2,644,117 - including a non-cash expense of \$2,186,279 in relation to a write off of previously capitalised exploration expenditure)). 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 \$360,000 from a share placement, repaid a loan of \$59,472, creditors of \$764,346 and paid for exploration drilling of \$167,500 by the issue of shares in the company.

Subsequent to the end of the period the company received \$378,000, repaid loans of \$274,640 and repaid creditors of \$498,479 following the exercise of unlisted 31/1/16 options, a placement of shares and the placement of the underwritten option exercise shortfall.

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, 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.

**LANEWAY RESOURCES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2015**

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.

**2. ISSUED CAPITAL**

| Ordinary Shares                                 | Half-year Ended Dec 2015 |                    | Year Ended June 2015 |                    |
|---|--------------------------|--------------------|----------------------|--------------------|
|   | Nos of shares            | \$                 | Nos of shares        | \$                 |
| Ordinary shares fully paid                      |                          |                    |                      |                    |
| Beginning of the financial period               | 2,062,742,065            | 123,378,577        | 1,378,598,483        | 121,375,290        |
| Increases                                       |                          |                    |                      |                    |
| - Issued to pay creditor (1)                    | -                        | -                  | 12,150,056           | 32,307             |
| - Placement (2)                                 | -                        | -                  | 325,326,860          | 975,980            |
| - Issued to pay director fees/loan advances (3) | -                        | -                  | 66,666,666           | 200,000            |
| - Issued to pay exploration drilling costs (4)  | -                        | -                  | 70,000,000           | 245,000            |
| - Exercise of convertible notes (5)             | -                        | -                  | 160,000,000          | 400,000            |
| - Exercise of unlisted options (6)              | -                        | -                  | 50,000,000           | 150,000            |
| - Placement (7)                                 | 120,000,000              | 360,000            | -                    | -                  |
| - Issued to repay loan advances (8)             | 19,823,860               | 59,472             | -                    | -                  |
| - Issued to pay creditors (9)                   | 254,782,222              | 764,346            | -                    | -                  |
| - Issued to pay exploration drilling costs (10) | 47,857,140               | 167,500            | -                    | -                  |
|   | <u>2,505,205,287</u>     | <u>124,729,895</u> | <u>2,062,742,065</u> | <u>123,378,577</u> |

(1) Shares issued at 0.2559 cents to pay creditor

(2) Issue of shares by way of placement at 0.3 cents per share

(3) Outstanding director fees and loans were repaid by the issue of shares at 0.3 cents per share

(4) Shares issued at 0.35 cents to pay exploration drilling costs

(5) Shares issued at 0.25 cents following the exercise of unlisted convertible notes

(6) Shares issued at 0.3 cents following the exercise of unlisted 23/6/15 options

(7) Issue of shares by way of placement at 0.3 cents per share

(8) Outstanding director loan was repaid by the issue of shares at 0.3 cents per share

(9) Creditors were repaid by the issue of shares at 0.3 cents per share

(10) Shares issued at 0.35 cents to pay exploration drilling costs

**Share Options**

The following options were on issue at the start and at the end of the financial period.

| Terms                                      | 1-Jul-15 | additions   | exercised | expired | 31-Dec-15   |
|--|----------|-------------|-----------|---------|-------------|
| Unlisted Options 0.3 cents 31 January 2015 | -        | 535,272,747 | -         | -       | 535,272,747 |

The company issued a total of 535,272,747 unlisted 31 January 2016 \$0.003 options on 1 December 2015. A total of 234,373,031 were exercised and the shares issued in February 2016 and the remaining 300,899,716 unexercised options lapsed following the end of the financial period. In March 2016 a further 66,666,667 shares were issued in relation to the underwriting of the unlisted 31/1/16 options and 82,666,667 shares were issued in a placement of shares at \$0.003 per share.

**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:

|                           | Consolidated     |               |                  |
|---------------------------|------------------|---------------|------------------|
|                           | 31 December 2015 | 30 June 2015  | 31 December 2014 |
|                           | \$               | \$            | \$               |
| Cash and cash equivalents | 179,718          | 41,911        | 60,483           |
| Borrowings - overdraft    | -                | -             | -                |
|                           | <u>179,718</u>   | <u>41,911</u> | <u>60,483</u>    |

**LANEWAY RESOURCES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2015**

**4. CONTINGENT ASSETS AND LIABILITIES**

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

**5. SUBSEQUENT EVENTS**

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

- A total of 234,373,031 \$0.003 31/1/16 options were exercised with the 234,373,031 shares being issued in February 2016. The company received \$130,000, repaid loans of \$74,640 and repaid creditors of \$498,479 in relation to the exercise of the unlisted 31/1/16 options.
- A further placement of 86,666,667 shares at \$0.003 per share (\$248,000) along with issue of 66,666,667 shares at \$0.003 per share following the receipt of \$200,000 in relation to the underwriting of the unlisted 31/1/06 options. The proceeds of the issues will be used to repay the loan received from Etheridge Operations Pty Ltd and for exploration activities and general working capital.

**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-15                                    | \$             | \$               | \$               |
| <b>Revenue:</b>                              |                |                  |                  |
| Revenue from outside the Consolidated Entity | -              | 1                | 1                |
| Other unallocated revenue                    | -              | -                | -                |
| <b>Total Revenue</b>                         | <b>-</b>       | <b>1</b>         | <b>1</b>         |
| Segment result                               | 0              | (375,651)        | (375,651)        |
| Income tax                                   | -              | -                | -                |
| <b>Net Loss</b>                              | <b>-</b>       | <b>(375,651)</b> | <b>(375,651)</b> |
| <b>Assets:</b>                               |                |                  |                  |
| Segment assets                               | 474,272        | 9,323,700        | 9,797,971        |
| Unallocated corporate assets                 | -              | -                | 68,866           |
| <b>Consolidated Total Assets</b>             | <b>474,272</b> | <b>9,323,700</b> | <b>9,866,838</b> |

**LANEWAY RESOURCES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2015**

|  | New Zealand    | Australia          | Consolidated       |
|--|----------------|--------------------|--------------------|
| <b>31-Dec-14</b>                             | \$             | \$                 | \$                 |
| <b>Revenue:</b>                              |                |                    |                    |
| Revenue from outside the Consolidated Entity | -              | 1                  | 1                  |
| Other unallocated revenue                    | -              | -                  | -                  |
| <b>Total Revenue</b>                         | <u>-</u>       | <u>1</u>           | <u>1</u>           |
| Segment result                               | -              | (2,644,117)        | (2,644,117)        |
| Income tax                                   | -              | -                  | -                  |
| <b>Net Loss</b>                              | <u>-</u>       | <u>(2,644,117)</u> | <u>(2,644,117)</u> |
| <b>30-Jun-15</b>                             |                |                    |                    |
| <b>Assets:</b>                               |                |                    |                    |
| Segment assets                               | 440,346        | 9,161,835          | 9,602,181          |
| Unallocated corporate assets                 | -              | -                  | 65,483             |
| <b>Consolidated Total Assets</b>             | <u>440,346</u> | <u>9,161,835</u>   | <u>9,667,665</u>   |

**7. LOSS PER SHARE**

|  | Consolidated Entity       |                           |
|--|---------------------------|---------------------------|
|  | 31 December<br>2015<br>\$ | 31 December<br>2014<br>\$ |
| <b>Loss per share</b>                              |                           |                           |
| Basic and diluted loss per share (cents per share) | (0.018)                   | (0.19)                    |

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

|   |               |               |
|---|---------------|---------------|
| Loss for the period   | (375,651)     | (2,644,177)   |
| Earnings used in calculating basic and diluted loss per share | (375,651)     | (2,644,117)   |
| Weighted average no. of ordinary shares on issue              | 2,129,224,611 | 1,428,115,865 |

**8. EXPLORATION AND EVALUATION ASSETS**

|   | Consolidated Entity                             |                                  |
|---|---|----------------------------------|
|   | Half-year<br>Ended 31<br>December<br>2015<br>\$ | Year Ended 30<br>June 2015<br>\$ |
| Exploration costs carried forward in respect of areas of interest |   |                                  |
| - Exploration phase   | 9,595,481                                       | 9,520,722                        |
| Reconciliation  |   |                                  |
| Exploration expenditure capitalised                               |   |                                  |
| - Opening balance   | 9,520,722                                       | 10,612,595                       |
| - Net Current period/year expenditure                             | 591,137   | 1,205,471                        |
| - Farm-in funds received  | (516,378)                                       | -                                |
| - Written off during the period/year <sup>1</sup>                 | -   | (2,297,345)                      |
| Carried forward   | <u>9,595,481</u>                                | <u>9,520,722</u>                 |

<sup>1</sup> 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 2015**

**9. FINANCIAL LIABILITIES**

|  | <b>Consolidated Entity</b>                          |                                    |
|--|---|------------------------------------|
|  | <b>Half-year<br/>Ended 31<br/>December<br/>2015</b> | <b>Year Ended 30<br/>June 2015</b> |
|  | <b>\$</b>   | <b>\$</b>                          |
| <b>Current</b>   |   |                                    |
| Lease Liabilities                                      | 8,318   | 10,648                             |
| Advance proceeds for capital raising (a)               | -   | 95,000                             |
| Loans from non-related party (b)                       | 301,048   | 93,815                             |
| Loans from directors and director related entities (c) | 101,387   | -                                  |
|  | <u>410,753</u>                                      | <u>199,463</u>                     |
| <b>Non Current</b>                                     |   |                                    |
| Lease Liabilities                                      | -   | 2,849                              |
| Loan from director related entity (d)                  | 23,057  | 147,377                            |
|  | <u>23,057</u>                                       | <u>150,226</u>                     |

- (a) Advance proceeds for capital raising: As at 30 June 2015 the company had received a total of \$95,000 in relation to the capital raising undertaken during the financial period.
- (b) At 31 December 2015 an amount of \$301,048 is payable in relation to a loan facility provided by Etheridge Operations Pty Ltd. Laneway entered into a short term loan agreement with Etheridge Operations Pty Ltd in June 2015. The loan facility is for up to \$750,000 and interest at 12% applies to any outstanding balances. As at 30 June 2015 a total of \$93,815 had been drawn under the loan facility. The facility is unsecured and is repayable within 10 business days of the option expiry date for an unlisted option issue being 31 January 2016. To the extent there is a shortfall in relation to the exercise of the options the parties have agreed that the loan can be repaid by being applied as a credit to reduce any money owing by Etheridge Operations under an Underwriting Agreement in relation to Etheridge underwriting the exercise of the unlisted options. The company has, subsequent to the end of the financial period, agreed for the loan to be repaid as follows: \$200,000 will be repaid by the issue of 66,666,667 shares at \$0.003 (as part of the 31/1/16 option underwriting) and the balance of \$110k will be repaid with \$80k paid from the proceeds of the placement being completed on 14 March 2016 (total placement \$248k – 86,666,667 shares) and the remaining \$30k from the balance of the option underwriting shortfall when it is received.
- (c) Unsecured loans advanced by Directors Mr Rick Anthon \$76,386 and Mr Mark Baker \$25,000. The loan are short term and interest free. A total of \$51,386 was repaid by the exercise of 31/1/16 options subsequent to the end of the financial period.
- (d) 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 2015 balance date the outstanding balance on the facility was \$23,057 including interest accrued (but not paid) of \$57. During the period ended 31 December 2015 net repayments of the loan of \$72,000 were made while \$59,472 was repaid by the issue of shares and unlisted 31/1/16 options at \$0.003 per share. The interest rate on the loan is 10%. The outstanding loan balance was, subsequent to the end of the period, fully repaid following the exercise of 31/1/16 options.

The loan currently expires on 30 June 2017, bears interest at 10% and is secured by way of a fixed and floating charge over all of the Group's assets.

**10. TRADE AND OTHER PAYABLES (CURRENT)**

|                             |                  |                  |
|-----------------------------|------------------|------------------|
| Trade creditors             | 1,169,418        | 2,058,201        |
| Other payables and accruals | 356,539          | 328,177          |
|                             | <u>1,525,957</u> | <u>2,386,378</u> |

**LANEWAY RESOURCES LIMITED**

**DIRECTORS' DECLARATION**

In the Directors' opinion:

- (a) the attached financial statements and notes as set out on pages 9 to 17 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 2015 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 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 consolidated balance sheet as at 31 December 2015, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated 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 2015 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 2015 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 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**



**T R Mann**  
Director

Brisbane, 15 March 2016