

ASX ANNOUNCEMENT

20 May 2019

Update on Gold Production from Agate Creek Gold Project

Highlights

- + Mining, transportation and processing of ore continuing in line with expectations with over 13,000 tonnes of ore mined from Laneway Resources' 100% owned Agate Creek Gold Project and of this over 11,000 tonnes having now been processed through Maroon Gold's Black Jack Gold Processing Plant at Charters Towers.
- + First gold pour occurred on 22 April from mining of high-grade ore. This gold pour was achieved within 10 weeks of the granting of the Mining Lease.

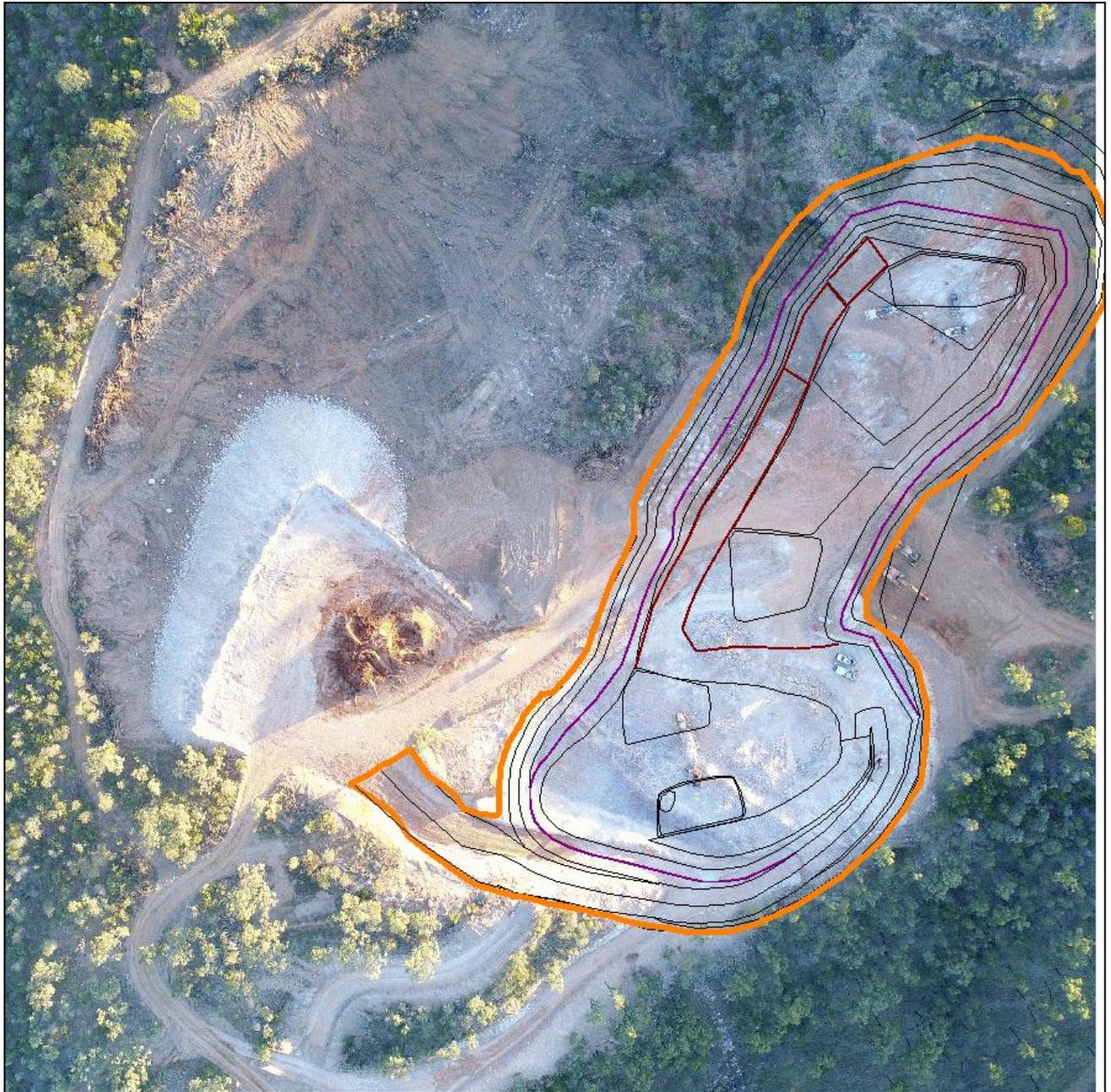


Figure 1 – Gold Doré Bars containing Gold and Silver bullion

- + 2,220 ounces of gold was recovered by the end of April at the Black Jack Plant from 5,012 tonnes of Agate Creek ore with a reconciled grade of 13.91 g/t gold.
- + Processing plant recovery has averaged 99% with over 65% of the gold produced via Gravity / ILR (Intensive Leach Reactor) methods with the balance recovered by CIL (Carbon in Leach). Refined gold sold by the end of April totaled 57,821 g or 1,859 ounces.
- + Ore continues to be processed pursuant to the Mining and Processing Agreement Laneway has entered into with Maroon Gold Pty Ltd (Maroon) which allows toll treatment of up to 100,000 t of the high-grade ore through Maroon's Gold Processing Plant.
- + The first ore blast occurred on 10 April with mining commencing immediately following, ore transportation to the Black Jack gold processing plant began on 13 April.
- + CIL processing of Agate Creek Ore commenced at the Black Jack Plant on 17 April initially at a rate of 12 tonnes per hour (tph). Average processing rate for April was 16tph, with the current rate of processing 20tph. Processing is expected to continue for another 14-16 weeks at current processing rates.
- + Mining is continuing at site. During April stripping ratios were around 6:1 with this strip ratio expected to be the overall average for the mining period. Mining is currently scheduled to continue for another 10-12 weeks, with ore transportation to Maroon Gold's Plant at Charters Towers expected to continue for 2 week following the end of mining.
- + Laneway anticipates 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 with a primary focus on planned resource expansion at Agate Creek; and with further funding available

to progress the Ashford Coking Coal project, its NZ Gold assets and additional exploration appraisal of the broader Agate Creek Project area.

- + An initial 1,100 metre RC drilling program has commenced targeting additional high grade resources in the vicinity of the current mining operations.



Overview image of pit and waste dump areas (with contours superimposed)

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 results to the end of the first calendar month, April, since mining and processing of high-grade ore at the Sherwood deposit within the 100% owned Agate Creek Gold Project in North Queensland commenced.

The Company has 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 within 10 weeks of the Lease being granted: - the first ore blast undertaken on 10th April. Transportation of first ore commenced Saturday 13th April. First ore was fed into the crushing circuit of Maroon’s Black Jack Gold Processing Plant at Charters Towers on 17 April, with processing starting soon afterwards, the first gold was poured on 22 April.

Overall gold recovery for April has totalled 2,220 ounces from \approx 5,012 t of material with a reconciled grade of 13.91 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 57,821g or 1,859 Oz of 99.999 gold. Current plant recoveries have been higher than expected with 99% being achieved during April. 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 approximately 20 tonnes per hour with this rate scheduled to be steadily increased over the coming weeks with 25 tonnes per hour being targeted. Final processing rates achieved will be dependent on feed grades and ongoing metallurgical performance including recovery.

Mining, transportation and processing of ore is continuing in line with expectations with over 13,000 tonnes of ore mined to date and of this over 11,000 tonnes having now been processed through Maroon Gold’s Black Jack Gold Processing Plant at Charters Towers.

Processing is expected to continue for around 16 weeks assuming processing rates reach the planned 25 tonnes per hour without compromising recoveries given the high-grade nature of the ore.

Recovered gold grades thus far are trending 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 highly 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 significantly.

During April stripping ratios were 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 10-12 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 will be incurred and paid for by Maroon. Gold produced is being paid 60% to Laneway and 40% to Maroon above 3.5 g/t gold head grade with the initial 3.5g/t produced to be retained by Maroon towards the above costs.

Laneway anticipates 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 with a primary focus on additional exploration

appraisal of the broader Agate Creek Project area with funding also available to progress the Ashford Coking Coal project, and its NZ Gold assets.

Planning is well advanced for further drilling programs at Agate Creek targeting further 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 Global Resource.

An initial 1,100 metre RC drilling program has commenced targeting additional high grade resource in the vicinity of the current mining operations.

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 (prior to inclusion of results from the recent drilling program).

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

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. 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.