

ASX Announcement 4 January 2022 Capital Raising Program and Section 708A Notice

Laneway Resources Limited (ASX: LNY – **Laneway** or the **Company**) is pleased to announce the completion of the first stage of a capital raising program comprising a share placement (**Placement**) and an intended non-renounceable entitlement offer (**Entitlement Offer**).

The capital raising program consists of:

- An initial placement to raise approximately \$1.9 million that was completed on 31 December 2021 (**Placement**);
- A proposed non-renounceable, pro rata entitlement offer to raise approximately \$4.5 million (**Entitlement Offer**); and
- A further proposed placement to raise up to a further approximate \$1 million.

The Placement has been made to a small number of sophisticated and professional investors, raising approximately \$1.9m through the issue of 379 million ordinary fully paid shares at an issue price of 0.5 cents per share. This Placement has been made under the Company's existing ASX listing rule 7.1 placement capacity.

For every two (2) New Shares issued to a holder as part of the Placement, the holder will also receive one (1) attaching option exercisable at 0.8 cents and expiring 30 September 2022 (**New Option**). The proposed terms of issue of the New Options are attached as Annexure A. The New Options for participants in the Placement will be issued subject to Laneway shareholder approval, at an Extraordinary General Meeting to be convened following the completion of the Entitlement Offer. The Company intends to apply to the ASX for quotation of the New Options.

The funds raised in the Placement will be used for the purposes of:

- near term exploration program expenditure including the current drilling program following up targets from the recently completed multi-element regional study;
- expenditure on current mining activities;
- part repayment of short-term borrowings; and
- the costs of the offer and general working capital.

The proposed Entitlement Offer is intended to be made to all shareholders who hold shares at the record date with registered addresses in Australia and New Zealand (**Eligible Shareholders**). The Entitlement Offer is expected to be made on the basis of 1 new fully paid ordinary share for every 5 shares held at the same issue price as the Placement (an issue price of 0.5 cents per share with one free attaching option exercisable at 0.8 cents and expiring 30 September 2022).

Further details of the proposed Entitlement Offer including the issue timetable will be provided in due course.

A Prospectus for the Entitlement Offer will be lodged by the Company with ASIC and ASX in the coming weeks. The Prospectus together with personalised entitlement and acceptance forms will be dispatched to all Eligible Shareholders. It is important to note that this will include via electronic distribution for those Eligible Shareholders who have previously supplied the registry with their email address.

The capital raising program is being managed by Bizzell Capital Partners Pty Ltd (associated with Laneway Chairman, Stephen Bizzell).

Further information

An Appendix 3B and Appendix 2A applying for quotation of the shares issued in the Placement will be lodged separately with ASX.

Cleansing notice under section 708(5)(e) of the Corporations Act

Laneway advises that it has issued 379,000,000 fully paid ordinary shares in the Company (“Shares”) on 31 December 2021 at an issue price of 0.5 cents per Share to shareholders who have subscribed to a placement utilising Laneway’s existing placement capacity under Listing Rule 7.1. Further details of the placement are contained above.

For the purposes of section 708A(6) of the Corporation Act 2001 (Cth) (“Corporations Act”), Laneway gives notice that:

- (a) The Shares were issued without disclosure to investors under Part 6D.2 of the Corporations Act.
- (b) This notice is being given under paragraph 5(e) of Section 708A of the Corporations Act.
- (c) As a disclosing entity, the Company is subject to regular reporting and disclosure obligations.
- (d) As the date of the notice, Laneway has complied with:
 - i. The provisions of Chapter 2M of the Corporations Act as they apply to Laneway; and
 - ii. Section 674 of the Corporations Act.
- (e) As at the date of the notice, other than as set out below, there is no excluded information, of the type referred to in sections 708A(7) and 708A(8) of the Corporations Act which is required to be set out in this notice pursuant to section 708A(6)(e) of the Corporations Act.

Pursuant to section 708A(6)(e) of the Corporations Act, Laneway provides the following additional information, which had previously been excluded from disclosure relying on the continuous disclosure exemption in Australian Securities Exchange (ASX) Listing Rule 3.1A for incomplete proposals and negotiations in relation to a proposed acquisition that remains confidential:

Laneway is in advanced negotiations for the acquisition of a gold processing plant and associated portfolio of exploration and mining leases in North Queensland. The gold processing plant would provide a processing route for high grade ore from Laneway’s Agate Creek gold mine.

The proposed transaction is incomplete and remains subject to satisfaction of further conditions including completion of due diligence, agreement of final terms and execution of final binding transaction documentation. Whilst there is no certainty that this proposed acquisition will complete, it is the Company’s current expectation that negotiations in relation to this transaction should conclude within the next few weeks and further details will be provided at the time that binding agreements are entered into.

The expected consideration for the proposed acquisition will comprise a mixture of cash (upfront and deferred), shares and a capped royalty on gold production from the tenements proposed to be acquired. It is intended that the upfront cash consideration will be funded from existing and proposed debt facilities and the deferred cash consideration will be funded from cashflow from operations. Shares will either be issued under Laneway’s existing placement capacity under Listing Rule 7.1 or, alternatively, Laneway will seek approval from shareholders at an Extraordinary General Meeting.

This Announcement is Authorised by the Chairman of the Board



For further information contact:

Stephen Bizzell

Executive Chairman, Laneway Resources Limited

Phone: (07) 3108 3500

E-Mail: admin@lanewayresources.com.au



ANNEXURE A - TERMS AND CONDITIONS OF THE NEW OPTIONS

- (a) The Options are exercisable at \$0.008 each.
- (b) An Option must be exercised (if at all) not later than 5.00pm on 30 September 2022.
- (c) The Options will become exercisable on issue.
- (d) Each Option entitles the holder to subscribe for and be allotted one fully paid ordinary shares (**Share**) in the capital of the Company upon exercise of the Option and payment to the Company of the exercise price.
- (e) The exercise of some Options only does not affect the holder's right to exercise other Options at a later time.
- (f) An Option is exercisable by the holder lodging with the Company's secretary a notice of exercise, accompanied by payment of the required exercise price of each Share to be issued on the exercise of that Option.
- (g) The Company shall allot Shares on exercise of Options in accordance with the Company's Constitution.
- (h) Shares issued on the exercise of Options will rank pari passu with all existing Shares in the capital of the Company from the date of issue of those Shares.
- (i) Upon the issue of the Options, the Company is to apply to the ASX for the Options to be listed as a tradeable security on the ASX. At all times (pending the listing and upon listing), the Options may be transferred in the same manner as shares unless classified as restricted securities under the ASX Listing Rules and may be exercised by any other person or body corporate.
- (j) In relation to new issues, there are no participating rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options. However, the Company will ensure that for the purposes of determining the entitlements to any such issue, Option holders will be afforded the opportunity to exercise Options prior to the date for determining entitlements to participate in any such issue.
- (k) If from time to time, prior to the expiry of any Options, the Company makes an issue of Shares to the holders of Shares in the Company by way of capitalisation of profits or reserves ("bonus issue"), then upon exercise of an Option a holder will be entitled to have issued to it (in addition to the Shares which it is otherwise entitled to have issued to it upon such exercise) the number of Shares which would have been issued to him under the bonus issue ("bonus issue") if on the date on which entitlements thereto were calculated it had been registered as the holder of the number of Shares which it would have been registered as holder if immediately prior to that date it had duly exercised its Options and the Shares the subject of such exercise had been duly allotted and issued to it. The bonus Shares will be paid by the Company out of profits or reserves (as the case may be) in the same manner as was applied in relation to the bonus issue and upon issue rank pari passu in all respects with the other Shares allotted upon exercise of the Options.
- (l) In the event of any reorganisation (including consolidation, subdivision, reduction, cancellation or return) of the issued capital of the Company before the expiry of any Options, all rights of the option holder will be changed to the extent necessary to comply with the Listing Rules applying to a reorganisation of capital at the time of the reorganisation.