

LANEWAY RESOURCES LIMITED

A.B.N. 75 003 049 714

INTERIM FINANCIAL REPORT

FOR THE HALF-YEAR ENDED 31 DECEMBER 2016

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 Code: 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:+ 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 2016.

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

During the half year, Laneway's progressed the planning and approvals processes for the commencement of mining activities at the Agate Creek gold project in North Queensland and carried out exploration activities on its LNJV gold project in New Zealand in conjunction with its joint venture partner Newcrest.

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 on the project 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.

In 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 2015 and 2016 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 Table1.

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

Area	Cut-off 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.

The Mining Lease Application process (MLA 100030) - which covers the high grade near surface Sherwood and Sherwood West Prospects – continued to be progressed during the half year, with ML grant expected following completion of landowner and Native Title agreements. Mining is planned to commence shortly after ML grant. Mine planning for phase 1 is complete with a very simple near surface orebody being the initial target.

A Land Court process was commenced to determine compensation for the Mining Lease grant with a land owner that has a pastoral lease over part of the mining lease application area. The process is well advanced with the Court's decision regarding quantum of compensation payable expected in the near term. A compensation agreement has been entered into with the other landowner. The Environmental Authority needed is in place (EPSL03068015). The Environmental Bond (financial assurance) is expected to reflect the small area of disturbance and the limited activities on site with all processing and tailings to be off lease. Third party processing options, including at the Georgetown Mill which is on care and maintenance and is expected to require minimal lead time prior to being able to treat the Agate Creek ore, are being investigated to provide the optimum outcome for the company.

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. 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.

LNJV Gold Project (100% LNY)

LNJV comprises two granted exploration permits (EP53469 and EP54216) covering approximately 80km². The Project is located on the North Island of New Zealand within the Hauraki goldfield, within the mineralised corridor that is host to Oceana operating Martha Mine (Waihi) and the Golden Cross gold-silver mine. The Hauraki goldfields have yielded in excess of 45 million ounces of gold and silver from approximately 50 low-sulphidation epithermal deposits. Newcrest is currently funding exploration on the project pursuant to an Farm-in Agreement.

Key terms of the LNJV Agreement include:

- Newcrest to solely fund two stages of Minimum Work Programs associated with the Permits, with the first stage forming a Minimum Commitment;

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DIRECTORS' REPORT**

- 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% NSR for \$500,000.

Exploration activities continued in the half year on the LNJV Gold Project in New Zealand with an extensive geological mapping, rock chipping and geochemical soil sampling program completed. Currently eleven drill holes have been completed to date as part of the Phase One drilling program for 4,300m. A total of approximately 5,000m is planned to be completed by the end of Q1 2017.

Geological interpretation and assessment of the drill core has confirmed the model, and target generation activities are therefore ongoing. The complex fault system is making targeting of gold mineralisation difficult. No significant gold results have been received to date from the drilling undertaken.

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 2016.

Signed in accordance with a resolution of the Directors.



Stephen G Bizzell
Director
Brisbane 15 March 2016

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 2016, 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.



T R Mann
Director

BDO Audit Pty Ltd

Brisbane, 15 March 2017

LANEWAY RESOURCES LIMITED
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2016

	Note	31 December 2016 \$	31 December 2015 \$
Revenue		650	1
Depreciation and amortisation expenses		-	(630)
Finance costs		(3,124)	(25,288)
Employment costs		(181,940)	(191,835)
Other expenses		(148,801)	(157,898)
Loss before tax		<u>(333,215)</u>	<u>(375,651)</u>
Income tax expense		-	-
Loss for the period		<u>(333,215)</u>	<u>(375,651)</u>
Other comprehensive income		-	-
Total comprehensive income for the half-year		<u>(333,215)</u>	<u>(375,651)</u>
Total comprehensive income for the half year is attributable to:			
Owners of Laneway Resources Limited		<u>(333,215)</u>	<u>(375,651)</u>
Basic loss per share (cents per share)	6	(0.011)	(0.018)
Diluted loss per share (cents per share)	6	(0.011)	(0.018)

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 2016

	Note	31 December 2016 \$	30 June 2016 \$
Current Assets			
Cash and cash equivalents	3	720,288	643,500
Financial assets		3,366	3,366
Other current assets		55,196	21,630
Total Current Assets		<u>778,851</u>	<u>668,497</u>
Non-Current Assets			
Trade and other receivables		37,500	37,500
Exploration and evaluation assets	7	9,801,043	9,478,551
Total Non-Current Assets		<u>9,838,543</u>	<u>9,516,051</u>
Total Assets		<u>10,617,393</u>	<u>10,184,548</u>
Current Liabilities			
Trade and other payables	9	1,631,848	998,507
Borrowings	8	-	2,849
Provisions		73,645	65,581
Total Current Liabilities		<u>1,705,493</u>	<u>1,066,937</u>
Non-Current Liabilities			
Borrowings	8	127,504	-
Provisions		205,650	205,650
Total Non-Current Liabilities		<u>333,154</u>	<u>205,650</u>
Total Liabilities		<u>2,038,647</u>	<u>1,272,587</u>
Net Assets		<u>8,578,746</u>	<u>8,911,961</u>
Equity			
Issued capital	2	126,333,515	126,333,515
Accumulated losses		(117,754,768)	(117,421,553)
Total Equity		<u>8,578,746</u>	<u>8,911,961</u>

The Consolidated Balance Sheet should be read in conjunction with the accompanying notes

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**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2016**

	Note	31 December 2016 \$	31 December 2015 \$
Cash Flows from Operating Activities			
Cash receipts in the course of operations		650	-
Cash payments in the course of operations		(79,255)	(178,624)
Interest received		-	1
Interest paid		(620)	(5,904)
Net cash used in operating activities		<u>(79,225)</u>	<u>(184,527)</u>
Cash Flows from Investing Activities			
Tenement security deposits		-	40,000
Exploration farm-in receipts		1,458,905	516,378
Payments for exploration & evaluation		(1,425,043)	(718,253)
Net cash used in investing activities		<u>33,861</u>	<u>(161,875)</u>
Cash Flows from Financing Activities			
Proceeds from issue of shares		-	265,000
Loans received		125,000	296,387
Loans (repaid)		-	(72,000)
Repayment of finance lease principal		(2,849)	(5,178)
Net cash flows provided by financing activities		<u>122,151</u>	<u>484,209</u>
Net increase/(decrease) in cash held		76,788	137,807
Cash at the beginning of the period		643,500	41,911
Cash at the end of the period	3	<u><u>720,288</u></u>	<u><u>179,718</u></u>

The Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes

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**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2016**

	Issued Capital	Accumulated Losses	Total
	\$	\$	\$
Balance at 1 July 2015	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)
Transactions with owners in their capacity with owners			
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
Balance at 31 December 2015	124,729,895	(117,089,048)	7,640,847
Balance at 1 July 2016			
	126,333,515	(117,421,553)	8,911,961
Loss for the period		(333,215)	(333,215)
Other comprehensive income	-	-	-
Total comprehensive income	126,333,515	(117,754,768)	8,578,746
Transactions with owners in their capacity with owners			
Total transactions with owners	-	-	-
Balance at 31 December 2016	126,333,515	(117,754,768)	8,578,746

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

LANEWAY RESOURCES LIMITED

1. BASIS OF PREPARATION OF HALF-YEAR FINANCIAL STATEMENTS

This general purpose financial report for the interim half-year reporting period ended 31 December 2016 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 2016 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 cash and cash equivalents, trade and other receivables, security deposits, interest bearing loans and borrowings and trade and other payables approximate their carrying value due to their short term nature

Going concern basis for accounting

The consolidated entity has a net deficiency of current assets at 31 December 2016 of \$926,642 (30 June 2016: \$398,440) and has incurred losses of \$333,215 for the half-year period to 31 December 2016 (2015 loss: \$375,651). 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.

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 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;
- 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; and,
- The continued support of the company's trade and other creditors.

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.

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

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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 2016		Year Ended June 2016	
	Nos of shares	\$	Nos of shares	\$
Ordinary shares fully paid				
Beginning of the financial period	3,023,078,319	126,333,515	2,062,742,065	123,378,577
Increases				
- Issued to pay creditors (1)	-	-	254,782,222	764,347
- Repayment of related party loan (2)	-	-	19,823,860	59,472
- Exercise of unlisted 31/1/16 \$0.003 options (3)	-	-	234,373,031	703,119
- Underwriting of 31/1/16 \$0.003 options (4)	-	-	175,833,334	527,500
- Issued to pay exploration drilling costs (5)	-	-	25,000,000	125,000
- Placement (6)	-	-	202,666,667	608,000
- Issued to pay exploration drilling costs (7)	-	-	47,857,140	167,500
	<u>3,023,078,319</u>	<u>126,333,515</u>	<u>3,023,078,319</u>	<u>126,333,515</u>

(1) Shares issued at 0.3 cents to pay creditors

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

(3) Shares issued at 0.3 cents following the exercise of 31/1/16 \$0.003 unlisted options

(4) Shares issued at 0.3 cents in relation to the underwriting of the exercise of 31/1/16 \$0.003 unlisted options

(5) Shares issued at 0.5 cents to pay exploration drilling costs

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

(7) 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-16	additions	exercised	expired	31-Dec-16
Unlisted Options 0.5 cents 30 Sep 2016	12,500,000	-	-	12,500,000	-

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 2016	Consolidated 30 June 2016	31 December 2015
	\$	\$	\$
Cash and cash equivalents	720,288	643,500	179,718
	<u>720,288</u>	<u>643,500</u>	<u>179,718</u>

Refer to Note 7.

4. CONTINGENT ASSETS AND LIABILITIES

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

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5. 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-16			
Revenue:			
Revenue from outside the Consolidated Entity	-	650	650
Other unallocated revenue	-	-	-
Total Revenue	-	650	650
Segment result	-	(333,215)	(333,215)
Income tax	-	-	-
Net Loss	-	(333,215)	(333,215)
Assets:			
Segment assets	612,816	9,938,717	10,551,533
Unallocated corporate assets	-	-	65,860
Consolidated Total Assets	612,816	9,938,717	10,617,393
	New Zealand	Australia	Consolidated
	\$	\$	\$
31-Dec-15			
Revenue:			
Revenue from outside the Consolidated Entity	-	1	1
Other unallocated revenue	-	-	-
Total Revenue	-	1	1
Segment result	-	(375,651)	(375,651)
Income tax	-	-	-
Net Loss	-	(375,651)	(375,651)
30-Jun-16			
Assets:			
Segment assets	466,373	9,649,310	10,115,683
Unallocated corporate assets	-	-	68,866
Consolidated Total Assets	466,373	9,649,310	10,184,549

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6. LOSS PER SHARE

	Consolidated Entity	
	31 December 2016 \$	31 December 2015 \$
Loss per share		
Basic and diluted loss per share (cents per share)	(0.011)	(0.018)

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

Loss for the period	(333,215)	(375,651)
Earnings used in calculating basic and diluted loss per share	(333,215)	(375,651)
Weighted average no. of ordinary shares on issue	3,023,078,319	2,129,224,611

7. EXPLORATION AND EVALUATION ASSETS

	Consolidated Entity	
	Half-year Ended 31 December 2016 \$	Year Ended 30 June 2016 \$
Exploration costs carried forward in respect of areas of interest		
- Exploration phase	9,801,043	9,478,551
Reconciliation		
Exploration expenditure capitalised		
- Opening balance	9,478,551	9,520,722
- Net Current period/year expenditure	1,781,397	2,284,450
- Farm-in funds received	(1,458,905)	(2,326,621)
- Written off during the period/year	-	0
Carried forward	9,801,043	9,478,551

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 entered into of a Farm-in Agreement with Newcrest Mining ("Newcrest") in the 2015 year in relation to tenements held in New Zealand. During the period Newcrest provided \$1,781,397 to cover the exploration program. The consolidated entity recognises these contributions as a reduction of capitalised exploration and evaluation assets as shown in the movement schedule above. Of the funds provided, at balance date \$712,990 remained to meet expenditures in the 2017 year. The funds provided to date were in excess of the carried forward capitalised expenditure for the New Zealand segment, resulting in a net amount of \$(100,174) being included in the above carried forward figure.

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8. BORROWINGS

	Consolidated Entity	
	Half-year Ended 31 December 2016	Year Ended 30 June 2016
	\$	\$
Current		
Lease Liabilities	-	2,849
Non Current		
Loan from director related entity (a)	127,504	-

- (a) 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 2016 balance date the outstanding balance on the facility was \$127,504 including interest accrued (but not paid) of \$2,504. During the period ended 31 December 2016 no repayments of the loan were made.

The loan currently expires on 30 June 2018, bears interest at 10% and is secured by way of a fixed and floating charge over all of the Group's assets.

9. TRADE AND OTHER PAYABLES (CURRENT)

	Consolidated Entity	
	Half-year Ended 31 December 2016	Year Ended 30 June 2016
	\$	\$
Trade creditors	1,172,031	592,293
Other payables and accruals	459,816	406,214
	1,631,847	998,507

LANEWAY RESOURCES LIMITED

Directors' Declaration

In the Directors' opinion:

- (a) the attached financial statements and notes as set out on pages 7 to 15 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 2016 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 2016

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 2016, 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 2016 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:

- (i) Giving a true and fair view of the consolidated entity's financial position as at 31 December 2016 and of its performance for the half-year ended on that date; and
- (ii) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

Material uncertainty relating to going concern

We draw attention to Note 1 in the financial report which describes the events and/or conditions which give rise to 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. Our conclusion is not modified in respect of this matter.

BDO Audit Pty Ltd



T R Mann
Director

Brisbane, 15 March 2017