

LANEWAY RESOURCES LIMITED

A.C.N. 003 049 714

ANNUAL REPORT 30 JUNE 2014

LANEWAY RESOURCES LIMITED
ANNUAL REPORT 2014

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CORPORATE INFORMATION

This annual report covers Laneway Resources Limited (“Company” or “Laneway”) as a consolidated entity comprising Laneway Resources Limited and its subsidiaries (“the Consolidated Entity”). A description of the operations and of the principal activities is included in the directors’ report and the review of operations. The directors’ report is not part of the financial report.

DIRECTORS

Stephen G Bizzell (Executive Chairman)
Richard S Anthon (Non-executive Director)
Ben Harrison (Non-executive Director)

SECRETARY

Paul Marshall

AUSTRALIAN BUSINESS NUMBER

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STOCK EXCHANGE LISTING

Australian Securities Exchange Ltd
ASX Codes:
Ordinary shares - LNY

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The directors present their review of operations for the year ended 30 June 2014.

Review of Operations 2014

Laneway Resources is an emerging resource development company with multiple projects in Queensland, New South Wales and New Zealand primarily targeting gold but also has several projects in coal and base metals.

Location of Laneway Resources Projects



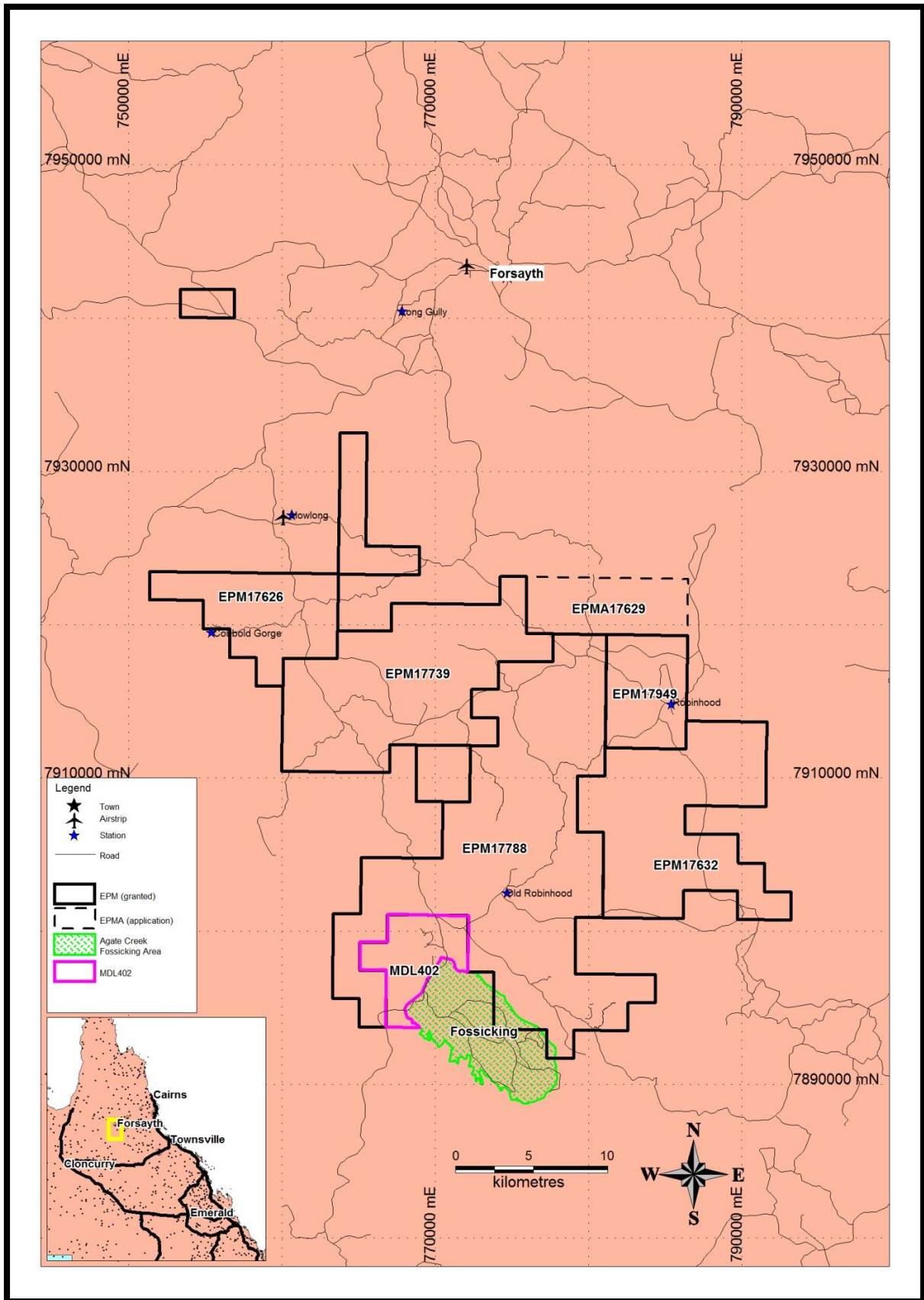
Agate Creek Gold Project (100% interest)

The Agate Creek Epithermal gold project comprises MDL402 covering 30km², 5 EPMs (EPM17788, EPM17739, EPM17632, EPM17949, EPM17626), and 1 EPM applications (EPMA17629) with the total tenement package covering in excess of 700km². The Agate Creek Project is located approximately 40km south of Forsayth and 60km west of Kidston in northeast Queensland. EPM17626 was granted on 3rd March 2014 for 5 years and EPM17739 was transferred as a result of a completed purchase agreement.

Laneway Resources has a JORC compliant resource at Sherwood comprising a combined Indicated and Inferred Mineral Resource of 9.5Mt @ 1.4g/t Au for 414,000oz at a 0.5g/t gold cut-off grade.

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Agate Creek Project Location



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Geology and Mineralisation

The Agate Creek Project is situated within the historic Etheridge Goldfield where gold, silver, copper and lead along with minor amounts of tin, tantalum and niobium have been historically produced from placer and hard rock (mostly vein) sources.

The most significant deposit in the area is the Kidston deposit which is approximately 60km east of the Agate Creek Project and has produced over 3Moz of gold.

At Bald Mountain, located 7km northwest of the Sherwood Prospect, and at Mount Hogan 40km to the southeast, epithermal and mesothermal styles of gold mineralisation are noted in association with several intrusions located on or close to the Robertson Fault. Historically narrow-vein mining has taken place within the Forsyth area along or adjacent to the fault trace.

Sherwood

Gold mineralisation at Sherwood is a low-sulphidation, adularia-sericite type epithermal system genetically related to the emplacement of Permo-Carboniferous porphyritic rhyolite and andesite extrusives and intrusives. The Sherwood Deposit model is shown in the figure below. Most mineralisation occurs within the Robertson Fault Zone at the intersection of the Robin Hood Fault and is spatially associated with (and often within) rhyolite. The mineralised zones are interpreted as boiling outflow zones, likely fossil geysers.

The Agate Creek Fault forms the eastern boundary to mineralisation and the Sherwood West and Zig Zag Faults were the major fluid conduits of the active Permian epithermal plumbing system. All significant mineralisation found at Sherwood occurs within 400 metres of the faulted contact of Proterozoic rocks and Robin Hood Granodiorite.

The known mineralised zone extends over 1km along strike, has good tonnage prospects and opens up the potential for a bonanza zone at the intersection between the Sherwood West mineralised zone and both the Agate Creek Fault and Zig-Zag Fault.

Sherwood Resource

In 2011 an updated Mineral Resource estimate (JORC 2004) was completed on the Agate Creek epithermal gold project in North Queensland. A global resource of approximately 500,000oz of gold has been estimated at Sherwood.

The breakdown of the current estimate is shown below. Resource estimates were undertaken for the Sherwood, Sherwood West and Sherwood South deposits and were based upon a total of 480 exploration drillholes which were compiled and interpreted by Laneway. Independent consultants Golder Associates Pty Ltd were engaged to update the mineral resource estimate. The tables below indicate a recoverable resource estimate that is adjusted to account for a selective mining option and includes an allowance for mine dilution.

Resource Estimates at 0.3 g/t gold cut-off grade

0.3 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	5.4	1.0	180,000				5.2	0.9	154,000	10.7	1.0	334,000
Indferred	2.6	0.9	76,000	0.4	1.1	15,000	3.3	0.8	89,000	6.4	0.9	180,000
Total	8.0	1.0	256,000	0.4	1.1	15,000	8.6	0.9	243,000	17.0	0.9	514,000

Grade and tonnage rounded to one decimal place. Ounces rounded to nearest 1,000oz.

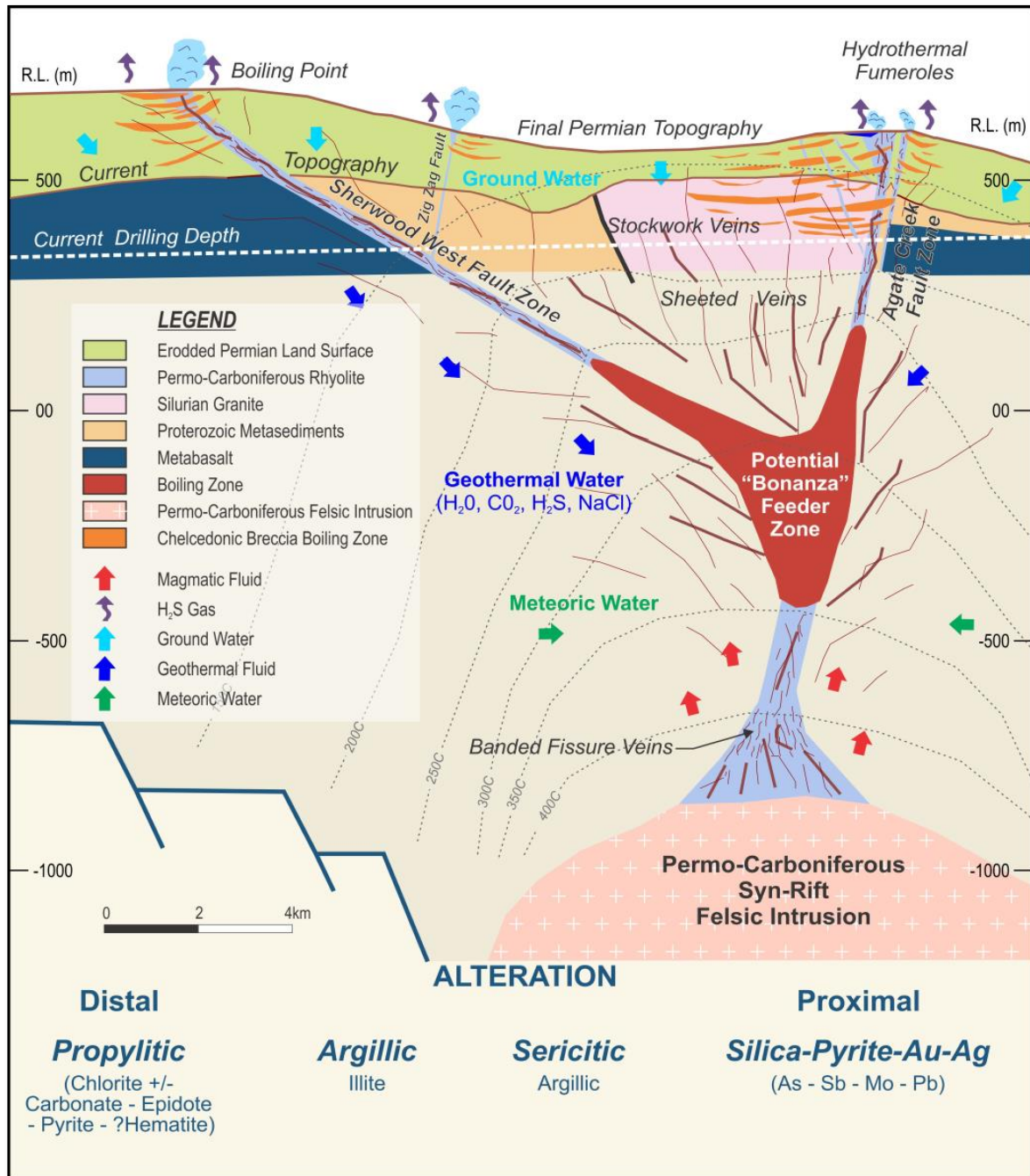
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Resource Estimates at 0.5 g/t gold cut-off grade

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	3.0	1.5	147,000				2.9	1.3	124,000	6.0	1.4	271,000
Indferred	1.4	1.4	60,000	0.3	1.3	13,000	1.8	1.2	70,000	3.5	1.3	143,000
Total	4.4	1.5	207,000	0.3	1.3	13,000	4.8	1.3	194,000	9.5	1.4	414,000

Grade and tonnage rounded to one decimal place. Ounces rounded to nearest 1,000oz.

Low Sulphidation Epithermal Gold Model



Metallurgical Sampling Program

During November 2013 to January 2014 Laneway was presented with the opportunity to utilise JKO/CGM processing plant and infrastructure at Georgetown. It was decided that the best method to evaluate the viability of this option was to process a small metallurgical sample through the CIL plant at Georgetown. The sample was designed to provide indicative project economics, grind characteristics, metallurgical and recovery information, to support the progress of a new feasibility study based around using the Georgetown plant.

This option was seen as a potential alternative processing option for feasibility studies and also plant design. Compared to building a stand-alone large scale >1million tonnes per annum plant onsite at Sherwood which had been the focus of all previous exploration and feasibility studies. This option would involve much lower CAPEX and the potential to mine the deposit economically in the nearer term, as well as allowing both companies to work together for long-term viability giving greater employment stability to existing and future employees (more employees would be required).

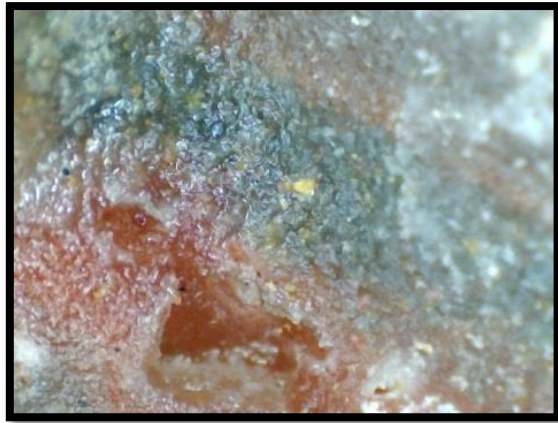
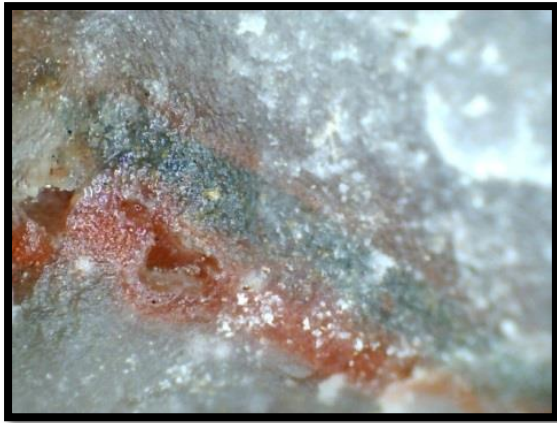
The extraction and processing of the test metallurgical sample from Agate Creek was completed during December 2013 and January 2014 through the Georgetown CIL plant. A total sample of 5,472 dry metric tonnes was removed from the surface of a high grade pod near the top of Sherwood within MDL 402. A total of 1,725 ounces of gold was recovered from the sample. The recovered gold grade was 9.8g/t Au from a feed grade of 11.2g/t Au. This represents a gold recovery rate of 87%. Some basic circuit and reagent improvements have been identified which the company expects would boost recoveries to +90% for future processing. Laneway is currently assessing the benefits of carrying out a larger sample to further investigate potential process route and gold recovery refinements. Laneway is working towards a Mining Lease application or an application to vary the existing MDL conditions prior to undertaking a second metallurgical sample.

This testwork has highlighted the potential for an alternative route for processing rather than a large new standalone processing plant onsite. The viability of toll treating or similar is currently being evaluated along with a smaller stand alone plant on site alternative for the processing of the currently identified resources and also any additional resources discovered in the future.

Potential for Increased Resources

Two deep diamond drill holes completed last year intersected altered and silicified granite, rhyolite and breccias. Results included a broad zone of mineralisation of 31m @ 5.96g/t Au from 124m (including 1m @ 73g/t Au). This high grade zone is within the currently modelled open pits, however the width and high grade nature of the zone will likely add to the existing known resource when incorporated into a new resource model.

The original focus of these two holes was to target high grade veins which are a common feature of low-sulphidation epithermal deposits worldwide (eg. the Vera-Nancy lodes within the Pajingo gold deposit). Unfortunately, the targeted deeper bonanza feeder zone was not intercepted in either hole but remains a valid target for future drilling as it appears that the aforementioned results correlate to a separate boiling zone within the system.



Figures 6 & 7 - Small gold particle from hole CCDD482 within a 0.6m intercept averaging 10.2g/t Au from 188.4m. Images are 40x zoom (LHS) and 100x zoom (RHS).

Forward Exploration Program

Work will focus on advancing feasibility studies, metallurgical testing and geotechnical work, with the additional aim of increasing the mineral resource. This work will include further follow up drilling of the high grade gold zone intercepted in the current drilling program. Reverse circulation drilling is also planned for resource infill, strike and dip extensions of current mineralisation. Several regional prospects will be prioritised for first pass and follow up drilling, regional and detailed geological sampling and mapping will continue to be used as a first pass tool for identifying new prospects and assisting with drill planning and prioritisation.

Acquisition of EPM 17739 (Malcolm Creek)

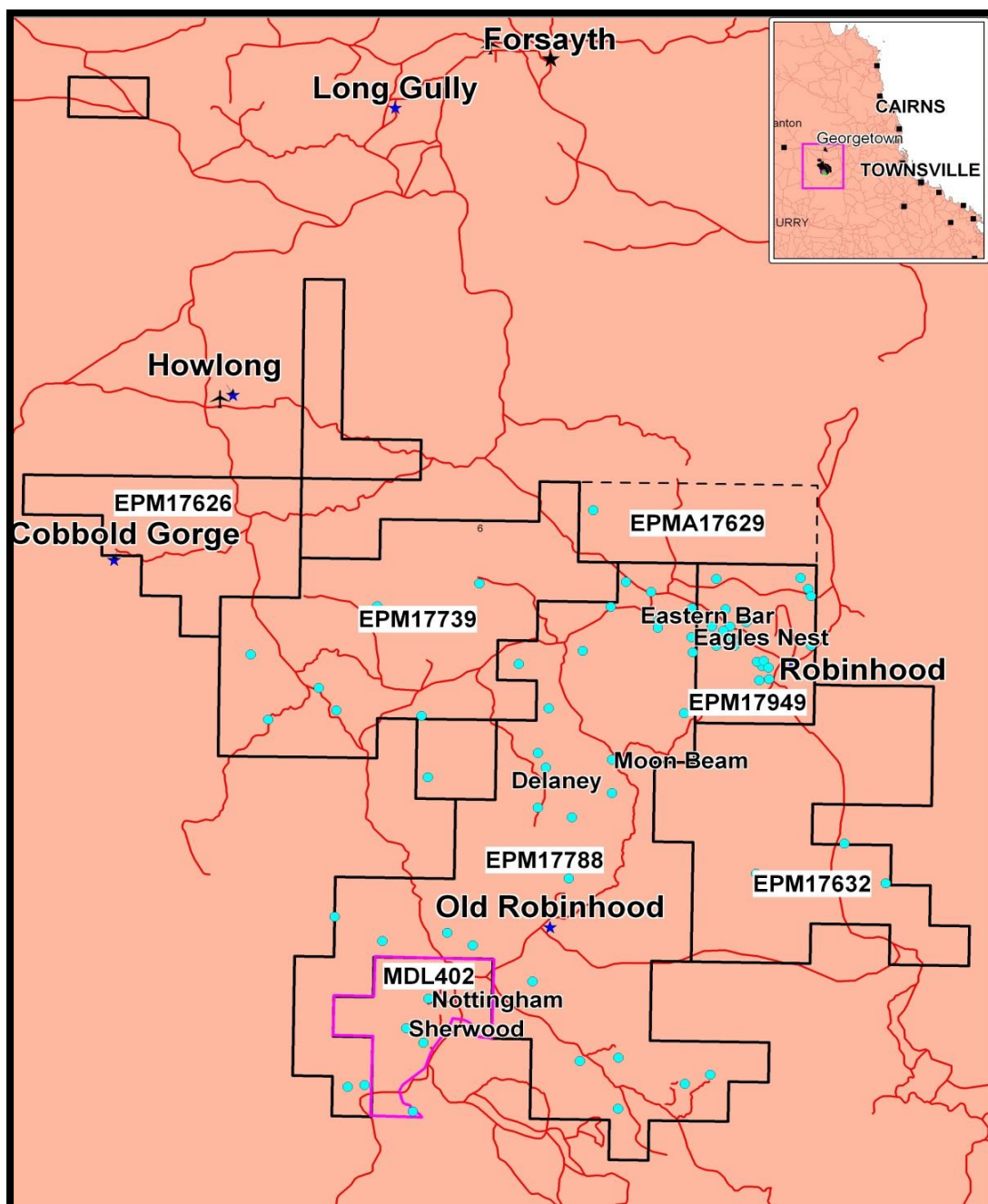
EPM17739 (Malcolm Creek) was acquired during the year, increasing Laneway's strategic holding within the Agate Creek region. This tenure is located between existing Laneway tenements and applications. Consideration for the transfer was \$10,000 in shares (issued in late 2013) and a residual 1.5% NSSR on any production.

This EPM contains 5 existing prospects (Bald Mountain, Kimberley Sue, Malcolm Creek, Tin Mine Gully and Kangaroo Creek) which have returned anomalous geochemistry and require drill testing after native title clearances. Previous drilling within EPM17739 has revealed the potential for diatreme breccia pipe associated gold deposits along with vein style and breccia hosted gold. Historic drill results include 2m @ 19.7g/t gold and 2m @ 9g/t gold from separate prospects that both require follow up, in addition to a 10g/t gold stream sediment anomaly whose source is still to be located.

Agate Creek Regional Prospects

The majority of work completed on the Agate Creek Project has been undertaken at Sherwood with over 480 drillholes completed. There has also been over 6,000 rockchips, 3,000 stream sediments, 1,600 soil samples and over 100 line km of geological mapping completed to date regionally.

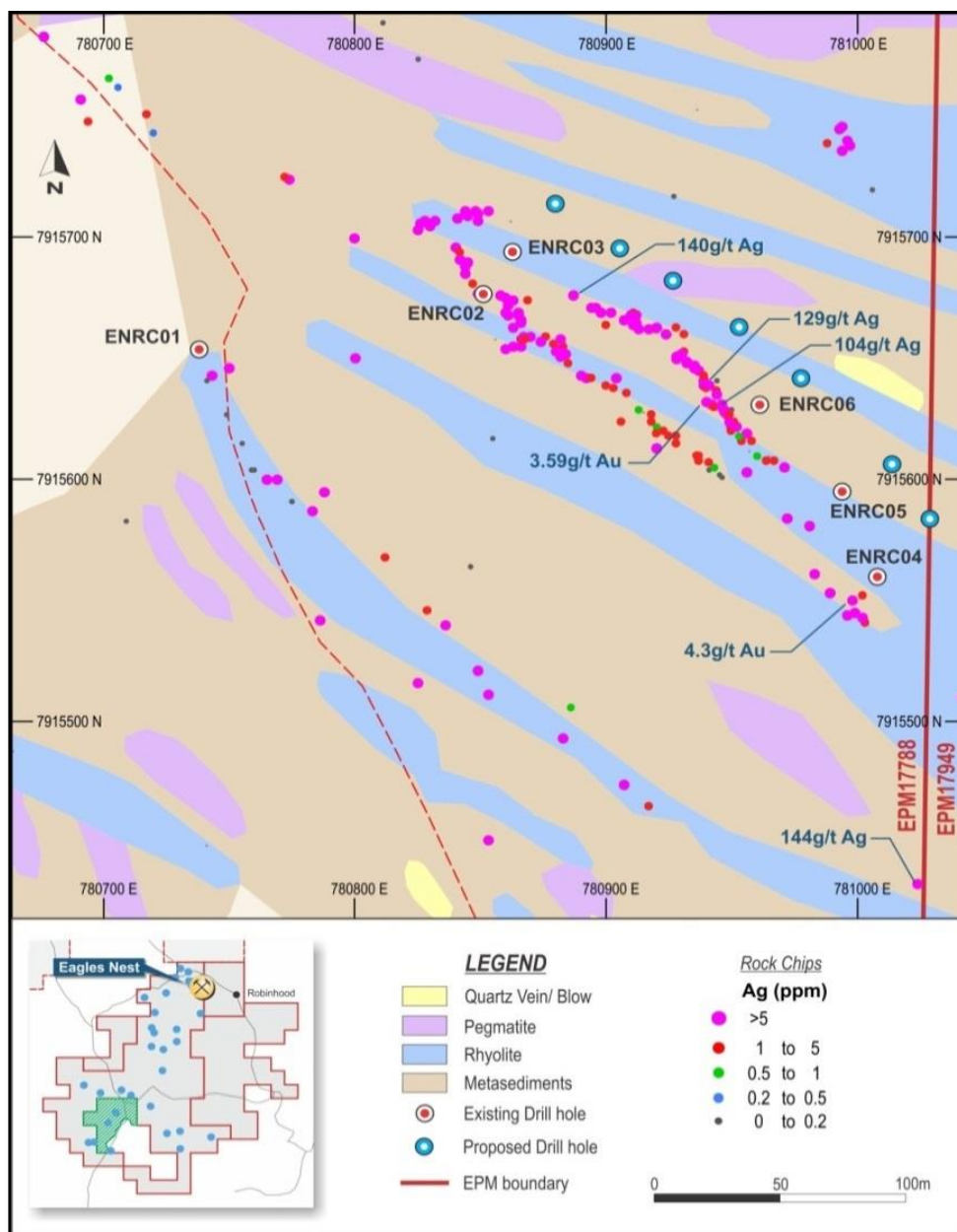
The completed regional mapping and sampling has defined numerous high priority regional targets with less than 25% of the tenement holding so far covered. This work has led to the delineation of 47 regional targets of which 8 have had first pass drilling. Four of these prospects returned very positive results and have follow up drilling programs planned. An additional 3 prospects have first pass drill programs planned and have Native Title clearances ready for drilling. With the high quality targets already generated and 75% of the tenement area still to be mapped the high prospectivity of the area is evident.



Eagles Nest

Eagles Nest is a swarm of northwest trending rhyolite dykes 15m wide with over 500m of strike extent. These dykes are strongly sericite altered and extend off the eastern boundary of EPM17788 and into the recently granted EPM17949. Mineralisation is hosted in chalcedonic quartz veins and gossanous quartz vein breccias within the rhyolites. Detailed rockchip surveys have produced abundant results between 1 to 3.5g/t Au associated with elevated silver, up to 144g/t and lead up to 10%. A cultural heritage clearance was completed in August 2008 and no sites were found. The conceptual exploration target for this prospect is a series of stacked quartz vein breccia zones over 300m x 300m averaging 2g/t Au, 50g/t Ag and 8% Pb.

Six holes were drilled in 2009 and intersected chalcedonic quartz veins and breccias within altered rhyolites. Rhyolites were within gneissic to pegmatitic rocks with minor schistose zones. While gold grades have been lower than expected there were several encouraging zones with good silver and base metal grades including 1m @ 15g/t Ag with 1.6% Pb and 0.99% Zn from 30m in ENRC03. Proposed second round drilling is also shown.

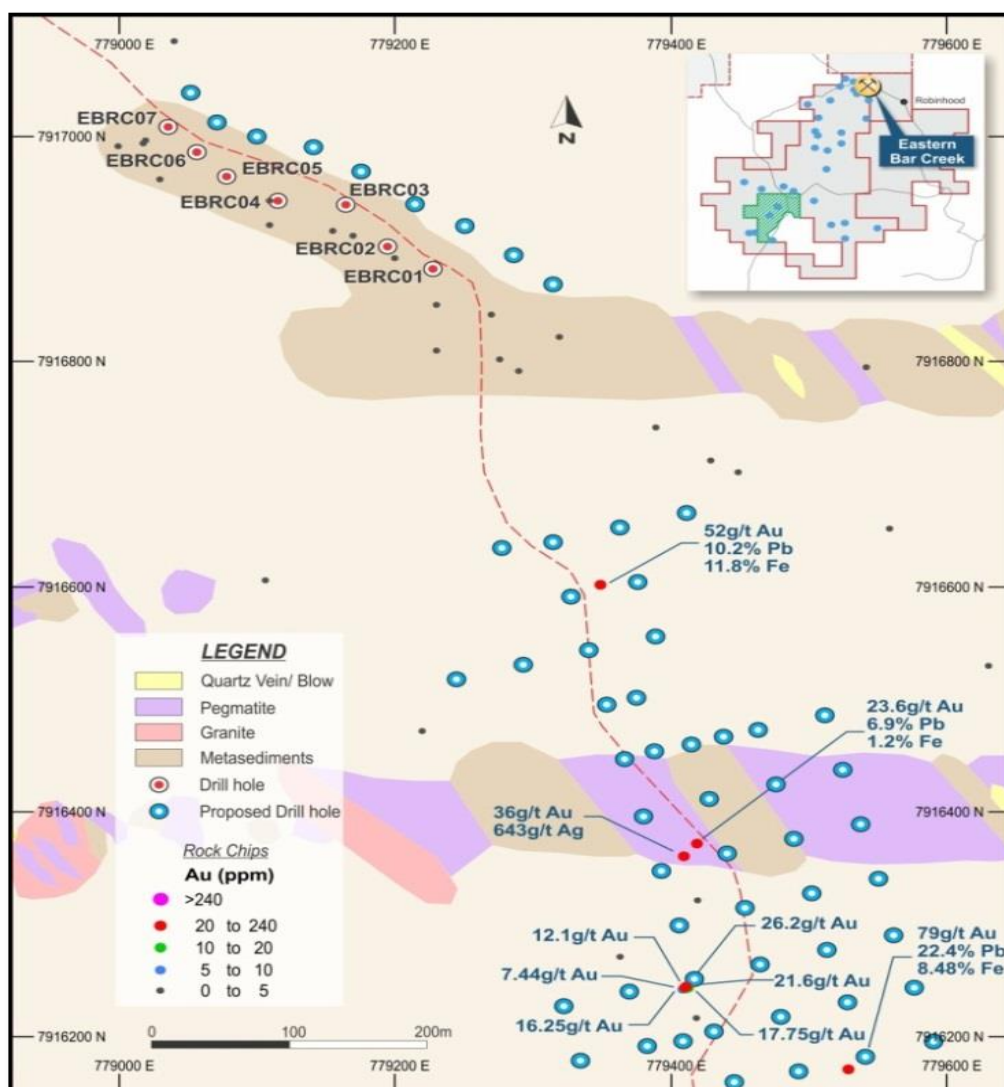


Eastern Bar and Eastern Bar South

Eastern Bar Creek is a gossanous quartz vein breccia ridge trending northwest with anomalous gold, silver and base metals within Proterozoic metasediments. The ridge can be traced over 1km and is up to 12m wide. The conceptual exploration target for this prospect is a polymetallic gossanous vein system up to 1km long by 10m thick averaging 5g/t Au with associated 50g/t Ag, 1% Cu and up to 15% Pb.

Seven holes were drilled in 2009 and intersected gossanous quartz vein breccias within metasediments. Results showed encouraging silver and copper including, 4m @ 44g/t Ag, 0.13% Cu from 12m in EBRC05 and 2m @ 134g/t Ag, 0.43% Cu from 17m in EBRC07. These results indicate a zone of mineralisation 3-8m wide over approximately 300m along strike that is open at both ends and at depth. Planned 2nd round drilling can be seen below.

Eastern Bar South is located approximately 200m down along a ridge from Eastern Bar Creek. It has shallow old diggings within micaceous metasediments where Cu, Pb, Ag and Au were extracted. Historical rockchips show values of up to 79g/t Au in granites and pegmatites. The prospect is in an area where outcrop is limited but near the edge of the granite metasediment contact. During 2009 twelve rockchips were taken at Eastern Bar South with best results including 36g/t Au, 643g/t Ag, 2.28% Cu and 22.6% Pb and 52g/t Au. Drilling is planned to better define the mineralised zone and sub-surface geology.

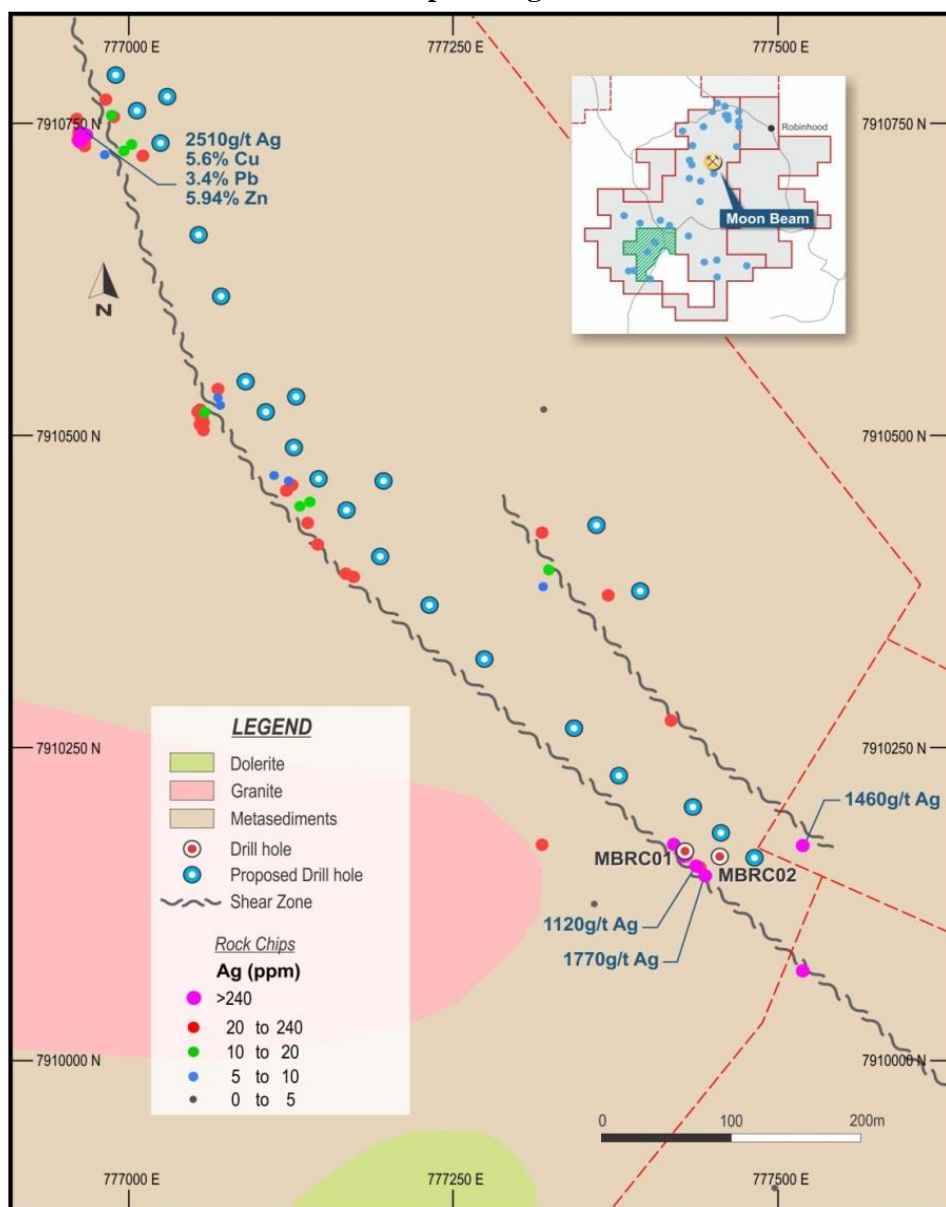


Moonbeam

Moonbeam is a 1m wide at surface west north-west trending galena quartz vein striking approximately 1,000m. Significant silver, copper, lead and zinc mineralisation has been identified within this northwest trending regional structure including one sample which returned 2510g/t Ag, 5.58% Cu, 3.4% Pb, 5.94% Zn, and another sample which returned 1770g/t Ag, 1.15% Cu, 8.45% Zn. Field checking showed a massive galena vein with associated quartz, pyrite, chalcopryrite, malachite and azurite within sheared micaceous metasediments.

The two holes drilled in 2009 intersected gneissic to pegmatitic rocks with minor quartz veining and showed that the mineralisation extends and widens at depth. Drilling results from the two holes completed show significant silver, copper, lead and zinc mineralisation including 1m @ 452g/t Ag, 0.7% Cu, 4.9% Pb, 5.3% Zn from 25m in MBRC01. Figure 10 shows collar location with rockchip grades. Second round drilling will focus on extending the mineralised zone along strike and down dip. The conceptual exploration target for this prospect is stacked massive sulphide veins averaging 10% Pb, 100g/t Ag, 1% Cu with associated Zn.

Drill Collar locations with rockchip silver grades at Moonbeam

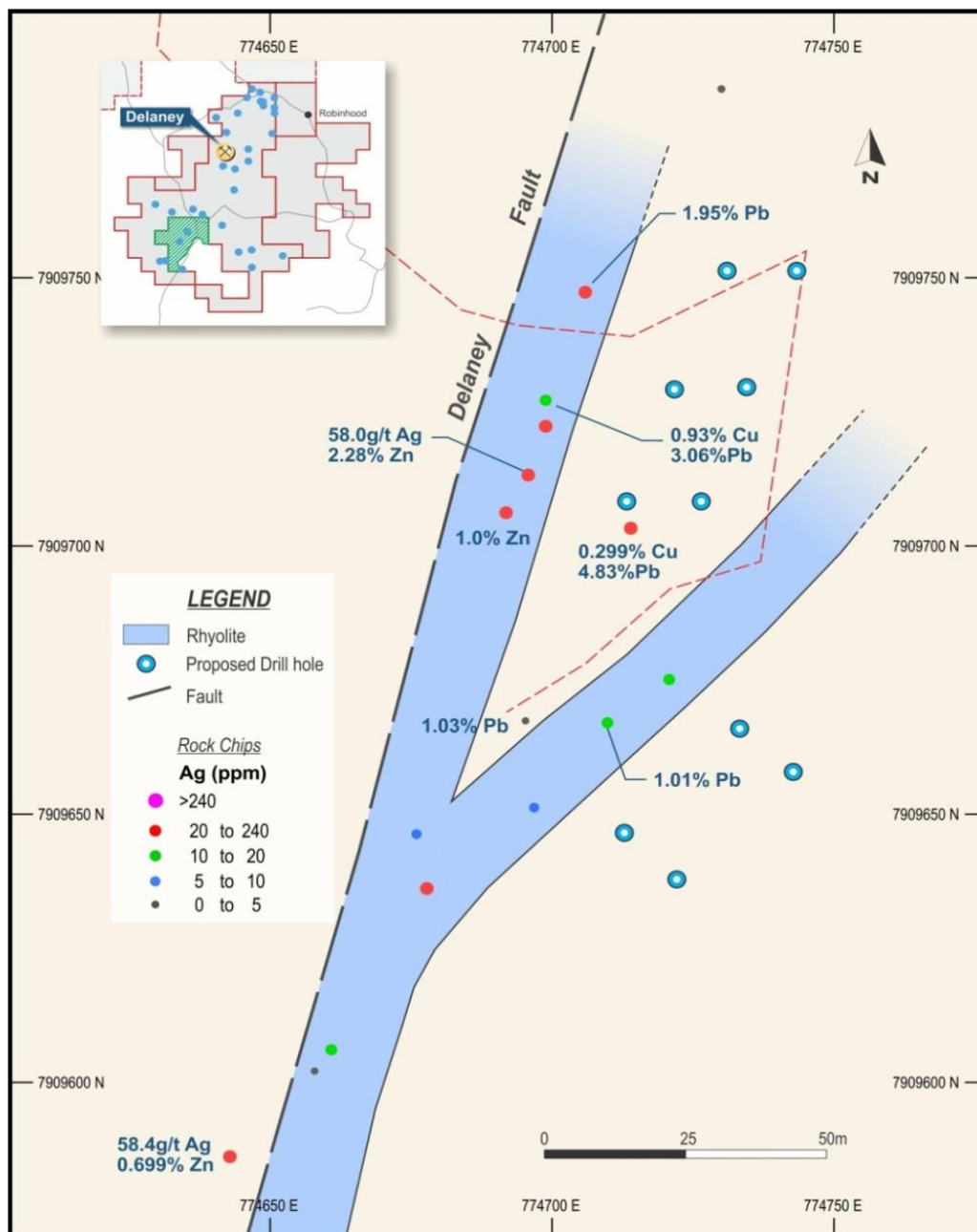


Delaney

Delaney prospect is located at the intersection of several rhyolite dykes along the Delaney Fault trace. Mineralisation is within sulphide rich quartz veins within the rhyolite dykes that are up to 2m wide. The Delaney Fault is a long lived regional structure that hosts rhyolite, andesite, quartz veining and some mineralisation, including gold, silver and lead. Adjacent splays are sometimes gold mineralised although maximum gold values to date are lower than 1g/t Au.

Best results at Delaney show very low gold grades but include a cluster of encouraging base metal results with 4.8% Pb, 58g/t Ag, 0.9% Cu and 2.3% Zn. The figure below shows planned drilling at Delaney with significant rockchips. The conceptual exploration target for this prospect is quartz sulphide veins within the rhyolite dykes averaging 5% Pb, 50g/t Ag, 2% Zn and 1% Cu. Drilling is planned to test depth and strike extensions of the dykes.

Delaney

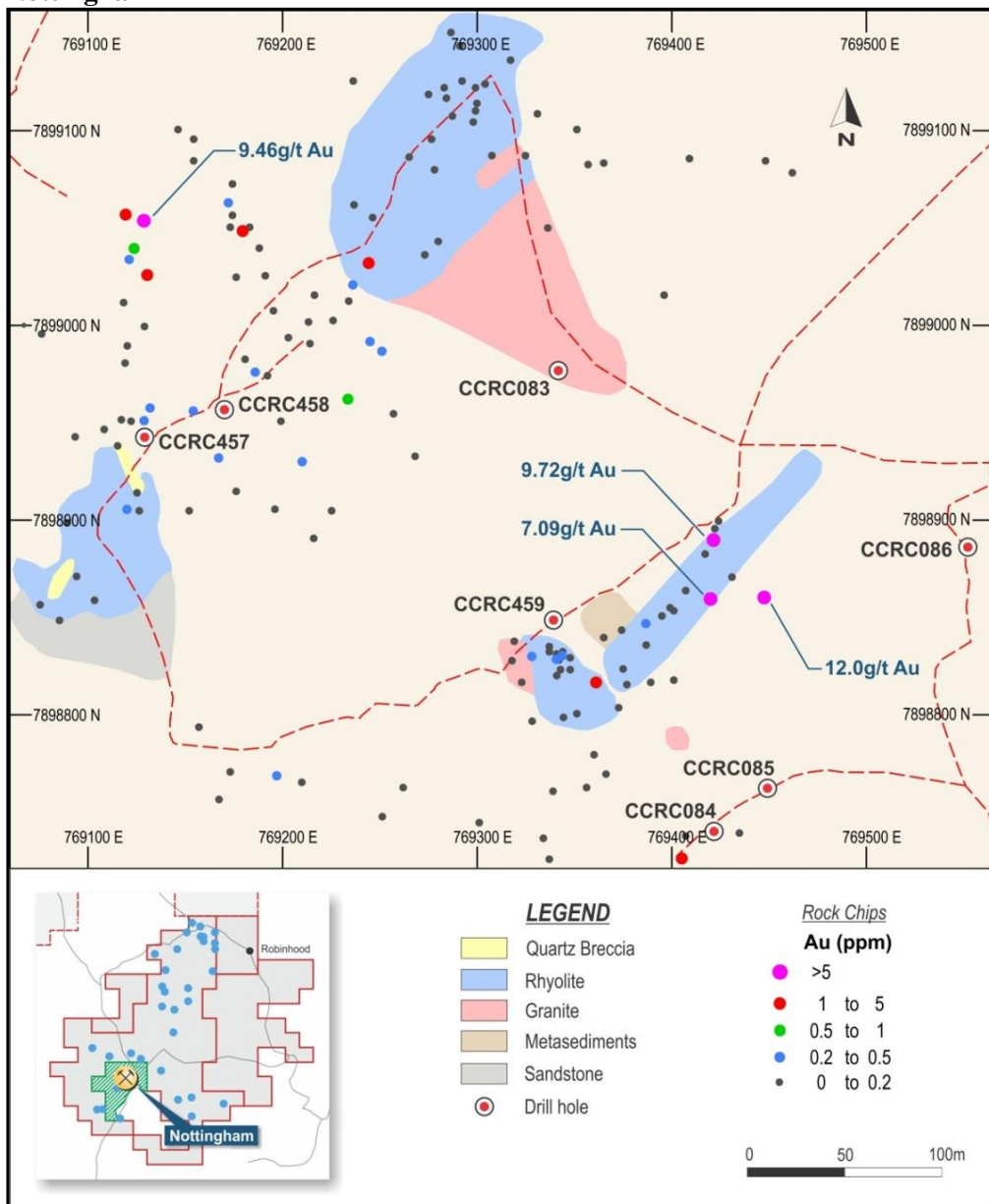


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Nottingham

Historical drilling at Nottingham has showed wide ranging results, with several drillholes returning high though inconsistent results. Nottingham is a very prospective drill ready target with a 2km long outcropping of epithermal quartz breccia veins and peripheral stockwork zones. Rhyolites along the zone and the vein itself are variably mineralised with one rhyolite, peripheral to the vein showing visible gold in stockwork quartz veinlets. To date drilling has largely missed the main target zone. Laneway holds high hopes for discovery of satellite mill feed deposits within the wider project area. Detailed mapping and rock chipping early in 2011 delineated several chalcedonic vein breccias, two of which were drilled, further mapping is required to adequately cover the area. Detailed structural mapping along with lithological mapping and rock chipping is planned for Nottingham in the coming field season. Additional drilling may also be undertaken if results warrant.

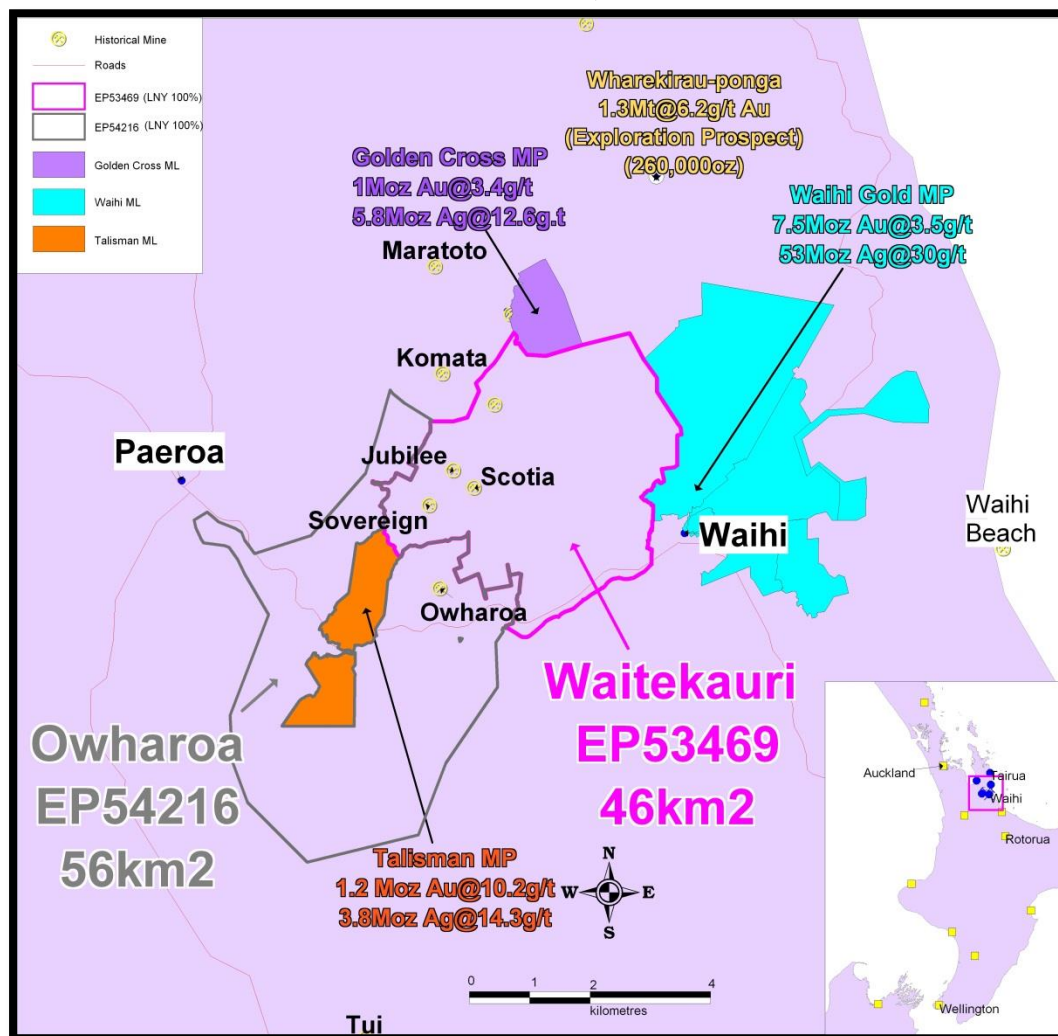
Nottingham



New Zealand Southern Coromandel Project (100% interest)

The Southern Coromandel Project consists of two granted exploration permits EP53469 & EP54216 covering 102km² located in the highly prospective Hauraki Goldfields district within the mineralised corridor that is host to Newmont's Martha Mine (Waihi) and the Golden Cross Mine.

Tenure on the Southern Coromandel Peninsula, New Zealand



Geology and Mineralisation

The Hauraki Goldfields district was extensively mined between 1860 and 1952 with total production of over 45Moz of gold and silver from around 50 low-sulphidation epithermal deposits. Mining typically has a vertical extent of 170-330m but up to 700m at Karangahake and 600m at Waihi. The largest deposit in the Hauraki Goldfields district is Newmont's operational Martha Mine which has produced an average of 100,000 oz of gold and 700,000 oz of silver annually since 1988.

Previous Exploration

The majority of historical exploration occurred between 1970 and 1990 with only small areas subject to more recent work. A significant number of drillholes, stream sediments, rockchips, and soil samples have been taken across the project and have delineated several prospects including Joker, Marys Hill, Maratoto, Scotia, Jubilee, Sovereign and Jasper Creek. Several of these prospects have significant

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mineralised zones surrounding historical mines and resources that require detailed field investigation of results.

Work has comprised initial land access agreements, field mapping and rockchip sampling. Samples consisted dominantly of crystalline andesites in various stages of weathering but a small number of samples showed hydrothermal veining and alteration. Rockchip samples of up to 0.44g/t Au highlighted several areas for follow up within Waitekauri. Drilling is planned for late 2014 in EP53469 following up historical mining drilling and resources.

Forward Exploration Program

Literature reviews have revealed several areas where significant zones of mineralisation have been delineated mainly surrounding areas of historical mining. These zones lie within the structural corridor that is host to Golden Cross and Talisman and as such are a high priority for Laneway as they have received limited work since the 1990's and have potential to bring the historical resources up to JORC compliance.

Historical production figures (MR2796)

Area	Claim	Gold Produced (oz)	Average Ore Grade Au (g/t)	Average Ore Grade Ag (g/t)
Puriri	Miners Right	1070	23.7	18.4
	Hit or Miss	239	15.8	4.9
	Surprise	220	12.1	8.3
Omahu	Sheet Anchor	1410	7.2	41.9
	We Three	539	21.8	24.5
	Klondyke	35	2.7	1.6
Waitekauri	Maoriland/Sovereign	5396	24.3	47.1
	Grace Darling	298	3.5	2.1
	Jubilee	1292	22.5	25.1
	Scotia	738	17.4	24.8

Confirmation of historical exploration results may allow upgrade of existing mineralised zones to JORC compliant resources and data compilation and reviews will generate new targets and potentially upgrade old projects. Laneway has compiled historical geological, geotechnical, geophysical and drilling data with several areas of interest identified for drilling.

A complete review of all four NZ tenements was undertaken during the year. Focus areas moving forward are within the two central tenements, namely EP53469 and EP54216. As such, a decision to surrender EP53464 and EP55213 was made in the June 2014 quarter. Discussions also continue with other parties regarding their interest in the two retained tenements.

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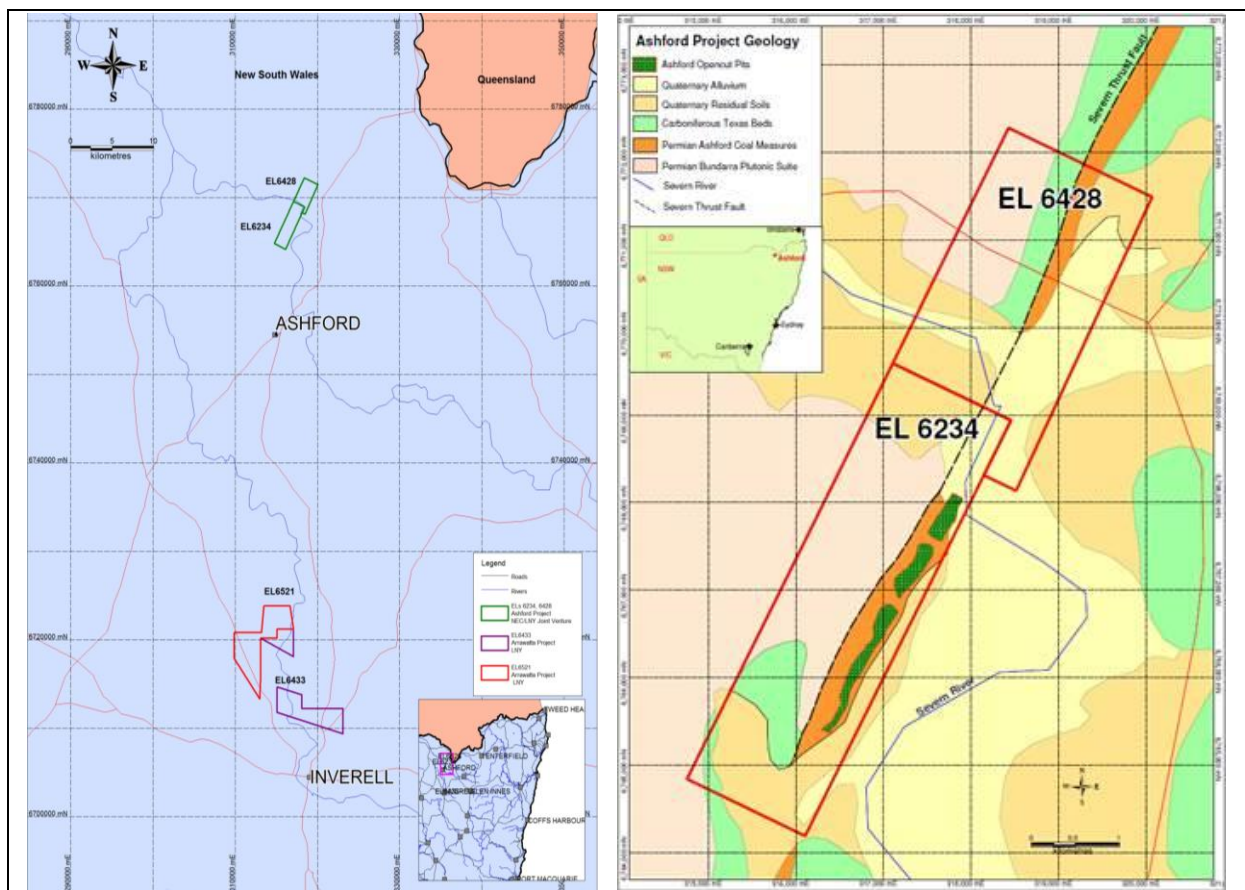
Ashford (50% interest) and Arrawatta (100% interest) Coal Projects

Ashford 50% Joint Venture

The Ashford Coking Coal Project comprises a 50% Joint Venture with Northern Energy Corporation (NEC), now a 100% subsidiary of New Hope Corporation. The Joint Venture incorporates the Ashford Mine Area (EL 6234 and EL 6428), where a resource comprising coking coal of 8 Mt indicated and 5 Mt inferred has been identified. NEC is managing both areas.

Following an extensive review of the Company's coal tenements during the year, it was decided to focus on key holdings and thus retain only the most highly prospective target areas. As a result the whole Atholwood (EL6526) tenement was dropped and 70% of EL 6521(LNY 100%) relinquished.

Granted Coal Tenure - Ashford & Arrawatta NSW



Arrawatta 100% Laneway

Geology and Mineralisation

Significant thicknesses of coal-bearing Permian sediments have previously been identified in and around the original Arrawatta discovery. Drillholes intersected Permian sediments with coal over a strike of approximately 3 km. The sequence is open to the north. Coal-bearing strata are contained in two to three sequences within the Permian sediments. Cumulative thicknesses of coal previously identified ranged from approximately 3m to almost 18m. The Permian coal measures strike almost north-south and dip moderately to the west. Surface exposure of Permian sediments is very limited. Drilling has therefore been “blind-testing” for Permian coal measures through Tertiary sediments/basalts and recent alluvials.

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The Arrawatta Project covers over 50km² comprising two tenements (EL6433 and EL6521) located approximately 10km north of Inverell in Northern NSW and is the interpreted extension of the Ashford coal measures

During the year Laneway completed internal reviews on all tenements within the Arrawatta Project. As a consequence of this 47% of EL6433 and 75% of EL6521 was renewed. The remainder being partially relinquished due to limited prospectivity associated with block faulting in the area.. Statutory reporting has been completed for all Laneway tenements and those held jointly with NEC.

Previous Exploration

Exploration has been focussed on testing for the southern extension of the Ashford coal measures within the Arrawatta Project area. Laneway has completed over 100 drillholes and several line kilometres of geological mapping with results showing the Permian sequence does extend to the south through the Arrawatta Project. The coal intercepted has been thin seams with a cumulative thickness of up to 12m.

Forward Exploration Program

The area has potential to produce high volatile, high fluidity coking coal but its potential is limited by the generally thin seams in the areas drilled to date and the presence of igneous intrusives, which have coked the seams in some holes, and slightly devolatilised seams in others. Future drilling is planned to extend the current mineralisation with particular focus on the interpreted fault offset in the central part of the licences.

An updated Review of Environmental Factors (REF) document was compiled and submitted for work on the Arrawatta Project. Drill planning is complete and drilling will commence as soon as REF has been approved. Drilling is planned to extend the current mineralisation with particular focus on the interpreted fault offset in the central part of the licences.

Rockland Gold Project (100% interest)

EPM19368 was granted on 31 July 2012 and covers 121km² to the southwest of Warwick in southeast Queensland. The area has significant potential for Intrusion-Related Gold Systems (IRGS) mineralisation and shows a set of parallel dykes striking north-northwest over several kilometres just to the east of a large granite pluton. The discovery of an adjacent area of interest was followed up with an application for EPMA19571 (Rockland West) covering 148km² to the west of the current tenement.

Geology and Mineralisation

The New England Batholith granites show significant polymetallic mineral deposits throughout the region. Mineralisation has been reported in both the Commonwealth and State governments reports related to the mineralogy of the extensive dyke swarms up to 3,000m in width and extending for over 10 km, which occur in a north north-west trend within the area of application.

There are several alluvial goldfields surround the area including Thanes Creek, Pikedale and Canal Creek goldfield which produced over 565kg of Au at average grades of 3.2g/t Au. No hard rock source for these large alluvial fields has been found to date.

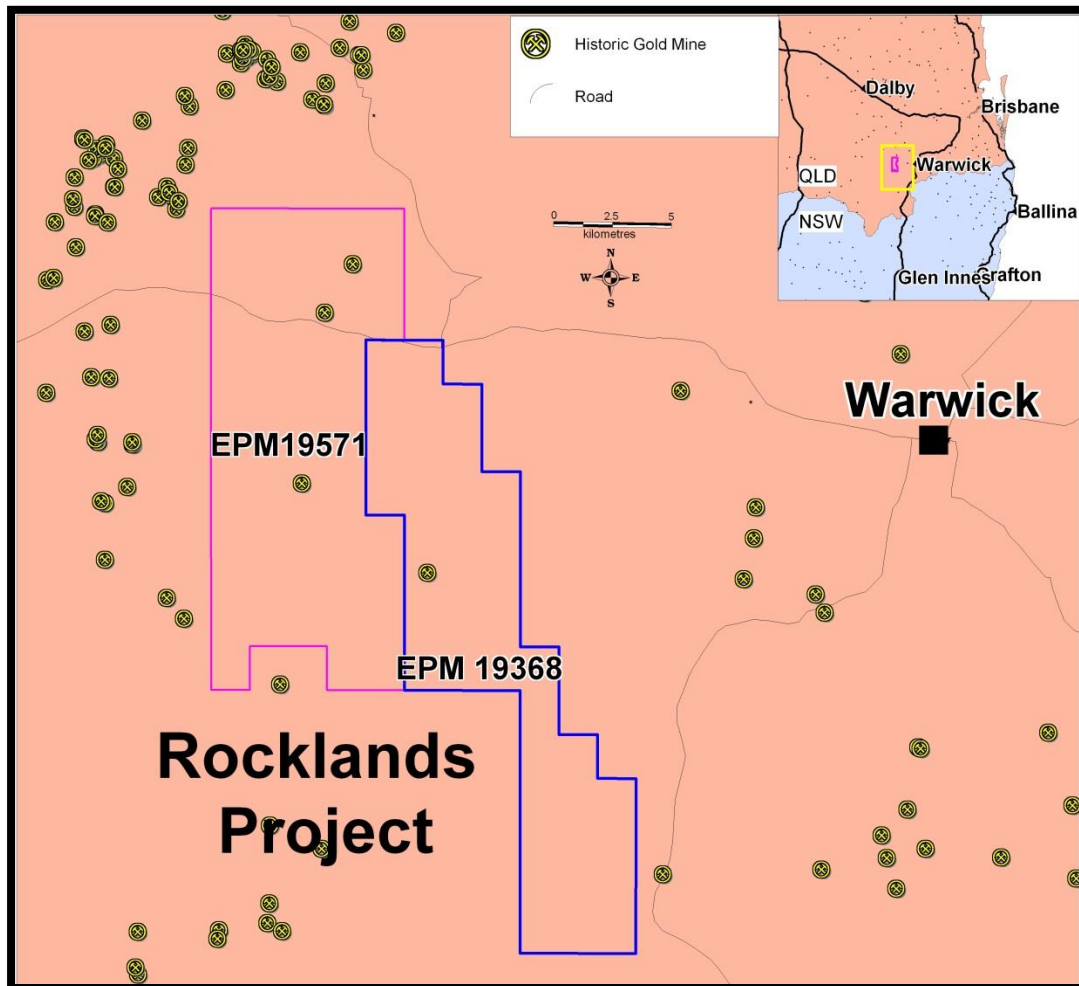
Forward Exploration Program

Laneway is currently completing landholder title searches and will initiate landholder access negotiations in 2014. Initial work will consist of geological mapping and sampling across the dyke swarms which are the primary areas of interest. Historical data is also being compiled.

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The principal target of exploration will be Intrusive Related Gold Systems (IRGS) similar to that found at Timbarra in Northern NSW. The region also holds potential for granite associated shallow, low tonnage, high grade deposits of Cu, Pb, Zn, Ag, Sn.

Rockland EPM19368 and EPMA19571 SW of Warwick



Corporate

- Laneway was formally advised during the June 2014 quarter that JKO Mining had been placed into voluntary administration. Laneway is in discussions with the administrators in relation to amounts owed by JKO to Laneway which total approximately \$400,000 plus royalties owed to the Queensland Government. Laneway is also in discussions with parties interested in the assets of JKO with an intent to utilise Agate Creek ore in any possible re-start of the processing operations.
- The Company continues its strategic review with a focus on assets that have a pathway to future development. This includes the review of new project opportunities.
- Subsequent to the end of the year, a \$400,000 convertible note capital raising (issue price of 0.25cents) was successfully undertaken. The unlisted convertible notes have a one year term and are convertible into ordinary shares on a one-for-one basis at a conversion price of 0.25 cents. Proceeds of the capital raising are being used to fund exploration activities and project approvals at the Agate Creek gold project.

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REPORT OF THE DIRECTORS

The directors present their report on Laneway Resources Limited and its controlled entities (the “company”, “consolidated entity”, Group” or “Laneway”) for the year ended 30 June 2014.

Directors

The names and details of the Company’s directors in office during the financial year and until the date of this report are as follows. Directors were in office for the entire period unless otherwise stated.

Names, qualifications, experience and special responsibilities

SG Bizzell BCom, MAICD (Executive Chairman)

Stephen is Chairman of boutique corporate advisory and funds management group, Bizzell Capital Partners Pty Ltd. He has had considerable experience and success in the fields of corporate restructuring, debt and equity financing, and mergers and acquisitions and has over 20 years corporate finance and public company management experience in the resources sector in Australia and Canada with various public companies. Stephen was an Executive Director of Arrow Energy Ltd from 1999 until its takeover for \$3.5 billion by Royal Dutch Shell and PetroChina in August 2010. Early in his career he was employed in the corporate finance division of Ernst & Young and the tax division of Coopers & Lybrand and qualified as a Chartered Accountant.

Other Listed Company Directorships in the past three years:

- Armour Energy Ltd (listed April 2012)
- Diversa Ltd (appointed August 2010)
- Renascor Resources Ltd (listed December 2010)
- Stanmore Coal Ltd (listed December 2009)
- Titan Energy Services Ltd (listed December 2011)
- Bow Energy Ltd (listed January 2005, resigned January 2012)
- Hot Rock Ltd (appointed September 2009, resigned August 2014)
- Dart Energy Ltd (listed August 2010, resigned November 2013)

RS Anthon BA LLB MAICD (Non-Executive Director)

Rick Anthon is a non-executive director of the Company. He holds a Bachelor of Arts and a Bachelor of Laws from the Australian National University. He is a member of the Australian Institute of Company Directors and the Australian Mining and Petroleum Lawyers Association. Rick has twenty five years experience in corporate and commercial law with particular expertise in the mining exploration, mineral development and energy sectors.

Other Listed Company Directorships in the past three years:

- Metals Finance Ltd (appointed October 2010)
- Stratum Metals Ltd (appointed October 2011)
- Bass Metals Ltd (appointed October 2013)
- International Coal Ltd (listed August 2011 resigned November 2011)
- Baru Resources Ltd (listed September 2011 resigned July 2013)
- Lamboo Resources Ltd (appointed June 2013, resigned January 2014)

B Harrison BSc, M.App.Fin, FINSIA (Non-Executive Director)

Ben Harrison is an Executive Director with Bizzell Capital Partners. Prior to joining Bizzell Capital Partners he worked in the corporate finance team at a leading corporate advisory firm where he was involved in a number of capital market and M&A transactions in the resources and industrial sectors. Mr Harrison commenced his career as a project manager for an international engineering consulting firm, working on a number of large infrastructure projects in Australia and South East Asia. He has experience in project management, financial analysis, primary and secondary market transactions and M&A. Ben also has experience in private equity and direct investments and is involved at board and management level in investee companies on behalf of Bizzell Capital Partners and its related entities.

Other Listed Company Directorships in the past three years:

- AusTinMining Ltd (appointed November 2010, resigned February 2014)
- Navaho Gold Ltd (appointed February 2011, resigned February 2014)

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Company Secretary

P Marshall LLB, ACA

Paul Marshall holds a Bachelor of Law degree and is a Chartered Accountant. He has more than 25 years experience including over fifteen years spent in commercial roles as Company Secretary and CFO for a number of listed and unlisted companies mainly in the resources sector.

Interests in the shares and options of the Company

Interests of the directors in the shares and options of the Company as at the date of this report are:

	Ordinary Shares
Stephen Bizzell	964,569,290
Rick Anthon	17,157,234
Ben Harrison	11,388,867

Corporate Information

Corporate Structure

Laneway Resources Limited is a company limited by shares that is incorporated and domiciled in Australia. Laneway Resources Limited has prepared a consolidated financial report encompassing the entities that it controlled or had significant influence over during the financial year:

Laneway Resources Limited had the following investments in controlled companies throughout the financial year:

- Tom's Gully Holdings Pty Ltd (100%)
- Renison Coal Pty Ltd (100%)
- Agate Creek Holdings Pty Ltd (100%)

Nature of operations and principal activities

The principal activities of the consolidated entity during the year were the exploration for and evaluation of gold and coal tenements.

Operating Results

In September 2013 the company completed a corporate restructure and recapitalisation process following an EGM where shareholder approval was received for the capitalisation of a debt owed by the company to Bizzell Nominees Pty Ltd (director related entity). It also continued with exploration activities on its gold project at Agate Creek in Queensland, its coal tenements in New South Wales and its exploration projects in New Zealand.

Revenue

As an early stage exploration company, Laneway Resources Limited does not generate any income.

Expenses

The Consolidated Entity's main sources of expenses are as follows:

	2014 \$
Employment and consultancy expenses	370,741
Depreciation expense	19,021
Finance costs	387,424
Exploration costs expensed	42,000
Impairment of exploration expenditure	361,339
Administration expenses	458,128
Total expenses	1,638,653

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Impairment of exploration expenditure relates to write down of the Sydney Flat (\$42k) and New Zealand (\$217k) gold projects and the Atholwood (\$144k) coal project. Drilling and other geological assessments did not support further expenditure on these prospects and the tenements have been surrendered. These impairment charges can be regarded as one-off items to the extent they will not be incurred in future periods unless additional prospects are written down in future periods.

The main component of the finance cost was interest accrued of \$383,732 in relation to the loan facilities provided by Bizzell Nominees Pty Ltd. The original loan was repaid by the issue of shares during the financial year while a new loan facility was entered into following the 2013 EGM.

Comparison with Prior Year

For the year ended 30 June 2014, the loss for the Consolidated Entity after providing for income tax was \$1,636,903 (2013: loss of \$3,603,983):

	2014	2013
	\$	\$
Revenue and other income	1,750	26,096
Exploration expenditure impairment	(403,339)	(498,729)
Depreciation and amortisation expenses	(19,021)	(20,148)
Finance costs	(387,424)	(2,084,487)
Employment costs	(370,741)	(512,890)
Other expenses	(458,128)	(513,825)
Loss before income tax	(1,636,903)	(3,603,983)

Excluding the impact of impairment charges which is not recurring in nature nor comparable, the adjusted loss for the 2014 financial year is \$1,871,690 lower than the adjusted loss of 2013. This reduction is attributable to:

	\$
Reduced interest expense due to the repayment in September 2013 of the loan provided by Bizzell Nominees Pty Ltd.	(1,697,063)
Reductions in employee costs	(142,149)
Other net changes in sundry revenue, administrative and other costs	(32,478)
	(1,871,690)

Review of Financial Condition

Capital structure

In the prior financial year Laneway had announced its intention to undertake a major recapitalisation and restructure to better position the company to meet its stated objectives of exploring and developing its projects.

In the 2014 financial year Laneway successfully completed a corporate restructure which included the following:

- In July the company issued a total of 13,666,667 shares at 1.5 cents raising \$205,000.
- In August the company undertook an entitlement offer for shareholders that raised \$180,633 and reduced loans payable by \$275,175.
- The placement of the rights issue shortfall raised a further \$120,000 and also reduced creditors by \$488,404.

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- Approval for the conversion of the full Bizzell Nominees Pty Ltd (Director Related Entity) Loan Facility into shares was received from shareholders on 17 September 2013. The full repayment of the loan balance (including accrued interest) was approximately \$19,638,218.
- Approval for the issue of shares in lieu of Directors Fees was also received at the 17 September EGM. A liability of \$198,333 was extinguished by the issue of shares.
- Repayment of loans advanced and amounts owed to some creditors to the Company totalling approximately \$884,404 was also approved at the 17 September EGM.
- The issue of \$20,000 of shares as payment for the acquisition of two exploration tenements.
- The placement of \$30,000 of shares in November 2013

At 30 June 2014, the Company had 1,378,598,483 ordinary shares on issue.

Treasury policy

The Company does not have a formally established treasury function. The Board is responsible for managing the Company's currency risks and finance facilities.

Liquidity and funding

The Company has in the 2014 financial year continued to be supported by a loan facility provided by the Chairman of the Company while it seeks to raise funds by the sale of interests in the exploration assets still owned by the Company.

Dividends

No dividend was paid during the year and none is recommended as at 30 June 2014.

Significant Changes in the State of Affairs

There were no significant changes in the State of Affairs of the Consolidated Entity during the year.

Matters Subsequent to the End of the Financial Year

On 11 September 2014 the Company announced it had completed a capital raising of \$400,000 through the placement of 160,000,000 unlisted convertible notes at 0.25 cents per note. The unlisted convertible notes have a redemption date of 26 June 2015 and a conversion price of 0.25 cents per share. If the Convertible Notes are not converted earlier then the Company will redeem the Convertible Notes at the Redemption Date by repayment to the Note Holder of the Subscription Amount.

In addition the company also issued 12,150,056 ordinary shares on 11 September 2014 at an issue price of 0.2659 cents per share in payment for consultancy services provided to Laneway.

Likely Developments and Expected Results of Operations

There are no developments of which the directors are aware which could be expected to affect the results of the Consolidated Entity's operations in subsequent financial years other than information which the directors believe comment on or disclosure of, would prejudice the interests of the Consolidated Entity.

Share Options

At the date of this report there are no unissued ordinary shares under options.

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Meetings of Directors

The following table sets out the number of meetings of the Company's directors held during the year ended 30 June 2014 and the number of meetings attended by each director.

	Directors' Meetings
Number of meetings held	2
Number attended	
S Bizzell	2
R Anthon	2
B Harrison	2

Indemnification of Officers or Auditor

During the financial year Laneway paid a premium to insure each of the directors against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in a capacity of Director other than conduct involving a wilful breach of duty in relation to the Consolidated Entity. The contract of insurance prohibits the disclosure of the nature of the liabilities covered and the amount of the premium paid. The Corporations Act does not require disclosure of the information in these circumstances. The consolidated entity has not indemnified its auditor.

Proceedings on Behalf of the Company

No person has applied for leave of Court to bring proceedings on behalf of the Consolidated Entity or intervene in any proceedings to which the Consolidated Entity is a party for the purpose of taking responsibility on behalf of the Consolidated Entity for all or any part of those proceedings. The Consolidated Entity was not a party to any such proceedings during the year.

Environmental Regulation and Performance

The Company held authorisations under various exploration licences. There have been no known breaches of the authorisation or licence conditions.

REMUNERATION REPORT - AUDITED

This report outlines the remuneration arrangements in place for the directors and key management personnel of Laneway Resources Limited (the Company).

Remuneration Policy

The performance of the Company depends upon the quality of its directors and executives. To prosper, the Company must attract, motivate and retain highly skilled directors and executives.

The full Board of Directors is responsible for determining and reviewing compensation arrangements for the directors and the executive team. The Board assesses the appropriateness of the nature and amount of emoluments of such officers on a periodic basis by reference to relevant employment market conditions with the overall objective of ensuring maximum stakeholder benefit from the retention of a high quality board and executive team. Such officers are given the opportunity to receive their base emolument in a variety of forms including cash, equity and fringe benefits. It is intended that the manner of payments chosen will be optimal for the recipient without creating undue cost for the Company. Further details on the remuneration of directors and executives are set out in this Remuneration Report.

The Company aims to reward the executive directors and key management personnel with a level and mix of remuneration commensurate with their position and responsibilities within the Company. The Board's policy is to align director and executive objectives with shareholder and business objectives by providing a fixed remuneration component and offering long-term incentives.

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In accordance with best practice corporate governance, the structure of non-executive director and executive director and key management personnel remuneration is separate and distinct.

Non-Executive Director Remuneration

The Board seeks to set aggregate remuneration at a level which provides the Company with the ability to attract and retain directors of the highest calibre, whilst incurring a cost which is acceptable to shareholders.

The Company's specific policy for determining the nature and amount of emoluments of board members of the Company is as follows:

- The Constitution of the Company provides that the non-executive directors are entitled to remuneration as determined by the Company in general meeting to be apportioned among them in such manner as the directors agree and, in default of agreement, equally. The aggregate remuneration currently determined by the Company is \$200,000 per annum. Additionally, non-executive directors will be entitled to be reimbursed for properly incurred expenses.
- If a non-executive director performs extra services, which in the opinion of the directors are outside the scope of the ordinary duties of the director, the Company may remunerate that director by payment of a fixed sum determined by the directors in addition to or instead of the remuneration referred to above. A non-executive director is entitled to be paid travelling and other expenses properly incurred by them in attending director's or general meetings of the Company or otherwise in connection with the business of the Company.

Executive Director and Key Management Personnel Remuneration

The Company aims to reward the executive directors and key management personnel with a level and mix of remuneration commensurate with their position and responsibilities within the Company and so as to:

- reward executives for company and individual performance against targets set by reference to appropriate benchmarks;
- align the interests of executives with those of shareholders;
- link reward with the strategic goals and performance of the Company; and
- ensure total remuneration is competitive by market standards.

The remuneration of the executive directors and key management personnel may from time to time be fixed by the Board. The remuneration will comprise a fixed remuneration component and also may include offering specific short and long-term incentives, in the form of:

- performance based salary increases and/or bonuses; and/or
- the issue of options

Employment Contracts

It is the Board's policy that employment agreements are entered into with all executive directors, executives and employees. No current employment contracts contain early termination clauses. All non-executive directors have contracts of employment.

Stephen Bizzell is engaged as Executive Chairman. His agreement is a consultancy style agreement for the provision of services. Services are invoiced at a weekly rate of \$2,320.

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Discussion of the Relationship between the Remuneration Policy and the Consolidated Entity's Performance

The factors that are considered to affect shareholder return are summarised below:

Measures	2014 \$	2013 \$	2012 \$	2011 \$	2010 \$
Share price at end of financial year	\$0.002	\$0.022	\$0.001	\$0.003	\$0.002
Earnings/(loss) per share (cents)	(0.15)	(5.26)	(18.34)	(57.00)	(73.49)
Loss for the financial year	(1,636,903)	(3,603,983)	(4,191,446)	(4,331,980)	(4,146,702)
Director & Key Management Personnel remuneration	542,726	725,942	787,145	785,912	776,369

The Board considers the Consolidated Entity's performance in the above matters when setting remuneration along with other factors relevant to an exploration company including the following:

- the identification of prospective tenements;
- subsequent design and execution of exploration programs;
- negotiating joint venture arrangements on terms favorable to the Company;
- expanding the level of mineral resources under the control of the company; and
- carrying out exploration programs in a timely and cost effective manner.

Details of Directors and Key Management Personnel

Directors

RS Anthon	Director (Non-executive)
SG Bizzell	Chairman (Executive Chairman)
B Harrison	Director (Non-executive)

Key Management Personnel

S Hall	Exploration Manager
P Marshall	Company Secretary

Key management personnel are those directly accountable and responsible for the operational management and strategic direction of the Company and the Consolidated Entity.

Director remuneration

	Short-term				Post-Employment	Share-based payment	Total	Performance Related %	% consist-ing of equity
	Salary & Fees \$	Cash Bonus \$	Non-cash benefits \$	Termination Payments \$	Superannuation \$	Shares/Options \$	\$		
R Anthon									
2014	30,000	-	-	-	-	-	30,000	-	-
2013	30,000	-	-	-	-	-	30,000	-	-
S Bizzell									
2014	120,640	-	-	-	-	-	120,640	-	-
2013	120,640	-	-	-	-	-	120,640	-	-
B Harrison*									
2014	50,000	-	-	-	-	-	50,000	-	-
2013	37,500	-	-	-	-	-	37,500	-	-
D Vincent^									
2013	5,000	-	-	-	-	-	5,000	-	-
TOTAL									
2014	200,640	-	-	-	-	-	200,640	-	-
2013	193,140	-	-	-	-	-	193,140	-	-

*B Harrison (appointed September 2012)

^D Vincent (resigned August 2012)

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Remuneration of the other key management personnel

	Short-term				Post-Employment	Share-based payment	Total	Performance Related %	% consist-ing of equity
	Salary & Fees \$	Cash Bonus \$	Non-cash benefits \$	Termination Payments \$	Superannuation \$	Shares \$	\$		
K Grice#									
2013	94,992	-	-	69,366	8,549	-	172,907	-	-
S Hall									
2014	194,774	-	-	-	17,312	-	212,086	-	-
2013	213,051	-	-	-	16,844	-	229,895	-	-
P Marshall									
2014	130,000	-	-	-	-	-	130,000	-	-
2013	130,000	-	-	-	-	-	130,000	-	-
TOTAL									
2014	324,774	-	-	-	17,312	-	342,086	-	-
2013	438,043	-	-	69,366	25,393	-	532,802	-	-

#K Grice (employed to November 2012)

No long term benefits have been paid or accrued for any director or key management personnel in the year ended 30 June 2014 (2013:nil).

Compensation securities: Granted and vested during the year

No compensation securities were issued during the 2014 or the 2013 financial years.

Shares issued on exercise of compensation options

No shares were issued on the exercise of compensation options in the 2013 or 2014 financial years. There are currently no outstanding compensation options on issue.

Option holdings of directors and key management personnel

No options were held at 30 June 2014 or 2013

Security holdings of directors and key management personnel

All equity transactions with directors and key management personnel other than those arising from the exercise of remuneration options have been entered into under terms and conditions no more favourable than those the entity would have adopted if dealing at arm's length. On market, public offering transactions and interest reinvestment issues of Convertible Notes are included within Net Change Other in the table below:

Ordinary Shares

2014	Balance 1/7/13	Granted as Remuneration	On Exercise of Options	Net Change Other	Balance 30/6/14
Directors					
RS Anthon	153,900	-	-	17,003,334	17,157,234
SG Bizzell	16,253,023	-	-	948,316,267	964,569,290
B Harrison	-	-	-	11,388,867	11,388,867
Key Management Personnel					
S Hall	14,833	-	-	-	14,833
P Marshall	151,798	-	-	20,166,667	20,318,465
Total	16,573,554	-	-	996,875,135	1,013,448,689

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Loans with directors and key management personnel.

Bizzell Nominees Pty Ltd a company associated with Mr Stephen Bizzell continued to provide loan facilities to the company during the year. The initial total facility provided was for up to \$19,500,000. At the 30 June 2013 balance date the outstanding balance on the facilities was \$19,558,204 including interest accrued (but not paid) during the 2013 financial year of \$2,023,500. During the year ended 30 June 2013 \$340,426 was advanced to the company. No amounts were repaid. The interest rate on the loan was 11%. The loan was secured by a fixed and floating charge over the assets of the Group. The loan facilities, which totalled \$19,638,218, were extinguished by the issue of 1,091,012,088 shares on 18 September 2013 following approval from shareholders at an EGM held on 17 September 2013.

Bizzell Nominees Pty Ltd a company associated with Mr Stephen Bizzell provided a new loan facility to the company during the year. The total facility provided was for up to \$2,000,000. At the 30 June 2014 balance date the outstanding balance on the new facility was \$485,593 including interest accrued (but not paid) during the 2014 financial year of \$21,593. During the year ended 30 June 2014 \$464,000 was advanced to the company. The interest rate on the loan is 10%.

Other transactions and balances with directors and key management personnel and amounts recognised at the reporting date in relation to other transactions

Purchases

Mr R S Anthon was a partner in the firm of Hemming & Hart, Solicitors until January 2014. Hemming & Hart invoiced \$51,394 (2013: \$143,007) for the provision of legal services to the consolidated entity during the year. At balance date \$251,822 (2013: \$195,299) was included in trade creditors. The services were based on normal commercial terms and conditions. The amount outstanding is secured by a first ranking fixed and floating charge over the assets of the Group.

End of Remuneration Report - Audited

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Auditor Independence Declaration Under Section 307c of The Corporations Act 2001 and Non-Audit Services

The Auditor's Independence Declaration is attached and forms part of the Director's Report for the year ended 30 June 2014.

BDO Audit Pty Ltd continues in office in accordance with section 327 of the Corporations Act 2001.

The Company may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Company and/or the group are important.

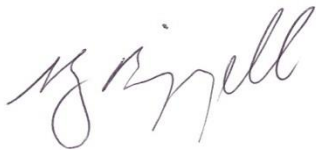
The Board of Directors has considered the position and are satisfied that the provision of the non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The Directors are satisfied that the provision of non-audit services by the auditor, as set out below, did not compromise the auditor independence requirements of the *Corporations Act 2001* for the following reasons:

- all non-audit services have been reviewed by the Board of Directors to ensure they do not impact the impartiality and objectivity of the auditor
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 *Code of Ethics for Professional Accountants*.

During the year the following fees were paid or payable for non-audit services provided by the auditor of the parent entity, BDO Audit Pty Ltd and its related practices:

Independent Experts Report for EGM	\$29,482
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Signed in accordance with a resolution of the Board of Directors



SG Bizzell
Chairman
Brisbane, 30 September 2014

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

As lead auditor of Laneway Resources Limited for the year ended 30 June 2014, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Laneway Resources Limited and the entities it controlled during the year.



K L Colyer

Director

BDO Audit Pty Ltd

Brisbane, 30 September 2014

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ADDITIONAL STOCK EXCHANGE INFORMATION

Additional information required by the Australian Securities Exchange Ltd and not shown elsewhere in this report is as follows. The information is current as at 19 September 2014.

SHAREHOLDER INFORMATION

Distribution of Number of Holders of Each Class of Securities as at 19 September 2014.

Ordinary shares fully paid	
Number of Securities Held	Nos of holders
1 to 1,000	3,213
1,001 to 5,000	566
5,001 to 10,000	187
10,001 to 100,000	278
100,001 and over	180
	<u>4,424</u>
Number of shareholders holding less than a marketable parcel of shares	<u>4,287</u>

Twenty Largest Holders of Each Quoted Security

LNy – Ordinary Fully Paid Shares

No.	Name of Shareholder	Holding	% Held
1	BIZZELL CAPITAL PARTNERS PTY LTD	600,013,333	43.14%
2	BIZZELL NOMINEES PTY LTD	274,562,033	19.74%
3	BCP ALPHA INVESTMENTS LIMITED	65,062,097	4.68%
4	SYPCO HOLDINGS PTY LTD	58,000,000	4.17%
5	SALLY DIANE TRESTRAIL	50,000,100	3.60%
6	RICHARD STACY ANTHON	50,000,000	3.60%
7	DOWNSHIRE INVESTMENTS PTY LTD	20,318,465	1.46%
8	PINE MOUNTAIN PTY LTD	18,079,914	1.30%
9	LQ SUPER PTY LTD	13,333,334	0.96%
10	TENSTAR TRADING LIMITED	13,333,334	0.96%
11	BRETT O'DONOVAN	11,086,089	0.80%
12	NAMBIA PTY LTD	10,166,667	0.73%
13	KOKONG HOLDINGS PTY LIMITED	8,713,449	0.63%
14	PLUTUS CAPITAL PTY LTD	8,333,334	0.60%
15	RNAJ PTY LTD	8,243,334	0.59%
16	CITICORP NOMINEES PTY LIMITED	7,417,324	0.53%
17	RED BEETROOT PTY LTD	7,025,551	0.51%
18	NAMBIA PTY LTD	6,836,667	0.49%
19	HFT NOMINEES PTY LTD	6,666,667	0.48%
20	PERRYVILLE INVESTMENTS PTY LTD	6,174,330	0.44%
		<u>1,243,366,022</u>	<u>89.40%</u>

Voting Rights

- (i) All fully paid ordinary shares carry one vote per share without restriction.
- (ii) All partly paid ordinary shares carry a fraction of one vote per share equal to the proportion that the amount paid up bears to the total issue price.

Substantial Shareholders

Mr Stephen Grant Bizzell holds an interest in 964,569,290 ordinary shares - 69.36%

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Unquoted Securities

There were no unquoted securities at 30 June 2014.

Interests in Mining Tenements

Laneway Resources Limited held the following interests in mining and exploration tenements as at 19 September 2014:

Queensland Tenements

Type	Title No	Location	Interest
EPM	17632	Agate Creek	100%
EPM	17949	Agate Creek	100%
MDL	402	Agate Creek	100%
EPM	17788	Agate Creek	100%
EPM	17626	Agate Creek	100%
EPM	17739	Agate Creek	100%
EPM Application	17629	Agate Creek	100%
EPM	19368	Rocklands	100%
EPM	19571	Rocklands Extension	100%

NSW Tenements

Type	Title No	Location	Interest
EL	6234	Ashford	50%
EL	6428	Ashford North	50%
EL	6433	Arrawatta	100%
EL	6521	Rob Roy	100%

New Zealand Tenements

Type	Title No	Location	Interest
EP	53469	Waitekauri	100%
EP	54216	Owharoa	100%

ANNUAL MINERAL RESOURCE STATEMENT

In accordance with ASX Listing Rule 5.21, the Company reviews and reports its Mineral Resources at least annually. The date of reporting is 30 June each year, to coincide with the Company's end of financial year balance date. If there are any material changes to its Mineral Resources over the course of the year, the Company is required to promptly report these changes.

Agate Creek Project

The Company has previously reported a combined Indicated and Inferred Resource of 17 million tonnes at 0.94 g/t gold for 514,000 ounces at a 0.3 g/t gold cut-off grade has been estimated. At a 0.5 g/t gold cut-off, a combined Indicated and Inferred Resource of 9.47 million tonnes at 1.36g/t gold for 414,000 ounces has been estimated, pursuant to the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' (the "JORC Code") 2004 Edition..

The Mineral Resource was first reported in 2011. There has been no material change to the Resource Statement reported in 2011. In completing the annual review for the year ended 30 June 2014, the historical resource factors were reviewed and found to be relevant and current. The Agate Creek Project has not been converted to an active operation yet and hence no material resource depletion has occurred for the review period.

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Mineral Resource Statement – Agate Creek Gold Project

Resource Estimates at 0.3 g/t gold cut-off grade*

0.3 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	5.4	1.0	180,000				5.2	0.9	154,000	10.7	1.0	334,000
Indferred	2.6	0.9	76,000	0.4	1.1	15,000	3.3	0.8	89,000	6.4	0.9	180,000
Total	8.0	1.0	256,000	0.4	1.1	15,000	8.6	0.9	243,000	17.0	0.9	514,000

Resource Estimates at 0.5 g/t gold cut-off grade*

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	3.0	1.5	147,000				2.9	1.3	124,000	6.0	1.4	271,000
Indferred	1.4	1.4	60,000	0.3	1.3	13,000	1.8	1.2	70,000	3.5	1.3	143,000
Total	4.4	1.5	207,000	0.3	1.3	13,000	4.8	1.3	194,000	9.5	1.4	414,000

* Grade and tonnage rounded to one decimal place. Ounces rounded to nearest 1,000oz.

Ashford Joint Venture

The Ashford Coking Coal Project comprises a 50% Joint Venture with Northern Energy Corporation (NEC), now a 100% subsidiary of New Hope Corporation. The Joint Venture incorporates the Ashford Mine Area (EL 6234 and EL 6428) and NEC is managing both areas. Total resources within EL6234 have been estimated at 13 million tonnes of insitu coal with 8.2 million Tonnes classified as indicated and 5 million tonnes as inferred. Of the total resource, 4.4 million tonnes are at a depth less than 100m while 8.6 million tonnes are between 100m and 200m depth. These estimates are pursuant to the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' (the "JORC Code") 2004 Edition.

The Mineral Resource was last reported in February 2012. There has been no material change to the Resource Statement reported in 2012. In completing the annual review for the year ended 30 June 2014, the historical resource factors were reviewed and found to be relevant and current.

The total resource has been estimated by ply, resource confidence category and depth. The table below presents a summary of the results of the resource estimate.

Mineral Resource Statement – Ashford Coking Coal Project

SEAM	DEPTH RANGE (M)	INDICATED (Mt)	INFERRED (Mt)	TOTAL (Mt)
A1	0-100	0.5	0.2	0.7
	100-200	1.4	0.5	1.9
A2	0-100	0.5	0.5	1
	100-200	1.2	0.6	1.8
A3	0-100	0.5	0.3	0.8
	100-200	1.2	0.5	1.7
A4	0-100	0.4	0.5	0.9
	100-200	0.9	0.6	1.5
A5	0-100	0.5	0.5	1
	100-200	1.1	0.6	1.7
TOTAL	0-100	2.4	2	4.4
	100-200	5.8	2.8	8.6
TOTAL		8.2	5	13

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Material Changes and Resource Statement Comparison

There have been no material changes to the Mineral Resource during the review period from 1 July 2013 to 30 June 2014.

The information in this Annual Report that relates to Mineral Resources was prepared and first disclosed under the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' ("JORC Code") 2004 Edition and has not been updated since to comply with the JORC Code 2012 Edition on the basis that the information has not materially changed since it was last reported. The Company is not aware of any new information or data that materially affects the information as previously released in 2011 and 2012 and all material assumptions and technical parameters underpinning the estimates continue to apply and have not materially changed.

Governance Arrangements and Internal Controls

Laneway has ensured that the Mineral Resources quoted are subject to good governance arrangements and internal controls. The Mineral Resources reported have been generated by suitably qualified personnel who are experienced in best practices in modelling and estimation methods, and also undertaken reviews of the quality and suitability of the underlying information used to determine the resource estimate.

Competent Persons Statement

The information in this Annual Report that relates to Exploration Results and Mineral Resources (except Ashford Coal Resource) is based on information compiled by Mr Scott Hall who is a member of the Australian Institute of Mining and Metallurgy. Mr Hall is a full-time employee of Laneway Resources Limited and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves.' Mr Hall consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

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

Information herein relating to Ashford Coal Resources is based on information compiled by Mr Phillip Bryant who is a member of the Australian Institute of Mining and Metallurgy. Mr Phillip Bryant is currently an employee of New Hope Coal Limited. Mr Phillip Bryant has sufficient experience relevant to the style of mineralisation and type of deposit being reported and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Minerals Resources and Ore Reserves' (the JORC Code). Mr Phillip Bryant consents to the inclusion in the report of the matters based on the information in the form and context in which it appears.

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

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CORPORATE GOVERNANCE STATEMENT

The board of directors of Laneway Resources Limited is responsible for the corporate governance of the Company. The Board guides and monitors the business and affairs of Laneway Resources Limited on behalf of the shareholders by whom they are elected and to whom they are accountable.

Laneway Resources Limited's Corporate Governance Statement is structured with reference to the Australian Stock Exchange ("ASX") Corporate Governance Council's (the "Council") "Corporate Governance Principles and Recommendations, 2nd Edition", which are as follows:

Principle 1	Lay solid foundations for management and oversight
Principle 2	Structure the board to add value
Principle 3	Promote ethical and responsible decision making
Principle 4	Safeguard integrity in financial reporting
Principle 5	Make timely and balanced disclosure
Principle 6	Respect the rights of shareholders
Principle 7	Recognise and manage risk
Principle 8	Remunerate fairly and responsibly

Given the size of the Company and the number of Board members the Company is not in a position to be fully compliant with the Council's best practice recommendations. The Company's current policies do not meet the recommended practices in the following areas due to the board currently consisting of only three directors one of whom is the executive chairman.

ASX Principles and recommendations	Summary of the Company's Position
Principle 2 – Structure the board to add value	
Recommendation 2.2 – The chair should be an independent director	The chairman of the company is not an independent director as he is both a substantial shareholder in the company and undertakes an executive director role in the company.
Recommendation 2.4 – The board should establish a nomination committee	Due to the size and scale of operations, Laneway does not have a separately established nomination committee. The Board currently performs the functions of a nomination committee and where necessary will seek advice of external advisors in relation to this role.
Principle 3 – Promote ethical and responsible decision making	
Recommendations 3.2 and 3.3 - Measurable objectives for achieving gender diversity and for the annual assessment of both the objectives and progress in achieving them have not been implemented	The Board has yet to establish a Diversity Policy. There are some aspects of the recommendations that would be difficult to comply with due to the Company's size. The Board at this juncture has not set measurable objectives. This policy will be reviewed as part of the annual compliance review to ensure that the Diversity Policy is being progressed as required and to set measurable objectives when appropriate for the Company.
Principle 4 – Safeguard integrity in financial reporting	
Recommendation 4.2 – The audit committee should be structured so that it: <ul style="list-style-type: none"> - Consists only of non-executive directors - Consists of a majority of independent directors - Is chaired by an independent chair, who is not chair of the board - Has at least 3 members 	During the 2013/14 financial year the full board was also the audit committee. It currently meets all the recommendations except it does not meet the recommendation that the committee consists of only non-executive directors as one of the directors SG Bizzell is not a non-executive director.

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ASX Principles and recommendations	Summary of the Company's Position
Principle 7 – Recognise and manage risk	
Recommendation 7.2 – The board should require management to design and implement the risk management and internal control system to manage the company's material business risks and report to it on whether those risks are being managed effectively. The board should disclose that management has reported to it as to the effectiveness of the company's management of its material business risks.	While the design and implementation of a basic risk management and internal control system is in place, a formal report as to the effectiveness of the management of the Company's material business risks has not been provided to the board, and is not considered necessary at this stage for the size and nature of the Company's current activities.
Principle 8 - Remunerate fairly and responsibly	
Recommendation 8.1 – The board should establish a remuneration committee	Due to the size and scale of operations, Laneway does not have a separately established nomination committee. The Board currently performs the functions of a nomination committee. For further details regarding remuneration please refer to the Remuneration Report included in the Directors Report.

Structure of the Board

The skills, experience and expertise relevant to the position of director held by each director in office at the date of the annual report is included in the Directors' Report. Directors are considered to be independent when they are independent of management and free from any business or other relationship that could materially interfere with, or could reasonably be perceived to materially interfere with, the exercise of their unfettered and independent judgment.

In the context of director independence, "materiality" is considered from both the company and individual director perspective. The determination of materiality requires consideration of both quantitative and qualitative elements. An item is presumed to be quantitatively material on the following basis - balance sheet items are material if they have a value of more than 5% of pro-forma net assets and profit and loss items are material if they will have an impact on the current year operating result of 10% or more. Qualitative factors considered include whether a relationship is strategically important, the competitive landscape, the nature of the relationship and the contractual or other arrangements governing it and other factors which point to the actual ability of the director in question to shape the direction of the Company's loyalty.

In accordance with the definition of independence above, and the materiality thresholds set, SG Bizzell who is a substantial shareholder and an executive of the company is not classified as independent while RS Anthon and B Harrison are considered to be independent as at the date of this report. The term in office held by each director in office at the date of this report is as follows:

Name	Term in Office
B Harrison	2 years
RS Anthon	17 years
SG Bizzell	17 years

There are procedures in place, agreed by the Board, to enable directors, in furtherance of their duties, to seek independent professional advice at the Company's expense.

Trading Policy

The Board has adopted a policy and procedure on dealing in the Company's securities by Directors, officers and employees which prohibits dealing in the Company's securities when those persons possess inside information, until it has been released to the market and adequate time has passed for this to be reflected in the security's prices. In addition trading is only permitted during certain pre-determined windows.

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Diversification

The recruitment and selection processes adopted by the Company ensure that staff and management are selected in a non-discriminatory manner based on merit. The Company values diversity in the organisation. The Company intends to formalise its diversity policy and establish suitable diversity targets but as at the date of this report this is yet to be done.

The proportion of women employees in the whole organisation, women in senior management positions and women on the board are as follows:

Measure	Female Proportion
Organisation	20%
Senior Management	Nil
Board	Nil

Remuneration and Nomination Committee

The full board now deals with the matters to be covered by the Remuneration and Nomination committee including when necessary, selecting candidates for the position of director.

Audit Committee

The Audit Committee operates under a charter approved by the Board. It is the Board's responsibility to ensure that an effective internal control framework exists within the Company. This includes internal controls to deal with both the effectiveness and efficiency of significant business processes, the safeguarding of assets, the maintenance of proper accounting records, and the reliability of financial information as well as non-financial considerations such as the benchmarking of operational key performance indicators. The Board has delegated the responsibility for the establishment and maintenance of a framework of internal control and ethical standards for the management of the Company to the audit committee.

Qualifications of audit committee members

RS Anthon has been a practicing solicitor for over 20 years and has extensive experience in the area of corporate law. He has been a director of a number of public and private companies. He is the chairman of the audit committee. B Harrison holds a Master of Applied Finance and Investment and is a member of the Financial Services Institute of Australasia. SG Bizzell was a chartered accountant and is an experienced company director.

Risk Management

The Company has developed a basic framework for risk management and internal compliance and control systems which cover organisational, financial and operational aspects of the Company's affairs. Further detail of the Company's Risk Management policies can be found within the Audit and Risk Management Committee Charter available on the Company's website. As required by Recommendation 7.3, the Board has received written assurances from the Chief Executive Officer and Chief Financial Officer that to the best of their knowledge and belief, the declaration provided by them in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.

Performance

The full Board, in carrying out the functions of the Remuneration and Nomination Committee, considers remuneration and nomination issues annually and otherwise as required in conjunction with the regular meetings of the Board. The performance of the individual members of the Board is considered at the regular meetings of the Board. No formal performance evaluation of the directors was undertaken during the year ended 30 June 2014.

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Continuous Disclosure Policy

Detailed compliance procedures for ASX Listing Rule disclosure requirements have been adopted by the Company. A copy of the Continuous Disclosure Policy can be found within the Company's Corporate Governance Statement on the Company's website in the Corporate Governance section.

Communications

The Company has adopted a Communications Policy aimed at promoting effective communications with shareholders and encouraging shareholder participation at general shareholder meetings. A copy of the policy can be found within the Company's Corporate Governance Statement on the Company's website in the Corporate Governance section. In addition to corporate and project information generally available on the Company's website, in the News & Investor Relations section of the Company's website the following information is made available:

- ASX Announcements
- Annual and Quarterly Reports

Remuneration

It is the Company's objective to provide maximum stakeholder benefit from the retention of a high quality Board and Executive team by remunerating Directors and key Executives fairly and appropriately with reference to relevant and employment market conditions. There is currently no link between the nature and amount of Executive Director's and Officer's emoluments to the Company's financial and operations performance. The expected outcomes of the remuneration structure are the retention and motivation of key Executives and the attraction of quality management to the Company.

For details on the amount of remuneration and all monetary and non-monetary components for each of the five highest paid (Non-Director) Executives during the period, and for all Directors, please refer to the Remuneration Report within the Directors' Report. In relation to the payment of bonuses, options and other incentive payments, discretion is exercised by the Board, having regard to the overall performance of Laneway and the performance of the individual during the period. The Board is responsible for determining and reviewing compensation arrangements for the directors themselves and the chief executive officer and the executive team.

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STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2014

		Consolidated	
	Note	2014	2013
		\$	\$
Revenue	2	-	24,829
Other Income	3	1,750	1,267
Impairment of exploration assets	13, 4	(361,339)	(498,729)
Exploration costs expensed		(42,000)	-
Depreciation and amortisation expenses	4	(19,021)	(20,148)
Finance costs	4	(387,424)	(2,084,487)
Employment costs	4	(370,741)	(512,890)
Other expenses	4	(458,128)	(513,825)
Loss before tax		<u>(1,636,903)</u>	<u>(3,603,983)</u>
Income tax expense	5	-	-
Loss for the year		<u>(1,636,903)</u>	<u>(3,603,983)</u>
Other comprehensive income		-	-
Total comprehensive income for the year		<u>(1,636,903)</u>	<u>(3,603,983)</u>
Total comprehensive income for the year is attributable to:			
Owners of Laneway Resources Limited		<u>(1,636,903)</u>	<u>(3,603,983)</u>
 Loss per share			
Basic and diluted (loss) per share (cents per share)	25	(0.15)	(5.26)

The above statement of comprehensive income should be read in conjunction with the accompanying notes

LANEWAY RESOURCES LIMITED
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BALANCE SHEET
AS AT 30 JUNE 2014

		Consolidated	
	Note	2014	2013
		\$	\$
Current Assets			
Cash and cash equivalents	6	99,062	32,990
Trade and other receivables	7	-	1,736
Other Financial assets at fair value through profit and loss	8	4,083	2,333
Other	9	19,503	19,485
Total Current Assets		<u>122,648</u>	<u>56,544</u>
Non-Current Assets			
Trade and other receivables	10	85,000	95,000
Property, plant & equipment	12	5,649	24,670
Exploration and evaluation assets	13	10,612,595	10,488,444
Total Non-Current Assets		<u>10,703,245</u>	<u>10,608,114</u>
Total Assets		<u>10,825,893</u>	<u>10,664,658</u>
Current Liabilities			
Trade and other payables	14	2,197,525	2,436,827
Borrowings	15	109,545	20,617,520
Provisions	16	35,967	29,809
Total Current Liabilities		<u>2,343,037</u>	<u>23,084,156</u>
Non-Current Liabilities			
Borrowings	17	499,090	-
Provisions	18	205,650	205,650
Total Non-Current Liabilities		<u>704,740</u>	<u>205,650</u>
Total Liabilities		<u>3,047,777</u>	<u>23,289,806</u>
Net Assets/(Liabilities)		<u>7,778,116</u>	<u>(12,625,148)</u>
Equity			
Equity attributable to equity holders of the parent			
Share capital	19	121,375,290	99,335,123
Accumulated losses	20	(113,597,174)	(111,960,270)
Total Equity/(Deficiency)		<u>7,778,116</u>	<u>(12,625,148)</u>

The above balance sheet should be read in conjunction with the accompanying notes

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STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2014

Consolidated	Share Capital	Accumulated Losses	Total
	\$	\$	\$
Balance at 1 July 2012	99,335,123	(108,356,287)	(9,021,165)
Loss for the year	-	(3,603,983)	(3,603,983)
Other comprehensive income	-	-	-
Total comprehensive income	99,335,123	(111,960,270)	(12,625,148)
Transactions with owners in their capacity as owners	-	-	-
Total transactions with owners	-	-	-
At 30 June 2013	99,335,123	(111,960,270)	(12,625,148)
At 1 July 2013	99,335,123	(111,960,270)	(12,625,148)
Loss for the year	-	(1,636,903)	(1,636,903)
Other comprehensive income	-	-	-
Total comprehensive income	99,335,123	(113,597,174)	(14,262,051)
Transactions with owners in their capacity with owners			
Shares issued during the year	22,040,167	-	22,040,167
Total transactions with owners	22,040,167	-	22,040,167
At 30 June 2014	121,375,290	(113,597,174)	7,778,116

The above statement of changes in equity should be read in conjunction with the accompanying notes

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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2014

		Consolidated	
	Note	2014	2013
		\$	\$
Cash Flows from Operating Activities			
Cash receipts in the course of operations		-	28,443
Cash payments in the course of operations		(279,543)	(742,659)
Interest received		-	125
Interest paid		(3,692)	(5,054)
Net Cash Used in Operating Activities	21	<u>(283,235)</u>	<u>(719,145)</u>
Cash Flow From Investing Activities			
Receipts from sale of minerals		340,000	-
Receipt of exploration grant		141,708	-
Payments for exploration & development		(1,027,760)	(614,512)
(Payments)/Refunds of security deposits		10,000	20,000
Net Cash Flow (Used in)/Provided by Investing Activities		<u>(536,052)</u>	<u>(594,512)</u>
Cash Flow from Financing Activities			
Proceeds from issue of shares		330,634	-
Loans received		564,000	1,367,426
Loans repaid		-	-
Repayment of finance lease principal		(9,275)	(15,574)
Net Cash Flow from Financing Activities		<u>885,359</u>	<u>1,351,852</u>
Net increase (decrease) in cash held		66,072	38,195
Cash at the beginning of the financial year		32,990	(5,205)
Cash at the end of the financial year	21	<u><u>99,062</u></u>	<u><u>32,990</u></u>

The above statement of cash flows should be read in conjunction with the accompanying notes

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Notes to the Financial Statements

1. CORPORATE INFORMATION

Introduction

Laneway Resources Limited is incorporated and domiciled in Australia.

Operations and principal activities

Principal activities comprise of mineral exploration.

Scope of financial statements

The consolidated financial statements consist of Laneway Resources Limited and the entities it controlled at the end of, or during, the year ended 30 June 2014.

Currency

The financial report is presented in Australia dollars and rounded to the nearest one dollar.

Authorisation of financial report

The financial report was authorised for issue on 30 September 2014.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board and the Corporations Act 2001. Laneway Resources Limited is a for-profit entity for the purpose of preparing the financial statements.

The following is a summary of the material accounting policies adopted by the consolidated entity in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

Compliance with IFRS

The consolidated financial statements of Laneway Resources Limited group also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

Historical cost convention

These financial statements have been prepared under the historical cost convention.

Critical accounting estimates and judgements

The preparation of financial statements in conformity with Australian Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed below:

Key judgements – exploration & evaluation assets

The consolidated entity performs regular reviews on each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest. These reviews are based on detailed surveys and analysis of drilling results performed to balance date.

The Directors have assessed that for the exploration and evaluation assets recognised at 30 June 2014, the facts and circumstances do not suggest that the carrying amount of an asset may exceed its recoverable amount. In considering this the Directors have had regard to the facts and circumstances that indicate a need for impairment as noted in Accounting Standard AASB 6 "Exploration for and Evaluation of Mineral Resources".

Going concern basis for accounting

The consolidated entity has a net deficiency of current assets at 30 June 2014 of \$2,220,389 (30 June 2013: \$23,027,612) and has incurred losses of \$1,636,903 for the year ended 30 June 2014 (2013: \$3,603,983). 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 a number of events in relation to the restructure and recapitalisation of the company occurred. A \$19,638,218 loan provided by Bizzell Nominees Pty Ltd was extinguished in September 2013 by the issue of ordinary shares following the receipt of shareholder approval at an EGM. In addition in the year the company raised a total of \$330,633 from an entitlement offer, extinguished other loans of \$1,299,212 and creditors of \$752,104 by the issue of shares in the company.

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Notes to the Financial Statements

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 in the 2014 financial year until such time as it has raised further funds either by way of a capital raising, a sale of an interest in a project or by way of a corporate transaction;
- Continued support of directors and key management personnel by way of deferring payment of amounts owing;
- Proceeds from additional capital raisings by the company; 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 a director of the company, the continued support of other directors and key management personnel, the current status of capital raisings, and the anticipated successful asset sales 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 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.

Principles of Consolidation

Subsidiaries

Subsidiaries are all entities (including structured entities) over which the consolidated entity has control. The consolidated entity controls an entity when the consolidated entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the consolidated entity.

Intercompany transactions, balances and unrealised gains on transactions between consolidated entity companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the consolidated entity.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of comprehensive income, statement of changes in equity and balance sheet respectively.

Joint Ventures

The consolidated entity's share of the assets, liabilities, revenue and expenses of joint ventures are included in the appropriate items of the consolidated financial statements.

Foreign Currencies

Items included in the financial statements of each of the Group entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Australian dollars, which is the Company's functional and presentation currency.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Revenue Recognition

Amounts disclosed as revenue are net of returns, trade allowances and duties and taxes paid.

LANEWAY RESOURCES LIMITED - ANNUAL REPORT 2014

Notes to the Financial Statements

Interest revenue is accrued on a time basis, by reference to the principle outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimate future cash receipts through the expected life of the financial asset to that asset's net carrying value.

Taxes

Income taxes

The income tax expense or benefit for the period is the tax payable on the current periods taxable income based on the notional income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates which are enacted or substantively enacted for each jurisdiction. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability. An exception is made for certain temporary differences arising from the initial recognition of an asset or a liability. No deferred tax asset or liability is recognised in relation to these temporary differences if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses. Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the parent entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

Goods and Services Tax (GST)

Revenues, expenses, and assets are recognised net of the amount of GST, except where the GST incurred on a purchase of goods or services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the assets or as part of the expense item as applicable, and except for receivables and payables which are stated inclusive of GST.

Cash flows are included in the Statement of Cash Flows on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from or payable to the taxation authority are classified as operating cash flows. The net amount of GST recoverable from or payable to the taxation authority is included as part of receivables or payables in the statement of financial position. Commitments and contingencies are disclosed net of the amount of GST recoverable from or payable to the taxation authority.

Leases

Leases are classified at their inception as either operating or finance leases based on the economic substance of the agreement so as to reflect the risks and benefits incidental to ownership.

Operating leases

The minimum lease payments of operating leases, where the lessor effectively retains substantially all of the risks and benefits of ownership of the leased item, are recognised as an expense on a straight line basis.

Finance leases

Leases which effectively transfer substantially all of the risks and benefits incidental to ownership of the leased item to the consolidated entity are capitalised at the present value of the minimum lease payments. A lease liability of equal value is also recognised. Minimum lease payments are allocated between interest expense and reduction of the lease liability with the interest expense calculated using the interest rate implicit in the lease and recognised directly in net profit.

Cash and Cash Equivalents

For purposes of the Statement of Cash Flows, cash and cash equivalents includes cash on hand, deposits at call with financial institutions and other highly liquid investments with short periods to maturity which are readily convertible to cash on hand and are subject to an insignificant risk of changes in value, net of outstanding bank overdrafts.

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Receivables

All trade receivables are recognised at the amounts receivable as they are due for settlement no more than 30 days from the date of recognition.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision of doubtful receivables is established when there is objective evidence that the consolidated entity will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the assets carrying amount and the present value of the estimated future cash flows, discounted at the effective interest rate. The amount of the provision is recognised in profit or loss.

The carrying amounts of the loans are reviewed at each balance date to determine whether there is any indication of impairment. If any such indication exists, the loan is impaired to its recoverable amount. The recoverable amount of the receivables carried at amortised cost is calculated as the present value of estimated future cash flows, discounted at the original effective interest rate.

Investments and Other Financial Assets

The consolidated entity classifies its investments in the following categories: financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and, in the case of assets classified as held-to-maturity, re-evaluates this designation at each reporting date.

(i) *Financial Assets at fair value through profit or loss*

Financial assets at fair value through profit or loss are financial assets held for trading which are acquired principally for the purpose of selling in the short term with the intention of making a profit. Derivatives are also categorised as held for trading unless they are designated as hedges.

(ii) *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the consolidated entity provides money, goods or services directly to a debtor with no intention of selling the receivable. They are included in current assets, except for those with maturities greater than 12 months after the balance sheet date which are classified as non-current assets. Such assets are carried at amortised cost using the effective rate interest method. Gains and losses are recognised in profit and loss when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

(iii) *Held-to-maturity investments*

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the consolidated entity's management has the positive intention and ability to hold to maturity.

(iv) *Available-for-sale financial assets*

Available-for-sale financial assets, comprising principally marketable equity securities, are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the balance sheet date.

Regular purchases and sales of investments are recognised on trade-date – the date on which the consolidated entity commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the consolidated entity has transferred substantially all the risks and rewards of ownership. Available-for-sale financial assets and financial assets at fair value through profit and loss are subsequently carried at fair value. Loans and receivables and held-to-maturity investment are carried at amortised cost using the effective interest method. Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category, including interest and dividend income, are presented in profit or loss within other income or other expenses in the period in which they arise.

Changes in the fair value of monetary securities denominated in a foreign currency and classified as available-for-sale are analysed between translation differences resulting from changes in amortised cost of the security and other changes, in the carrying amount of the security. The translation differences are recognised in profit and loss and other changes in carrying amount are recognised in equity. Changes in the fair value of other monetary and non-monetary securities classified as available-for-sale are recognised in equity.

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When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments recognised in equity are reclassified to profit or loss as gains and losses from investment securities.

The fair values of quoted investment are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the consolidated entity established fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models making maximum use of market inputs and relying as little as possible on entity-specific inputs.

The consolidated entity assesses at each balance date whether there is objective evidence that a financial asset or group of financial assets is impaired. In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of a security below its cost is considered in determining whether the security is impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition costs and the current fair value, less any impairment loss on that financial asset previously recognised in profit and loss – is removed from equity and recognised in profit or loss.

Property, Plant and Equipment

Plant and Equipment

The exploration plant and equipment is recorded at cost less accumulated depreciation, where depreciation is calculated on a straight line basis over the estimated useful lives for the period the assets are put to productive use. Estimates of remaining useful lives are made on a regular basis for all assets, with annual reassessments for major items. The expected useful lives are as follows:

Major depreciation periods are	
- Motor vehicles	5-6 years
- Plant & equipment	3-8 years

Exploration and Evaluation Assets

Costs carried forward

Exploration, evaluation and development expenditure incurred is accumulated in respect of each identifiable area of interest. Such expenditures comprise net direct costs and an appropriate portion of related overhead expenditure but does not include overheads or administration expenditure not having a specific nexus with a particular area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage which permits reasonable assessment of the existence of economically recoverable reserves and active or significant operations in relation to the area are continuing.

Restoration costs

Restoration costs that are expected to be incurred are provided for as part of the cost of the exploration, evaluation, development, construction and production phases that give rise to the need for restoration. Accordingly, these costs are recognised gradually over the life of the facility as these phases occur. The costs include obligations relating to reclamation, waste site closure, plant closure and other costs associated with the restoration of the site. In determining the restoration obligations, the entity has assumed no significant changes will occur in the relevant Federal and State legislation in relation to restoration of such mines in the future.

Both for close down and restoration and for environmental clean-up costs, provision is made in the accounting period when the related disturbance occurs, based on the net present value of estimated future costs.

For close down and restoration costs, which include the dismantling and demolition of infrastructure, removal of residual materials and remediation of disturbed areas, movements in provision other than the amortisation of the discount, such as those resulting from changes in the cost estimates, lives of operations or discount rates, are capitalised into the carrying amount of development and amortised against future production.

Payables

Liabilities for trade creditors and other amounts are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received. Interest, when charged by the lender, is recognised as an expense on an accruals basis. Trade account payables are usually settled on a 30 day basis.

Borrowings

All loans and convertible notes are initially measured at fair value net of transaction costs incurred.

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Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan.

Contributed Equity

Issued and paid up capital is recognised at the fair value of the consideration received by the Group. Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the share proceeds received.

Forfeited partly paid shares that are held in trust pending disposal are disclosed as treasury shares.

Employee Benefits

(i) Wages and salaries, annual leave and sick leave

Liabilities for wages and salaries, including non-monetary benefits, annual leave and any vesting sick leave expected to be settled within 12 months of the reporting date are recognised in provisions in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating sick leave are recognised when the leave is taken and measured at the rates paid or payable.

(ii) Long service leave

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

(iii) Share-based payments

The fair value of options granted is recognised as an employee benefit expense with a corresponding increase in equity. The fair value is measured at grant date and recognised over the period during which the employees become unconditionally entitled to the options. The fair value at grant date is independently determined using a Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option.

The fair value of the options granted excludes the impact of any non-market vesting conditions (for example, profitability and sales growth targets). Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. At each balance sheet date, the entity revises its estimate of the number of options that are expected to become exercisable. The employee benefit expense recognised each period takes into account the most recent estimate.

(iv) Employee benefit on-costs

Employee benefit on-costs, including payroll tax, are recognised and included in employee benefit liabilities and costs when the employee benefits to which they relate are recognised as liabilities.

Earnings/Loss per Share

Basic earnings per share

Basic earnings per share is determined by dividing net profit after income tax attributable to equity holders of the Company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of the ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

Comparatives

When required by Australian Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

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Parent entity financial information

The financial information for the parent entity, Laneway Resources Limited, disclosed in note 31 has been prepared on the same basis as the consolidated financial statements, except as set out below.

(i) Investments in subsidiaries

Investments in subsidiaries are accounted for at cost in the individual financial statements of the parent entity.

(ii) Tax Consolidation Legislation

Laneway Resources Limited and its wholly owned Australian subsidiaries entered the tax consolidation regime with effect from 1 July 2004. As a consequence the subsidiaries are no longer subject to income tax as separate entities unless the parent entity is in default of its obligations, a default is probable, or the tax amounts relate to taxable income incurred prior to the implementation of the tax consolidation regime. The tax sharing agreement will limit potential liabilities of the subsidiary entities, should Laneway Resources Limited be in default of its obligations. Amounts payable or receivable under such a tax sharing agreement with the parent entity will be recognised in accordance with the terms and conditions of the agreement as tax related amounts receivable or payable. The impact on the income tax expense and results of Laneway Resources Limited is immaterial because of the current tax position of the Group.

New Accounting Standards and Interpretations

The Consolidated Entity adopted the following new Accounting Standards and Interpretations during the period:

- AASB 10 Consolidated Financial Statements, AASB 11 Joint Arrangements, AASB 12 Disclosure of Interests in Other Entities, AASB 128 Investments in Associates and Joint Ventures, AASB 127 Separate Financial Statements and AASB 2011-7 Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards
- AASB 2012-10 Amendments to Australian Accounting Standards – Transition Guidance and other Amendments which provides an exemption from the requirement to disclose the impact of the change in accounting policy on the current period
- AASB 13 Fair Value Measurement and AASB 2011-8 Amendments to Australian Accounting Standards arising from AASB 13
- AASB 119 Employee Benefits (September 2011) and AASB 2011-10 Amendments to Australian Accounting Standards arising from AASB 119 (September 2011)
- AASB 2012-5 Amendments to Australian Accounting Standards arising from Annual Improvements 2009-2011 Cycle, and
- AASB 2012-2 Amendments to Australian Accounting Standards – Disclosures – Offsetting Financial Assets and Financial Liabilities.

There were no material impacts on the financial statements or performance of the consolidated entity.

New Standards and Interpretations Not Yet Adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2014 reporting periods. The Consolidated Entity has decided against early adoption of these standards. The Consolidated Entity's assessment of the impact of these new standards and interpretations is set out below:

AASB 9 Financial Instruments

This standard and its consequential amendments are currently applicable to annual reporting periods beginning on or after 1 January 2017. This standard introduces new classification and measurement models for financial assets, using a single approach to determine whether a financial asset is measured at amortised cost or fair value. To be classified and measured at amortised cost, assets must satisfy the business model test for managing the financial assets and have certain contractual cash flow characteristics. All other financial instrument assets are to be classified and measured at fair value. This standard allows an irrevocable election on initial recognition to present gains and losses on equity instruments (that are not held-for-trading) in other comprehensive income, with dividends as a return on these investments being recognised in profit or loss. In addition, those equity instruments measured at fair value through other comprehensive income would no longer have to apply any impairment requirements nor would there be any 'recycling' of gains or losses through profit or loss on disposal. The accounting for financial liabilities continues to be classified and measured in accordance with AASB 139, with one exception, being that the portion of a change of fair value relating to the entity's own credit risk is to be presented in other comprehensive income unless it would create an accounting mismatch. The Consolidated Entity does not expect any material impacts when the standard is adopted.

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Notes to the Financial Statements

	Consolidated Entity	
	2014	2013
	\$	\$
2. REVENUE		
Revenues from continuing operations		
Other revenue	-	24,704
Bank interest income	-	125
	-	24,829
3. OTHER INCOME		
Other income from continuing operations		
Fair value gain on financial assets at fair value through profit and loss	1,750	1,267
	2014	2013
	\$	\$
4. EXPENSES		
Loss from ordinary activities before income tax includes the following specific items:		
Depreciation of non-current assets		
- Plant and equipment	19,021	20,148
Finance costs		
Finance charges under finance leases	2,798	4,738
Interest loan – Director related entity	383,732	2,023,499
Interest other	894	56,250
	387,424	2,084,487
Write off of exploration and development expenditure	403,339	498,729
Minimum operating lease rental payments	14,400	78,198
Employee benefits expenses		
Defined contribution superannuation expense	2,033	15,712
Other employee benefits expenses	368,708	497,178
Total employee benefits expenses	370,741	512,890
	2014	2013
	\$	\$
5. INCOME TAX		
A reconciliation of income tax expense (benefit) applicable to accounting profit before income tax at the statutory income tax rate to income tax expense at the company's effective income tax rate for the years ended 30 June 2014 and 2013 is as follows:		
Accounting profit (loss) before tax from continuing operations	(1,636,903)	(3,603,983)
Profit/(Loss) before tax from discontinued operations	-	-
Accounting profit (loss) before income tax	(1,636,903)	(3,603,983)
At the statutory income tax rate of 30% (2013: 30%)	(491,071)	(1,081,195)
Non-deductible expenses	145,872	201,816
Deferred tax assets not bought to account	345,199	879,379
Income tax expense	-	-

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	Consolidated Entity	
	2014	2013
	\$	\$
Recognised deferred tax assets		
1. Unused tax losses	3,100,137	3,072,915
2. Deductible temporary differences	83,641	73,618
	<u>3,183,779</u>	<u>3,146,533</u>
Recognised deferred tax liabilities		
Assessable temporary differences	3,183,779	3,146,533
	<u>3,183,779</u>	<u>3,146,533</u>
Net deferred tax recognised	<u>-</u>	<u>-</u>
Unrecognised temporary differences and tax losses		
Unused tax losses and temporary differences for which no deferred tax asset has been recognised	103,561,642	102,410,977
Potential tax benefit @ 30%	<u>31,068,493</u>	<u>30,723,293</u>

The tax losses do not expire under current tax legislation. Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the Group can utilise these benefits.

	Consolidated Entity	
	2014	2013
	\$	\$
6. CASH AND CASH EQUIVALENTS (CURRENT)		
Cash at bank and in hand	<u>99,062</u>	<u>32,990</u>

7. TRADE AND OTHER RECEIVABLES (CURRENT)

Other receivables	<u>-</u>	<u>1,736</u>
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Allowance for impairment loss

Current trade and other receivables are non-interest bearing and are generally on 0-90 day terms. A provision for impairment loss is recognised when there is objective evidence that an individual receivable is impaired.

Consolidated	2014			2013		
	Total	Amount Impaired	Amount not impaired	Total	Amount Impaired	Amount not impaired
	\$	\$	\$	\$	\$	\$
Not past due	-	-	-	1,736	-	1,736
Past due [0-90] days	-	-	-	-	-	-
Past due [>90] days	-	-	-	-	-	-
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,736</u>	<u>-</u>	<u>1,736</u>

Fair value and credit risk

Due to the short term nature of the current receivables the carrying value is assumed to approximate their fair value. Collateral is not held as security.

	Consolidated Entity	
	2014	2013
	\$	\$
8. OTHER FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (CURRENT)		
Australian listed shares	<u>4,083</u>	<u>2,333</u>

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	Consolidated Entity	
	2014	2013
	\$	\$
9. OTHER (CURRENT)		
Prepayments	19,503	19,485

	Consolidated Entity	
	2014	2013
	\$	\$
10. RECEIVABLES (NON-CURRENT)		
Other receivables	85,000	95,000

Other receivables are security bonds in relation to leases and tenements held and term deposits lodged as security in relation to guarantees provided for tenements held.

11. INVESTMENTS IN CONTROLLED ENTITIES

Investments held by Laneway Resources Limited:

	Percentage of equity interest	
	2014	2013
	%	%
All companies are incorporated in Australia		
Tom's Gully Holdings Pty Ltd	100	100
Renison Coal Pty Ltd	100	100
Agate Creek Holdings Pty Ltd	100	100

12. PROPERTY, PLANT AND EQUIPMENT

	Motor Vehicles	Consolidated Plant & Equip	Total
	\$	\$	\$
At 30 June 2013			
Cost	87,799	43,392	131,191
Accumulated depreciation	(71,560)	(34,961)	(106,521)
Net carrying amount	16,239	8,431	24,671
At 30 June 2014			
Cost	87,799	43,392	131,191
Accumulated depreciation	(85,249)	(40,293)	(125,543)
Net carrying amount	2,550	3,098	5,649
Movements during the year:			
Period ended 30 June 2014			
At 1 July 2013, net of accumulated depreciation	16,239	8,431	24,671
Additions	-	-	-
Disposals net book value	-	-	-
Depreciation charge for the year	(13,689)	(5,333)	(19,022)
At 30 June 2014, net of accumulated depreciation	2,550	3,098	5,649

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Notes to the Financial Statements

	Consolidated		
	Motor Vehicles	Plant & Equip	Total
	\$	\$	\$
Period ended 30 June 2013			
At 1 July 2012, net of accumulated depreciation	29,929	14,889	44,818
Additions	-	-	-
Disposals net book value	-	-	-
Depreciation charge for the year	(13,690)	(6,458)	(20,148)
At 30 June 2013, net of accumulated depreciation	16,239	8,431	24,670

The carrying value of plant and equipment held under finance leases and hire purchase contracts at 30 June 2014 is \$2,550 (2013 - \$16,239). Leased assets held under hire purchase are pledged as security for the related finance leases and hire purchase liabilities.

	Consolidated Entity	
	2014	2013
	\$	\$
13. EXPLORATION AND EVALUATION		
ASSETS (NON CURRENT)		
Exploration costs carried forward in respect of areas of interest		
- Exploration phase	10,612,595	10,488,444
<u>Reconciliation</u>		
Exploration expenditure capitalised		
- Opening balance	10,488,444	10,056,293
- Current year expenditure	967,197	930,880
- Current year grant received ¹	(141,708)	-
- Current year sample testing program ²	(806,894)	-
- Bad debt write off	466,894	-
- Write off/disposed in current year	(361,339)	(498,729)
Carried forward	10,612,595	10,488,444

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.

¹ During the 2014 financial year the company received grant funding of \$141,708 in relation to drilling at the Agate Creek project.

² The company also undertook a bulk metallurgical sample testing program during the period in conjunction with JKO Mining Pty Ltd (JKO) under which the companies agreed to test a sample from the Agate Creek project at the mill owned by JKO. The proceeds were agreed to be shared after mining costs. Laneway were owed a total of \$806,894 by JKO from the proceeds of the gold sold and after mining costs, however, JKO only paid \$340,000 to Laneway before they went into administration with \$466,894 still owing to Laneway. This receivable has been fully provided for as at 30 June 2014.

14. TRADE AND OTHER PAYABLES (CURRENT)

Trade creditors	1,922,834	2,167,292
Other payables and accruals	274,691	269,535
	<u>2,197,525</u>	<u>2,436,827</u>

Included in the above are aggregate amounts payable to the following related parties
Directors and director related entities

675,857 664,445

Terms and conditions relating to the above financial instruments

- (i) Trade creditors are unsecured, non-interest bearing and are normally settled on 30-60 day terms
- (ii) Other creditors are unsecured, non-interest bearing
- (iii) Details of the terms and conditions of related party payables are set out in note 27

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	Note	Consolidated Entity 2014	2013
		\$	\$
15. BORROWINGS (CURRENT)			
Secured			
Lease Liabilities	22	9,545	32,316
Loans from director related entity (b)	27	-	19,558,204
		<u>9,545</u>	<u>19,590,520</u>
Unsecured			
Advance payment for capital raising (a)		<u>100,000</u>	<u>1,027,000</u>
		<u>109,545</u>	<u>20,617,520</u>

Secured Liability:

The lease liabilities are secured by charges over the assets subject to the liability.

(a) Advance proceeds for capital raising: As at 30 June 2013 the company had received a total of \$1,027,000 in relation to capital raisings that were completed after the end of the financial year. A total of \$820,000 related to loan funds advanced under agreements entered into in late 2012 for loan funds that were to be repaid by the issue of Shares at 0.75 cents per Share. The loans were extinguished through the issue of shares following the EGM held on 17 September 2013 following shareholder approval for the transaction. An amount of \$205,000 related to a placement of shares at 1.5 cents per share completed in July 2013. The remaining \$2,000 was an advance receipt in relation to the entitlement issue completed in August 2013.

As at 30 June 2014 the company had received a total of \$100,000 in relation to capital raisings that were completed after year end.

(b) Secured Loan from Director: The loan funds advanced by Bizzell Nominees Pty Ltd were secured by a first ranking fixed and floating charge over all of the Group's assets. The full amount of the loan outstanding as at 17 September 2013 (\$19,638,218) has been extinguished by the issue of shares at 1.8 cents per share following approval from shareholders at an EGM held on 17 September 2013. Refer note 19.

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		Consolidated Entity	
		2014	2013
		\$	\$
16. PROVISIONS (CURRENT)			
Employee benefits		35,967	29,809

17. BORROWINGS (NON CURRENT)

Secured

Lease Liabilities	22	13,497	-
Loan from director related entity	27	485,593	-
		499,090	-

Secured liability: The lease and hire purchase liabilities are secured by charges over the assets subject to the liability

Secured Loan from Director: The loan funds advanced by Bizzell Nominees Pty Ltd are secured by a first ranking fixed and floating charge over all of the Group's assets. Full details of the loan from a director related entities, including undrawn amounts, are given in note 27.

		Consolidated Entity	
		2014	2013
		\$	\$
18. PROVISIONS (NON-CURRENT)			
Restoration		205,650	205,650
Movement in restoration provision			
- Opening balance		205,650	205,650
- Write off/disposed in current year		-	-
Carried forward		205,650	205,650

A provision for restoration is recognised in relation to the exploration activities for costs such as reclamation, and restoration. Estimates of the restoration obligations are based on anticipated technology and legal requirements which have been estimated at current values. In determining the restoration provision, the entity has assumed no significant changes will occur in the relevant Federal and State legislation in relation to restoration of such activities in the future.

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	Consolidated Entity			
	2014		2013	
	\$		\$	
19. SHARE CAPITAL				
(a) Issued and paid up capital				
Ordinary shares fully paid	121,375,290		99,335,123	
(b) Movements in shares on issue	2014		2013	
	Nos of shares	\$	Nos of shares	\$
Ordinary shares fully paid				
Beginning of the financial year	68,496,150	99,335,123	20,555,432,306	87,728,645
Increases				
Placement and entitlement offer (1)	86,614,164	1,299,212	-	-
Repayment of related party loan (2)	1,091,012,088	19,638,218	-	-
Repayment of loan funds from non-related parties (3)	117,920,547	884,404	-	-
Issued to pay director fees (4)	13,222,200	198,333	-	-
Project acquisition (5)	1,333,334	20,000	-	-
Share Consolidation of 1 for 300 (6)	-	-	(20,486,936,156)	-
Transfer of capital re cancelled partly paid shares (7)	-	-	-	11,606,478
	1,378,598,483	121,375,290	68,496,150	99,335,123
Ordinary shares partly paid				
Beginning of the financial year	-	-	-	11,606,478
Transfer of capital re cancelled partly paid shares (7)	-	-	-	(11,606,478)
	-	-	-	-
Treasury Shares partly paid				
Beginning of the financial year	-	-	152,500,000	-
Transfer of capital re cancelled partly paid shares (7)	-	-	(152,500,000)	-
	-	-	-	-

- (1) Issue of shares by way of placement and entitlement offer to shareholders at 1.5 cents per share
- (2) Extinguishment of loan advanced by a director related entity. A total of \$19,638,218 was repaid by the issue of shares at 1.8 cents per share
- (3) Loan funds advanced by non-related parties were extinguished by the issue of shares at 0.75 cents per share
- (4) Outstanding director fees owed to non-executive directors were extinguished by the issue of shares at 1.5 cents per share
- (5) Shares were issued at 1.5 cents per share in relation to project acquisition costs
- (6) At the 2012 AGM shareholders approved a share consolidation on a one for three hundred basis.
- (7) All of the partly paid shares on issue having been forfeited in prior periods. A resolution approving the cancellation of these partly paid shares was passed at the 2012 AGM and the partly paid shares were cancelled.

(c) Share Options

There are no share options outstanding.

(d) Capital management

The capital structure of the consolidated entity consists of equity attributable to equity holders of the Parent Entity, comprising share capital and reserves as disclosed in the Statement of Changes in Equity.

When managing capital, management's objective is to ensure the entity continues as a going concern and to maintain a structure that ensures the lowest cost of capital available and to ensure adequate capital is available for exploration and evaluation of tenements. In order to maintain or adjust the capital structure, the Group may seek to issue new shares. Consistent with other exploration companies, the Group and the parent entity monitor capital on the basis of forecast exploration and evaluation expenditure required to reach a stage which permits a reasonable assessment of the existence or otherwise of an economically recoverable reserve.

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(e) Terms and conditions of contributed equity

Ordinary shares

Ordinary shares have the right to receive dividends as declared and, in the event of winding up of the Company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held. Ordinary shares entitle their holder to one vote, either in person or by proxy, at a meeting of the Company. Ordinary shares have no par value and the company does not have a limited amount of authorised capital.

	Consolidated Entity	
	2014	2013
	\$	\$
20. ACCUMULATED LOSSES		
Balance at the beginning of the year	(111,960,270)	(108,356,287)
Net profit/(loss) attributable to members of Laneway Resources Limited	(1,636,903)	(3,603,983)
Balance at end of year	<u>(113,597,174)</u>	<u>(111,960,270)</u>

	Consolidated Entity	
	2014	2013
	\$	\$
21. STATEMENT OF CASH FLOWS		
Reconciliation of the operating (loss) after tax to the net cash flows from operating activities		
Profit/(Loss) from ordinary activities after tax	(1,636,903)	(3,603,983)
<i>Add (less) non-cash items</i>		
Provision for employee entitlements	6,159	(54,184)
Write down of exploration and development expenditure	361,339	498,729
Fair value (gain)/loss available-for-sale through profit of loss	(1,750)	(1,267)
Depreciation	19,021	20,148
<i>Changes in operating assets & liabilities during the year</i>		
(Increase)/decrease in receivables	(5,742)	15,437
(Increase)/decrease in prepayments	(19)	5,623
(Decrease)/increase in creditors	578,293	663,878
(Decrease)/increase in accruals	396,367	1,736,472
	<u>(283,235)</u>	<u>(719,146)</u>

Reconciliation of cash		
- Cash at bank	<u>99,062</u>	<u>32,990</u>

Non cash financing and investing activities

Loan and Creditor Repayments

During the financial year shares were issued to repay loans and other amounts owing by the company as follows:

Approval for the conversion of the Bizzell Nominees Loan Facility into shares was received from shareholders on 17 September 2013. The full repayment of the loan balance (including accrued interest) was \$19,638,218 and 1,091,012,088 shares were issued.

Approval for the issue of shares in lieu of Directors Fees to Rick Anthon and Ben Harrison was also received at the 17 September EGM. A liability of \$198,333 was paid by the issue of 13,222,200 shares.

117,920,547 shares were issued at \$0.0075 per share for the repayment of loans advanced and amounts owed to some creditors to the Company totalling approximately \$884,404.

Tenement acquisition

1,333,334 ordinary shares at \$0.015 per share (\$20,000) were issued in consideration to acquire exploration tenements.

Exploration expenses

2,800,000 ordinary shares at \$0.015 per share (\$42,000) were issued in consideration for exploration costs that were not capitalised during the year.

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		Consolidated Entity	
		2014	2013
		\$	\$
22. EXPENDITURE COMMITMENTS			
Lease expenditure commitments			
(i) Operating leases			
Minimum lease payments			
- payable within one year		14,400	14,400
- payable between one and five years		37,200	51,600
Total contracted at balance date		<u>51,600</u>	<u>66,000</u>

Terms and Conditions

The Group leases office equipment under non-cancellable operating leases expiring within one to four years. The leases have varying terms, escalation clauses and renewal rights. On renewal, the terms of the leases are renegotiated.

(ii) Finance lease			
- payable within one year		11,606	32,914
- payable between one and five years		14,507	-
- total minimum payments		<u>26,113</u>	<u>32,914</u>
- future finance charges		<u>(3,071)</u>	<u>(598)</u>
- lease liability		<u>23,042</u>	<u>32,316</u>
- current liability	15	9,545	32,316
- non-current liability	17	13,497	-
Finance lease		<u>23,042</u>	<u>32,316</u>

Terms and Conditions

Finance leases relate to motor vehicles which have residual payments with options to purchase at the end of the lease term.

Future exploration

The consolidated entity has certain obligations to expend minimum amounts on exploration in tenement areas. These obligations may be varied from time to time and are expected to be fulfilled in the normal course of operations of the consolidated entity.

The commitments to be undertaken are as follows:

Payable			
- not later than 12 months		1,512,874	1,195,384
- between 12 months and 5 years		6,368,058	9,627,902
		<u>7,880,931</u>	<u>10,823,286</u>

23. SHARE BASED PAYMENTS

Equity based instruments - Options

The Company has in prior periods granted options over ordinary shares to directors, employees and consultants as part of their remuneration packages. No options were granted in the 2014 or 2013 financial years and there are no options outstanding.

24. CONTINGENCIES

There are no contingent liabilities as at the date of this report.

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25. EARNINGS/ (LOSS) PER SHARE

	Consolidated Entity	
	2014	2013
	\$	\$
Earnings/ (Loss) per share		
Basic and diluted (loss) per share (cents per share)	(0.149)	(5.26)
The following reflects the income and share data used in the calculations of basic and diluted earnings/ (loss) per share:		
Loss from continuing operations	(1,636,903)	(3,603,983)
Profit/(Loss) attributable to discontinued operations	-	-
Earnings used in calculating basic and diluted earnings/ (loss) per share	<u>(1,636,903)</u>	<u>(3,603,983)</u>
	Number	Number
Weighted average nos of ordinary shares on issue used in the calculation of basic earnings per share	1,101,550,676	68,496,150
Effect of dilutive securities	-	-
Adjusted weighted average nos of ordinary shares used in calculating dilutive earnings per share	1,101,550,676	68,496,150

Conversions, calls, subscriptions or issues after 30 June 2014

Refer note 33 for details of shares and other equity instruments issued subsequent to year end

26. AUDITOR'S REMUNERATION

	Consolidated Entity	
	2014	2013
	\$	\$
Amounts received or due and receivable by the Auditors for:		
(i) Audit & other assurance services – BDO Audit Pty Ltd		
- Audit & review of financial statements	38,253	37,565
(ii) Other services – BDO Corporate Finance (QLD) Pty Ltd		
- Independent experts report for EGM	29,482	-
Total	<u>67,735</u>	<u>37,565</u>

27. DIRECTOR AND KEY MANAGEMENT PERSONNEL DISCLOSURES

	Consolidated Entity	
	2014	2013
	\$	\$
Key management personnel compensation		
Short term employee benefits	525,414	700,549
Share based payments	-	-
Post employment benefits	17,312	25,393
Total	<u>542,726</u>	<u>725,942</u>

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Loans with directors and key management personnel.

Bizzell Nominees Pty Ltd a company associated with Mr Stephen Bizzell continued to provide loan facilities to the company during the year. The initial total facility provided was for up to \$19,500,000. At the 30 June 2013 balance date the outstanding balance on the facilities was \$19,558,204 including interest accrued (but not paid) during the 2013 financial year of \$2,023,500. During the year ended 30 June 2013 \$340,426 was advanced to the company. No amounts were repaid. The interest rate on the loan was 11%. The loan was secured by a fixed and floating charge over the assets of the Group. The loan facilities, which totalled \$19,638,218, were extinguished by the issue of 1,091,012,088 shares on 18 September 2013 following approval from shareholders at an EGM held on 17 September 2013.

Bizzell Nominees Pty Ltd a company associated with Mr Stephen Bizzell provided a new loan facility to the company during the year. The total facility provided is for up to \$2,000,000. At the 30 June 2014 balance date the outstanding balance on the new facility was \$485,593 including interest accrued (but not paid) during the 2014 financial year of \$21,593. During the year ended 30 June 2014 \$464,000 was advanced to the company. The interest rate on the loan is 10%.

Other transactions and balances with directors and key management personnel and amounts recognised at the reporting date in relation to other transactions

Purchases

Mr R S Anthon was a partner in the firm of Hemming & Hart, Solicitors until January 2014. Hemming & Hart invoiced \$51,394 (2013: \$143,007) for the provision of legal services to the consolidated entity during the year. At balance date \$251,822 (2013: \$195,299) was included in trade creditors. The services were based on normal commercial terms and conditions. The amount outstanding is secured by a first ranking fixed and floating charge over the assets of the Group.

28. RELATED PARTY DISCLOSURES

Ultimate parent

Laneway Resources Limited is the ultimate parent entity

There were no other related party transactions during the year.

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29. SEGMENT INFORMATION

Reportable Segments

The principal geographical areas of operation of the Consolidated Entity for the 2014 financial year 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
	\$	\$	\$
30-Jun-14			
Revenue:			
Revenue from outside the Consolidated Entity	-	-	-
Other unallocated revenue	-	-	-
Total Revenue	-	-	-
Segment result	(217,437)	(1,419,466)	(1,636,903)
Income tax	-	-	-
Net Loss	(217,437)	(1,419,466)	(1,636,903)

Non-cash items included in loss above:

Depreciation and amortisation	-	19,021	19,021
Write off of exploration and development expenditure	217,437	185,902	403,339

	New Zealand	Australia	Consolidated
	\$	\$	\$
30-Jun-14			
Assets:			
Segment assets	314,325	10,298,271	10,612,595
Unallocated corporate assets	-	-	-
Consolidated Total Assets	314,325	10,298,271	10,612,595
Liabilities:			
Segment liabilities	90,939	2,956,838	3,047,777
Unallocated corporate liabilities	-	-	-
Consolidated Total Liabilities	90,939	2,956,838	3,047,777

Segment acquisitions:

Capitalised exploration expenditure	186,699	780,499	967,198
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Details on non-current assets:

Plant and equipment	-	5,649	5,649
Exploration expenditure	314,325	10,298,271	10,612,595
	314,325	10,303,920	10,618,245

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	New Zealand	Australia	Consolidated
30-Jun-13	\$	\$	\$
Revenue:			
Revenue from outside the Consolidated Entity	-	24,829	24,829
Other unallocated revenue	-	-	-
Total Revenue	-	24,829	24,829
Segment result	-	(3,603,983)	(3,603,983)
Income tax	-	-	-
Net Loss	-	(3,603,983)	(3,603,983)

	New Zealand	Australia	Consolidated
30-Jun-13	\$	\$	\$
<u>Non-cash items included in loss above:</u>			
Depreciation and amortisation	-	20,148	20,148
Share based payments	-	-	-
Write off of exploration and development expenditure	-	498,729	498,729
Assets:			
Segment assets	345,925	10,262,190	10,608,115
Unallocated corporate assets	-	56,543	56,543
Consolidated Total Assets	345,925	10,318,733	10,664,658
Liabilities:			
Segment liabilities	-	23,289,806	23,289,806
Unallocated corporate liabilities	-	-	-
Consolidated Total Liabilities	-	23,289,806	23,289,806
<u>Segment acquisitions:</u>			
Capitalised exploration expenditure	150,598	780,282	930,880
<u>Details on non-current assets:</u>			
Trade and other receivables	-	95,000	95,000
Plant and equipment	-	24,671	24,671
Exploration expenditure	345,925	10,142,519	10,488,444
	345,925	10,262,190	10,608,115

30. FINANCIAL RISK MANAGEMENT

(a) General objectives, policies and processes

In common with all other businesses, the consolidated entity is exposed to risks that arise from its use of financial instruments. This note describes the consolidated entity's objectives, policies and processes for managing those risks and the methods used to measure them. There have been no substantive changes in the consolidated entity's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated in this note.

The consolidated entity's financial instruments consist mainly of deposits with banks, accounts receivable and payable, a loan from a director related entity, finance lease liabilities and convertible notes.

The Board has overall responsibility for the determination of the consolidated entity's risk management objectives and policies and, whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the consolidated entity's executive management. The consolidated entity's risk management policies and objectives are therefore designed to minimise the potential impacts of these risks on the results of the consolidated entity where such impacts may be material.

The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the consolidated entity's competitiveness and flexibility. Further details regarding these policies are set out below:

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(b) Credit Risk

Credit risk is the risk that the other party to a financial instrument will fail to discharge their obligation resulting in the Group incurring a financial loss. This usually occurs when debtors fail to settle their obligations owing to the Group. The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets, is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the balance sheet and notes to the financial statements. Credit risk is reviewed regularly by the Board. It arises from exposure to customers as well as through deposits with financial institutions.

(c) Liquidity risk

Liquidity risk is the risk that the consolidated entity may encounter difficulties raising funds to meet financial obligations as they fall due. Liquidity risk is reviewed regularly by the Board.

The consolidated entity manages liquidity risk by monitoring forecast cash flows. At 30 June 2014 the Group has a loan facility from a director related entity totalling \$485,593 of which \$485,493 has been drawn upon as at 30 June 2014. The consolidated entity has been required to use the loan facilities available in order to be able to meet its financial obligations as they fall due.

Maturity Analysis –Consolidated Entity - 2014	Carrying Amount	Contractual Cash flows	<1 year	1 - 5 years	> 5 years
Financial Liabilities	\$	\$	\$	\$	\$
Trade and Other Payables	2,197,525	2,197,525	2,197,525	-	-
Lease Liabilities	23,042	26,113	11,606	14,507	-
Loans from non-related party	100,000	100,000	100,000	-	-
Loan from Director Related Entity	485,593	485,593	-	485,593	-
	<u>2,806,160</u>	<u>2,809,230</u>	<u>2,309,130</u>	<u>500,100</u>	<u>0</u>

Maturity Analysis – Consolidated entity - 2013	Carrying Amount	Contractual Cash flows	<1 year	1 - 5 years	> 5 years
Financial Liabilities	\$	\$	\$	\$	\$
Trade and Other Payables	2,436,827	2,436,827	2,436,827	-	-
Lease Liabilities	32,316	32,914	32,914	-	-
Loans from non-related party	1,027,000	1,027,000	1,027,000	-	-
Loan from Director Related Entity	19,558,204	19,558,204	19,558,204	-	-
	<u>23,054,347</u>	<u>23,054,945</u>	<u>23,054,945</u>	<u>-</u>	<u>-</u>

(d) Market Risk

Market risk arises from the use of interest bearing, tradable and foreign currency financial instruments. It is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in interest rates (interest rate risk), foreign exchange rates (currency risk) or other market factors (other price risk).

(i) Interest rate risk

Interest rate risk is managed with a mixture of fixed and floating rate debt. For further details on interest rate risk refer to the tables below:

2014	Floating interest rate	Fixed interest rate	Non-interest bearing	Total carrying amount as per the balance sheet	Weighted average effective interest rate
	2014	2014	2014	2014	2014
	\$	\$	\$	\$	%
<i>Financial assets</i>					
Cash and cash equivalents	-	-	99,062	99,062	0.00%
Total financial assets	-	-	99,062	99,062	
<i>Financial liabilities</i>					
Trade and other payables	-	-	2,197,525	2,197,525	-
Loans from non-related party	-	-	100,000	100,000	-
Loan from director related entity	-	485,593	-	485,593	10.00%
Lease and hire purchase	-	23,042	-	23,042	8.00%
Total financial liabilities	-	508,635	2,297,525	2,806,160	

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2013	Floating interest rate	Fixed interest rate	Non-interest bearing	Total carrying amount as per the balance sheet	Weighted average effective interest rate
	2013	2013	2013	2013	2013
	\$	\$	\$	\$	%
<i>Financial assets</i>					
Cash and cash equivalents	-	-	32,990	32,990	0.00%
Trade and other receivables			1,736	1,736	-
Total financial assets	-	-	34,726	34,726	
<i>Financial liabilities</i>					
Trade and other payables	-	-	2,436,827	2,436,827	-
Loan from non-related parties	-	-	1,027,000	1,027,000	-
Loan from director related entity	-	19,558,204	-	19,558,204	11.00%
Lease and hire purchase	-	32,316	-	32,316	11.34%
Total financial liabilities	-	19,590,520	3,463,827	23,054,347	

The consolidated entity has performed a sensitivity analysis relating to its exposure to interest rate risk. At 30 June 2014 the effect on profit and equity as a result of changes in the interest rate is \$nil (2013: nil).

This analysis assumes all other variables remain constant.

(ii) Currency Risk

The consolidated entity does not have any material currency risk exposure under financial instruments entered into by the consolidated entity.

(iii) Other Price Risk

The consolidated entity does not have any material other price risk exposures under financial instruments entered into by the consolidated entity.

(e) 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.

31. PARENT COMPANY INFORMATION

The Parent Entity of the Consolidated Entity is Laneway Resources Limited.

Parent Entity Financial Information

	2014	2013
	\$	\$
Current assets	122,646	56,541
Non-current assets	10,703,248	10,608,118
Total assets	10,247,730	10,664,659
Current liabilities	2,343,037	23,289,806
Non-current liabilities	704,740	-
Total liabilities	3,047,777	23,289,806
Net assets	7,778,117	(12,625,147)
Issued capital	121,375,290	99,335,123
Accumulated losses	(113,597,173)	(111,960,269)
Total equity	7,778,117	(12,625,147)
Loss after income tax	(1,636,903)	(3,594,667)
Other comprehensive income	-	-
Total comprehensive income	(1,636,903)	(3,594,667)

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Notes to the Financial Statements

Commitments, Contingencies and Guarantees of the Parent Entity

The minimum committed expenditure for future periods of the Parent Entity is the same as those for the Consolidated Entity. Refer to Note 22 for details.

The Parent Entity has no material contingent assets, contingent liabilities or guarantees at balance date.

32. JOINT VENTURE ARRANGEMENTS

Jointly controlled assets

Ashford Coking Coal Joint Venture Project

The Ashford Coking Coal Project comprises a 50% Joint Venture with Northern Energy Corporation (NEC), now a 100% subsidiary of New Hope Corporation. The Joint Venture incorporates the Ashford Mine Area (EL6234 and EL6428), where a coking coal resource has been identified. Two other tenements, that were included in the Joint Venture, Atholwood (EL6526) and Ashford North (EL6539) were surrendered in the year and an expense of \$144,000 was recorded in the profit and loss following the tenement surrender. NEC is managing the joint venture activity. The Group's interests in the assets employed in the joint venture are included in the balance sheet, in accordance with the accounting policy described in note 1, under the following classifications:

	2014 \$	2013 \$
Non-Current assets		
Exploration and evaluation assets	143,488	286,713
Total Non-Current Assets	143,488	286,713

Future exploration

The consolidated entity has certain obligations to expend minimum amounts on exploration in the joint venture tenement areas to maintain its interest in the joint ventures. These obligations may be varied from time to time and are expected to be fulfilled in the normal course of operations of the consolidated entity.

The commitments to be undertaken are as follows:

Payable		
- not later than 12 months	150,000	435,000
- between 12 months and 5 years	350,000	870,000
	500,000	1,305,000

33. SUBSEQUENT EVENTS

On 11 September 2014 the Company announced it had completed a capital raising of \$400,000 through the placement of 160,000,000 unlisted convertible notes at 0.25 cents per note. The unlisted convertible notes have a redemption date of 26 June 2015 and a conversion price of 0.25 cents per share. If the Convertible Notes are not converted earlier then the Company will redeem the Convertible Notes at the Redemption Date by repayment to the Note Holder of the Subscription Amount.

In addition the company also issued 12,150,056 ordinary shares on 11 September 2014 at an issue price of 0.2659 cents per share in payment for consultancy services provided to Laneway.

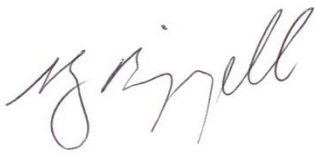
DIRECTORS' DECLARATION

In the directors' opinion:

- (a) the attached financial statements and notes and the Remuneration Report in the Directors' Report set out on pages 25 to 29 are in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2014 and of its performance for the financial year ended on that date; and
 - (ii) complying with Accounting Standards, Corporations Regulations 2001 and other mandatory professional reporting requirements; and
- (b) the financial report also complies with International Financial Reporting Standards as issued by the International Accounting Standards Board (IASB) as disclosed in note 1; and
- (c) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

The directors have been given the declarations by the chief executive officer and chief financial officer required by section 295A of the Corporations Act 2001.

This declaration is made in accordance with a resolution of directors pursuant to section 295(5) of the Corporations Act 2001.



SG Bizzell
Chairman

Brisbane, 30 September 2014

INDEPENDENT AUDITOR'S REPORT

To the members of Laneway Resources Limited

Report on the Financial Report

We have audited the accompanying financial report of Laneway Resources Limited, which comprises the balance sheet as at 30 June 2014, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the 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 financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, 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 report.



Opinion

In our opinion:

- A. the financial report of Laneway Resources Limited is in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2014 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and
- B. the financial report also complies with *International Financial Reporting Standards* as disclosed in Note 1.

Emphasis of matter

Without modifying our opinion, we draw attention to Note 1 in the financial report, which indicates that the ability of the consolidated entity to continue as a going concern is dependent upon the continued debt funding by the executive chairman, 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.

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 25 to 29 of the directors' report for the year ended 30 June 2014. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

In our opinion, the Remuneration Report of Laneway Resources Limited for the year ended 30 June 2014 complies with section 300A of the *Corporations Act 2001*.

BDO Audit Pty Ltd

K L Colyer
Director

Brisbane, 30 September 2014