

ASX ANNOUNCEMENT

30th October 2017

Acquisition agreement to move to 100% ownership of the Ashford Coking Coal Project

- The Directors of Laneway Resources are pleased to announce that they have entered into a Sale and Purchase Agreement to acquire the 50% of the Ashford Coking Coal project owned by Northern Energy Corporation Ltd (NEC) (a wholly owned subsidiary of New Hope Corporation (NHC));
- This acquisition will give Laneway Resources Ltd, through its wholly owned subsidiary Renison Coal Pty Ltd, a 100% ownership interest in the project and the global resource of 13 million tonnes of coking coal within the Exploration Licences at Ashford in northern NSW.
- Laneway has also commenced work to upgrade the mineral resource to 2012 JORC compliance and aims to progress the project by progressing the existing Exploration Licences 6234 and 6428 to a Mining Lease Application within the next 6 months. It is planned to commission a feasibility study during the Mining Lease assessment period focusing on the mining and transport of the Ashford premium metallurgical coking coal product.
- Several options have been reviewed for transport solutions for coal from the project allowing for access to port which would be viable at current coking coal spot prices. Also the current Federal Government preferred inland rail route passes within 80km of the project, providing a further potential transport option to port for the coking coal from the Ashford Project.



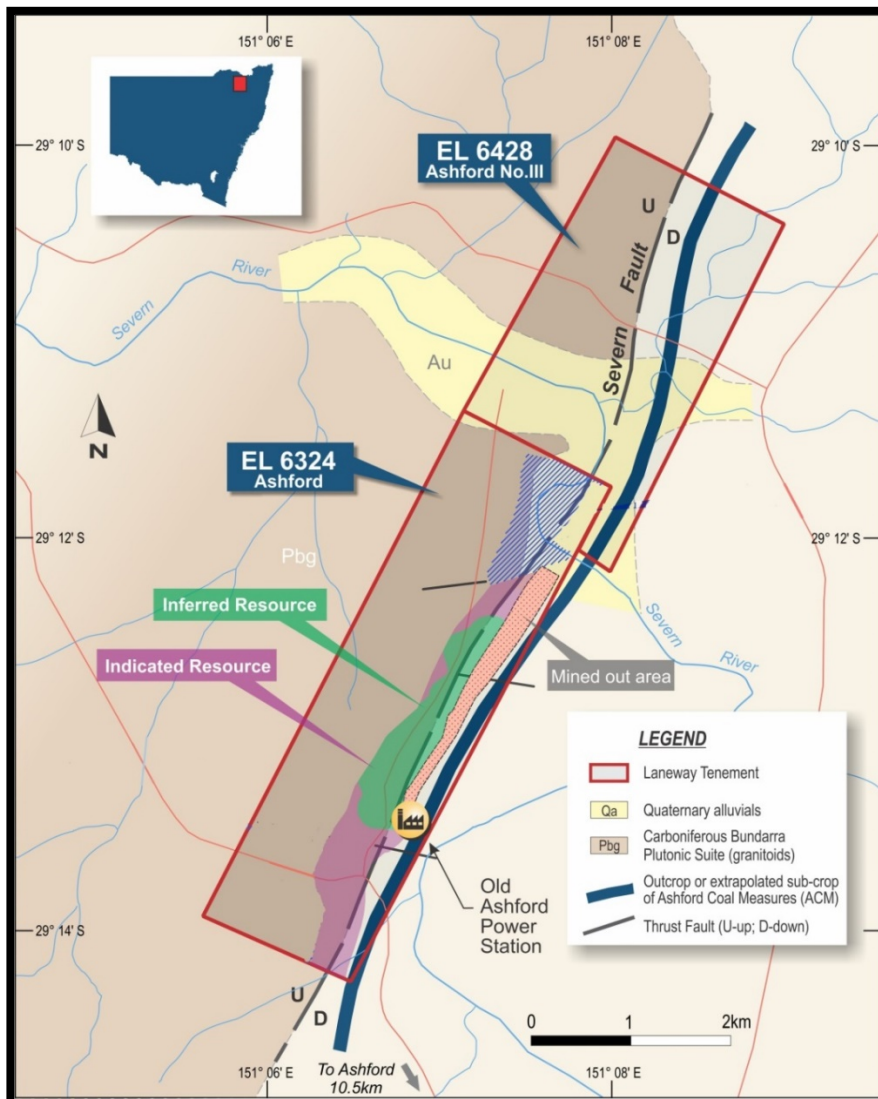
Background on the Ashford Coking Coal Project (NSW)

The Ashford Coking Coal project is located approximately 60km north of Inverell (northern NSW) and prior to the Sale and Purchase Agreement comprised a 50/50 joint venture with NEC, a 100% owned subsidiary of New Hope Corporation and Renison Coal a wholly owned subsidiary of Laneway Resources Ltd.

Pursuant to the Sale and Purchase Agreement entered into, NEC has agreed to sell its Participating Interest in the existing Joint Venture and Farmin Agreement to Renison Coal and to terminate the Joint Venture and Farmin Agreement. Completion of the acquisition is expected to occur in December 2017. At Completion, Renison Coal will be required to make a reimbursement payment of \$375,000 to NEC and Renison Coal will assume the ongoing work program and rehabilitation obligations for the tenements.

Ashford is an advanced stage coking coal project with an identified resource. Upon completion of the purchase of NEC's interest in the project, Laneway intends to progress the project towards a Mining Lease application over the resource area.

Quality test work has confirmed coking coal product equivalent to premium Bowen Basin coals. Review of coal quality data completed by Laneway in-house recently indicates a premium coking coal product could be produced from the project utilising a small mobile washing plant. Ongoing desktop studies are investigating the possibility of a small scale mining operation being started with low capex following Mining Lease grant.



Ashford Project Resource & Geology Map



Ashford Resource Estimate

The Ashford Coking Coal Project incorporates the Ashford Mine Area (EL 6234 and EL 6428) and total resources within EL6234 have been estimated at 13 million tonnes of insitu coal with 8 million tonnes classified as Indicated and 5 million tonnes as Inferred. Of the total resource, 4.4 million tonnes are at a depth of 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 estimated in February 2012. There has been no material change to the Resource Statement reported in 2012 and as such is still valid.

The table below presents a summary of the results of the resource estimate across both tenures.

SEAMS	DEPTH RANGE (M)	INDICATED (Mt)	INFERRED (Mt)	TOTAL (Mt)
A1 –A5	0-200	8	5	13
TOTAL		8	5	13

This estimate was completed on ply by ply basis with the same resource limits used for each ply. Only the Ashford coal seam was included and the maximum depth applied was 200m. The geological database contains 156 drill holes, of which 139 were used for constructing the structural model. The majority of drill holes used in the calculation of the resource were drilled by the current joint venture partners since being granted tenure in 2005.

Competent Persons Statement

Information above relating to Ashford Coal Resources estimate is based on information compiled by Mr Patrick Tyrrell who is a member of the Australian Institute of Mining and Metallurgy. Mr Patrick Tyrrell is currently an employee of New Hope Coal Limited. Mr Patrick Tyrrell 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 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Minerals Resources and Ore Reserves' (the JORC Code). Mr Patrick Tyrrell consents to the inclusion in the report of the matters based on the information in the form and context in which it appears.

The information for the Ashford Coal Resources 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.

Laneway's intention is to upgrade the resource to JORC 2012 compliance in the near term.

Coal Quality Parameter	Average
Washing yield %	72.0%
Product Ash %	7.3%
Volatile Matter %	23.6%
Inherent Moisture %	1.1%
Mean Maximum Reflectance	1.14
Crucible Swell Number	6.5
Sulphur %	0.4%
Phosphorous %	0.03%

Average Coal Quality Data

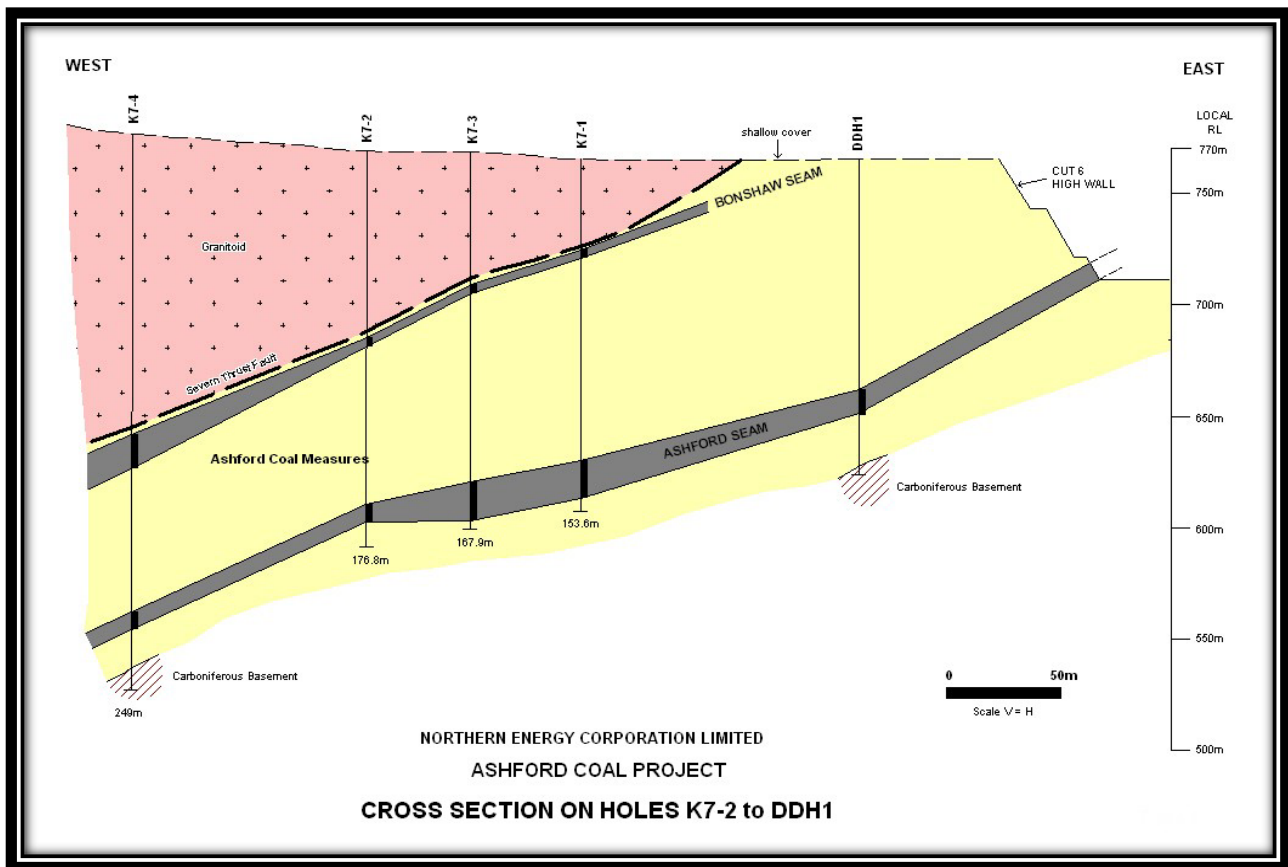
Geology

The Permian aged Ashford coal measures are expressed as a narrow (<10km) 80km long basin stretching from the Queensland border in the north to Inverell in the south. The Ashford coal measures unconformably overlie highly deformed late carboniferous sediments assigned to the Texas Beds. EL6234 overlies part of the outcrop of the Ashford coal measures which dip to the west at 15-35 degrees.

A total of 28 drill holes which contained valid coal quality data within core samples were used to construct the coal quality model.

The Ashford seam ranges from 0.2m to 24.4m in thickness and makes up the principle resource within EL6234. The upper Bonshaw seam also has been intersected in a number of drill holes.

A cross section that demonstrates the structural setting within the Ashford deposit is shown below:



Infrastructure

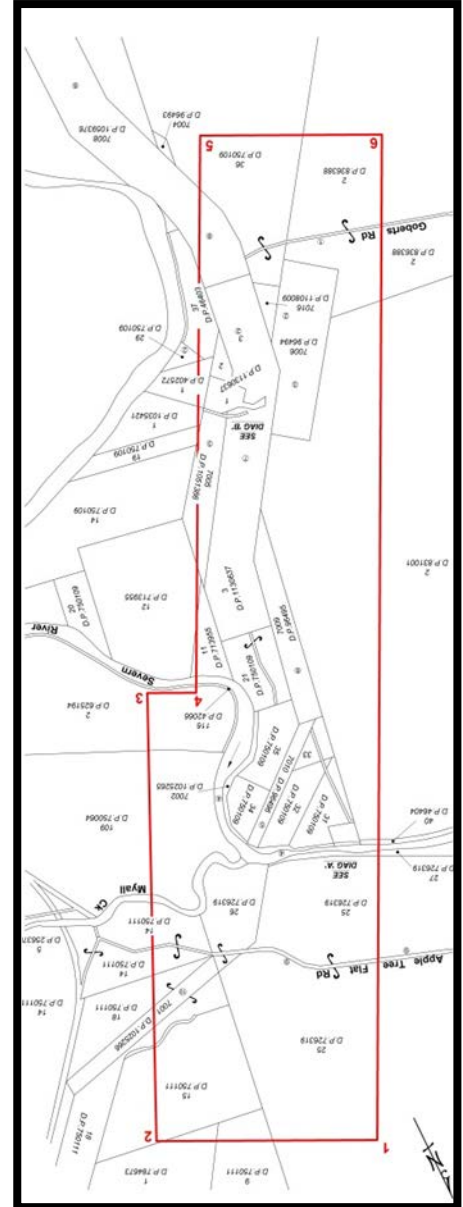
Several road – rail options for transporting coal to port have been reviewed independently and by Laneway internally with several seeming viable at current coking coal prices.



1. Road haulage to Port of Brisbane using covered B doubles. Maximum of 500ktpa.
2. Road haulage to Inglewood; then rail to port of Brisbane.
3. Road haulage to Moree; then rail to port of Newcastle.
4. Road haulage to Yetman; then rail to Port of Brisbane. Only when the Federal Inland Rail project is completed.

Mining Lease Application

The proposed mining lease application area is shown which covers the resource areas and also sufficient area to allow for mining, stockpiles and washing if required.



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