

## Quarterly Activities Report for the period ended 31<sup>st</sup> March 2019



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**Directors**  
 Mr Stephen Bizzell (Chairman)  
 Mr Rick Anthon  
 Mr Mark Baker  
 Mr. Peter Wright  
**Company Secretary**  
 Mr Paul Marshall

## Highlights

### Agate Creek Gold Project

- + Laneway continued its transition to becoming a gold producer during the March Quarter with several significant milestones achieved towards commencing commercial extraction of high-grade gold material from its 100% owned Agate Creek Gold Project.
- + The Mining Lease was granted by the Queensland Government Department of Natural Resources, Mines and Energy during the quarter and commenced on 1 March.
- + Results from the November 2018 drilling program received during the quarter confirmed the high-grade nature of the Sherwood Deposit and highlighted the broader potential of the Agate Creek project which includes an Indicated and Inferred Mineral Resource containing 381,000 oz of Gold at 1.4 g/t currently outlined. Assays showed consistent high-grade zones with several individual assays exceeding 100 g/t gold and assays up to 564 g/t gold.
- + These drilling results, along with the other historical assays, validated the decision to enter into the Tribute Agreement with Maroon Gold Pty Ltd to toll treat up to 100,000t of high-grade material through Maroon Gold's Black Jack Gold Processing Plant at Charters Towers allowing Laneway the opportunity to produce gold with minimal capital exposure and realise near term cashflow.
- + The first ore blast occurred shortly after the end of the quarter on 10<sup>th</sup> April with mining commencing immediately following and ore transportation to the Black Jack gold processing plant starting Saturday 13<sup>th</sup> April.
- + CIL processing of Agate Creek Ore commenced at the Black Jack Plant on 17 April initially at a process rate of 12 tonnes per hour (tph) with the intention being to ramp up to around 25tph.
- + The first gold pour was achieved within 10 weeks of the grant of the Mining Lease.
- + The first Gold pour (pictured below) occurred on 23<sup>rd</sup> April with 22kg bullion recovered from approximately 1,300 tonnes of ore averaging 15g/t by Gravity, ILR and CIL processing methods.



- + Total bullion produced and despatched to the gold refiners in April 2019 has now reached approximately 62.6kg.
- + Laneway anticipates achieving material positive cash flow from the mining activities at the Agate Creek high grade project aided by recent high prices for AUD denominated gold. The expected cash flow will establish a sound financial platform for the company to progress its project portfolio including the Ashford Coking Coal project, its NZ Gold assets and additional exploration appraisal of the broader Agate Creek Project area.

### New Zealand Gold Project

- + Laneway received approval on the 10<sup>th</sup> January from NZP&M to amalgamate its two Mineral Permits (EP54216 & EP52469) into a single Permit EP 54216 - still covering 58km<sup>2</sup>. This will reduce administration and management costs for the permit and allow for simplified exploration during the remainder of the permit term.
- + A drilling program is being planned for later in 2019 focusing within and below the historically mined area of Jubilee, targeting both the main Jubilee Vein System and also the newly identified zone identified following a re-assayed result of 0.3m @ 521 g/t Au interpreted ≈ 50m behind the main stoped Jubilee Vein.

### Ashford Coking Coal Project

- + With the continued strength of metallurgical coal prices, the relative scarcity of open pittable Metallurgical Coal deposits and recent corporate activity in the sector, Laneway sees considerable shareholder value creation potential from the Ashford Coking Coal project and intends to continue to progress the project over the course of 2019.
- + Further progress has been made during the Quarter in progressing the project with the planned conversion of the existing Exploration Licenses 6234 and 6428 to a Mining Lease, over the Global Resource of 14.8 million tonnes of Coking Coal.

### Corporate

- + Expenditure of \$361k on projects in the Quarter.



## Project Overview

Laneway Resources is an emerging producer with 100% owned projects in Queensland, New South Wales and New Zealand.

### Agate Creek Gold Project

North Queensland

- 100% interest
- Epithermal Gold

### New Zealand Gold Project

North Island, New Zealand

- 100% interest
- Epithermal Gold

### Ashford Coking Coal Project

Northern NSW

- 100% interest
- Coking Coal

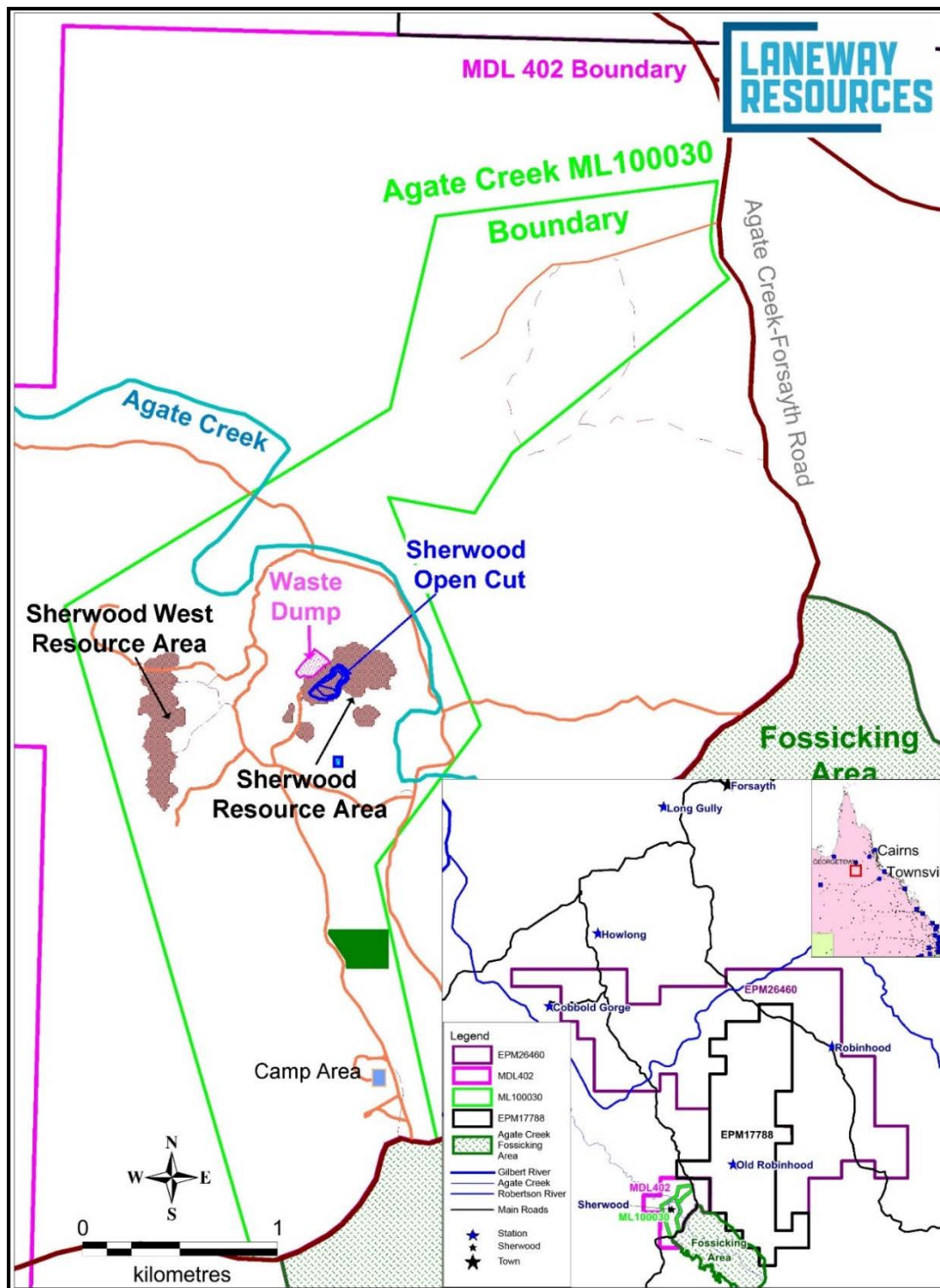


Location of Laneway Resources' Projects

## Agate Creek Gold Project

The Agate Creek Gold Project is located approximately 40km south of Forsayth and 60km west of Kidston in North Queensland. The Project covers a total of 647.5 km<sup>2</sup> and comprises of the following tenures EPM 17788, EPM 26460, MDL402 & ML 100030.

The Mining Lease (ML100030) - which covers the near surface high grade Sherwood and Sherwood West gold prospects as well as areas for all necessary infrastructure to support mining operations - was granted by the Queensland Department of Natural Resources, Mines and Energy during the Quarter with an effective date of 1<sup>st</sup> March 2019.



### Recent Drilling completed and Assay Results from Sherwood

A drilling program comprised of 51 shallow Reverse Circulation (RC) drill holes for 1,314m and part of the final stages of the mine design processes was undertaken in late 2018. The Company incorporated these assay results into the existing resource model which will enable ore block definition to establish key mining areas. Results also confirmed the suitability of the planned waste dump location. A summary of the results from this drilling program are contained in the below table with the full results from the program contained in the Company's ASX announcement dated 14 January 2019.

The results of the drilling program highlighted the high-grade core of the planned mining area with consistent high-grade zones identified with several individual assays exceeding 100 g/t gold and assays up to 564 g/t gold. Highlights included:-

- CCGC019 – 3.0m @ 32.81 g/t
- CCGC030 – 5.0m @ 12.86 g/t
- CCGC031 – 2.0m @ 68.51 g/t including 0.5m @ 250 g/t
- CCGC032 – 1.5m @ 50.37 g/t including 0.5m @ 106 g/t
- CCGC033 – 1.5m @ 56.45 g/t including 0.5m @ 148 g/t
- CCGC043 – 4.5m @ 91.70 g/t including 0.5 m @ 564 g/t & 0.5m @ 157 g/t
- CCGC044 – 5.0m @ 27.94 g/t
- CCGC056 – 3.5m @ 19.24 g/t

The results, along with the other historical assays, validate the decision to enter into the Tribute Agreement to toll treat this parcel of high-grade material through Maroon Gold's Black Jack Gold Processing Plant and enabled the finalisation of mine planning prior to the Mining Lease grant and start of mining.

Pursuant to the Mining and Processing Agreement entered into with Maroon Gold Pty Ltd (Maroon), the ore is transported to and then processed through Maroon's wholly owned CIL processing plant. Utilising an existing processing plant has significantly reduced the capital expenditure and time to first gold production for Laneway. Laneway anticipates material positive cash flow this year from the mining activities at the Agate Creek high grade project aided by recent high prices for AUD denominated gold.

### Grant of ML 100030

The Queensland Government Department of Natural Resources, Mines and Energy granted a Mining Lease (ML100030) over the Sherwood deposit within the 100% owned Agate Creek Gold Project in North Queensland.

The Commencement Date of the Mining Lease was 1 March 2019 with the Company making statutory rental payments and lodged a Financial Assurance under the project's Environmental Authority prior to commencing mining activities. The total area of the Mining Lease is 689.3 Hectares which covers the Sherwood and Sherwood West near surface high-grade prospects along with prospective extensions to the known mineralisation areas. The Environmental Authority is also in place (EPSL03068015) for the mining operations.

All agreements with landholders were completed including the Tatampi Puranga Aboriginal Corporation RNTBC ICN 7950 (Tatampi Puranga), the prescribed body corporate of the Ewamian People's native title determination (QUD6018/2001) for the Agate Creek project area, regarding Tatampi Puranga's consent to the grant of Mining Lease 100030.

The Native Title Agreement records the consents from Tatampi Puranga to the grant of the Mining Lease and Laneway's agreement to provide certain financial benefits, employment, training and business development opportunities for the Ewamian People. The agreement also includes a Cultural Heritage Management Agreement to manage the impact of the project on cultural heritage within the agreement area.

As required under the Native Title (Prescribed Bodies Corporate) Regulations 1999 (Cth), Tatampi Puranga, prior to entering into these agreements, consulted with, and obtained the consent of, the native title holders to enter into the relevant agreements.

### Start of Mining, Transport & Processing

Post the end of the Quarter mining operations commenced - in line with previously indicated timelines - with the first ore blast (see below) undertaken on 10<sup>th</sup> April. Transportation of first ore to Maroon's plant commenced Saturday 13<sup>th</sup> April with the ore trucked to Maroon's Black Jack Gold Processing Plant at Charters Towers. First ore was fed into the crushing circuit on 17 April, with processing starting soon afterwards and the first gold was poured on 22 April. Mining and transportation of ore from the initial high-grade zone being mined at the Sherwood deposit is currently expected to continue for approximately another 10-12 weeks



### Tribute and Toll Treatment Agreement with Maroon

The Mining and Processing Agreement entered into with Maroon Gold Pty Ltd (Maroon), enabled mining operations to commence immediately following grant of the ML at Agate Creek. Maroon recently finished recommissioning the Black Jack Plant which has the capacity to process up to 340,000tpa.

Utilising an existing processing plant significantly reduced the capital expenditure and time to first gold production for Laneway.

The direct costs incurred with respect to the first 100,000 tonnes of production from the project including, but not limited to, mining; transportation, crushing and processing of ore; and rehabilitation of the disturbed area, will be incurred and paid for by Maroon. Gold produced will be paid 60% to Laneway and 40% to Maroon above 3.5 g/t gold head grade with the initial 3.5g/t produced to be retained by Maroon towards the above costs.

The Company brought the project into production quickly following the grant by the Queensland Government Department of Natural Resources, Mines and Energy of a Mining Lease (ML100030) over the Sherwood deposit - achieving the first gold pour within 10 weeks of the Lease being granted.

The recent gold pours since production commenced collectively total approximately 62.6kg (as at 28/4/2019) of gold and silver bullion\* from ≈4,300 tonnes of ore processed. This bullion was recovered from gravity, ILR (Intensive Leach Reactor) and CIL (Cyanide in Leach) extraction at Maroon's Black Jack Processing Plant. During this period the head grade has averaged almost 15g/t gold, with a calculated plant recovery of 99%. Processing rates are currently approximately 17 tonnes per hour with this rate to be steadily increased over the coming weeks with 25 tonnes per hour being targeted. Final processing rates achieved will be dependent on feed grades and ongoing metallurgical performance including recovery.

\*purity will be known after refining



Recovered gold grades thus far are trending significantly higher than the modelled figures incorporated in the Sherwood High Grade subset of the Resources estimate of 89,000t @ 6.01g/t (refer Table 2 below). This is likely to be due to the highly selective mining techniques, aimed at minimisation of dilution, being undertaken onsite. This is also likely to reduce the overall tonnes being mined whilst not significantly reducing the total contained ounces significantly.

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





## Mineral Resource

A global recoverable Mineral Resource has been defined for the Agate Creek Project in Table 1 - at a 0.5 g/t Au cut-off suitable for a large open pit operation. A continuous high-grade Mineral Resource can be interpreted at cut-off of 2 g/t Au for Sherwood and 1 g/t Au for Sherwood West shown in Table 2 (prior to inclusion of results from the recent drilling program).

0.5 g/t cut-off	Sherwood			Sherwood South			Sherwood West			Total		
Resource Classification	Mt	Gold (g/t)	Gold (oz)	Mt	Gold (g/t)	Gold (oz)	Mt	Gold (g/t)	Gold (oz)	Mt	Gold (g/t)	Gold (oz)
Indicated	2.80	1.60	140,000				2.20	1.60	112,000	5.00	1.60	252,000
Inferred	1.40	1.30	57,000	0.30	1.20	12,000	1.50	1.20	59,000	3.20	1.24	128,000
Total	4.20	1.50	197,000	0.30	1.20	12,000	3.70	1.44	171,000	8.20	1.46	381,000
Grade and tonnage rounded to two decimal places. Ounces calculated after rounding and reported to nearest 1,000 ounces.												
High Grade Sub Set	Cut-Off Grade		Indicated			Inferred			Total			
	Au (g/t)		kt	Gold (g/t)	Gold (oz)	kt	Gold (g/t)	Gold (oz)	kt	Gold (g/t)	Gold (oz)	
Sherwood	2		89	6.01	17,300				89	6.01	17,300	
Sherwood West	1		1080	1.82	59,600	146	1.72	8,100	1164	1.81	67,700	
Total			1169	2.16	76,900	146	1.72	8,100	1253	2.16	85,000	

Table 1 - Mineral Resource Figures and Table 2 - High Grade sub set for Mineral Resource

Geological information gleaned from the mining and grade control will be incorporated into exploration modelling and targeting for the project to assist with identifying additional resources in the Project area.

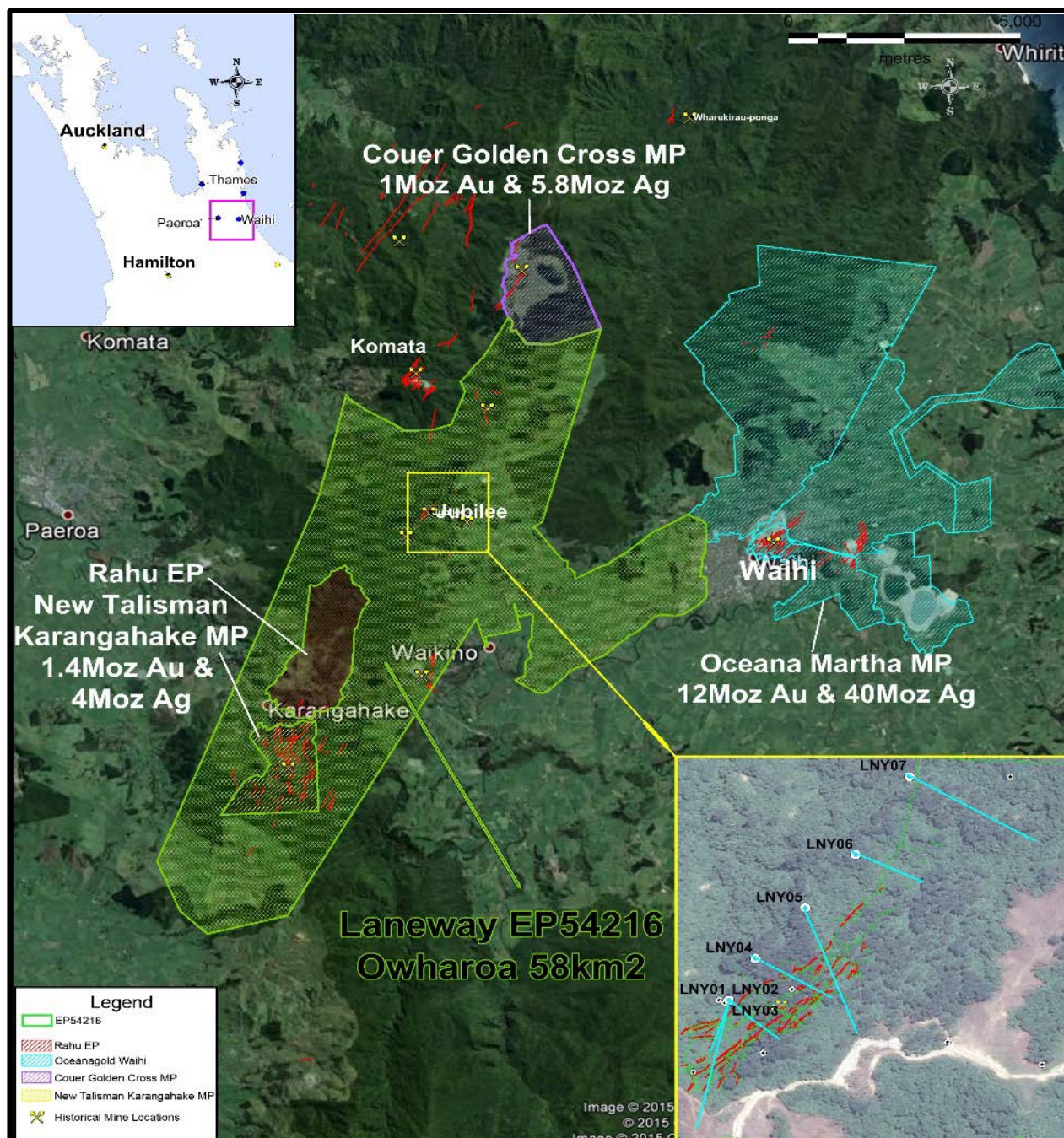
Planning is well advanced for further drilling programs at Agate Creek targeting further potential high grade zones - including potential extensions of the zones currently being mined. Additional exploration will also target other identified mineralised zones that have previously only been evaluated for potential large tonnage low grade processing. Geological understanding gained from the current mining campaign will allow for greater targeted drilling of the ore zones with the potential to add to the existing Global Resource.

The exploration within Laneway's large Exploration Tenement area at Agate Creek will be advanced with the objectives of confirming the potential for additional small tonnage high grade zoned deposits capable of being toll treated along with the targeting of additional large tonnage targets to supplement the possible long term mining and processing of the lower grade Agate Creek Resources onsite.

## New Zealand Gold Project

Laneway on the 10<sup>th</sup> January received approval from NZP&M to amalgamate it's two current Mineral Permits (EP54216 & EP52469) into a single Permit EP 54216 still covering 58km<sup>2</sup>. This will reduce administration and management costs for the permit and allow for simplified exploration planning during the remainder of the permit term.

The project area is located on the North Island of New Zealand in the Hauraki goldfield, within the mineralised corridor that is host to the historic Karangahake and Golden Cross gold-silver mines, and adjacent to Oceana Gold's operating Waihi Mine.



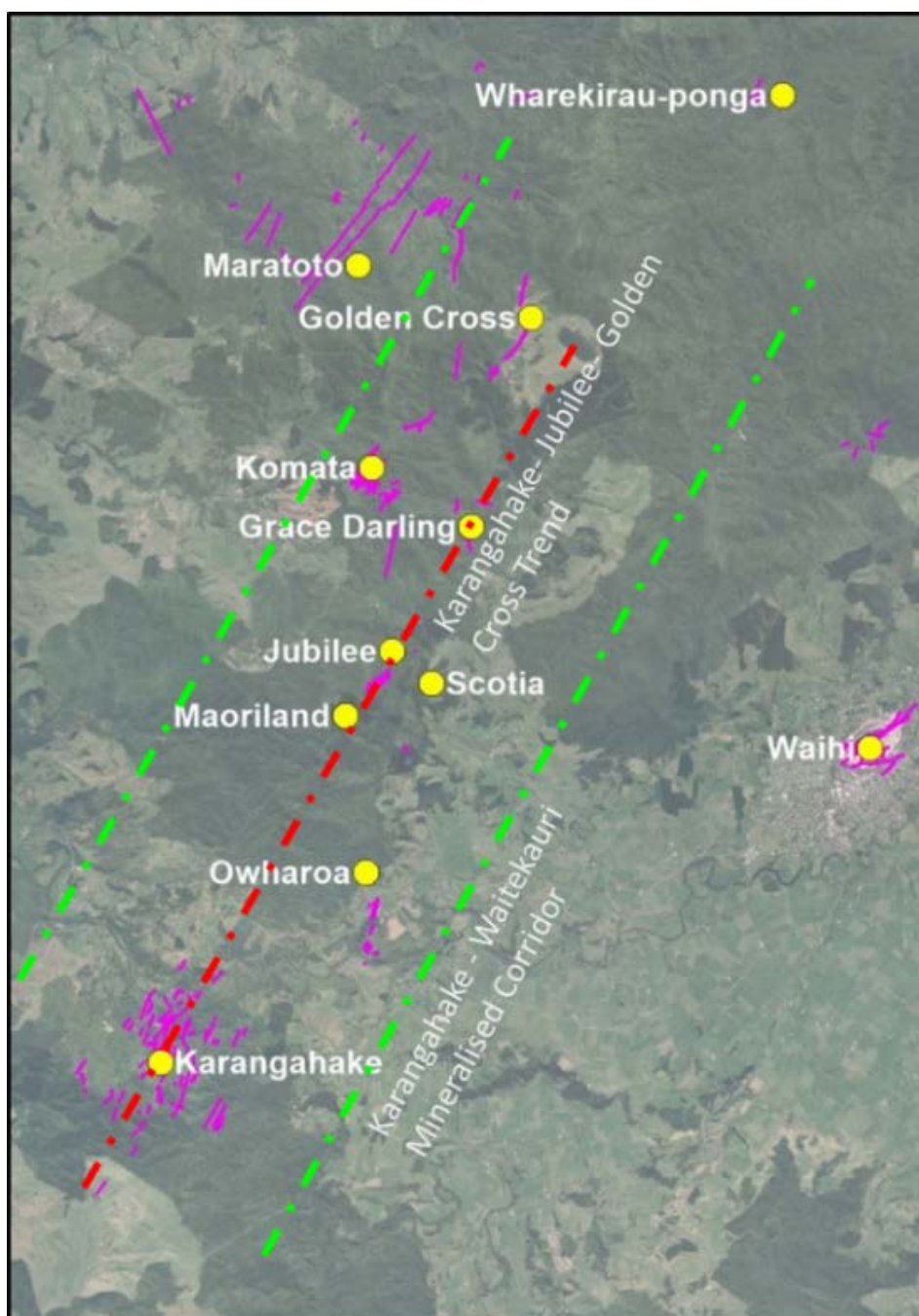
### Karangahake – Jubilee – Golden Cross Mineralised Trend

Historic mining occurred in the Hauraki Goldfield Area between 1860 and 1952, which hosts approximately 50 low-sulphidation epithermal prospects and deposits and has yielded in excess of 45 million ounces of bullion. Workings generally only reached 140m below surface. There remains significant scope for down dip and strike extensions of this mineralisation particularly along a >10 km long prospective corridor of The Karangahake-Jubilee-Golden Cross Mineralised Trend which alone has produced over 4.4 Moz Au-Ag bullion. Mineralisation occurs as discrete low sulphidation high grade epithermal veins, primarily of banded quartz/chalcedony within rhyolites and andesites.



The Karangahake orebody on the southern end is shown to have up to 700m vertical continuity (unusual in epithermal deposits) and Jubilee is likely the strike extent of the Karangahake system but was only mined to 200m and never tested at depth.

At Jubilee a mapped succession of stacked rhyolites which show vertical continuity provide significant potential for mineralised repetitions and blind shoots. Laneway recently completed a geological re-evaluation of historical work which included resampling of historical holes. This included core from ML018 (drilled in 1987) which had a 2m wide zone which originally assayed at 7.8g/t Au but was never followed up. Within this 2m metre zone Laneway located and re-assayed a 30cm wide vein which returned results of 521g/t Au. This is interpreted as a second blind vein zone present in the system which sits approximately 50m horizontally behind the historically stoped main Jubilee Vein and which had not been identified by miners or previous workers on the project.

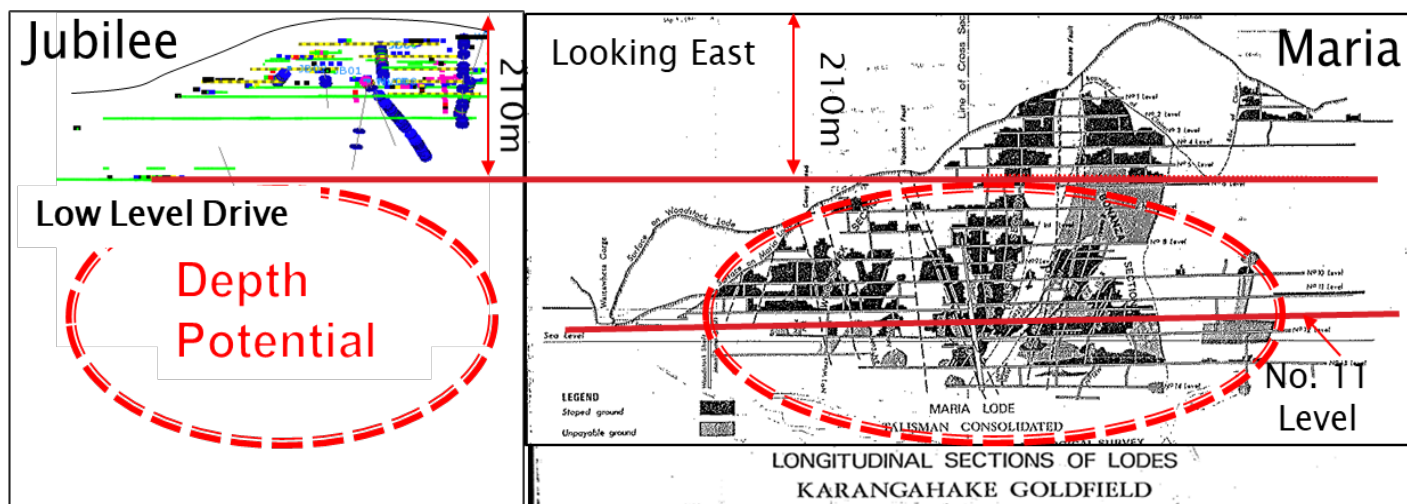
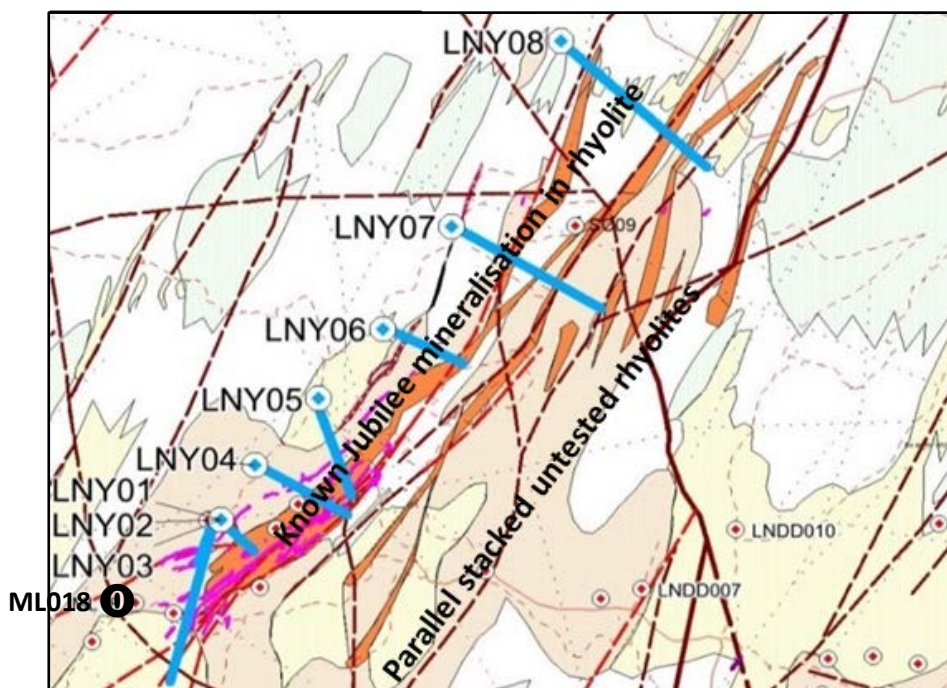




## Planned Exploration Drilling

There are still several drill ready target areas within the project area. The most exciting of these areas is the 500m long Jubilee trend, which was historically mined around the turn of last century. Recorded production was 1,300oz of gold bullion from 2,118 tons of quartz within one small stope area. Several historical reports also state quartz veining was up to 32 feet wide in the lower levels 200m below surface.

The Jubilee area has had less than 10 holes drilled into the area shown below with only 2 of these holes deeper than 200m and as such retains significant depth potential, particularly when compared to the Maria vein within the Karangahake Mine System which sits 7km directly along trend from Jubilee. Laneway has another 8 drill ready targets (LNY01-08) at the Jubilee Prospect which target both along strike and down dip extensions of known mineralisation at the Jubilee workings. All agreements, permitting and drill pads are now in place to allow drilling of this area in 2019.



Section showing potential comparison between Jubilee and Karangahake Systems

## Ashford Coking Coal Project

The Ashford Coking Coal Project is located approximately 60km north of Inverell (northern NSW) and 4 km from the township of Ashford. The Project is comprised of EL 6234 & EL 6428 which covers approximately 14 km<sup>2</sup>. The tenures hold part of the Ashford Coal Measures covering the only commercial operation to mine the Ashford Seam the “Ashford Colliery”. The Ashford Colliery was operated from 1959 to 1990. Firstly by Davis Contractors until 1976 and then by White Industries Limited supplying coal to the Ashford Power Station. In 1976 a study was undertaken to ascertain the quality of the Ashford Seam. The study revealed that in reality the Power Station was in actual fact burning premium quality coking coal.

Laneway through its wholly owned subsidiary Renison Coal Pty Ltd applied for the tenement in 2004 since which time the project has been advanced sufficiently and with the updated resource estimates completed earlier this year, Laneway intends to progress the project towards a Mining Lease Application over the resource area within the next 12 months. Following the completion of the LIDAR survey and its incorporation in the Initial assessments of Biophysical Strategic Agricultural Land (BSAL) as the first step of the process of environmental studies required as part of the Mining Lease application process. Native Title investigations over the planned ML area has been investigated with the results being reviewed.

## Ashford Resource Estimate

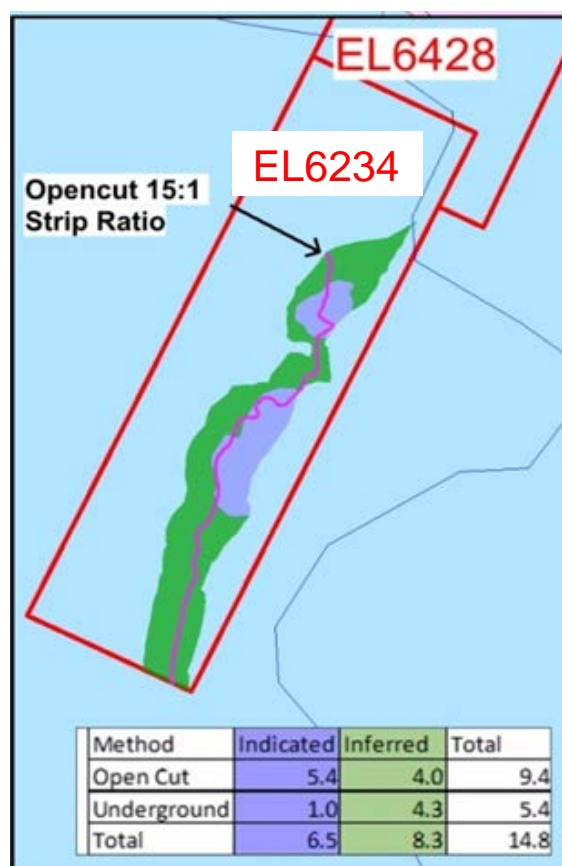
The Ashford Coking Coal Project incorporates the historic Ashford Mine Area (EL 6234 and EL 6428). Total resources within EL6234 have been now estimated at 14.8 million tonnes of in-situ coal with 6.5 million tonnes classified as Indicated and 8.3 million tonnes as Inferred. Of the total resource, 9.4 million tonnes are likely to be accessible by conventional open cut methods to a 15:1 vertical waste to in-situ coal tonnes stripping ratio cut off. A further 5.4 million tonnes are expected to be mined via high wall mining methods. These estimates reconcile well with previous studies.

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, however these holes indicate that this seam is non-persistent and is currently of no economic interest. A cross section that demonstrates the structural setting within the Ashford deposit is shown above.

## Mining Lease Application

The proposed Mining Lease Application (MLA) will cover the resources and also sufficient additional area to allow for mining, stockpiles and washing if required. The MLA and associated approval and studies will be further progressed during 2019.

As part of the infrastructure requirements associated with mining, several transport options that have been assessed as viable at current coking coal prices and these options will be further developed.



## Corporate

During the quarter Laneway finalised the capital raising program announced in June 2018 with the issue of 70,000,000 ordinary shares and 20,000,000 convertible notes.

A total of \$361,000 was spent on exploration projects in the quarter with \$292,000 on the Agate Creek project, \$36,000 on the New Zealand exploration project and \$34,000 on the Ashford Coal project.

For further information contact:

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## Competent Persons Statements

The information in this report that relates to Exploration Results is based on information compiled by Mr Scott Hall who is a member of the Australian Institute of Mining and Metallurgy. Mr Hall is a full-time employee of Laneway Resources Limited and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves.' Mr Hall consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information relating to the Mineral Resources at the Agate Creek Project is extracted from the ASX Announcement as follows:

ASX Announcement titled:

**'Resource Update for Agate Creek Gold Project' dated 1 February 2016.**

The report is available to view on the Laneway Resources website [www.lanewayresources.com.au](http://www.lanewayresources.com.au). The report was issued in accordance with the 2012 Edition of the JORC Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. The company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and, in the case of estimates of Mineral Resources or Ore Reserves that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

The information relating to the Mineral Resources at the Ashford Coking Coal Project is extracted from the ASX Announcement as follows:

ASX Announcement titled:

**'Ashford Coking Coal Project - Increased Resource' dated 20 November 2017.**

The report is available to view on the Laneway Resources website [www.lanewayresources.com.au](http://www.lanewayresources.com.au). The report was issued in accordance with the 2012 Edition of the JORC Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves, and also "Australian Guidelines for the Estimation and Classification of Coal Resources, (2014)". The company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and, in the case of estimates of Mineral Resources or Ore Reserves that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.



### Schedule of Interests in Mining Tenements

Laneway Resources Limited held the following interests in mining and exploration tenements as at 31 March 2019: As detailed above amalgamation of EP 54216 & EP 54369 was completed on the 10<sup>th</sup> January 2019 by NZP&M with no change in area. The Agate Creek Mining Lease (ML 100030) was granted by the DNRME with an effective date of 1<sup>st</sup> March 2019.

#### Queensland Tenements

<b>Type &amp; Title No.</b>	<b>Location</b>	<b>Interest</b>
MDL402	Agate Creek	100%
EPM17788	Agate Creek	100%
EPM26460	Agate Creek	100%
ML 100030	Agate Creek	100%

#### NSW JV Tenements

<b>Type &amp; Title No.</b>	<b>Location</b>	<b>Interest</b>
EL6234	Ashford	100%
EL6428	Ashford No III	100%

#### New Zealand Tenements

<b>Type &amp; Title No.</b>	<b>Location</b>	<b>Interest</b>
EP54216	Owharoa	100%