



Level 9, Waterfront Place
1 Eagle St, Brisbane QLD 4000
GPO Box 1164, Brisbane QLD 4001
Telephone: 07 3108 3500
Fax: 07 3108 3501
Email: admin@lanewayresources.com.au
www.lanewayresources.com.au

ASX ANNOUNCEMENT

Appendix 3B and Section 708A(5) Notice

1 August 2018

Please find attached an Appendix 3B in relation to the issue of the following securities:

- 41,500,000 ordinary shares at \$0.003 per share and
- 20,000,000 unlisted 30 June 2021 \$0.005 Convertible Notes

in relation to the capital raising program announced by the Company today.

Notice given under Section 708A(5) of the Corporations Act 2001

The ordinary shares are part of a class of securities quoted on the Australian Securities Exchange. The shares were issued without disclosure to the investor under Part 6D.2, in reliance on Section 708A(5) of the Corporations Act 2001.

The Company, as at the date of this notice, has complied with:

- a) The provisions of Chapter 2M of the Corporations Act 2001; and
- b) Section 674 of the Corporations Act 2001.

There is no excluded information as at the date of this notice, for the purposes of Sections 708A(7) and (8) of the Corporations Act 2001.

For and on behalf of the Board

JPK Marshall
Company Secretary

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12, 04/03/13.

Name of entity

LANEWAY RESOURCES LTD

ABN

75 003 049 714

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|--|--|
| 1 | +Class of +securities issued or to be issued | Ordinary shares and Unlisted 30 June 2021 Convertible Notes |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | 41,500,000 ordinary shares and 20,000,000 convertible notes |
| 3 | Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | Ordinary shares fully paid.

<u>Convertible Notes</u>
Issue Price: 0.5 cents per Convertible Note
Interest Rate: 15% per annum
Interest Payments: Interest paid half yearly in arrears and the interest may be paid in certain circumstances at Laneway's election by the issue of further Convertible Notes
Conversion: Each Convertible Note can be converted into one fully paid Laneway share
Maturity Date: 30 June 2021
See below (page 9) for full terms and conditions |

+ See chapter 19 for defined terms.

4	<p>Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	Yes for the ordinary shares
5	Issue price or consideration	\$0.003 per share and \$0.005 per convertible note
6	Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)	The capital raising will enable the Company to advance its Agate Creek gold, New Zealand gold and NSW coal projects as well as make payments to creditors, allow repayment of existing borrowings and provide general working capital.
6a	<p>Is the entity an +eligible entity that has obtained security holder approval under rule 7.1A?</p> <p>If Yes, complete sections 6b – 6h <i>in relation to the +securities the subject of this Appendix 3B</i>, and comply with section 6i</p>	No
6b	The date the security holder resolution under rule 7.1A was passed	N/A
6c	Number of +securities issued without security holder approval under rule 7.1	N/A
6d	Number of +securities issued with security holder approval under rule 7.1A	N/A
6e	Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	N/A

+ See chapter 19 for defined terms.

6f	Number of securities issued under an exception in rule 7.2	N/A	
6g	If securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the issue date and both values. Include the source of the VWAP calculation.	N/A	
6h	If securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements	N/A	
6i	Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements	N/A	
7	+Issue dates Note: The issue date may be prescribed by ASX (refer to the definition of issue date in rule 19.12). For example, the issue date for a pro rata entitlement issue must comply with the applicable timetable in Appendix 7A. Cross reference: item 33 of Appendix 3B.	1 August 2018	
8	Number and +class of all +securities quoted on ASX (<i>including</i> the securities in section 2 if applicable)	Number	+Class
		3,521,565,933	Ordinary Shares fully paid (LNY)
9	Number and +class of all +securities not quoted on ASX (<i>including</i> the securities in section 2 if applicable)	Number	+Class
		112,000,000	30 June 2021 Convertible Notes
10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	N/A	

+ See chapter 19 for defined terms.

Part 2 - Bonus issue or pro rata issue

- | | | |
|----|---|--|
| 11 | Is security holder approval required? | |
| 12 | Is the issue renounceable or non-renounceable? | |
| 13 | Ratio in which the +securities will be offered | |
| 14 | +Class of +securities to which the offer relates | |
| 15 | +Record date to determine entitlements | |
| 16 | Will holdings on different registers (or subregisters) be aggregated for calculating entitlements? | |
| 17 | Policy for deciding entitlements in relation to fractions | |
| 18 | Names of countries in which the entity has +security holders who will not be sent new issue documents

<small>Note: Security holders must be told how their entitlements are to be dealt with.
Cross reference: rule 7.7.</small> | |
| 19 | Closing date for receipt of acceptances or renunciations | |
| 20 | Names of any underwriters | |
| 21 | Amount of any underwriting fee or commission | |
| 22 | Names of any brokers to the issue | |
| 23 | Fee or commission payable to the broker to the issue | |
| 24 | Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of +security holders | |

+ See chapter 19 for defined terms.

- | | | |
|----|---|--|
| 25 | If the issue is contingent on +security holders' approval, the date of the meeting | |
| 26 | Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled | |
| 27 | If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders | |
| 28 | Date rights trading will begin (if applicable) | |
| 29 | Date rights trading will end (if applicable) | |
| 30 | How do +security holders sell their entitlements <i>in full</i> through a broker? | |
| 31 | How do +security holders sell <i>part</i> of their entitlements through a broker and accept for the balance? | |
| 32 | How do +security holders dispose of their entitlements (except by sale through a broker)? | |
| 33 | +Issue date | |

+ See chapter 19 for defined terms.

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

34 Type of securities
(tick one)

(a) For the Ordinary shares described in Part 1

(b) All other securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, Director incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

35 If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders

36 If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories
1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over

37 A copy of any trust deed for the additional +securities

Entities that have ticked box 34(b)

38 Number of securities for which +quotation is sought

39 Class of +securities for which quotation is sought

+ See chapter 19 for defined terms.

40 Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?

If the additional securities do not rank equally, please state:

- the date from which they do
- the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment
- the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment

41 Reason for request for quotation now
(if issued upon conversion of another security, clearly identify that other security)

42 Number and +class of all +securities quoted on ASX (including the securities in clause 38)

Number	+Class

Quotation agreement

1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

2 We warrant the following to ASX.

- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those +securities should not be granted +quotation.
- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.

+ See chapter 19 for defined terms.

- If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.
- 3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.
- 4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here:  Date: 1 August 2018
(Company Secretary)

Print name: Paul Marshall

== == == == ==

+ See chapter 19 for defined terms.

Laneway Resources Ltd – Convertible Note Terms

Issuer	Laneway Resources Ltd ACN 003 049 714
Convertible Note Issue	Convertible Notes to be issued by the Issuer pursuant to the Convertible Note Trust Deed.
Purpose	To enable the Company to advance its Agate Creek gold, New Zealand gold and NSW coal projects as well as make payments to creditors, partial repayment of the Bizzell Nominees Facility, general working capital and costs of the issue.
Issue Price	Face Value of \$0.005 per Convertible Note
Conversion	Each Note is convertible at any time at the holder's election into one ordinary share of the Issuer [ASX: LNY]. For clarity, a Noteholder may exercise conversion rights in relation to only some, or all, of their Notes at any time.
Issue size	Up to 400 million Convertible Notes (\$2,000,000). The Issuer may also issue Convertible Notes in lieu of Interest (at the Issuer's election) pursuant to the terms below.
Initial Placement Notes	Up to 92 million Convertible Notes (able to be issued under ASX LR7.1 & 7.1A without shareholder approval)
Conditional Placement Notes	Convertible Notes to be issued subject to obtaining any necessary shareholder approvals. The Conditional Placement Notes will include those Notes to be issued to director related entities.
Term	Approx. 3 years
Maturity Date	30 June 2021
Security	Investors to be granted security over all assets of the Issuer in accordance with the terms of the Note Trust Deed, subject only to the terms of the Priority Deed.
Security Ranking	The Convertible Notes will have equal ranking security proportionally with the Bizzell Nominees Facility pursuant to the terms of the Priority Deed.
Status	<p>The Notes are direct and secured debt obligations of the Company.</p> <p>Each Note ranks for payment in a Winding Up of the Company:</p> <p>(1) equally and proportionally with each Note and all Equal Ranking Obligations in accordance with the terms of the Priority Deed; and</p> <p>(2) ahead of all unsecured or subordinated debts of the Issuer and ordinary shareholders.</p> <p>In order to give effect to the ranking, in any Winding Up of the Issuer, the claims of Holders are limited to the extent</p>

+ See chapter 19 for defined terms.

	necessary to ensure that Holders of the Notes and holders of any Equal Ranking Obligations receive payments on a pro-rata basis. The Bizzell Nominees Facility is the only permitted Equal Ranking Obligation.
Bizzell Nominees Facility	Means the Loan Facility Agreement between the Issuer as borrower and Bizzell Nominees Pty Ltd as trustee for the Bizzell Family Trust as lender, as amended from time to time.
Issue Date	Placement Notes: 28 June 2018 (first tranche) Conditional Placement Notes: within 30 days of shareholder approval at EGM or AGM
Coupon Rate	Interest of 15% p.a, paid half yearly in arrears on the Interest Payment Dates.
Interest Payment Dates	31 December 2018 30 June 2019 31 December 2019 30 June 2020 31 December 2020 30 June 2021
Issue of Notes in lieu of Interest	The Issuer may elect, at its discretion, to issue Notes (at the Issue Price and on the same terms and conditions as the Placement Notes) in lieu of any Interest due on an Interest Payment Date, and the issue of those Notes will be in full and final satisfaction of the Interest due and payable on that date. The number of Notes that will be issued will be so many Notes as is determined in accordance with the following formula: $A = B/C$ Where: A = the number of Notes to be issued in lieu of Interest payable on any Interest Payment Date, B = the amount of Interest due on the relevant Interest Payment Date, and C = \$0.005 (being the Issue Price/Face Value per Note).
Payment of Interest on Conversion	If a Holder elects to Convert Notes: (1) on a date being an Interest Payment Date, the Company will pay to the Holder an amount of Interest being: (A) all Interest owing on that Interest Payment Date; and (B) all accrued and unpaid Interest; (2) on a day that falls between Interest Payment Dates,

+ See chapter 19 for defined terms.

	<p>then because interest is payable in arrears, on the next Interest Payment Date immediately following the relevant Conversion Date, the Company will pay to the Holder an amount of Interest calculated in accordance with the following formula:</p> $R = (I/180 \times MP)$ <p>Where</p> <p>R = the amount of Interest to be paid by the Company;</p> <p>I = the total amount of Interest which would have been payable to that Holder in respect of the relevant Notes on the Interest Payment Date following the Conversion Date, had the Notes not been Converted; and</p> <p>MP = the number of days commencing on the Interest Payment Date which immediately preceded the date of Conversion and ending on the Conversion Date.</p>
<p>Adjustments to Conversion Ratio</p>	<p><i>Pro Rata Offer</i></p> <p>If at any time prior to the earlier to occur of the Conversion, Redemption or Maturity Date of the Notes the Company makes a pro rata offer (excluding a bonus issue) to Shareholders, the Conversion Ratio will be adjusted using the formula as follows:</p> $NR = \frac{OR + E[P - (S+O)]}{N+1}$ <p>Where:</p> <p>NR = the new Conversion Ratio of the Notes.</p> <p>OR = the old Conversion Ratio of the Note prior to the pro rata offer.</p> <p>E = the number of shares into which one Note is convertible.</p> <p>P = average market price per share weighted by reference to volume of the underlying</p> <p>Shares during the 5 trading days ending on the day before the ex-rights date or ex-entitlements date.</p> <p>S = the subscription price of a share under the pro rata issue.</p> <p>O = the dividend due but not yet paid on the existing underlying shares (except those</p> <p>to be issued under the pro rata issue).</p> <p>N = the number of shares with rights or entitlements that must be held to receive a</p> <p>right to 1 new share.</p>

+ See chapter 19 for defined terms.

	<p><i>Bonus Issue</i></p> <p>If a bonus issue of shares is made by the Company, then the number of shares issued to each Holder on Conversion will be increased by the number of bonus shares that a Holder would have received if the Note had been exercised prior to the record date for the bonus issue and no change will be made to the Conversion Ratio.</p> <p><i>Reorganisation of capital</i></p> <p>The Company may only reorganise its capital:</p> <p>(1) in accordance with the Listing Rules; and</p> <p>(2) if, in respect of the Notes, the number of Notes or the Face Value, or both, is reorganised so that the Holders will not receive a benefit that Shareholders do not receive.</p> <p>(b) Unless the Listing Rules require otherwise, the Conversion Ratio must be adjusted as follows:</p> <p>(1) Reduction in capital</p> <p>If the issued capital of the Company is reduced, the entitlement of a Holder to convert its Notes to shares at the Conversion Ratio will be reduced in the same proportion and manner as the issued capital is so reduced (subject to any provisions with respect to the rounding of entitlements as may be sanctioned by the meeting of the members of the Company approving the reduction of capital) but in all other respects the Conversion Rights will remain unchanged.</p> <p>(2) Consolidation of capital</p> <p>If the issued capital of the Company is consolidated, the entitlement of a Noteholder to convert its Notes to shares at the Conversion Ratio will be reduced in the same proportion and manner as the issued capital is so consolidated (subject to any provisions with respect to the rounding of entitlements as may be sanctioned by the meeting of the members of the Company approving the consolidation of capital) but in all other respects the Conversion Rights will remain unchanged.</p> <p>(3) Subdivision of capital</p> <p>If the issued capital of the Company is subdivided, the entitlement of a Holder to convert its Notes to shares at the Conversion Ratio will be increased in the same proportion and manner as the issued capital is so subdivided (subject to any provisions with respect to the rounding of entitlements as may be sanctioned by the meeting of the members of the Company approving the subdivision of capital) but in all other respects the Conversion Rights will remain unchanged.</p>
Redemption	Repayment of Face Value and any unpaid interest at the

+ See chapter 19 for defined terms.

	Maturity Date.
Early Redemption Event	<p>The Company may give a Redemption Notice in the event of a Takeover Event. Takeover Event means that if at any time on or before the Maturity Date, an off market bid, a market bid, scheme of arrangement, or offer or invitation is made to all holders of Ordinary Shares to purchase or otherwise acquire Ordinary Shares and the bid, scheme or offer becomes unconditional, and the offeror has at least 50% of the voting power (as defined by the Corporations Act) in the Company.</p> <p>Notwithstanding the issue of a Redemption Notice, a Holder may give a Conversion Notice (which may be expressed to be subject to Takeover Event completing) in respect of any of its Notes which are the subject of the Redemption Notice up to the before the relevant Redemption Date (or such later time as the Company may agree with the relevant Holder), and only Notes for which Conversion Notices have not been so given or are treated as having not been given will be Redeemed on the specified Redemption Date.</p>
Events of Default	<p>Customary events of default which are no less favorable than those under the Bizzell Nominees Facility (as amended), are to be incorporated in the formal transaction documents, including but not limited to payment, redemption or conversion breaches, cross defaults, suspension from trading for more than 10 days and insolvency events.</p> <p>While any Event of Default relating to a payment failure is subsisting, default interest at the Higher Interest Rate (as defined under the Bizzell Nominees Facility) will apply.</p>
Negative Pledge	There shall be no increase in the Equal Ranking Obligation Debt beyond its current facility limit without Noteholder approval being obtained.
No Dividends	No dividends may be declared or paid whilst the Convertible Notes are on issue without Noteholder approval being obtained.
ASX Listing	The Convertible Notes will not be listed on ASX.
Investor Eligibility	The Notes are being offered to 'sophisticated investors', 'professional investors' (under the Corporations Act) and investors who are exempt to disclosure requirements.
Cleansing Notice	The Issuer must issue a cleansing notice within 30 days of conversion of any Convertible Notes.
Note Trustee	Centec Securities Pty Ltd

+ See chapter 19 for defined terms.

Appendix 3B – Annexure 1

Calculation of placement capacity under rule 7.1 and rule 7.1A for +eligible entities

Introduced 01/08/12

Part 1

Rule 7.1 – Issues exceeding 15% of capital	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
Insert number of fully paid ordinary securities on issue 12 months before date of issue or agreement to issue	N/A
<p>Add the following:</p> <ul style="list-style-type: none"> • Number of fully paid ordinary securities issued in that 12 month period under an exception in rule 7.2 • Number of fully paid ordinary securities issued in that 12 month period with shareholder approval • Number of partly paid ordinary securities that became fully paid in that 12 month period <p><i>Note:</i></p> <ul style="list-style-type: none"> • <i>Include only ordinary securities here – other classes of equity securities cannot be added</i> • <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	
Subtract the number of fully paid ordinary securities cancelled during that 12 month period	
“A”	

+ See chapter 19 for defined terms.

Step 2: Calculate 15% of “A”	
“B”	0.15 <i>[Note: this value cannot be changed]</i>
Multiply “A” by 0.15	
Step 3: Calculate “C”, the amount of placement capacity under rule 7.1 that has already been used	
<p><i>Insert</i> number of equity securities issued or agreed to be issued in that 12 month period <i>not counting</i> those issued:</p> <ul style="list-style-type: none"> • Under an exception in rule 7.2 • Under rule 7.1A • With security holder approval under rule 7.1 or rule 7.4 <p>Note:</p> <ul style="list-style-type: none"> • <i>This applies to equity securities, unless specifically excluded – not just ordinary securities</i> • <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	
“C”	
Step 4: Subtract “C” from [“A” x “B”] to calculate remaining placement capacity under rule 7.1	
<p>“A” x 0.15</p> <p>Note: number must be same as shown in Step 2</p>	
<p>Subtract “C”</p> <p>Note: number must be same as shown in Step 3</p>	
<p>Total [“A” x 0.15] – “C”</p>	<p><i>[Note: this is the remaining placement capacity under rule 7.1]</i></p>

+ See chapter 19 for defined terms.

Part 2

Rule 7.1A – Additional placement capacity for eligible entities	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
“A” <i>Note: number must be same as shown in Step 1 of Part 1</i>	
Step 2: Calculate 10% of “A”	
“D”	0.10 <i>Note: this value cannot be changed</i>
Multiply “A” by 0.10	
Step 3: Calculate “E”, the amount of placement capacity under rule 7.1A that has already been used	
Insert number of equity securities issued or agreed to be issued in that 12 month period under rule 7.1A <i>Notes:</i> <ul style="list-style-type: none"> • <i>This applies to equity securities – not just ordinary securities</i> • <i>Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>Do not include equity securities issued under rule 7.1 (they must be dealt with in Part 1), or for which specific security holder approval has been obtained</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	
“E”	

+ See chapter 19 for defined terms.

Step 4: Subtract “E” from [“A” x “D”] to calculate remaining placement capacity under rule 7.1A	
“A” x 0.10 <i>Note: number must be same as shown in Step 2</i>	
Subtract “E” <i>Note: number must be same as shown in Step 3</i>	
Total [“A” x 0.10] – “E”	<i>Note: this is the remaining placement capacity under rule 7.1A</i>

+ See chapter 19 for defined terms.