

ASX ANNOUNCEMENT

30 November 2020

Update on Mining Activities at Agate Creek Gold Mine

Highlights

- + First high grade ore has now been trucked to the Lorena Gold Mine CIL processing plant from Laneway's 100% owned Agate Creek gold mine in North Queensland.
- + Since mining commenced a month ago, approximately 3,000 tonnes of high grade ore (grading approximately 6 g/t gold) has been mined and stockpiled on the ROM pad with a further 5,900 tonnes of low grade ore (grading approximately 2.5 g/t) and over 60,000 BCM of waste also removed from the pit.



Figure 1: Mining at Agate Creek

- + Laneway plans mining 43,000t @ 6.5g/t (~9,000oz gold) from Sherwood in this campaign.
- + Changes in the scheduling of different ore sources being processed at Lorena, minor plant reconfigurations necessary to process Laneway's ore, and allowing for the planned plant shutdown over the Christmas break, means the processing of Laneway's ore should begin in the first week of January. The initial tranche of ore is to be toll processed at the Lorena Gold Mine

CIL processing plant at a fixed price per tonne over an expected 3 – 4 week period with gold recoveries forecast at >90%.

- + Laneway anticipates significant positive near term cash flow from this production campaign during the March 2021 Quarter.
- + Cashflow from mining will contribute to Laneway's ongoing exploration and appraisal of the broader Agate Creek Project whilst minimising shareholder equity dilution.
- + Laneway is continuing to progress other processing plant options which may be utilised longer term for the processing of high grade ore from Agate Creek including for the second batch of ore from this mining campaign.
- + Potential for further near term, high grade mining beyond this campaign has been identified with Whittle pit optimisation process generating a much larger Open Pit Shell containing 120,000 tonnes at 5.7 g/t Au for 22,000 oz Au, inclusive of the current 43,000t planned for the current campaign.
- + Environmental studies are continuing that will facilitate the lodgement of a variation of environmental approvals required before mining of this larger Open Pit Shell can begin are targeted for submission in 2021.
- + Laneway also continues to evaluate and progress the exploration of the broader mineralisation potential at Agate Creek. The multi-element spectral study is continuing and planning for the 2021 drilling campaigns is well advanced with numerous regional targets to be drilled next year. In addition, studies and planning continue for large scale mining activities including on-site processing of the Mineral Resource of 471,000 ounces of gold that has been defined thus far.



Figure 2: ROM pad at Agate Creek

The Board of Laneway Resources Limited (“Laneway” or “the Company”) (ASX:LNY) is pleased to advise on the progress of mining activities at the high grade Sherwood deposit within the 100% owned Agate Creek Gold Project in North Queensland.

Mining Activities

The first blast took place on 22 October 2020 at the Sherwood pit and since then over 60,000 BCM of waste has been removed from the pit and approximately 3,000 tonnes of high grade ore (grading approximately 6 g/t gold) has been mined and stockpiled on the ROM pad with a further 5,900 tonnes of low grade ore (grading approximately 2.5 g/t) also mined and stockpiled. There is a further approximately 2,000 tonnes of high grade ore blasted and ready to be mined.

The first of the high grade ore has now been transported and delivered to the Carbon in Leach (CIL) processing plant at the Lorena Gold Mine with almost half of the high grade ore mined to date having already been transported to an interim road train loading point near Georgetown.

The pit design and mine plan allows for two stages of cut back which has been preferred in order to optimise ore timing and maximise near term cash flow. The two combined cut back designs as per illustration below will allow the economic extraction in this mining campaign of 42,800 tonnes at 6.5g/t for approximately 8,950 oz of contained gold at an overall strip ratio of approximately 11:1.

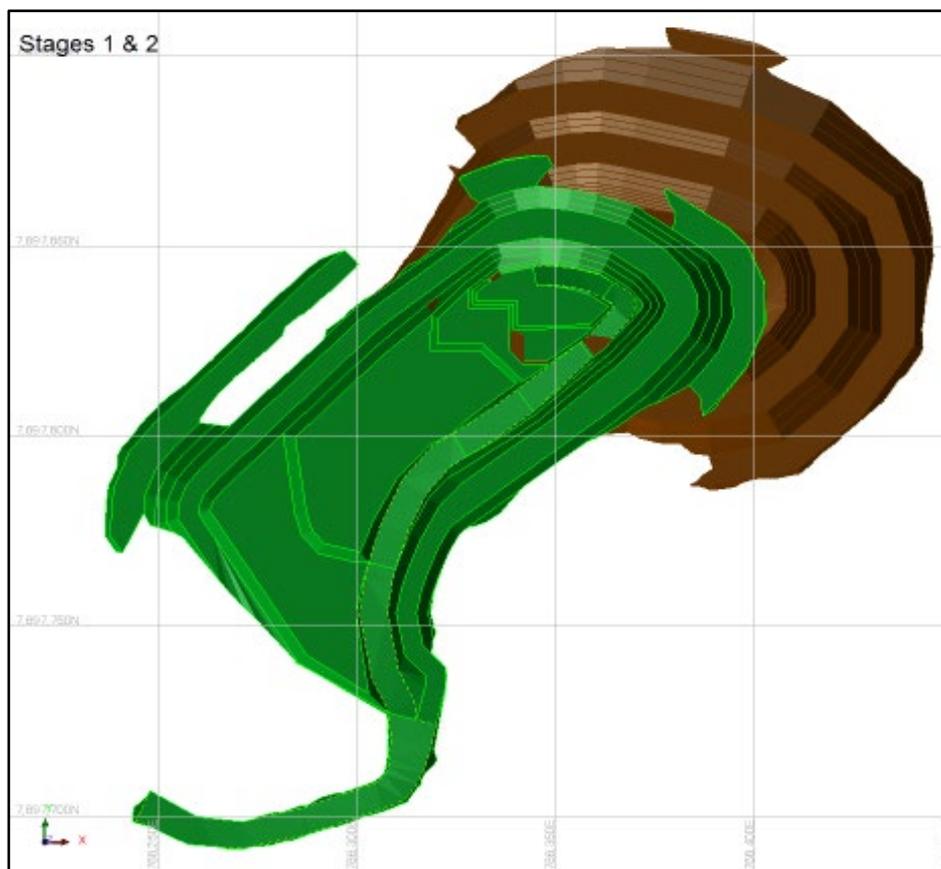


Figure 3 - Basic pit outlines: Green Stage 1 cut back which will produce around 18,000t of ore material; Brown Stage 2 cut back which will produce an additional 25,000t of ore material

Toll Processing

Laneway has a Toll Treatment Agreement with Lorena Gold Mine Pty Ltd to process ore at the operational CIL gold processing plant.

Laneway's ore was originally scheduled into Lorena's processing plans during November, however with Laneway running slightly behind its original mining schedule, other ore has now been scheduled for processing in advance of Laneway's ore.

Due to these changes in the scheduling of different ore sources being processed at Lorena, minor plant reconfigurations that will be necessary to process Laneway's ore, and also allowing for the planned plant shutdown for the Christmas break, processing of Laneway's ore is now scheduled begin in the first week of January.

Laneway anticipates the Lorena plant will yield >90% gold recoveries given its configuration with the added benefit of robust processing rates (~35 tonnes per hour) which means processing of the initial batch should be completed in approximately 3 – 4 weeks once processing commences.

Toll Treatment including crushing has been set as a fixed price per tonne of ore processed.

Whilst the agreement entered into with Lorena Gold Mine will allow for the subsequent batch of ore in this mining campaign to also be processed through their plant, Laneway is continuing to progress other processing plant options which may be utilised longer term for the processing of high grade ore from Agate Creek, including for the second batch of ore from this mining campaign. This is aimed to achieve lower transportation and processing costs and further enhance margins on production.



Figure 4 - Lorena Gold Mine CIL Processing Plant

Future Plans

Beyond this current mining campaign, the potential for further near term high grade mining has also been identified with one of the larger Whittle runs generating a much larger pit shell containing 120,000 t of high grade material at 5.7 g/t Au for 22,000 oz Au, inclusive of the current 43,000t planned for the current campaign.. Mining of this larger pit shell will require amendments to the currently granted Environmental Authority conditions associated with Mining Lease 100030. Background environmental studies are being undertaken currently to allow for lodgement of the necessary EA amendments, to allow this scale of mining in once approvals are granted.

Other activities also continue to be progressed with a view towards the longer-term, large-scale development of the project. Infrastructure upgrades, monitoring, modelling and procedures have also been implemented to allow for the collection of baseline environmental data and studies, which will be utilised as part of the expansion of on-site activities as Laneway continues the development and planning for large scale mining activities, including on-site processing at the Agate Creek Project.

Given the current high gold price it is expected more of the current high grade Mineral Resource at Sherwood may be able to be incorporated into economic pit shells for future mining along with the expectation that further high grade Mineral Resources can be identified through carefully targeted future exploration drilling following the high grade Zones to depth.

The long-term aim for the Agate Creek mine is for conventional on-site processing of the larger commercial grade Mineral Resource of 471,000 ounces of gold that has been defined. Additional potential toll treatment of high-grade ore will continue to be targeted in the shorter term to provide additional cash flow to fund significant further exploration and development for the company whilst minimising the requirement for equity capital raisings.

Chairman Stephen Bizzell noted “We continue to make steady progress with the current mining activities at Sherwood with the first of the high-grade ore now having been delivered to the Lorena processing plant. The processing of Laneway’s ore and receipt of revenue has been delayed until early January but this shouldn’t impact on the plans the Company has for a busy 2021. The coming Quarter should see healthy positive operating cashflow to support the planning, approvals and development of the larger volume of high grade ore encompassed by the larger Whittle pit shell, and drilling programs targeting over 60 regional exploration targets. Consideration of longer term options for onsite processing of the almost half a million ounces of gold already identified at Agate Creek remains a key priority.”

This Announcement is Authorised by the Board of Directors

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Visit us on Twitter: https://twitter.com/Laneway_Res

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Competent Persons Statements

The information in this report that relates to Exploration Results and Exploration Targets 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:

'Significant High-Grade Resource Increase for Agate Creek' dated 30 January 2020.

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