

# ASX ANNOUNCEMENT

19 April 2021

## Completion of Sale of an Interest in Ashford Coking Coal Project

### Highlights:

- Completion of Stage 1 of the sale of the Ashford Coking Coal Project to Aus Tin Mining Ltd (“Aus Tin”) (ASX : ANW) to occur today.
- Consideration to be received by Laneway for the sale of a 40% interest in the Ashford Project:
  - Laneway being issued a 20% shareholding in Aus Tin (approximately 2.5 billion ANW ordinary shares);
  - Reimbursement of costs incurred by Laneway since the binding term sheet was entered into by the parties, which amounts to approximately \$150,000; and
  - An ongoing obligation by Aus Tin to issue to Laneway up to a further 500 million ANW shares (subject to any necessary approvals) to enable Laneway to maintain a 20% shareholding in Aus Tin.
- Aus Tin can acquire the remaining 60% interest in the project from Laneway in return for:
  - a further \$7m payment (consisting of \$2m cash and a further \$5m in cash or Aus Tin shares issued at a 20% discount); and
  - a retained royalty interest for Laneway to be paid \$0.50 per tonne for every tonne of coal produced from the Ashford project. The current Indicated and Inferred Resource at Ashford is 14.8 million tonnes<sup>1</sup> of in-situ coal.
- Completion of this transaction allows Laneway to:
  - Bring forward realisation of value for the Ashford Project for Laneway shareholders;
  - Remain focussed on progressing the Company’s gold mining and exploration projects;
  - Provide a ‘pure play’ gold investment profile for investors;
  - Obtain funding for the Ashford Coking Coal Project which will enable the project to be progressed in a manner that is not dilutive to the existing issued capital of Laneway;
  - Retain considerable exposure to the Ashford Projects’ future potential through both the 20% initial shareholding interest in Aus Tin, the further cash and share consideration to be issued to Laneway upon exercise of the stage 2 option and the retained royalty interest on coal sold from the project; and
  - Provide Laneway shareholders with exposure to Aus Tin Mining’s other existing projects including the Taronga Tin Project and the Mt Cobalt and Pembroke nickel, copper and cobalt projects.



### **Completion of Stage 1 of Ashford Coking Coal Sale Transaction**

The Directors of Laneway Resources Ltd (**Laneway** or **the Company**) (ASX : **LNY**) are pleased to announce that Laneway has entered into a Share Acquisition Agreement (**SAA**) and satisfied the conditions under the SAA to give effect to stage 1 of the sale of the Ashford Coking Coal Project.

**Stage 1** of the transaction will complete today being the purchase by Aus Tin Mining of a 40 percent interest in the wholly-owned subsidiary of Laneway (Renison Coal Pty Ltd) which owns the Ashford Project, in consideration for the issue of 20 percent of the share capital of Aus Tin Mining to Laneway. Laneway will receive 2,543,357,373 Aus Tin (ASX:ANW) shares with respect to the sale of the initial interest in the project. Laneway will also receive reimbursement of costs incurred by Laneway on the project since the binding term sheet was entered into last year which amounts to approximately \$150,000.

The Aus Tin shares issued to Laneway will be subject to escrow conditions until the renewal of one of the tenements forming the Ashford Coal Project has occurred. In the event the tenement isn't renewed, the SAA provides a mechanism to either cancel the ANW shares issued to Laneway or for the shares to be transferred back to Aus Tin. The parties have no reason to believe that the tenement renewal will not occur.

Additionally, as from the Stage 1 Completion until such time as:

1. an additional \$1m of capital is raised by Aus Tin (the Non-Lind Cap Raising); and
2. \$1m worth of Aus Tin's existing Lind Debt Facility is converted into equity in Aus Tin or repaid (separate and in addition to the Non-Lind Cap Raising)

Aus Tin will issue to Laneway (subject to the satisfaction of any necessary approvals), such additional shares as is necessary from time to time to ensure that Laneway holds 20% of the issued share capital of Aus Tin up to a maximum of 500 million ANW shares.

Laneway is also now entitled to nominate two directors to be appointed to the board of Aus Tin.

**Stage 2** being, an option (the **Stage 2 Option**) for Aus Tin to purchase the remaining 60 percent interest in the Ashford Project within three years for A\$7 million (payable as to A\$2 million in cash and \$5 million in shares or cash at the election of Aus Tin), plus an ongoing royalty payable to Laneway of \$0.50 per tonne of coal sold from the Ashford Project. The Stage 2 Option must be exercised before the third anniversary of the date on which the Stage 1 acquisition is completed (the **Stage 1 Completion**).

Stage 2 of the Proposed Transaction remains subject to a number of conditions including:

1. the granting of any shareholder or third-party approval required; and
2. the expiry or termination of Aus Tin's Lind Debt Facility.

Where these conditions have not been satisfied by the third anniversary of the Stage 1 Completion, then Laneway may require Aus Tin to sell the Stage 1 Interest back to Laneway for an amount equal to the aggregate of:

1. the value of the consideration paid for the Stage 1 (the **Stage 1 Consideration**);
2. the value of all amounts expended by the Company in the development of the Ashford Project since the completion of Stage 1 (the **Expenditure**); and
3. an amount equal to 30% of the aggregate of the Stage 1 Consideration and the Expenditure.

As and from the completion of the acquisition of Stage 2, Laneway will be entitled to nominate the majority of directors to the board of Aus Tin.

Through this transaction, Laneway shareholders will now also have an exposure to Aus Tin Mining's other existing projects including the Taronga Tin Project and the Mt Cobalt and Pembroke nickel, copper and cobalt projects.



## **About Aus Tin Mining:**

### Taronga Project

Aus Tin's flagship project is currently the 100 percent owned Taronga Tin Project located in northern NSW. A Pre-Feasibility Study (PFS) was completed in 2014 and demonstrated the technical and economic viability of the project<sup>2</sup>. In 2019<sup>3</sup> Aus Tin received regulatory approval for a 410,000 tonne trial mine and pilot plant but commencement was deferred due to prevailing drought conditions.

The PFS highlighted several areas of upside potential including feed grade, tin recovery and potential credits for copper and silver. The Company is intending to use some of the funds raised to progress a work program at Taronga, aimed at determining the true grade of the deposit. In their Mineral Resource (JORC 2012) report, Mining One noted a probable range of true grades between 0.19%Sn to 0.25%Sn, based on a trend observed whereby larger samples tended to provide a higher grade (the Support Effect), as evidenced by assay results for bulk samples collected for metallurgical pilot plant test work conducted by the previous owners (0.21 to 0.24%Sn). Increasing the average plant feed grade from 0.16%Sn to 0.19%Sn in the PFS base case would increase the NPV (8%) from AU\$63.15M to AU\$145.71M<sup>2</sup>. The PFS used a cut-off grade of 0.1% Sn and an Australian Dollar tin price of \$27,778 per tonne. Currently, the Australian Dollar tin price is over \$35,000 per tonne.

Recent HPGR (high pressure grinding roll) testwork undertaken by Aus Tin on Taronga ore produced encouraging results with potentially positive implications for the indicative capital and operating costs for a mine development. Also tin prices have recently reached a ten year high, with over a 100% increase in the commodity price on the lows of March 2020, providing further impetus to progressing this project.

### Mt Cobalt Project

The Mt Cobalt / Pembroke prospects are located west of Gympie (QLD). Drilling undertaken in 2018 returned high grades for an enriched cobalt-manganese oxide zone at Mt Cobalt.<sup>4</sup> In addition, Aus Tin is exploring an approximately 4km arc along the contact with the Black Snake Porphyry which is prospective for cobalt, nickel, copper and gold.

### Granville Tin Project

The Granville Tin Mine is located in western Tasmania and is currently on care & maintenance. Aus Tin is currently pursuing options for its divestment.

*This Announcement is Authorised by the Board of Directors*

### **For further information contact:**

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## **Competent Persons Statement**

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

<sup>2</sup> Refer Aus Tin ASX Announcement dated 7 April 2014 and available at [www.austinmining.com.au](http://www.austinmining.com.au).

<sup>3</sup> Refer Aus Tin ASX Announcement dated 13 May 2019.

<sup>4</sup> Refer Aus Tin ASX Announcements dated 23 January 2018 and 16 February 2018.



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.