

LANEWAY RESOURCES LIMITED

NOTICE OF EXTRAORDINARY GENERAL MEETING AND EXPLANATORY STATEMENT

Extraordinary General Meeting to be held on Tuesday, 17 September 2013 at Level 9, Waterfront Place, 1 Eagle Street, Brisbane QLD 4000 commencing at 10am (AEST).

This Notice of General Meeting (**Notice**) and Explanatory Statement (**Explanatory Statement**) should be read in its entirety. If shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser without delay.

Corporate Directory

Directors	Stephen Bizzell – Chairman Richard Anthon – Non-executive Director Benjamin Harrison – Non-executive Director
Company Secretary	Paul Marshall
Registered Office	Level 9, Waterfront Place, 1 Eagle Street, Brisbane QLD 4000
Website	<i>www.lanewayresources.com.au</i>
Auditors	BDO Level 10 12 Creek Street Brisbane QLD 4000
Legal Advisers	Hemming+Hart Level 5 307 Queen Street Brisbane QLD 4000
Share Registry	Link Market Services Level 15, 324 Queen Street Brisbane QLD 4000

NOTICE OF GENERAL MEETING

Notice is hereby given that an Extraordinary General Meeting of shareholders of Laneway Resources Limited (the **Company**) will be held at Level 9, Waterfront Place, 1 Eagle Street, Brisbane QLD 4000, on Tuesday, 17 September 2013 at 10am (AEST).

Resolutions to be considered

To consider and, if thought fit, to pass without amendment the following resolution as an ordinary resolution:

1. Approval for the conversion of the Bizzell Nominees Loan Facility into Shares

"That in accordance with item 7 of section 611 and Chapter 2E of the Corporations Act, ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue to Bizzell Nominees up to a maximum 1,094,232,427 Shares at an issue price of \$0.018 per Share in full and final repayment and settlement of the full outstanding balance of the Bizzell Nominees Loan Facility on the terms and conditions described in the Explanatory Statement."

Voting Exclusion

The Company will disregard any votes cast on Resolution 1 by Bizzell Nominees and its associates. The Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form or it is cast by the person chairing the Meeting as a proxy for the person who is entitled to vote, in accordance with the directions on the proxy form to vote as the proxy decides.

To consider and, if thought fit, to pass without amendment the following resolution as an ordinary resolution:

2. Approval for the issue of Shares in lieu of Directors Fees to Richard Anthon

"That in accordance with Chapter 2E of the Corporations Act 2001 and ASX Listing Rule 10.11 and for all other purposes, the issue to Richard Anthon of 10,166,667 Shares in lieu of unpaid Director's Fees as set out in the Explanatory Statement, at an issue price of \$0.015, be approved."

Voting Exclusion

The Company will disregard any votes cast on Resolution 2 by Mr. Anthon and his associates. The Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or it is cast by the person chairing the Meeting as a proxy for the person who is entitled to vote, in accordance with the directions on the proxy form to vote as the proxy decides.

To consider and, if thought fit, to pass without amendment the following resolution as an ordinary resolution:

3. Approval for the issue of Shares in lieu of Directors Fees to Ben Harrison

“That in accordance with Chapter 2E of the Corporations Act 2001 and ASX Listing Rule 10.11 and for all other purposes, the issue to Ben Harrison of 3,055,533 Shares in lieu of unpaid Director’s Fees as set out in the Explanatory Statement, at an issue price of \$0.015, be approved.”

Voting Exclusion

The Company will disregard any votes cast on this Resolution 3 by Mr. Harrison and his associates. The Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or it is cast by the person chairing the Meeting as a proxy for the person who is entitled to vote, in accordance with the directions on the proxy form to vote as the proxy decides.

To consider and, if thought fit, to pass without amendment the following resolution as an ordinary resolution:

4. Approval of the issue of Shares in repayment of loans by creditors to the Company

*“That in accordance with ASX Listing Rule 7.1 and for all other purposes, the issue of 111,253,867 Shares to creditors of the Company (**Creditors**) in repayment of loans to the Company, as set out in the Explanatory Memorandum, at an issue price of \$0.0075, be approved.”*

Voting Exclusion

The Company will disregard any votes cast on Resolution 4 by any person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the resolution is passed. The Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form or it is cast by the person chairing the Meeting as a proxy for the person who is entitled to vote, in accordance with the directions on the proxy form to vote as the proxy decides.

To consider and, if thought fit, to pass without amendment the following resolution as an ordinary resolution:

5. Approval for the issue of Shares to Richard Anthon in repayment of a loan

"That in accordance with Chapter 2E of the Corporations Act 2001 and ASX Listing Rule 10.11 and for all other purposes, the issue to Richard Anthon of 6,666,667 of Shares in repayment of a loan of \$50,000 from Mr. Anthon to the Company, as set out in the Explanatory Statement, at an issue price of \$0.0075, be approved."

Voting Exclusion

The Company will disregard any votes cast on Resolution 5 by Richard Anthon and his associates. The Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or it is cast by the person chairing the Meeting as a proxy for the person who is entitled to vote, in accordance with the directions on the proxy form to vote as the proxy decides.

To consider and, if thought fit, to pass without amendment the following resolution as an ordinary resolution:

6. Ratification of the issue of Shares by way of placement announced on 6 June 2013 and completed on 17 July 2013

*"That in accordance with ASX Listing Rule 7.4 and for all other purposes, the issue and allotment of 13,666,667 Shares to sophisticated and institutional investors (**Investors**) announced on 6 June 2013 and completed on 17 July 2013, at an issue price of \$0.015 per Share and otherwise as set out in the Explanatory Statement, be approved."*

Voting Exclusion

The Company will disregard any votes cast on Resolution 6 by any person who participated in the issue. The Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form or it is cast by the person chairing the Meeting as a proxy for the person who is entitled to vote, in accordance with the directions on the proxy form to vote as the proxy decides.

NOTES

These notes form part of the Notice of Meeting.

Time and place of meeting

Notice is given that a general meeting of members will be held at Level 9, Waterfront Place, 1 Eagle Street, Brisbane QLD 4000, on Tuesday, 17 September 2013 at 10am (AEST).

Your vote is important

The business of the general meeting affects your shareholding and your vote is important.

Voting eligibility

The Directors have determined pursuant to Regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders on Sunday, 15 September 2013 at 7pm (AEST).

Voting in person

To vote in person, attend the general meeting at the time, date and place set out above.

Voting by proxy

To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

In accordance with section 249L of the Corporations Act, members are advised that:

- (a) each member has a right to appoint a proxy;
- (b) the proxy need not be a member of the Company; and
- (c) a member who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints 2 proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

New sections 250BB and 250BC of the Corporations Act came into effect on 1 August 2011 and apply to voting by proxy on or after that date. Shareholders and their proxies should be aware of these changes to the Corporations Act, as they will apply to this Meeting. Broadly, the changes mean that:

- (a) if proxy holders vote, they must cast all directed proxies as directed; and
- (b) any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

Further details on these changes are set out below.

Proxy vote if appointment specifies way to vote

Section 250BB(1) of the Corporations Act provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, if it does:

- (c) the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (i.e. as directed); and
- (d) if the proxy has 2 or more appointments that specify different ways to vote on the resolution – the proxy must not vote on a show of hands; and
- (e) if the proxy is the chair of the meeting at which the resolution is voted on – the proxy must vote on a poll, and must vote that way (i.e. as directed); and
- (f) if the proxy is not the chair – the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (i.e. as directed).

Transfer of non-chair proxy to chair in certain circumstances

Section 250BC of the Corporations Act provides that, if:

- (a) an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members; and
- (b) the appointed proxy is not the chair of the meeting; and
- (c) at the meeting, a poll is duly demanded on the resolution; and
- (d) either of the following applies:
 - (i) the proxy is not recorded as attending the meeting;
 - (ii) the proxy does not vote on the resolution,

the chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.

Voting by corporate representative

A body corporate that is a Shareholder, or that has been appointed as a proxy, may appoint an individual to act as its representative at the general meeting. The appointment must comply with the requirements of section 250D of the Corporations Act. The representative should bring to the general meeting, evidence of appointment, including any authority under which it is signed, unless it has previously been given to the Company.

Voting by attorney

A Shareholder may appoint an attorney to vote on their behalf. For an appointment to be effective for the General Meeting, the instrument effecting the appointment (or a certified copy of it) must be received by the Company in one of the methods listed above for the receipt of Proxy Forms, so that it is received not later than 10am (AEST) Friday, 13 September 2013.

Forward looking statements

Certain statements in this Explanatory Statement relate to the future. These statements reflect views only as of the date of this Explanatory Statement. While the Company believes that the expectations reflected in the forward looking statements are reasonable, neither the Company nor any other person gives any representation, assurance or guarantee that the occurrence of an event expressed or implied in any forward looking statements in this Explanatory Statement will actually occur.

Notice to persons outside Australia

This Explanatory Statement has been prepared in accordance with Australian laws, disclosure requirements and accounting standards. These laws, disclosure requirements and accounting standards may be different to those in other countries.

The distribution of this Explanatory Statement may, in some countries, be restricted by law or regulation. Accordingly, persons who come into possession of this Explanatory Statement should inform themselves of, and observe, any such restrictions.

Disclaimers

No person is authorised to give any information or make any representation in connection with the Transaction which is not contained in this Explanatory Statement. Any information or representation not contained in this Explanatory Statement, may not be relied on as having been authorised by the Company or the Board in connection with the Transaction.

Privacy

To assist the Company to conduct the General Meeting, the Company may collect personal information including names, contact details and shareholding of Shareholders and the names of persons appointed by Shareholders to act as proxy at the General Meeting. Personal information of this nature may be disclosed by the Company to its share registry, print and mail service providers, and the Company's agents for the purposes of implementing the Transaction. Shareholders have certain rights to access their personal information that has been collected and should contact the Company Secretary if they wish to access their personal information.

Responsibility for information

The information contained in this Explanatory Statement (except for the Independent Expert's Report and information regarding Bizzell Nominees and its intentions) has been prepared by the Company and is the responsibility of the Company. Bizzell Nominees assumes no responsibility for the accuracy or completeness of that information. Information concerning Bizzell Nominees and its intentions has been provided by Bizzell Nominees. None of the Company, its associates or its advisers assumes any responsibility for the accuracy or completeness of that information.

BDO has prepared the Independent Expert's Report and has consented to the inclusion of the report, and references to it, in this Explanatory Statement. BDO takes responsibility for that report, and references to it, but is not responsible for any other information contained within this Explanatory Statement.

Shareholders are urged to read the Independent Expert's Report carefully to understand the scope of the report, the methodology of the assessment, the sources of information and the assumptions made.

Competent Person consent statement

The information in this Prospectus that relates to exploration results and mineral resources is based on information compiled by Mr Scott Hall and Mr Paul Bryant, who are Fellows of the Australasian Institute of Mining and Metallurgy. Mr Hall and Mr Bryant have sufficient experience which is relevant to the style of mineralisation and the type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Hall and Mr Bryant consent to the inclusion in the report of the matters based on their information in the form and context in which they appear.

ASIC and ASX involvement

A copy of the Notice of Meeting and Explanatory Statement has been lodged on Thursday, 15 August 2013 with ASIC pursuant to ASIC Regulatory Guide 74 and ASX pursuant to the Listing Rules. Neither ASIC, ASX nor any of their officers take any responsibility for the contents of the Notice of Meeting and Explanatory Statement.

By Order of the Board of Directors



Paul Marshall
Company Secretary
Laneway Resources Limited
15 August 2013

EXPLANATORY STATEMENT

This information forms part of the Notice of General Meeting.

This Explanatory Statement has been prepared for the information of shareholders in relation to the business to be conducted at the Company's Extraordinary General Meeting (**Meeting**) to be convened on Tuesday, 17 September 2013 at Level 9, Waterfront Place, 1 Eagle Street, Brisbane QLD 4000, at 10am (AEST).

The Explanatory Statement provides information that the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions contained in the Notice of Meeting.

The Notice of Meeting, Explanatory Statement, Independent Expert's Report and Proxy Form are all important documents. They should be read carefully in their entirety before you make a decision on how to vote at the general meeting.

If you have any questions regarding the matters set out in the documents, please contact the Company Secretary on +61 7 3212 9212. You should also contact your accountant, lawyer or other professional adviser.

Definitions

Capitalised terms used in this Explanatory Statement are defined in section 6.

Key dates

The key dates associated with General Meeting are set out below:

Event	Date
Date of Notice of Meeting	Thursday, 15 August 2013
Completed Proxy Forms to be received	10am (AEST) Friday, 13 September 2013
Date and time for determining eligibility to attend and vote at General Meeting	7pm (AEST) Sunday, 15 September 2013
General Meeting of Shareholders	10am (AEST) Tuesday, 17 September 2013

1. Resolution 1 - Approval for the conversion of the Bizzell Nominees Loan Facility into Shares

1.1 Background

Bizzell Nominees Pty Ltd as trustee for the Bizzell Family Trust (**Bizzell Nominees**) is a company controlled by Mr Stephen Bizzell, a Director of Laneway and Chairman of its Board. Entities associated with Mr. Bizzell currently hold 23.73% of the Shares in Laneway.

Mr Bizzell, has been a director of Laneway since 1996. He has served as the finance director of Laneway from July 1996 to September 2007 and as its Chairman since September, 2007.

1.2 Entitlement Offer

Laneway is currently undertaking the Entitlement Offer pursuant to a prospectus filed with ASIC on 17 July 2013. The Entitlement Offer opened on 1 August 2013 and closes at the end of August 2013. Under the Entitlement Offer up to 328,651,268 shares will be issued at \$0.015 per share.

1.3 The Bizzell Nominees Loan Facility

In mid-2006, Bizzell Nominees commenced advancing funds to Laneway to ensure Laneway's continued solvency in the face of the losses it had incurred at the Tom's Gully gold mining Project.

The Tom's Gully mine, in the Northern Territory, had been progressed over several years of exploration and development. Underground gold production commenced in 2005. However, significant development cost overruns and operational losses were incurred. In 2007, Laneway sold the Tom's Gully Mine to GBS Gold Ltd (**GBS**), a Canadian based gold explorer and developer, for \$31,000,000 inclusive of potential future production related payments. The sale consideration was staged over a number of years.

Laneway did not hold security over any assets of GBS for outstanding payments and in 2008, GBS went into administration. At this time, Laneway had received \$13,000,000 of the sale consideration, the majority of which was paid by way of the issue of GBS shares to Laneway. GBS was subsequently placed into liquidation and no distribution was made to the unsecured creditors, including Laneway.

Following the insolvency of GBS and failure of Laneway to receive the balance of the sale proceeds, Bizzell Nominees has continued to provide loan funds to Laneway to ensure Laneway's solvency and ongoing operations.

Loan funds from Bizzell Nominees have been almost the sole source of funding available to Laneway since late 2007 and have been used to fund the ongoing exploration and development of Laneway's projects and pay its creditors and staff. To date, over \$12,000,000 has been advanced to Laneway by Bizzell Nominees.

The final balance of the Bizzell Nominees Loan Facility to be converted to shares is \$19,926,080.

The proposed conversion of the Bizzell Nominees Loan Facility pursuant to Resolution 1 is being completed at an issue price of \$0.018 which represents a 20% premium to the Entitlement Offer price.

The number of Shares to which the Bizzell Nominees Loan Facility converts will be a maximum 1,094,232,427 based on the firm commitments under the Entitlement Offer currently received by Laneway. Depending on the outcome of the Entitlement Offer this

number will be reduced by Bizzell Entities participation in the Entitlement Offer, whereby Bizzell Entities would maintain their current 23.73% interest in Laneway by taking up their entitlements via monies owed to Bizzell Nominees. If the Entitlement Offer is fully subscribed the number of shares to be issued to Bizzell Nominees pursuant to Resolution 1 will be 1,042,013,656.

1.4 Company's need and plan to repay the Bizzell Nominees Loan Facility

The Bizzell Nominees Loan Facility is secured by a first ranking general security deed over all of the assets of Laneway. The Bizzell Nominees Loan Facility is fully drawn to its facility limit of \$19,500,000 and subject to the conclusion of the Entitlement Offer Laneway has no other significant source of funding currently available to it. Bizzell Nominees has advised Laneway that it will not extend the facility further and requires repayment of the balance of the facility by 30 June 2014.

Laneway proposes to repay the full outstanding balance of the Bizzell Nominees Loan Facility by the issue of Shares at an issue price of \$0.018 per Share.

1.5 Details of the Bizzell Nominees Loan Conversion

Bizzell Nominees and Laneway have agreed to convert the Bizzell Nominees Loan to Shares, subject to shareholder approval. Laneway and Bizzell Nominees in a Loan Conversion Deed dated 17 July 2013. A Loan Conversion Deed has been executed, the material terms of which are:

- (a) Subject to approval in a general meeting of Laneway's Shareholders being obtained prior to 31 December 2013, Laneway will fully repay and discharge the Bizzell Nominees Loan Facility (**Facility**) balance by the issue of Shares to Bizzell Nominees at an issue price of \$0.018 per Share and having an aggregate value equal to the outstanding balance of the Facility on the date of issue of the Shares.
- (b) If Shareholder approval is not obtained for the issue contemplated in (a) by 31 December 2013, the Bizzell Nominees Loan Agreement will continue to apply, including the maintenance of security over all Laneway's assets.
- (c) Pending the Shareholders resolving on Resolution 1, Mr Bizzell and Bizzell Nominees will not take any steps adverse to the interests of Laneway in respect of the Bizzell Nominees Loan Facility or the security held over the assets of Laneway and will cooperate fully with Laneway in placing Resolution 1 before the Shareholders in a timely manner.

1.6 Reasons why Shareholders may consider voting in favour of the Bizzell Nominees Loan Conversion

- (a) **The Bizzell Nominees Loan Conversion allows the extinguishment of the Bizzell Nominees Loan Facility**

The Company is seeking Shareholder approval to convert the outstanding balance of the Bizzell Nominees Loan Facility to Shares at \$0.018 per Share (a 20% premium to the Entitlement Offer Price).

The Bizzell Nominees Loan Conversion results in full repayment of the Bizzell Nominees Loan Facility, removes the general security held by Bizzell Nominees over all Laneway's assets and removes the uncertainty of Laneway's ability to continue as a going concern. This will allow non-associated Shareholders to continue to participate in the growth of Laneway and its projects.

If the Bizzell Nominees Loan Conversion is not approved, Laneway will need to repay the Bizzell Nominees Loan Facility in cash in full by 30 June 2014.

The Directors' experience in seeking to recapitalise Laneway has led them to conclude that raising cash by way of equity or debt to repay the Bizzell Nominees Loan Facility will not be feasible, as Laneway's current level of indebtedness makes it unattractive to investors.

Failure to approve the Bizzell Nominees Loan Conversion will impede Laneway from proceeding effectively with its planned project development activities, as it will have to apply its cash toward repayment of debt and in any event,

Laneway is highly unlikely to be able to raise sufficient cash to repay the Bizzell Nominees Loan Facility, casting doubt over Laneway's ability to continue as a going concern.

(b) **The Bizzell Nominees Loan Conversion is not likely to be any more dilutionary for Shareholders than repaying the loan through equity funding in a typical entitlement offer**

If the Bizzell Nominees Loan Facility is converted into Shares and all other Resolutions subject of this Notice of Meeting are approved, the voting power of Bizzell Entities will increase to a maximum of approximately 82.05%.

Laneway has conducted an exhaustive process over a long period of time to identify and negotiate the best funding terms available to recapitalise Laneway. The Board considers the Bizzell Nominees Loan Conversion as the only feasible finance option available to Laneway to repay its debt to Bizzell Nominees.

In the absence of the Bizzell Nominees Loan Conversion, Laneway will need to pursue other funding alternatives to repay the Bizzell Nominees Loan Facility. If those alternatives include equity funding, such as an entitlement offer or other equity investment, the result is not likely to be materially less dilutionary to existing Shareholders than the impact of the Bizzell Nominees Loan Conversion.

The Board believes given current market conditions and given their experience to date in seeking to recapitalise Laneway, there is no evidence Laneway will be able to attract equity capital on terms more favourable than the price the Bizzell Nominees Loan Conversion is being undertaken at i.e. \$0.018 cents per Share. There is no realistic chance of Laneway obtaining debt funding.

(c) **If the Bizzell Nominees Loan Conversion is approved, it will free up Laneway to develop its projects and pursue acquisitions**

The Bizzell Nominees Loan Conversion (together with the other transactions contemplated in this Explanatory Memorandum) provide Laneway with a debt free platform to apply its existing cash and to raise additional capital as and when the Directors consider it prudent, allowing Laneway to unlock value in Laneway's projects by spending money in-ground to develop them and to consider making potential acquisitions complimentary to its business.

1.7 Reasons why Shareholders may consider not voting in favour of the Bizzell Nominees Loan Conversion

If the Bizzell Nominees Loan Facility is converted into Shares, the Bizzell Entities will substantially increase their voting power in Laneway and existing Shareholders will be diluted. The maximum extent of Bizzell Entities' relevant interest in Laneway's Shares,

if the Bizzell Nominees Loan Facility is converted, is approximately 82.05%, in which case Bizzell Entities will gain control of Laneway.

Details of the potential capital structure of Laneway and Bizzell Entities' holding of Shares as a result of the conversion of Bizzell Nominees Loan Conversion, is set out in section 1.14.

Notwithstanding that Laneway, has conducted an exhaustive process over a long period of time to identify and negotiate the best funding terms available to recapitalise Laneway and repay its debt, you may consider that Laneway may be able to obtain superior funding terms to repay its debt and develop its projects. If you are considering this, the Directors highlight that as at the date of this Explanatory Memorandum, no other proposals have been presented to the Board since Laneway announced the Bizzell Nominees Loan Conversion in Laneway's prospectus dated 17 July 2013.

1.8 Independent Expert Considers the Transaction is both fair and reasonable to Shareholders who are not associated with Bizzell Entities

The Independent Expert has considered the Bizzell Nominees Loan Conversion and has found that the Bizzell Nominees Loan Conversion is both fair and reasonable to Shareholders not associated with Bizzell Entities.

The Independent Expert has provided a detailed report to Laneway which accompanies this Notice of Meeting.

1.9 Directors' Recommendations

Weighing up all the factors, Mr Richard Anthon and Mr Ben Harrison, the non associated Directors, believe that the interests of Shareholders are best served by the approval of Resolution and recommend that Shareholders vote in favour of Resolution 1.

In reaching this conclusion the non-associated directors have had regard to the opinion expressed by the Independent Expert as well as factors such as the effective capital raising price, current capital market conditions particularly for junior resource companies, the gold price, Laneway's current financial position, the return being received by Bizzell Nominees and the preponderance of advantages over disadvantages.

None of the Directors, other than Mr Bizzell, has an interest in this resolution. As the controller of Bizzell Nominees, Mr. Bizzell has an interest in Resolution 1 and therefore makes no recommendation in relation to it. Mr. Harrison discloses that while he has no personal interest in Resolution 1, he is employed by Bizzell Capital Partners Pty Ltd, a company controlled by Stephen Bizzell.

1.10 Bizzell Nominees intentions

Bizzell Nominee's current intention (if the Bizzell Nominees Loan Conversion is approved and completed) is for Laneway to continue exploration and development of Laneway's gold and coal projects and to maximise the value of Laneway for all Shareholders over the long term.

Bizzell Nominees has advised Laneway that it intends for Laneway:

- (a) to continue the its business as it is currently conducted;
- (b) not to make any major changes to the business of Laneway or the deployment of Laneway's assets;
- (c) not to transfer any Company property between Laneway and Bizzell Nominees or any person associated with Bizzell Nominees;

- (d) to continue the employment of Laneway's existing employees; and
- (e) not to significantly change the financial or dividend distribution policies of Laneway.

Laneway currently has three directors on its Board. Mr. Bizzell has advised that he has no current intention to appoint any further Directors to the Board to represent his interests in Laneway, should Resolution 1 be approved, or to otherwise vary the current composition of the Board.

Mr Bizzell has advised the Board that if the Bizzell Nominees Loan Conversion occurs, he wishes to continue his personal involvement with Laneway. Any changes Mr. Bizzell decides to make to the objectives and goals of Laneway (which Mr. Bizzell has not currently identified) will be subject to:

- (a) discussion and agreement at board level
- (b) the law and the ASX Listing Rules, particularly in relation to related party transactions and conflicts of interest; and
- (c) the legal obligation of Laneway's Board to act for proper purposes and in the best interests of Laneway's Shareholders as a whole.

1.11 Impact on Laneway's Financial Position

No funds will be raised directly by implementing the Bizzell Nominees Loan Conversion, because it involves the issue of Shares and setting off the issue price against the balance of the Bizzell Nominees Loan Facility. However, extinguishing the Bizzell Nominees Loan Facility in this way frees up Laneway's exiting (and future) cash resources for application to its projects and extinguishes a substantial debt of Laneway.

1.12 *Pro forma* balance sheet

The audit reviewed consolidated balance sheet of Laneway at 31 December 2013, the unaudited balance sheet at 31 May 2013 and the unaudited pro forma balance of Laneway at 31 May 2013, are set out below. The pro forma balance sheet is based on the unaudited accounts of Laneway as at 31 May 2013 adjusted for the Bizzell Nominees Loan Conversion, as set out below.

	Consolidated 31-Dec-12	Adjustments pre EGM	Adjustments Arising due to EGM Resolutions	Proforma Post Raising
	\$	\$	\$	\$
Current Assets				
Cash and cash equivalents	311,355	3,590,518		3,901,873
Trade and other receivables	6,080			6,080
Financial assets	1,067			1,067
Other current assets	54,014			54,014
Total Current Assets	372,515	3,590,518	0	3,963,033
Non-Current Assets				
Trade and other receivables	95,000			95,000
Property, plant & equipment	34,329			34,329
Exploration and development	9,940,690	157,000		10,097,690
Total Non-Current Assets	10,070,019	157,000	0	10,227,019
Total Assets	10,442,533	3,747,518	0	14,190,051
Current Liabilities				
Trade and other payables	1,928,365		(198,333)	1,730,032
Loans	820,000		(820,000)	0
Other Financial liabilities	40,312			40,312
Provisions	89,214			89,214
Total Current Liabilities	2,877,891	0	(1,018,333)	1,859,558
Non-Current Liabilities				
Financial liabilities	18,419,965	325,620	(18,745,585)	0
Provisions	205,650			205,650
Total Non-Current Liabilities	18,625,615	325,620	(18,745,585)	205,650
Total Liabilities	21,503,506	325,620	(19,763,918)	2,065,208
Net Assets	(11,060,972)	3,421,898	19,763,918	12,124,843
Equity				
Issued capital	99,335,123	5,057,769	19,763,918	124,156,809
Accumulated losses	(110,396,095)	(1,635,871)	0	(112,031,966)
Total Equity	(11,060,972)	3,421,898	19,763,918	12,124,843

Adjustments to 31 December 2012 Audit Reviewed Consolidated Balance Sheet

- Cash payments between 1 January 2013 and 31 May 2013
- Movement in Bizzell Nominees Loan Facility from 1 January 2103 to final balance of the Bizzell Nominees Loan Facility
- Placement of 13,666,667 shares to raise \$205,000 completed July 2013
- Entitlement Offer of 328,651,268 shares at 1.5 cents per share - assuming fully subscribed for
- Conversion of Bizzell Nominees Loan Facility to the extent of \$1,186,500 to shares in the Entitlement Offer, where Bizzell Nominees would maintain their current 23.73% interest in Laneway by taking up their entitlements via monies owed to Bizzell Nominees

- f) Expenses of capital raising of \$77,000
- g) Conversion of Bizzell Nominees Loan Facility to shares (pursuant to Resolution 1)
- h) Payment of Director fees by issue of shares (Pursuant to Resolutions 2 and 3)
- i) Issue of shares to repay loans (including Richard Anthon of \$50,000)

1.13 Impact on capital structure

Set out below, is the capital structure of Laneway as at the date of this Explanatory Statement, but also taking into account Shares that may be issued pursuant to Resolutions 1,2, 3, 4, 5, and 6.

Securities on Issue	Number
Shares on issue at of this Explanatory Statement	82,162,817
Maximum number of shares that may be issued under the Entitlement Offer to non-related Bizzell Entities	250,662,322
Maximum shares to be issued to Bizzell Entities under the Entitlement Offer ⁽¹⁾	77,988,946
Shares to be issued pursuant to Resolution 1 ⁽¹⁾	1,042,013,656
Shares to be issued pursuant to Resolution 2	10,166,667
Shares to be issued pursuant to Resolution 3	3,055,533
Shares to be issued pursuant to Resolution 4	111,253,867
Shares to be issued pursuant to Resolution 5	6,666,667
Shares to be issued pursuant to Resolution 6	0
Total	1,583,970,475

(1) The maximum number of shares to be issued to Bizzell Entities under the Entitlement Offer is fully subscribed to \$5 million, for further details see paragraph 1.3

1.14 Bizzell Entities' Shareholding in Laneway now and post Bizzell Nominees Loan Conversion

Prior to the Entitlement Offer being announced on 17 July 2013, Bizzell Entities had a 23.73% relevant interest in the Company's Shares.

Assuming that Resolutions 2, 3, 4, and 5 are approved by Shareholders, the extent to which the Bizzell Entities' relevant interest in Laneway's Shares will increase as a result of the Bizzell Nominees Loan Conversion will depend upon the take-up by Shareholders under Laneway's Entitlement Issue dated 17 July 2013

The Bizzell Entities intend to take up as much of their entitlements as necessary to maintain their aggregate relevant interest at 23.73%.

Set out below are a number of scenarios for the capital structure of Laneway following the Bizzell Nominees Loan Conversion and completion of the Entitlement Offer. All these

scenarios also assume the issue of Shares pursuant to Resolutions 2, 3, 4, 5 and 6 takes place.

	Total Shares on Issue after Bizzell Nominees Loan Conversion	Bizzell Entities' Shares	Bizzell Entities % Relevant Interest
Current firm commitments under Entitlement Offer	1,372,124,666	1,125,811,876	82.05%
Mid Take-up under Entitlement Issue	1,478,047,571	1,131,033,753	76.52%
100% Take-up under Entitlement Issue	1,583,970,475	1,136,255,630	71.73%

1.15 Chapter 6 of the Corporations Act - Takeover Control

Section 606(1) of the Corporations Act provides that a person must not (without an available exemption under the Corporations Act) acquire a relevant interest in issued voting shares of a listed company if the person acquiring the interest does so through a transaction in relation to the securities entered into by or on behalf of the person and, because of the transaction, that person's or someone else's voting power in the listed company increases:

- (a) from 20% or below to more than 20%; or
- (b) from a starting point that is above 20% and below 90%.

Under section 608(1) of the Corporations Act, a person has a relevant interest in securities if they are the holder of the securities, have power to exercise, or control the exercise of, a right to vote attached to the securities or have power to dispose of, or control the exercise of a power to dispose of, the securities. It does not matter how remote the relevant interest is, or how it arises. If two or more people can jointly exercise one of these powers, each of them is taken to have that power.

1.16 Exemption under Section 611, item 7 of the Corporations Act

An exemption for the issue of the Shares upon conversion of the Bizzell Nominees Loan Facility is available under item 7 of section 611 of the Corporations Act.

This section broadly provides that an acquisition approved previously by a resolution passed at a general meeting of Laneway in which the acquisition is made is exempt from the prohibition in section 606(1), if:

- (a) no votes are cast in favour of the resolution by:
 - (i) the person proposing to make the acquisition and their associates; or
 - (ii) the persons (if any) from whom the acquisition is to be made and their associates; and
- (b) the members of Laneway were given all information known to the person proposing to make the acquisition or their associates, or known to

Laneway, that was material to the decision on how to vote on the resolution, including:

- (i) the identity of the person proposing to make the acquisition and their associates;
- (ii) the maximum extent of the increase in that person's voting power in Laneway that would result from the acquisition;
- (iii) the voting power that person would have as a result of the acquisition;
- (iv) the maximum extent of the increase in the voting power of each of that person's associates that would result from the acquisition; and
- (v) the voting power that each of that person's associates would have as a result of the acquisition.

The Notice of Meeting includes a voting prohibition statement restricting Bizzell Nominees and its associates from voting on the resolutions. The information required under item 7 of section 611 of the Corporations Act is also set out below.

The voting power of a person in a body corporate is determined in accordance with section 610 of the Corporations Act. The calculation of a person's voting power in a company involves determining the voting shares in Laneway in which the person, and the person's associates, have a relevant interest.

An "associate" of a company includes (among others):

- (a) a body corporate that controls Laneway or a body corporate controlled by Laneway;
- (b) a person with whom Laneway has, or proposes to enter into, a relevant agreement for the purposes of controlling or influencing the composition of Laneway's board or the conduct of Laneway's affairs; and
- (c) a person who is acting or proposing to act in concert in relation to Laneway's affairs.

Resolution 1 seeks Shareholder approval for the purposes of item 7 of section 611 of the Corporations Act for the issue of Shares.

The following information is provided to Shareholders:

- (a) **The identity of the person proposing to make the acquisition and their associates**

The Shares to be issued upon the Bizzell Nominees Loan Conversion pursuant to Resolution 1, are being issued to Bizzell Nominees .

See section 1.1 for further information about Bizzell Nominees.

- (b) **The maximum extent of the increase in that person's voting power in Laneway and the voting power that would result from the acquisition.**

Prior to the Entitlement Offer, Bizzell Nominees and its associates had an aggregate 23.73% voting power in Laneway. Details on the Bizzell Entities

shareholding following the Bizzell Nominees Loan Conversion is set out in section 1.14.

- (c) **The maximum extent of the increase in the voting power of each of that person's associates and the voting power that would result from the transaction.**

The maximum extent of each of Bizzell Nominee's associates' increase in voting power, and its voting power, as a result of the Bizzell Nominees Loan Conversion, will be equivalent to the increase in voting power held by Bizzell Nominees. For further details of the potential voting power of Bizzell Nominees, see section 1.14.

1.17 ASIC Regulatory Guide 74

ASIC Regulatory Guide 74 requires that the following information be provided to Shareholders to enable Shareholders to make an informed decision on the Resolution 1:

- (a) **The identity of the allottee or purchaser and any person who will have a relevant interest in the shares to be allotted or purchased.**

The Shares issued upon the Bizzell Nominees Loan Conversion are currently intended to be issued to Bizzell Nominees and other Bizzell Entities.

- (b) **Full particulars (including the number and the percentage) of the Shares in Laneway to which the allottee or purchaser is or will be entitled immediately before and after the proposed acquisition.**

Full details of the of the potential shares in Laneway to which the allottee or purchaser is or will be entitled immediately before and after the proposed acquisition are set out in section 1.14.

- (c) **The identity, associations (with the allottee, purchaser or vendor and with any of their associates) and qualifications of any person who it is intended will become a Director if the Shareholders agree to the allotment or purchase.**

See paragraph 1.10.

- (d) **A statement of the allottee's or purchaser's intentions regarding the future of Laneway if Shareholders agree to the allotment or purchase, and in particular, any intention to change the business of Laneway; any intention to inject further capital into Laneway and if so, how; the future employment of the present employees of Laneway; any proposal whereby any property will be transferred between Laneway and the allottee, vendor or purchaser or any person associated with any of them; and any intention to otherwise redeploy the fixed assets of Laneway.**

See paragraph 1.10.

- (e) **Particulars of the terms of the proposed allotment or purchase and any other contract or proposed contract between the allottee and Laneway or vendor or any of their associates which is conditional upon, or directly or indirectly dependent on, Shareholders' agreement to the allotment or purchase**

All the Shares proposed to be issued upon conversion of the Bizzell Nominees Loan Facility are to be issued subject to Shareholder approval under item 7 of Section 611 of the Corporations Act.

(f) **When the allotment is to be made.**

The Shares to be issued upon the Bizzell Nominees Loan Conversion will be issued to Bizzell Nominees in accordance with the timetable set out in the table above.

(g) **An explanation of the reasons for any proposed allotment.**

An explanation of the rationale for the Bizzell Nominees Loan Conversion, is set out in sections 1.4, 1.5 and 1.6.

(h) **The interests of the Directors in the Resolutions**

Except as set out in paragraph (i) below, the Directors do not have a material personal interest in the outcome of the Resolutions other than in their capacity as Shareholders.

The material interest of Stephen Bizzell in the Bizzell Nominees Loan Conversion is discussed in paragraph (i) below.

(i) **The recommendation or otherwise of each Director as to whether the non- associated Shareholders should agree to the acquisition, and the reasons for that recommendation or otherwise.**

The Directors other than Mr. Bizzell (**Independent Directors**), who has a material personal interest in Resolution 1 because he is the controller and an associate of Bizzell Nominee and therefore abstains from expression any recommendation, recommend Shareholders vote in favour of the Resolution to approve the Bizzell Nominees Loan Conversion. This recommendation is based on the information set out in this document and as a result of the Independent Expert finding that the Bizzell Nominees Loan Conversion is both fair and reasonable to Shareholders who are not associated with Bizzell Nominees.

The Independent Directors have concluded that the Bizzell Nominees Loan Conversion represents the best option for Laneway for the reasons set out in this Notice of Meeting, including those set out in more detail in section 1.6.

Mr. Harrison discloses that while he has no personal interest in Resolution 1, he is employed by Bizzell Capital Partners Pty Ltd, a company controlled by Stephen Bizzell.

(j) **Any intention of the acquirer to change significantly the financial or dividend policies of Laneway.**

Bizzell Nominees has not indicated any such intention to Laneway.

(k) **An analysis of whether the proposal is fair and reasonable when considered in the context of the interests of the Shareholders other than those involved in the proposed allotment or purchase or associated with such persons.**

In accordance with ASIC Regulatory Guide 74, Laneway commissioned BDO to prepare an Independent Expert's Report to assess whether the Bizzell

Nominees Loan Conversion is fair and reasonable to Shareholders not associated with Bizzell Nominees.

The Independent Expert's Report concluded that the Bizzell Nominees Loan Conversion is fair and reasonable to Shareholders who are not associated with Bizzell Nominees.

A copy of the Independent Expert's Report is contained in Attachment A.

Neither Laneway nor the Directors are aware of any additional information not set out in this Explanatory Statement that would be relevant to Shareholders in deciding how to vote on the Resolutions.

1.18 Voting prohibition statement

In accordance with item 7 of section 611 of the Corporations Act, none of Bizzell Nominees and its associates are permitted to vote in favour of Resolution 1.

1.19 Consents

Each of the following persons has consented in writing to being named in this Explanatory Statement in the form and context in which they are named, and has not withdrawn that consent as at the date of this Explanatory Statement:

- (a) Bizzell Nominees; and
- (b) BDO Corporate Finance (Qld) Pty Ltd
- (c) Minnelex Pty Ltd

The Independent Expert also consents to the inclusion of the Independent Expert's Report and references to the Independent Expert's Report in this Explanatory Statement, in the form and context in which they are included.

1.20 Part 2E of the Corporations Act

Part 2E of the Corporations Act prohibits a public company from giving a financial benefit to a related party of a public company unless the benefit falls within one of various exceptions to the general prohibition. One of the exceptions includes where Laneway first obtains the approval of its shareholders in a general meeting in circumstances where the requirements of Part 2E in relation to the convening of that meeting, have been met.

A "related party" for the purposes of the Corporations Act is defined widely and includes a director of the public company and any alternate director.

A "financial benefit" for the purposes of the Corporations Act has a very wide meaning. It includes the public company paying money or issuing securities to the related party. In determining whether or not a financial benefit is being given, it is necessary to look to the economic and commercial substance and effect of what the public company is doing (rather than just the legal form). Any consideration which is given for the financial benefit is to be disregarded, even if it is full or adequate.

1.21 Application of Chapter 2E of the Corporations Act to the Bizzell Nominees Loan Conversion

Bizzell Nominees is a related party because it is an entity controlled by Mr. Bizzell, a Director, or his associates. The issue of Shares to Bizzell Nominees pursuant to the Bizzell Nominees Loan Conversion is the conferring of a financial benefit on Bizzell Nominees by Laneway that requires the approval of Shareholders under section 208 of

the Corporations Act and to this end, Resolution 1 is proposed to Shareholders. Laneway provides the following additional information:

(a) **The Related Party to whom Resolution 1 would permit a financial benefit to be given**

Bizzell Nominees.

(b) **The Nature of the Financial Benefit**

The nature of the proposed financial benefit to be given is the issue of up to 1,094,232,427 Shares upon conversion of the Bizzell Nominees Loan Facility, depending on the factors and as illustrated in paragraphs 1.13 **Error! Reference source not found.** and 1.14 above:

(c) **Directors' Recommendation**

Please refer to paragraph 1.17(i) above.

(d) **Director's Interest and other Remuneration**

Mr Bizzell has, prior to the issues of Shares pursuant to Resolution 1, a relevant interest in Laneway's Shares as set out in paragraph 1.1 above. He is also entitled to receive \$120,640 per annum for his service as Executive Chairman of Laneway.

If the Bizzell Nominees Loan Conversion is approved and the Shares issued as contemplated in paragraph 1.13, Mr. Bizzell will have an interest in Laneway's Shares as set out in paragraph 1.14.

(e) **Valuation**

As set out in paragraph 1.14, the number of Shares that will be issued upon the Bizzell Nominees Loan Conversion will depend on take-up by non-associated Shareholders under the Entitlement Offer.

As set out in paragraph 1.14, the maximum number of Shares that will be issued pursuant to the Bizzell Nominees Loan Conversion is 1,094,232,427 Shares. The Shares will be issued at an issue price of \$0.018 and hence the maximum aggregate value of the financial benefit will be \$19,926,080.

(f) **Any other Information that is reasonably required by Shareholders to make a decision and that is known to Laneway or any of its Directors**

There is no other information known to Laneway or any of its Directors except as follows:

(i) **Opportunity Costs**

The opportunity costs and benefits foregone by Laneway issuing the Shares to Bizzell Nominees pursuant to the Bizzell Nominees Loan Conversion, is the dilutionary impact on the issued share capital of Laneway. The impact of this is illustrated in paragraph 1.14 above.

This dilutionary impact is offset by the advantages accruing from Laneway in being able to extinguish the Bizzell Nominees Loan Facility, apply its existing cash and funds raised under the Entitlement Offer to the achievement of its strategic objectives,

development of its projects and the positioning of Laneway as a more attractive vehicle for investment capital.

(ii) **Share Price History**

In order to assist Shareholders to appropriately consider this Resolution, it is noted that Laneway's shares have traded on ASX in the 3 months prior to the date of this Explanatory Statement between \$0.01 on 19 June 2013 and \$0.036 on 3 June 2013. At the close of trading on 14 August 2013, Laneway's share price was \$0.015.

1.22 ASX Listing Rule 10.11

ASX Listing Rule 10.11 provides that an entity must not issue shares to a related party of the entity unless shareholders have approved the issue in accordance with ASX Listing Rule 10.12. Laneway therefore seeks Shareholder approval for Resolution 1 purposes of Listing Rule 10.11 and pursuant to ASX Listing Rule 10.12, provides the following information:

(a) **Name of person to whom Shares are being issued:**

Bizzell Nominees.

(b) **Maximum number of Shares to be issued:**

1,094,232,427 Shares (see paragraph 1.14).

(c) **Date by which Shares will be issued:**

As soon as practicable after this meeting, but not later than 1 month after the date of this meeting.

(d) **Relationship between the recipient of the Shares and Laneway**

Bizzell Nominees is a company controlled by and of which Stephen Bizzell is a director. Stephen Bizzell is a Director of Laneway.

(e) **Issue price and terms of issue of the Shares**

The Shares are to be issued at \$0.018 per Shares and rank equally with all other Shares on issue.

(f) **Intended use of funds raised**

As the Shares are being issued to repay the Bizzell Nominees Loan Facility balance, no cash funds are being raised by the issue, but the issue is extinguishing the balance of Laneway's debt owed to Bizzell Nominees under the Bizzell Nominees Loan Facility in the amount set out in paragraph 1.21(e).

As Laneway is seeking Shareholder approval for Resolution 1 pursuant to Listing Rule 10.11, Laneway is not required to obtain Shareholder approval under Listing Rule 7.1.

2. Resolutions 2 and 3 – Issue of Shares in lieu of Directors' Fees to Richard Anthon and Ben Harrison

2.1 Background

Mr. Anthon and Mr. Harrison, both Directors, have not been paid directors' fees due to them since 2009 and 2011 respectively.

Both Mr. Anthon and Mr. Harrison have agreed to receive Shares at an issue price of \$0.015 per Share (the same as the Entitlement Offer issue price), in satisfaction of Laneway's obligation to pay those Directors' Fees, subject to approval by Shareholders.

At this issue price, 10,166,667 Shares will be issued to Richard Anthon and 3,055,533 Shares will be issued to Ben Harrison.

2.2 Part 2E of the Corporations Act

Please refer to the summary of Part 2E of the Corporations Act in paragraph 1.20.

Mr. Anthon and Mr. Harrison are related parties because they are Directors. The issue of Shares to Mr. Anthon and Mr. Harrison, even if in payment of outstanding Directors' fees, amounts to conferring of a financial benefit on them by Laneway that requires the approval of Shareholders under section 208 of the Corporations Act and to this end, Resolutions 2 and 3 are proposed to Shareholders.

Laneway provides the following additional information:

- (a) The Related Party to whom the issues of Shares as proposed would permit a financial benefit to be given:**
 - (i) Resolution 2: Mr Richard Anthon;
 - (ii) Resolution 3: Ben Harrison.
- (b) The Nature of the Financial Benefit: The nature of the proposed financial benefit to be given is:**
 - (i) Resolution 2: the issue of 10,166,667 Shares at an issue price of \$0.015 to Mr Richard Anthon; and
 - (ii) Resolution 3: the issue of 3,055,533 Shares at an issue price of \$0.015 to Ben Harrison.
- (c) The Consideration for issuing the Shares pursuant to Resolutions 2 and 3**

The satisfaction by Laneway of its obligations to Richard Anthon and Ben Harrison to pay outstanding directors' fees.
- (d) Valuation of financial benefits being conferred**
 - (i) Resolution 2: Mr Richard Anthon – Shares at an issue price of \$0.015 and having an aggregate value of \$152,500 will be issued to Mr. Anthon;
 - (ii) Resolution 3: Mr. Ben Harrison - Shares at an issue price of \$0.015 and having an aggregate value of \$45,833 will be issued to Mr. Harrison.
- (e) Any other Information that is reasonably required by Shareholders to make a decision and that is known to Laneway or any of its Directors**

There is no other information known to Laneway or any of its Directors except as follows:

(i) **Opportunity Costs**

The opportunity costs and benefits foregone by Laneway issuing the Shares to Mr. Anthon pursuant to Resolution 2 and Mr Harrison pursuant to Resolution 3, are the dilutionary impact on the issued share capital of Laneway. The impact of this is illustrated in paragraph 1.13 above.

This dilutionary impact is offset by the advantages accruing from Laneway in being able to extinguish the debt owed to Mr. Anthon and Mr. Harrison in unpaid Directors' fees and allowing Laneway to apply its existing cash to achievement of its strategic objects and project development and the positioning of Laneway as a more attractive vehicle for investment capital.

(ii) **Share Price History**

In this regard, please refer to paragraph 1.21(f)(ii) above.

2.3 Directors' interests and recommendations

Other than the Shares to be issued to Mr. Anthon pursuant to Resolution 2, Mr Anthon is entitled to receive director's fees of \$30,000 per annum including superannuation from Laneway for his services as a Non-executive Director of Laneway. Mr. Anthon current holds 153,900 Shares in Laneway and has a relevant interest in Laneway's Shares of 0.22%.

Other than the Shares to be issued to Mr. Harrison pursuant to Resolution 3, Mr Harrison is entitled to receive director's fees of \$30,000 per annum including superannuation from Laneway for his services as Non-executive Director of Laneway. Mr. Harrison currently holds no Shares in Laneway.

Mr. Anthon has a material personal interest in Resolution 2 and Mr. Harrison has an interest in Resolution 3. Consequently, the Directors, with Mr Anthon abstaining, recommend that Shareholders vote in favour of Resolution 2 and the Directors, with Mr Harrison abstaining, recommend that Shareholders vote in favour of Resolution 3, as in both cases the issues reduce Laneway's debt without a drain on cash resources.

2.4 Mr Anthon's relevant interest in Laneway's Shares

If Resolution 2 is approved and Resolution 5 (in relation to the issue of Shares to Mr. Anthon by Laneway in repayment of a loan from Mr. Anthon to Laneway) is also approved, Mr. Anthon's relevant interest in Laneway's Shares will decrease from 0.22% as at the date of this Explanatory Memorandum, to 0.01%.

2.5 ASX Listing Rule 10.11

For a summary of ASX Listing Rule 10.11, please refer to paragraph 1.22.

Laneway therefore seeks Shareholder approval for Resolutions 2 and 3 and pursuant to ASX Listing Rule 10.11, provides the following information:

(a) **Name of person to whom Shares are being issued:**

- (i) Resolution 2: Mr Richard Anthon;
- (ii) Resolution 3: Mr. Ben Harrison.

(b) **Maximum number of Shares to be issued:**

- (i) Resolution 2: Mr Richard Anthon: 10,166,667 Shares
- (ii) Resolution 3: Ben Harrison: 3,055,533 Shares.

(c) **Date by which Shares will be issued:**

As soon as practicable after this meeting, but not later than 1 month after the date of this meeting.

(d) **Relationship between the recipient of the Shares and Laneway**

- (i) Resolution 2: Mr Richard Anthon – Director;
- (ii) Resolution 3: Ben Harrison – Director;

(e) **Issue price and terms of issue of the Shares**

The Shares are to be issued at \$0.015 per Shares and rank equally with all other Shares on issue.

(f) **Intended use of funds raised**

As the Shares are being issued to repay outstanding Directors' fees, no cash funds are being raised by the issue, but the issue is extinguishing the balance of Laneway's debt owed to Mr. Anthon and Mr. Harrison for unpaid Directors' fees.

3. Resolution 4 – Approval of the issue of Shares in repayment of loans by creditors to Laneway

3.1 Background

Laneway has entered into a number of agreements in late 2012 to convert amounts outstanding to certain creditors into loans and to repay those loans by the issue of Shares at \$0.0075 per Share. Company debts converted into loans (excluding the amount owed to Mr. Richard Anthon the subject of Resolution 2) is \$834,404. Where fractions arise, they will be rounded up to the next whole number of shares.

The creditors concerned are arm's length, third party, unrelated investors or trade and commercial creditors incurred in the ordinary course of Laneway's business activities.

3.2 Why Shareholder approval is sought

ASX Listing Rule 7.1 provides that the prior approval of Laneway's Shareholders is required for an issue of equity securities if the securities will, when aggregated with the securities issued by Laneway during the previous 12 months, exceed 15% of the number of securities on issue at the commencement of that 12 months.

The proposed issue, together with previous issues, would exceed Laneway's placement capacity under ASX Listing Rule 7.1 and accordingly, Laneway seek approval of Shareholder pursuant to ASX Listing Rule 7.1 and discloses the following information in accordance with ASX Listing Rule 7.3:

(a) **The maximum number of Shares to be issued under Resolution 4:**

111,253,867 Shares;

(b) **The date by which Laneway will issue the Shares:**

The Shares will be issued and allotted as soon as practicable after this meeting but in any event no later than 3 months from the date of this meeting.

(c) **The issue price of the Shares:**

\$0.0075 per Share.

(d) **Names or class of persons to whom Shares will be issued**

Shares will be issued to creditors of Laneway with whom Laneway has agreed to settle amounts outstanding by the issue of Shares pursuant to Resolution 4.

(e) **Terms of the Shares**

The Shares will rank equally with all other Shares on issue.

(f) **Intended use of funds raised**

As the Shares are being issued to repay amounts owing by Laneway to each of the recipients, no cash funds are being raised by the issue. However, the issue is extinguishing the balance of Laneway's debts to each of the recipients.

3.3 Effect of the issue

None of the issues has any material effect on control of Laneway and none of the persons to whom Shares are being issued are related parties (refer to paragraph 1.20 for an explanation of *related party*).

4. Resolution 5 – Issue of Shares to Richard Anthon in repayment of a Loan from Richard Anthon to Laneway

4.1 Background

In late 2012, Laneway obtained loans from various non-associated creditors. Mr. Anthon also advanced \$50,000 to Laneway for use as working capital, interest free.

Laneway has reached agreement with Richard Anthon to repay the \$50,000 by the issue of Shares to Mr. Anthon at an issue price of \$0.0075 per Share (being the same issue terms as the non-associated creditors pursuant to Resolution 4), subject to approval by Shareholders.

4.2 Part 2E of the Corporations Act

Please refer to the summary of Part 2E of the Corporations Act in paragraph 1.20.

Mr. Anthon is a related party because he is a Director. The issue of Shares to Mr. Anthon, even if in payment of a loan to Laneway, amounts to conferring of a financial benefit on him by Laneway that requires the approval of Shareholders under section 208 of the Corporations Act and to this end, Resolution 5 **Error! Reference source not found.** is proposed to Shareholders.

Laneway provides the following additional information:

(a) **The Related Party to whom the issues of Shares as proposed would permit a financial benefit to be given:**

Mr Richard Anthon;

(b) **The Nature of the Financial Benefit:**

The nature of the proposed financial benefit to be given is the issue of 6,666,667 Shares at an issue price of \$0.0075 to Mr Richard Anthon.

(c) **The Consideration for issuing the Shares**

The satisfaction by Laneway of its obligation to repay its loan from Mr. Richard Anthon.

(d) **Directors' Recommendations**

Mr. Richard Anthon has a material personal interest in the outcome of Resolution 5 and therefore makes not recommendation in relation to that Resolution.

The non-interested Directors recommend that Shareholders vote in favour of Resolution 5, because the satisfaction of outstanding loan balance helps align the interests of Laneway and Mr. Anthon by providing an incentive for him to increase shareholder value, while allowing Laneway to deploy its cash in pursuit of its strategic goals.

(e) **Valuation of financial benefit to be conferred**

Shares at an issue price of \$0.075 and having an aggregate value of \$50,000 will be issued to Mr. Anthon;

(f) **Any other Information that is reasonably required by Shareholders to make a decision and that is known to Laneway or any of its Directors**

There is no other information known to Laneway or any of its Directors except as follows:

(i) **Opportunity Costs**

The opportunity costs and benefits foregone by Laneway issuing the Shares to Mr. Anthon pursuant to Resolution 5 is the dilutionary impact on the issued share capital of Laneway.

This dilutionary impact is offset by the advantages accruing from Laneway in being able to extinguish the loan debt owed to Mr. Anthon in a way that allows Laneway to apply its existing cash to achievement of its strategic objects and project development and the positioning of Laneway as a more attractive vehicle for investment capital.

(ii) **Share Price History**

In this regard, please refer to paragraph 1.21(f)(ii) above.

Other than the Shares to be issued to Mr. Anthon pursuant to Resolution 5, Mr Anthon is entitled to receive director's fees in the amount and he holds the number of Shares and has a relevant interest in Laneway's Shares set out above in paragraph 2.3 above.

4.3 Mr Anthon's relevant interest in Laneway's Shares

Please refer to paragraph 2.4.

4.4 ASX Listing Rule 10.11

Please refer to the summary of ASX Listing Rule 10.11 in paragraph 1.22 above.

Laneway seeks Shareholder approval for Resolutions 5 and pursuant to ASX Listing Rule 10.12, provides the following information:

(a) **Name of person to whom Shares are being issued:**

Mr Richard Anthon;

(b) **Maximum number of Shares to be issued:**

6,666,667 Shares.

(c) **Date by which Shares will be issued:**

As soon as practicable after this meeting, but not later than 1 month after the date of this meeting.

(d) **Relationship between the recipient of the Shares and Laneway**

Mr Richard Anthon is a Director.

(e) **Issue price and terms of issue of the Shares**

The Shares are to be issued at \$0.015 per Shares and rank equally with all other Shares on issue.

(f) **Intended use of funds raised**

As the Shares are being issued to repay a loan to Laneway, no cash funds are being raised by the issue, but the issue is extinguishing the balance of Laneway's loan debt to Mr. Anthon as set out in paragraph 2.2(c).

5. Resolution 6 - Ratification of the issue of Shares by way of placement announced on 6 June 2013 and completed on 17 July 2013

On 6 June 2013 Laneway announced that it had conducted a placement. Laneway placed 13,667,667 Shares. 10,274,423 of those Shares were placed pursuant to Laneway's 15% equity placement limit under Listing Rule 7.1. The remaining 3,393,244 of those Shares were placed pursuant to Laneway's additional 10% equity placement limit under Listing Rule 7.1A.

An issue of Shares made without specific approval under ASX Listing Rule 7.1 is treated as having been made with such approval if the original issue did not breach ASX Listing Rule 7.1 and is subsequently approved by ordinary Shareholders pursuant to the provisions of Listing Rule 7.4.

The original issue did not breach ASX Listing Rule 7.1 and Shareholder approval is now sought pursuant to ASX Listing Rule 7.4 to refresh Laneway's 15% equity placement limit under Listing Rule 7.1.

Pursuant to the provisions of ASX Listing Rule 7.5, the following information is supplied to Shareholders in respect of this Resolution 6:

(a) **Number of Shares issued:**

10,274,423 Shares.

(b) **Price at which the Shares were issued:**

\$0.015 per Share.

(c) **Terms of the Shares:**

The Shares rank equally with all the other Shares on issue.

(d) **Names of persons to whom the Shares were issued**

Sophisticated Investors introduced to Laneway by Bizzell Capital Partners Pty Ltd.

(e) **Use of the funds:**

Working capital.

(f) **Date of Allotment:**

17 July 2013.

6. Glossary

6.1

AEST	means Australian Eastern Standard Time.
ASIC	means the Australian Securities and Investments Commission.
ASX	means ASX Limited (ACN 008 624 691).
ASX Listing Rules or Listing Rules	means the official listing rules of ASX.
Bizzell Entities	Means Bizzell Nominees, its related bodies corporate and Stephen Bizzell
Bizzell Nominees Loan Conversion	means the repayment of the Bizzell Nominees Loan Facility by the issue of Shares in accordance with Resolution 1.
Board	means Laneway Board of Directors.
Corporations Act	means the <i>Corporations Act 2001</i> (Cth).
Director	means a current director of Laneway.
Entitlement Offer	means the entitlement offer announced by Laneway on 17 July 2013.
Fully Diluted	means having regard to the maximum number of Shares that would be on issue of all securities in Laneway convertible into Shares were Converted.
Independent Expert or BDO	means BDO Corporate Finance (Australia) Pty Ltd.
Loan Conversion Deed	Means the agreement entered into between Bizzell Nominees and Laneway to facilitate the Loan Conversion
Non Associated Shareholders	Shareholders of Laneway who are not excluded from voting on the Resolutions
Notice of Meeting	means the notice of general meeting accompanying this Explanatory Statement
Report	means the Independent Expert's Report of BDO dated 15 August 2013
Relevant Interest	Under section 608(1) of the Corporations Act, a person has a relevant interest in securities if they are the holder of the securities, have power to exercise, or control the exercise of, a right to vote attached to the securities or have power to dispose of, or control the exercise of a power to dispose of, the securities.

It does not matter how remote the relevant interest is, or how it arises. If two or more people can jointly exercise one of these powers, each of them is taken to have that power

Resolution

means a resolution put to Shareholders in this Notice of Meeting.

Share

means a fully-paid Ordinary Share in Laneway.

Shareholder

means a holder of a Share.

Proxy Form

All correspondence to:
Laneway Resources Limited
GPO Box 1164
Brisbane QLD 4001
Telephone: (07) 3108 3500
Facsimile: (07) 3212 9201

Section 1: Name and Address of member

Mark this box with "X" if you have made any changes to your address details (see overleaf). ☐

Section 2: Appointment of proxy

I, being a member of the Company and entitled to attend and vote appoint

☐ the Chairman of the meeting **OR**
(mark with an "X")

Write here the full name of the person or body corporate you are appointing if this person is **someone other than** the Chairman of the meeting.

or failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the meeting, as my proxy to attend, to vote in accordance with the following directions (or if no directions have been given, as the proxy sees fit), and to act generally on my behalf, at the general meeting of the Company to be held at:

Location:	Laneway Resources Limited, Level 9, Waterfront Place, 1 Eagle Street, Brisbane QLD 4000
Date:	17 September 2013
Time:	10.00am

and at any adjournment of that meeting.

Section 3: Voting instructions

Chairman authorised to exercise proxies on remuneration related matters:

If I/we have appointed the Chairman of the Meeting as my/our proxy or the Chairman of the Meeting becomes my/our proxy by default, I/we expressly authorise the Chairman of the Meeting to exercise my/our proxy even though the Chairman is a member of the KMP of the Company, and Resolutions 1-5 are connected directly or indirectly with the remuneration of a member of the KMP of the Company.

I/we acknowledge that the Chairman of the Meeting intends to vote undirected proxies in favour of all items of business. If you do not wish your vote to be cast in favour of all Resolutions you should direct your proxy how to vote.

The Chair will vote all undirected proxies in favour of the resolutions being passed.

Voting directions to proxy – please mark ☒ to indicate your directions.

- Resolution 1: Approval for the conversion of the Bizzell Nominees Loan Facility into Shares
- Resolution 2: Approval for the issue of Shares in lieu of Directors Fees to Richard Anthon
- Resolution 3: Approval for the issue of Shares in lieu of Directors Fees to Ben Harrison
- Resolution 4: Approval of the issue of Shares in repayment of loans by creditors to the Company
- Resolution 5: Approval for the issue of Shares to Richard Anthon in repayment of a loan
- Resolution 6: Ratification of the issue of Shares by way of placement announced on 6 June 2013 and completed on 17 July 2013

For	Against	Abstain*
☐	☐	☐
☐	☐	☐
☐	☐	☐
☐	☐	☐
☐	☐	☐
☐	☐	☐

* If you mark the Abstain box for a particular item, you are directing your proxy **not** to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

Section 4: Signing by member

This section **must** be signed in accordance with the instructions overleaf to enable your directions to be implemented.

Individual or Member 1

Sole Director or Sole Secretary

Member 2 (if joint holding)

Director / Company Secretary
(delete one)

Member 3 (if joint holding)

Director

Please provide the information below in case we need to contact you.

Contact Name

Contact daytime telephone

Date

INSTRUCTIONS FOR COMPLETION OF PROXY FORM

Section 1: Name and Address of Member

1. This is your address as it appears in the register of members of the Company. If this information is incorrect, please mark the box and make the correction on the form. Members sponsored by a broker (in which case your reference number will commence with an 'x') should advise their broker of any changes. **Please note you cannot change the ownership of your shares using this form.**

Section 2: Appointment of proxy

2. If you wish to appoint the Chairman of the meeting as your proxy, mark the box. If the person or body corporate you wish to appoint as your proxy is someone other than the Chairman of the meeting, write the full name of that person or body corporate in the space provided. A proxy may be an individual or a body corporate. If you leave this section blank or your named proxy does not attend the Meeting, the Chairman of the meeting will be your proxy. A proxy need not be a member of the Company.
3. If you are entitled to cast two or more votes at the general meeting, you are entitled to appoint two persons as proxies to attend the meeting and vote on a poll. If you wish to appoint a second proxy, an additional proxy form may be obtained by telephoning the Company. Alternatively you may copy this form.
4. To appoint a second proxy:
 - (a) on each of the first proxy form and second proxy form state the percentage of your voting rights or number of shares applicable to that form (if the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise one half of your votes, and fractions of votes will be disregarded); and
 - (b) return both forms in the same envelope.

Section 3: Voting Instructions

5. You may direct your proxy how to vote on an item of business by placing a mark in one of the boxes opposite the item of business. All of your shares will be voted in accordance with your direction unless you indicate a proportion of voting rights on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given item, your proxy may decide whether or how to vote on that item. If you mark more than one box on an item, your vote on that item will be invalid.

Section 4: Signing by member

6. You must sign this form as follows in the spaces provided:

Individual	Where the holding is in one name, the member must sign.
Joint Holding	Where the holding is in more than one name, all of the members must sign.
Power of Attorney	To sign under power of attorney, either the power of attorney must have already been lodged with the Company's share registry for notation or the original (or a certified copy) of the power or attorney must accompany this document.
Companies	In the following cases, subject to the Company's constitution, the following person must sign: (a) Australian proprietary company with a sole director who is also the sole company secretary – that person must sign; (b) Australian proprietary company with a sole director and no company secretary – that person must sign; (c) other Australian companies – two directors, or one director and one company secretary must sign; and (d) foreign company – in accordance with the laws of the jurisdiction of incorporation and constituent documents.

Section 5: Lodging of proxy

7. This proxy form (and the original or a certified copy of any power of attorney under which it is signed) must be received by the Company not later than the time and date set out below, by mail, hand delivery or facsimile.

Last time and date for lodgement*	15 September 2013 at 10am (Brisbane time)
By mail	GPO Box 1164, Brisbane QLD 4001
By hand delivery	Level 9, Waterfront Place, 1 Eagle Street, Brisbane QLD 4000
By facsimile	07 3212 9201

* Any proxy form received after that time will not be valid.

For further information

If you need any further information about this form or attendance at the Company's Extraordinary General Meeting, please contact Paul Marshall, Company Secretary, on 07 3212 9212.

LANEWAY RESOURCES LIMITED
Independent Expert's Report

15 August 2013

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Financial Services Guide

The Financial Services Guide ('FSG') is provided to comply with the legal requirements imposed by the Corporations Act 2001 and includes important information regarding the general financial product advice contained in this report ('this Report'). The FSG also includes general information about BDO Corporate Finance (QLD) Ltd ('BDO CFQ' or 'we', 'us' or 'our'), including the financial services we are authorised to provide, our remuneration and our dispute resolution.

BDO CFQ holds an Australian Financial Services Licence to provide the following services:

- a) financial product advice in relation to deposit and payment products (limited to basic deposit products and deposit products other than basic deposit products), securities, derivatives, managed investments schemes, superannuation, and government debentures, stocks and bonds; and
- b) arranging to deal in financial products mentioned in a) above, with the exception of derivatives.

General Financial Product Advice

The following report sets out what is described as general financial product advice. This Report does not consider personal objectives, individual financial position or needs and therefore does not represent personal financial product advice. Consequently any person using this Report must consider their own objectives, financial situation and needs. They may wish to obtain professional advice to assist in this assessment.

The Assignment

BDO Corporate Finance (QLD) Ltd ABN 54 010 185 725, Australian Financial Services Licence No. 245513 has been engaged to provide general financial product advice in the form of a report in relation to a financial product. Specifically, BDO CFQ has been engaged to provide an Independent Expert's Report ('this Report') to the shareholders of Laneway Resources Ltd ('Laneway' or 'the Company') in relation to 'the Proposed Conversion' whereby entities associated with Mr Stephen Bizzell ('the Bizzell Entities') will convert the outstanding balance of their loans to Laneway into ordinary shares as repayment for the loans.

Further details of the Proposed Conversion to which this Report relates are set out in Section 3.0. The scope of this Report is set out in detail in Section 4.0 of this Report. This Report provides an opinion as to whether or not the Proposed Conversion is 'fair' and 'reasonable' to the non-associated shareholders of Laneway ('the Laneway Shareholders').

This Report cannot be relied upon for any purpose other than the purpose mentioned above and cannot be relied upon by any person or entity other than those mentioned above, unless we have provided our express consent in writing to do so. A shareholder's decision to vote for or against the Proposed Conversion is likely to be influenced by the shareholder's particular circumstances, for example, the shareholder's taxation considerations and risk profile. Each shareholder should obtain their own professional advice in relation to their own circumstances.

Fees, commissions and other benefits we may receive

We charge a fee for providing reports. The fees are negotiated with the party who engages us to provide a report. We estimate the fee for the preparation of this Report will be approximately \$25,000. Fees are usually charged as a fixed amount or on an hourly basis depending on the terms of the agreement with the engaging party. Our fees for this Report are not contingent on the outcome of the Proposed Conversion.

Except for the fees referred to above, neither BDO CFQ, nor any of its directors, employees or related entities, receive any pecuniary benefit or other benefit, directly or indirectly, for or in connection with the provision of this Report.

Directors of BDO CFQ may receive a share in the profits of BDO Group Holdings (QLD) Pty Ltd, a parent entity of BDO CFQ. All directors and employees of BDO Group Holdings (QLD) Pty Ltd and its subsidiaries (including BDO CFQ) are entitled to receive a salary. Where a director of BDO CFQ is a shareholder of BDO Group Holdings (QLD) Pty Ltd, the person is entitled to share in the profits of BDO Group Holdings (QLD) Pty Ltd.

Associations and relationships

From time to time BDO CFQ or its related entities may provide professional services to issuers of financial products in the ordinary course of its business. These services may include audit, tax and business advisory services. BDO CFQ has provided services to Laneway in the last two years in the form of an Independent Expert's Report that was unissued due to the proposed transaction on which the report was based not going ahead. BDO Audit (QLD) Pty Ltd (formerly PKF East Coast Practice) has previously provided audit services to Laneway and is currently the engaged auditor of Laneway.

The signatory to the Report does not hold any shares in Laneway and no such shares have ever been held by the signatory.

To prepare our reports, including this Report, we may use researched information provided by research facilities to which we subscribe or which is publicly available. Reference has been made to the sources of information in this Report, where applicable. Research fees are not included in the fee details provided in this Report.

Complaints

We are members of the Financial Ombudsman Service. Any complaint about our service should be in writing and sent to BDO Corporate Finance (QLD) Ltd, GPO Box 457, Brisbane QLD 4001.

We will endeavour to resolve the complaint quickly and fairly. If the complaint cannot be satisfactorily resolved within 45 days of written notification, there is a right to lodge a complaint with the Financial Ombudsman Service. They can be contacted on 1300 780 808. This service is provided free of charge.

If the complaint involves ethical conduct, a complaint may be lodged in writing with the Institute of Chartered Accountants, Queensland Branch, GPO Box 2054, Brisbane QLD 4001. The Australian Securities and Investment Commission ('ASIC') also has an Infoline on 1300 300 630 which can be used to make a complaint and obtain information about investor rights.



Contact Details

BDO Corporate Finance (QLD) Ltd

Location Address:	Postal Address:
Level 10 12 Creek Street BRISBANE QLD 4000	GPO Box 457 BRISBANE QLD 4001
Phone: (07) 3237 5999	Email: cf.brisbane@bdo.com.au
Fax: (07) 3221 9227	

Glossary

Reference	Definition
ABV	Asset based valuation
Act, the	The Corporations Act 2001
AGM	Annual General Meeting
APES 225	Accounting Professional and Ethical Standards: Valuation Standards
ASIC	Australian Securities and Investment Commission
ASX, the	The Australian Securities Exchange
Au	Gold
BDA	Behre Dolbear Australia Pty Ltd
BDA Report, the	The technical valuation report prepared by BDA in 2011
BDO CFQ	BDO Corporate Finance (QLD) Ltd
Bizzell Nominees Loan Facility, the	Laneway's existing Loan Facility held by Bizzell Nominees
Bizzell Entities, the	Entities associated with Mr Stephen Bizzell
Bizzell Nominees	Bizzell Nominees Pty Ltd
CME	Capitalisation of Maintainable Earnings
Company, the or Laneway	Laneway Resources Limited
Convertible Note Loan, the	The loan advanced by Bizzell Nominees in order to pay down convertible notes in March 2012
DCF	Discounted cash flow
EGM	Extraordinary General Meeting
EL	Exploration Licence
Entitlement Offer, the	The Pro rata renounceable entitlement offer to issue 328,651,268 announced by Laneway on 17 July 2013
EP	Exploration Permit
EPA	Exploration Permit Application
EPM	Exploration Permit of Minerals
EPMA	Exploration Permit Mineral Application
FSG	Financial Services Guide
g/t	Grams per tonne
JORC	Joint Ore Reserves Committee Code
Km	Kilometres
Km ²	Square Kilometres
Laneway Shareholders	Shareholders of Laneway not associated with the Bizzell Entities
Liquidity	The volume at which equity instruments are traded
MBV	Market based valuation
MDL	Mineral Development Lease
Moz	Million ounces
Mt	Million tonnes
New Hope	New Hope Coal Limited
Notice of Meeting, the	Notice of Extraordinary General Meeting and Explanatory Statement
NSW	New South Wales
NZ	New Zealand

Reference	Definition
Original Loan, the	The loan advanced by Bizzell Nominees in mid-2006
Placement, the	Placement of 13,666,667 shares announced 6 June 2013 and completed 17 July 2013
Proposed Conversion, the	The conversion of the Bizzell Nominees Loan Facility into new ordinary shares in Laneway
QLD	Queensland
REF	Review of Environmental Factors
Renison	Renison Consolidated Mines NL
Report, this	This Independent Expert's Report
RG 112	Regulatory Guide 112: Independence of Experts
RG 76	Regulatory Guide 76: Related Party Transactions
RG111	Regulatory Guide 111: Content of Expert Reports
RGs	Regulatory Guides
Valmin Code, the	Code for the Technical Assessment of Valuation of Mineral and Petroleum Assets and Securities for Independent Experts Reports (2005)
VWAP	Volume-weighted average share price
We, us or our	BDO Corporate Finance (QLD) Ltd

The Shareholders
Laneway Resources Limited
C/- The Directors Level 9
Waterfront Place
1 Eagle Street
Brisbane QLD 4000

15 August 2013

Dear Shareholders

Independent Expert's Report

1.0 Introduction

BDO Corporate Finance (QLD) Ltd ('BDO CFQ') has been engaged to provide an Independent Expert's Report ('this Report') to the non-associated shareholders ('Laneway Shareholders') of Laneway Resources Limited ('Laneway' or 'the Company') in relation to the transaction whereby entities associated with Mr Stephen Bizzell ('the Bizzell Entities') will increase their shareholding in Laneway through the conversion of existing debt to equity ('the Proposed Conversion').

We understand that the Proposed Conversion involves the conversion of Laneway's existing debt facilities held by Bizzell Nominees ('the Bizzell Nominees Loan Facility') to ordinary shares in the Company. The debt facilities held by Bizzell Nominees have been the primary source of funds available to Laneway since late 2007 and have been used to fund the ongoing exploration and development of Laneway's projects and to pay creditors and staff of Laneway.

In this Report, and in accordance with our instruction, BDO CFQ has expressed an opinion on whether or not the Proposed Conversion is 'fair and reasonable' to the Laneway Shareholders. The Proposed Conversion can only proceed subject to the conditions precedent as set out in the Notice of Extraordinary General Meeting and Explanatory Statement.

A more detailed discussion of the Proposed Conversion is set out in Section 3.0 of this Report. The scope of this Report and the basis for assessing the Proposed Conversion is set out in detail in Section 4.0 of this Report.

We understand that this Report will be provided to the Directors of Laneway to assist them to provide information to shareholders regarding the Proposed Conversion and that this Report will be dispatched to the shareholders of the Company. Apart from the purpose stated directly above, this Report cannot be used or relied on for any other purpose or by any other person or entity.

Laneway shareholders should read this Report in full. Laneway Shareholders should also read in full any other information provided to them in conjunction with this Report, including the Notice of Extraordinary General Meeting and Explanatory Statement to be dated on or around 15 August 2013 ('the Notice of Meeting').



This Report does not address circumstances specific to individual Laneway Shareholders. A Laneway Shareholder's decision to vote for or against the Proposed Conversion may be influenced by their own particular circumstances (for example, the shareholder's taxation considerations and risk profile). Laneway Shareholders should obtain their own professional advice in relation to their own circumstances.

This Report does not provide accounting, taxation, legal or other advice.

2.0 Summary of Opinion

This section of this Report is a summary of our opinion and cannot substitute for a complete reading of this Report.

We strongly recommend that Laneway Shareholders consult their own professional advisers, carefully read all relevant documentation provided, including the Notice of Extraordinary General Meeting and Explanatory Statement, and consider their own specific circumstances before voting in favour of or against the Proposed Conversion.

2.1 Assessment of Fairness of the Proposed Conversion

Our assessment of the fairness of the Proposed Conversion is set out in detail in Section 7.0 of this Report. In summary, to assess whether the Proposed Conversion is Fair, we:

- Adopted Minnelex's asset based valuation for 'Laneway's Assets' of between \$22.4 million to \$38.5 million and adjusted for matters including the following:
 - The outcome of the recent Placement undertaken by Laneway ('the Placement') (refer to Section 6.4);
 - The net asset deficiency position of Laneway (refer to Section 6.5);
 - The low, mid and high outcome scenarios of the 'Entitlement Offer' (refer to Section 3.2);
- Considered a market based valuation on a controlling interest basis as a cross check for reasonableness to the asset based valuation (refer to Section 6.7); and
- Compared the conversion price at which the Bizzell Nominees Loan Facility will be converted into shares in Laneway to the asset based and market based valuations.

Table 2.1: Bizzell Entities Interest Post Completion of the Entitlement Offer and the Proposed Conversion and other resolutions

	Reference	Low Entitlement Offer Scenario	Mid Entitlement Offer Scenario	High Entitlement Offer Scenario
Shares held by the Bizzell Entities after the Proposed Conversion	Section 3.2	1,125,811,876	1,131,033,753	1,136,255,630
Shares on Issue after the Entitlement Offer and Proposed Conversion	Section 3.2	1,372,124,666	1,478,047,571	1,583,970,475
Percentage interest held by the Bizzell Entities post completion of Entitlement Offer and the Proposed Conversion (Inc. other resolutions)	Section 3.2	82.05%	76.52%	71.73%

Source: BDO CFQ Analysis

Table 2.1 above shows that after the completion of the Proposed Conversion the Bizzell Entities will hold between 71.73% and 82.05% of shares in Laneway. We note that these outcomes assume that resolutions 2 to 5 of the Notice of Meeting are also approved.

Table 2.2 sets out a comparison of our value per Laneway share on a controlling interest basis using both the asset based and market based valuation methodologies along with the conversion price under the Proposed Conversion.

Table 2.2: Comparison of the Value per Laneway Share with the Conversion Price

Scenario	Reference	Low Value Per Share (\$)	Mid Value Per Share (\$)	High Value Per Share (\$)
Asset based valuation (Low Entitlement Offer Scenario)	Section 6.6.1	0.0063	0.0351	0.0643
Asset based valuation (Mid Entitlement Offer Scenario)	Section 6.6.2	0.0091	0.0286	0.0484
Asset based valuation (High Entitlement Offer Scenario)	Section 6.6.3	0.0106	0.0253	0.0403
Market based valuation	Section 6.7.5	0.0180	0.0260	0.0350
Conversion Price	Section 7.2	0.0180	0.0180	0.0180

Source: BDO CFQ Analysis

Having regard to the information set out in Table 2.2 above, the conversion price is between the low and mid value per share for each of the asset based valuation scenarios and at the low end of the range of the market based valuation.

In Section 7.4 of this Report we have set out our calculated asset based value of a Laneway share assuming the Proposed Conversion is approved. This section sets out that our calculated asset based valuation of a Laneway share on a minority basis (assuming a 23.7% minority discount) has reduced to a range of approximately \$0.0122 to \$0.0212 relative to the controlling value pre Proposed Conversion which was in the range of \$0.0063 to \$0.0643. The range of values that we have calculated is set out in more detail in Table 2.3 below.

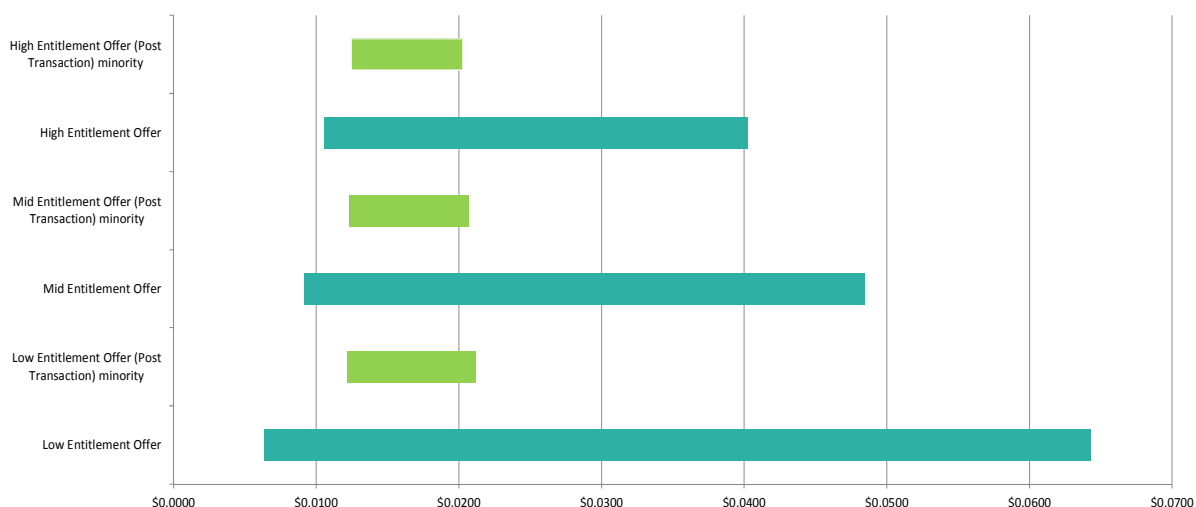
Table 2.3: Calculated Asset Based Value per Laneway Share if Proposed Conversion Approved (Minority Interest)

	Low (\$)	Mid (\$)	High (\$)
Asset based valuation (Low Entitlement Offer Scenario)	0.0122	0.0166	0.0212
Asset based valuation (Mid Entitlement Offer Scenario)	0.0123	0.0165	0.0207
Asset based valuation (High Entitlement Offer Scenario)	0.0125	0.0163	0.0203

Source: BDO CFQ Analysis

Figure 2.1 below sets out a graphical comparison of the controlling asset based valuation of a Laneway share prior to the Proposed Conversion from Table 2.2 with our calculated asset based minority value per Laneway share assuming the Proposed Conversion is approved.

Figure 2.1: Comparison of Controlling Value per Laneway Share Prior to Proposed Conversion to Minority Value Assuming the Proposed Conversion is Approved



Source: BDO CFQ Analysis

Table 2.3 and Figure 2.1 above show that our calculated asset based valuation of a Laneway share on a minority basis has reduced to a range of approximately \$0.0122 to \$0.0212 relative to the controlling value pre Proposed Conversion which was in the range of \$0.0063 to \$0.0643. The reason that the valuation range shown has reduced to \$0.0122 to \$0.0212 is because of:

- Dilution arising from the Proposed Conversion which, if approved, may result in an amount up to approximately 1,094.2 million additional shares being issued at 1.8 cents; and
- A discount of 23.7% which is applied to calculate a minority interest in circumstances where the Proposed Conversion is assumed to be approved relative to the pre Proposed Conversion value being on a controlling interest basis.

The valuation work set out in Section 7.4 in relation to the asset based value of Laneway has been prepared primarily to assist shareholders understand the potential dilution that may arise from approving the Proposed Conversion. While it is our view that the values we have adopted are appropriate for the purpose of this Report, it is our view that the share market value of Laneway following the Proposed Conversion will depend on the economic conditions and operational prospects that exist at the time.

After considering the information summarised above and set out in further detail in the balance of this Report, it is our view that the Proposed Conversion is **Fair as at the date of this Report**. We recommend that Laneway Shareholders refer to this Section 7.5 of this Report for more detailed discussion of the factors we considered in forming our opinion.

2.2 Reasonableness of the Proposed Conversion

Our assessment of the reasonableness of the Proposed Conversion is set out in detail in Section 8.0 of this Report.

To assess whether or not the advantages of the Proposed Conversion outweigh the disadvantages, we have considered a number of quantitative and qualitative factors. Having regard to those matters, we have formed a view as to whether the advantages of the Proposed Conversion outweigh the disadvantages and whether the Proposed Conversion is 'reasonable' to Laneway Shareholders.

It is our view that the advantages, summarised below and described in more detail in Section 8.1, include the following:

- The Proposed Conversion represents the best proposal for recapitalising the Company and the conversion price is at a 20% premium to the subscription price of the Entitlement Offer;
- Laneway will no longer be required to repay the principal and accrued interest on the Bizzell Nominees Loan Facility;
- The Proposed Conversion will improve the financial position and provide Laneway with better scope to raise additional funds going forward;
- The Proposed Conversion will reduce the risk of Laneway being placed into receivership by Bizzell Nominees; and
- Laneway Shareholders ability to realise a control premium via a takeover is unlikely to change materially.

It is our view that the disadvantages and risks, summarised below and described in more detail in Section 8.2, include the following:

- The Proposed Conversion will result in the Bizzell Entities holding a controlling interest in the Company including the ability to pass ordinary resolutions and, if a shareholding in excess of 75% is obtained, an ability to pass special resolutions;
- The Proposed Conversion will result in Laneway Shareholders shareholdings being diluted, which will lessen their exposure to any upside in the value of Laneway;
- In certain circumstances, the Bizzell Entities may obtain a relevant interest in excess of 90% of the shares on issue in Laneway (such as if money raised under the Entitlement Offer is equal to our low scenario and resolutions 2 to 5 are not approved - refer to Table 3.3 below for further discussion). If the Bizzell Entities were to obtain a relevant interest in excess of 90%, the Bizzell Entities will have an option to compulsorily acquire the balance of shares in Laneway not already held having regard to the process set out in Chapter 6A of the Act; and
- The Proposed Conversion may result in a large number of shares being placed on the open market, which may put downward pressure on the share trading price of Laneway.

After considering the information and methodology summarised above and set out in further detail in the balance of this Report, it is our view that in the absence of any other information, the Proposed Conversion is **Reasonable as at the date of this Report**.

2.3 Other Considerations

Before forming a view on the Proposed Conversion, we strongly recommend that Laneway Shareholders:

- Consult their own professional advisers;
- Carefully read all relevant documentation provided to them including this Report, the Notice of Extraordinary General Meeting and Explanatory Statement, and all other information provided; and
- Consider their own specific circumstances and assess the way in which those circumstances might impact their decision to vote in favour of or against the Proposed Conversion.

In considering whether to vote in favour of or against the Proposed Conversion, Laneway Shareholders should also consider that, for reasons set out in Section 4.0 of this Report, the valuation work set out in this Report does not specifically consider the current financial distress of Laneway and assumes that Laneway is able to rely on the continued support of Bizzell Nominees.

As discussed in Section 8.0 of this Report, Bizzell Nominees has advised Laneway that it does not intend to advance further funds to Laneway and that it requires repayment of the loan no later than 30 June 2014. Should the Proposed Conversion not be approved and Laneway not be in a position to repay the loan by 30 June 2014, Bizzell Nominees may exercise its rights under its general security over Laneway, which rights include the appointment of a receiver to dispose of Laneway's assets so that the proceeds can be applied in repayment of the loan, or winding Laneway up.

If Laneway is placed into receivership and the receiver is not able to obtain a value for the Company in excess of the value of the Bizzell Nominees Loan Facility, it is possible that Laneway Shareholders will realise a value for their investment which is significantly less than the Proposed Conversion price or that they may not receive any value at all.

Laneway Shareholders should refer to Section 8.3 of this Report for a list of alternatives available to Laneway in circumstances where the Proposed Conversion does not proceed and Section 8.4 of this Report for a more detailed discussion of the position of Laneway Shareholders in the event that the Proposed Conversion is not approved and implemented.

The analysis set out in this Report has relied on certain economic, market and other conditions prevailing as at the date of this Report. We note that changes in these conditions may have a material impact on the results presented in this Report. BDO CFQ is not responsible for updating this Report in the event that these circumstances change.

3.0 Description of the Proposed Conversion

This section of this Report is set out as follows:

- Section 3.1 provides a description of the Bizzell Entities and the Bizzell Nominees Loan Facility;
- Section 3.2 provides a description of the Proposed Conversion;
- Section 3.3 summarises the conditions of the Proposed Conversion; and
- Section 3.4 summarises the strategic rationale for the Proposed Conversion.

This section of this Report is a summary only and should not be treated as a complete description of the Proposed Conversion. Laneway Shareholders should refer to the Notice of Meeting for further information on the terms and conditions of the Proposed Conversion.

3.1 Description of the Bizzell Entities and the Bizzell Nominees Loan Facility

3.1.1 The Bizzell Entities

The Bizzell Entities are entities associated with Mr Bizzell, the Chairman of Laneway. The Bizzell Entities currently hold a relevant interest in 23.73% of the ordinary shares on issue in Laneway.

Table 3.1 sets out the Bizzell Entities and their respective shareholdings in Laneway prior to the completion of the Proposed Conversion and the Placement.

Table 3.1: The Bizzell Entities

Entity	Number of Shares	Percentage of Total Shares (%)
Bizzell Nominees Pty Ltd	880,309	1.29%
Pine Mountain Pty Ltd	7,738,246	11.30%
Bizzell Capital Partners Pty Ltd	13,333	0.02%
BCP Alpha Investments Pty Ltd	7,596,989	11.09%
Stephen Grant Bizzell ^(a)	20,000	0.03%
Sally Diane Bizzell ^(b)	100	0.00%
UBS Wealth Management Australia Nominees Pty Ltd ^(c)	4,051	0.01%
Total	16,253,028	23.73%

Source: Laneway Management

(a) Held as trustee for Thomas Bizzell, Samuel Bizzell and Sophia Bizzell

(b) Wife of Stephen Bizzell

(c) Securities beneficially owned by Sally Bizzell

3.1.2 The Bizzell Nominees Loan Facility

The Bizzell Nominees Loan Facility comprises two separate loans held by Bizzell Nominees, each of which is secured by a first ranking general security agreement over all the assets of Laneway. As at 30 June 2013, the total amount outstanding under the Bizzell Nominees Loan Facility is approximately \$19.5 million, including accrued interest.

A full description of the Bizzell Nominees Loan Facility is set out in Section 5.6 of this Report.

3.2 Description of the Proposed Conversion

The Proposed Conversion relates to the conversion of the Bizzell Nominees Loan Facility into new ordinary shares in Laneway at a conversion price of \$0.018 per Laneway share. The Proposed Conversion relates to resolution 1 in the Notice of Meeting.

The Proposed Conversion will significantly increase the relevant interest in Laneway shares held by the Bizzell Entities. The exact quantum of this increase however is contingent upon the outcome of a pro rata renounceable entitlement offer announced by Laneway on 17 July 2013 ('the Entitlement Offer'). The terms of the Entitlement Offer propose the issue of 328,651,268 shares in Laneway to eligible shareholders on the basis of four new shares for every one share held at an offer price of \$0.015 to raise approximately \$4.9 million before costs.

The Bizzell Entities, through their current shareholding in Laneway, are entitled to participate in the Entitlement Offer. We understand that the Bizzell Entities have indicated their intention to take up their entitlement to the extent that doing so maintains their current interest in Laneway shares at 23.73% (prior to the Placement). Should the Entitlement Offer fail to raise any funds the Bizzell Entities will not take up their entitlement.

We also understand that the value of the Laneway shares taken up by the Bizzell Entities under the Entitlement Offer will be offset against the balance of the Bizzell Nominees Loan Facility. Accordingly, as the number of shares taken up by the Bizzell Entities under the terms of the Entitlement Offer increases, the number of shares that can be issued under the Proposed Conversion decreases.

As at the date of this Report, the Entitlement Offer remains open to Laneway Shareholders eligible to take up their entitlement. As a result:

- The total number of Laneway shares issued and the total amount raised under the terms of the Entitlement Offer is uncertain as at the date of this Report;
- The value of the Laneway shares taken up by the Bizzell Entities under the Entitlement Offer and offset against the balance of the Bizzell Nominees Loan Facility is uncertain as at the date of this Report; and
- The total number of shares in Laneway issued to Bizzell Nominees under the terms of the Proposed Conversion is uncertain as at the date of this Report.

To allow for the uncertain outcome of the Entitlement Offer, we have completed our assessment of the Proposed Conversion with reference to the following three scenarios in this Report:

- A scenario in which only the \$968,800 (including Bizzell Entities' take up) of funds already committed under the Entitlement Offers are raised. We refer to this scenario as the 'Low Entitlement Offer Scenario' in this Report;
- A scenario in which the Entitlement Offer is fully subscribed for and the full amount of approximately \$4.9 million is raised. We refer to this scenario as the 'High Entitlement Offer Scenario' in this Report; and
- A scenario that considers the mid-point between the Low Entitlement Offer Scenario and the High Entitlement Offer scenario. We refer to this scenario as the 'Mid Entitlement Offer Scenario' in this Report.

We note that as part of the Notice of Meeting relating to the Proposed Conversion the Company intends to put forward four other resolutions that will involve the issuance of Laneway shares. These resolutions are as follows:

- Resolutions 2 and 3 of the Notice of Meeting relate to the issuance of shares in lieu of Directors Fees to Richard Anthon and Ben Harrison. Shares will be issued at \$0.015 in consideration for \$198,333 in fees;
- Resolution 4 of the Notice of Meeting relates to the issuance of shares in repayment of loans by creditors to Laneway. Shares will be issued at \$0.0075 in consideration for \$834,404 in loans; and
- Resolution 5 of the Notice of Meeting relates to the issuance of shares for repayment of a loan of \$50,000 from Richard Anthon to Laneway. Shares will be issued at \$0.0075.

We understand that resolutions 2 to 5 are not contingent on the outcome of the Proposed Conversion, however we understand that it is the Bizzell Entities' intention to vote their 23.73% interest in the Company in favour of these resolutions. For the purpose of this Report, we have assumed that at least a further 26.3% of shareholders will vote in favour of the resolutions and the relevant number of shares will be issued. The Directors of Laneway are of the view that this assumption is appropriate and that it is unlikely that the fees and loans subject to resolutions 2 to 5 will not be settled in shares at their respective issue prices.

Table 3.2 below sets out information on the number of Laneway shares issued post the completion of the Proposed Conversion and the passing of the other resolutions under the three entitlement offer scenarios.

Table 3.2: Bizzell Entities Interest Post Completion of the Entitlement Offer and the Proposed Conversion and other resolutions

	Low Entitlement Offer Scenario	Mid Entitlement Offer Scenario	High Entitlement Offer Scenario
Shares on issue pre the Entitlement Offer and the Proposed Conversion	68,496,150	68,496,150	68,496,150
Shares issued under the Placement ^(a)	13,666,667	13,666,667	13,666,667
New Shares to be issued under the offer	64,586,688	196,618,978	328,651,268
New Shares issued under the Proposed Conversion ^(b)	1,094,232,427	1,068,123,042	1,042,013,656
Total Prior to resolutions 2 to 5	1,240,981,932	1,346,904,837	1,452,827,741
Shares issued in relation to resolution 2 and 3	13,222,200	13,222,200	13,222,200
Shares issued in relation to resolution 4	111,253,867	111,253,867	111,253,867
Shares issued in relation to resolution 5	6,666,667	6,666,667	6,666,667
Shares on Issue post Completion of the Entitlement Offer and the Proposed Conversion (Inc. other resolutions)	1,372,124,666	1,478,047,571	1,583,970,475

Source: BDO CFQ Analysis

- (a) On 6 June 2013, Laneway announced a placement for the issue of 13,666,667 shares in Laneway at an offer price of \$0.015 to raise a total amount of \$205,000 ('the Placement'). The shares issued under the Placement are entitled to participate in the Entitlement Offer.

- (b) Based on an estimate of the carrying amount of the Bizzell Nominees Loan Facility (approximately \$19.93 million) which represents the final balance of the Bizzell Nominees Loan Facility for the Proposed Conversion. The estimate of the carrying amount of the Bizzell Nominees Loan Facility has been prepared by Laneway using assumptions that are consistent with the current terms and conditions of the Bizzell Nominees Loan Facility.

Table 3.3 below sets out information on the number of Laneway shares issued post the completion of the Proposed Conversion and the passing of the other resolutions under the three entitlement offer scenarios.

Table 3.3: Bizzell Entities Interest Post Completion of the Entitlement Offer and the Proposed Conversion and other Resolutions

	Low Entitlement Offer Scenario	Mid Entitlement Offer Scenario	High Entitlement Offer Scenario
Shares held by the Bizzell Entities before the Entitlement Offer and Proposed Conversion	16,253,028	16,253,028	16,253,028
Shares taken up by the Bizzell Entities under the Entitlement Offer	15,326,421	46,657,683	77,988,946
Shares held by the Bizzell Entities after the Entitlement Offer but before the Proposed Conversion	31,579,449	62,910,711	94,241,974
New Shares issued under the Proposed Conversion	1,094,232,427	1,068,123,042	1,042,013,656
Shares held by the Bizzell Entities after the Proposed Conversion	1,125,811,876	1,131,033,753	1,136,255,630
Bizzell Entities Percentage of Total Shares Assuming Resolutions 2 to 5 approved	82.05%	76.52%	71.73%
<i>Bizzell Entities Percentage of Total Shares Assuming Resolutions 2 to 5 are not approved</i>	<i>90.72%^(a)</i>	<i>83.97%^(a)</i>	<i>78.21%^(a)</i>

Source: BDO CFQ Analysis

- (a) The outcome Resolutions 2, 3, 4 and 5 are not contingent on the outcome of the Proposed Conversion, however we understand that it is the Bizzell Entities' intention to vote their 23.7% interest in the Company in favour of these resolutions. For the purpose of this Report, we have assumed that at least a further 26.3% of shareholders will vote in favour of the resolutions and the relevant number of shares will be issued. For completeness however, we have also disclosed the percentage of shares that will be owned by the Bizzell Entities in circumstances where Resolutions 2 to 5 are not approved.

Table 3.3 above shows that the Bizzell Entities will hold a relevant interest in Laneway shares within the range of 71.73% to 82.05% after the completion of the Proposed Conversion and resolutions 2 to 5, depending on the outcome of the Entitlement Offer.

If, however, resolutions 2 to 5 are not approved, the Bizzell Entities relevant interest in Laneway shares could increase to be within the range of 78.21% to 90.72%

3.3 Conditions of the Proposed Conversion

In order for the Proposed Conversion to proceed it must be passed by shareholders at the Extraordinary General Meeting ('EGM') of Laneway scheduled to be held on or around 11 September 2013.

The Proposed Conversion will proceed subject to the passing of resolution 1 as an ordinary resolution and all other conditions precedent being satisfied.

Details of the General Meeting resolution 1 are set out in Table 3.4.

Table 3.4: Description of the General Meeting Resolutions

Resolution	Description
Resolution 1	“That in accordance with item 7 of section 611 and Chapter 2E of the Corporations Act, Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue to Bizzell up to a maximum of 1,094,232,427 shares at an issue price of \$0.018 per shares in full and final repayment and settlement of the full outstanding balance of the Bizzell Nominees Loan Facility on the terms and conditions described in the Explanatory Statement”

Source: The Notice of Meeting

3.4 Strategic Rationale

The key strategic rationales that have been given by the directors of Laneway in relation to the Proposed Conversion include the following:

- The Proposed Conversion allows the extinguishment of the Bizzell Nominees Loan Facility;
- The Proposed Conversion removes the uncertainty surrounding the Company’s ability to continue operating as a going concern and allows Laneway Shareholders to continue to participate in the growth of the Company and its projects;
- The Proposed Conversion represents, in the opinion of the Board, the best terms under which to repay the amounts drawn down under the Bizzell Nominees Loan Facility; and
- The Proposed Conversion enables the Company to more easily raise capital, pursue acquisitions and attract staff.

4.0 Scope of Report and Methodology for Assessment

4.1 Scope of Report

An independent expert, in certain circumstances, must be appointed to meet requirements set out in The Corporations Act ('the Act'), the regulatory guides ('RGs') published by the Australian Securities and Investments Commission ('ASIC') and in some cases the listing requirements of the relevant exchanges. These requirements have been set out in Sections 4.1.1 and 4.1.2 below.

The purpose of this Report is to express BDO CFQ's opinion as to whether the Proposed Conversion is 'fair' and 'reasonable' to Laneway Shareholders. This Report cannot be used by any other person for any other reason or for any other purpose. A copy of this Report will accompany the Notice of Meeting to be sent to Laneway Shareholders by the Company.

This Report is general financial product advice only and has been prepared without taking into account the objectives, risk profile, financial situation or needs of individual Laneway Shareholders. Before deciding whether to vote for or against the Proposed Conversion, individual Laneway Shareholders should consider the appropriateness of the advice having regard to their own objectives, financial situation and needs (including their own taxation consequences). Laneway Shareholders should read in full the Notice of Meeting issued by Laneway in relation to the Proposed Conversion.

Whether to vote for or against the Proposed Conversion is a matter for individual Laneway Shareholders to consider. Laneway Shareholders should consider their own expectations of value, their own view of future market conditions and their own particular circumstances, including risk profile, liquidity preference, investment strategy, portfolio structure and tax position, when determining the appropriate action to take in relation to the Proposed Conversion. Laneway shareholders who are in doubt as to the action they should take in relation to the Proposed Conversion should consult their own professional adviser.

4.1.1 Requirements of the Act

This section of this Report considers the requirements of the following sections of the Act:

- Section 606, which relates to prohibitions on certain acquisitions of relevant interests in voting shares; and
- Section 2E, which relates to related party benefits.

Section 606

Section 606 of the Act states that a relevant interest in a listed company cannot be increased from 20% or below to more than 20%, or from a starting point that is above 20% and below 90%, unless one of the exceptions set out in section 611 of the Act is met. As the Bizzell Entities currently have a relevant interest of 23.73% in Laneway shares, they are prevented from acquiring any further shares in Laneway unless they meet one of the exemptions set out in section 611 of the Act.

Item 7 of section 611 of the Act provides that one exemption from the requirements of section 606 of the Act is if approval for the acquisition of a relevant interest in shares is received from non-associated shareholders of the company in the form of an ordinary resolution passed at a general meeting. The Act requires that a company should provide the non-associated shareholders with all material information they require in order to decide how to vote on a transaction requiring approval under item 7 of section 611 of the Act and should commission an expert's report (or, if it has the expertise, a directors' report to the same standard) in order to discharge this obligation.

We have been requested to prepare this Report to provide additional information to Laneway Shareholders to assist them to form a view on whether to vote in favour of or against the Proposed Conversion.

Section 2E

The Proposed Conversion involves the acquisition of shares in Laneway by the Bizzell Entities. As the Bizzell Entities are controlled by Mr Stephen Bizzell, a director of the Company, they are considered to be related parties of Laneway under Section 2E of the Act.

Section 2E of the Act prohibits a company from giving a financial benefit (which includes the sale of a subsidiary) to related parties unless:

- the financial benefit falls within the exceptions set out in Chapter 2E of the Act; or
- prior shareholder approval is obtained for the giving of the financial benefit.

We note that the financial benefit being provided to the Bizzell Entities (i.e. an additional interest in Laneway shares) does not fall within the exceptions set out in Chapter 2E of the Act. Accordingly, Laneway is required to obtain the approval of Laneway Shareholders before the Proposed Conversion can be implemented.

Section 2E of the Act does not specifically require that an independent expert's report be provided to Laneway Shareholders in relation to the Proposed Conversion. Although not specifically required by the Act, we note that ASIC Regulatory Guide 111 Content of Expert Reports ('RG 111') recommends that a company commission an independent expert's report for transactions involving a related party.

While this Report is not required to be provided for the purpose of complying with any specific provision of Section 2E of the Act, we have been requested by the directors of Laneway to prepare this Report to accompany the Notice of Meeting to be provided to Laneway Shareholders in accordance with the recommendations of RG 111.

4.1.2 Listing Requirements

ASX Listing Rule 10.11 states that an entity must not issue or agree to issue equity securities to related parties without the approval of holders of ordinary securities. ASX Listing Rule 10.11 does not specifically require the preparation of an Independent Expert Report. The requirements of ASX Listing Rule 10.11 are set out in more detail in the Notice of Meeting.

4.2 Assessment Methodology

We have referred to RG 111 when determining the appropriate assessment methodology to adopt in this Report. RG 111 provides guidance in relation to independent expert's reports in a range of circumstances, including those where the expert is required to provide an opinion on whether a transaction is 'fair' and 'reasonable' to shareholders.

RG 111 states that the independent expert's report should explain the particulars of how the transaction was examined and evaluated as well as the results of the examination and evaluation. The report should provide an opinion by the expert stating whether or not, in the opinion of the expert, the proposal is fair and reasonable. RG 111 also provides guidance on common valuation methodologies as well as other matters which should be considered by an expert when completing a valuation.

To meet the ASIC requirements, an expert seeking to determine whether the Proposed Conversion is fair and reasonable should complete the steps set out below.

4.2.1 Step 1

RG 111 states that an issue of shares by a company prohibited under section 606 of the Act but which may be approved under item 7 of section 611 has an effect on the company's shareholding that is comparable to a takeover bid. RG 111 states that such transactions should be analysed as if they were takeover bids under Chapter 6 of the Act.¹

RG 111 states that a takeover bid can be considered fair if the value of the offer price or consideration is equal to or greater than the value of the securities the subject of the offer. In making this comparison, the expert should not consider the percentage holding of the allottee or its associates in the company. Rather, the expert should assume the allottee obtains control of 100% of the company. For this reason, it is inappropriate for an expert to apply a discount on the basis that the shares being acquired represent a minority or portfolio parcel of shares. An issue of shares by a company prohibited under section 606 of the Act but which may be approved under item 7 of section 611 of the Act is required to be analysed as though it were a control transaction.

The Proposed Conversion involves allowing the Bizzell Entities to further increase their relevant interest in Laneway from a starting point that is above 20% and below 90% via the conversion of the Bizzell Nominees Loan Facility into shares in Laneway. The Proposed Conversion therefore involves an issue of shares prohibited under section 606 of the Act but which may be approved under item 7 of section 611 of the Act. As a result, the Proposed Conversion is required to be analysed as though it were a control transaction in accordance with the requirements of RG 111.

Based on the above, in our view, the fairness of the Proposed Conversion to Laneway Shareholders can be assessed by:

- Calculating a value per share for Laneway on a controlling interest basis;
- Comparing our value per share for Laneway on a controlling interest basis with the conversion price; and
- Concluding whether or not the Proposed Conversion is 'fair'.

¹ RG 111 states that references to the 'bidder' and the 'target' should be taken to mean the 'allottee' and the 'company' respectively when considering issues of shares prohibited by section 606 of the Act but which may be approved under item 7 section 611 of the Act.

In accordance with paragraph 111.15 of RG 111, we have not adjusted our asset based valuation for the financial distress of Laneway in completing our valuation work. We do recognise that a market based valuation is likely to reflect the financial distress of Laneway. We have considered the value of Laneway on the basis of a knowledgeable and willing, but not anxious, seller that is able to consider alternative options to the Proposed Conversion. Had we considered the current financial distress of Laneway, it is likely that our asset based valuation would have resulted in a lower value. We have considered the attractiveness and/or availability of alternative methods to remedy the financial distress when considering the reasonableness of the Proposed Conversion.

Our work will be completed using publicly available information and other information provided to us by the directors of Laneway.

4.2.2 Step 2

RG 111 also requires that the expert consider other significant factors to which Laneway Shareholders may give consideration prior to approving the Proposed Conversion. This includes comparing the likely advantages and disadvantages to Laneway Shareholders of approving the Proposed Conversion with the position of Laneway Shareholders if the Proposed Conversion is not approved. This analysis can be classified as an assessment of whether the Proposed Conversion is reasonable to Laneway Shareholders.

4.2.3 Step 3

Upon completion of steps 1 and 2 above, it may be possible to conclude whether the Proposed Conversion is 'fair' and 'reasonable' to Laneway Shareholders. We note that under RG 111, the Proposed Conversion is considered to be 'reasonable' if it is 'fair'. It may also be possible to conclude that the Proposed Conversion is 'reasonable' if there are sufficiently valid reasons for the approval, notwithstanding that the Proposed Conversion may not be fair to Laneway Shareholders.

This Report concludes by providing our opinion as to whether or not the Proposed Conversion is 'fair' and 'reasonable'. While all relevant issues need to be considered before forming an overall opinion, we will assess the fairness and reasonableness issues separately for clarity.

In this Report we have not provided any taxation, legal or other advice in relation to the Proposed Conversion. Other advisors have provided advice on those matters to Laneway in relation to the Proposed Conversion.

In the process of assessing the Proposed Conversion, we have relied on certain economic, market and other conditions prevailing at the date of this Report. We note that changes in these conditions may have a material impact on the results presented in this Report. BDO CFQ is not responsible for updating this Report in the event that these circumstances change.

BDO CFQ has had regard to RG 76 Related Party Transactions ('RG 76') when preparing this Report, which imposes various obligations on the independent directors of Laneway particularly regarding disclosure. We note that we have relied on the disclosures made by the independent directors of Laneway in satisfaction of RG 76.

This Report has also been prepared in accordance with professional standard APES 225 'Valuation Services' issued by the Accounting Professional and Ethical Standards Board.

5.0 Background of Laneway

5.1 Overview of Laneway

Laneway is an Australian minerals exploration company focused on the exploration and development of coal and gold assets. Laneway holds gold exploration tenements in Queensland, New South Wales and New Zealand, and coal exploration tenements in New South Wales. The Company was incorporated in Australia in 1986 and first listed on the ASX on 2 April 1987 under the name Renison Consolidated Mines. Table 5.1 sets out an overview of the Laneway Assets and their respective tenements.

Table 5.1: Laneway's Assets

	Ashford Coal Project	Arrawatta Coal Project	Agate Creek Gold Project	New Zealand Southern Coromandel Project	Rockland Gold Project
Tenements	• EL6428; • EL6324; and • EL6526.	• EL6521; and • EL6433	• MDL402; • EPM17788; • EPM17632; • EPM17949; • EPMA17626; and • EPMA17629.	• EP53464; • EP54216; • EP53469; and • EPA55213.	• EPM19368; and • EPMA19571

Source: 2012 Annual Report and Entitlement Offer Prospectus

Readers of this Report should refer to the Minnelex technical report, which is included as Appendix D to this Report, for additional information in relation to the tenements set out in Table 5.1 above. A summary of Laneway's gold and coal exploration projects is provided in Section 5.2 below.

An analysis of the Australian coal industry and the Australian gold industry, in which Laneway operates, is provided in Appendix A of this Report.

5.2 Overview of Laneway's Assets

5.2.1 Agate Creek

The Agate Creek Epithermal Gold Project is located approximately 60 km west of Kidston and 40 km south of Forsyth in northeast Queensland. The most significant deposit in the area is the Kidston deposit, which has produced in excess of 3 Million Ounces ('Moz') of gold. The total tenement package of the Agate Creek Project covers in excess of 700 km².

Laneway's Mineral Development Lease ('MDL') at Sherwood, which covers an area of 30km² has a JORC compliant resource comprising a combined Indicated and Inferred mineral resource of 9.5Mt at 1.4g/t Au for 414,000oz at a 0.5g/t gold cut-off grade.

As part of Laneway's Agate Creek Project, Laneway also holds Exploration Permits ('EPMs') 17788, 17632 and 17949 covering an area of 549 km². These areas have follow up drilling planned, following results received from drilling in 2008. There are also two EPM Applications ('EPMA's') outstanding (EPMA17626, EPMA17629).

5.2.2 Ashford

The Ashford Coking Coal Project comprises a 50% joint venture with New Hope Coal Ltd ('New Hope'), incorporating the Ashford Mine Area, Exploration Licences ('ELs') 6234 and 6428. The Ashford Project, specifically EL6324 has identified an indicated resource of 8 million tonnes ('mt') and inferred resource of 5 mt of coking coal. The Ashford Exploration Area also covers EL 6526 (Atholwood), which is currently funded on a co-contribution basis. Northern Energy Corporation, a 100% owned subsidiary of New Hope, manages both areas of activity.

Early stage washability, product and quality tests have been conducted which indicate a mid-volatile hard coking coal with a high coke yield, moderate ash content and other qualities indicative of a premium product, potentially equivalent to premium Bowen Basin coals. Despite the promising results, there was significant variation between samples, meaning further work is required to better determine the quality of the potential product.

5.2.3 Arrawatta

Laneway holds two coal ELs (6433 and 6521) at Arrawatta near Inverell, in New South Wales, covering approximately 120 kilometres squared ('km²'). The two licences are located within 60 Kilometres ('Km') of the Ashford Coking Coal project.

During 2012 the Company completed internal reviews on all tenements within the Arrawatta Project. Following the completion of the internal reviews, significant portions of EL6433 and EL6521 were renewed, however the remaining portions were relinquished due to limited prospectivity associated with block faulting in the area. EL6434 was relinquished entirely as it was considered to have very low economic potential.

The deposit has the potential to produce high volatile, high fluidity coking coal but its potential is limited by the generally thin seams in the areas drilled to date and the presence of igneous intrusive, which has coked the seams in some holes and slightly devolatilised seams in others.

A Review of Environmental Factors ('REF') document has been compiled and submitted for work on the Arrawatta Project. Drill planning is complete and will start as soon as the REF has been approved. Drilling is planned to extend the current mineralisation with particular focus on the interpreted fault offset in the central part of the licenses.

5.2.4 Rockland

Laneway has been granted EPM19368, covering 157km², southwest of Warwick in Queensland. This area has significant potential for Intrusion-Related Gold Systems mineralisation.

Laneway has submitted an application for EPMA19571, situated in Rockland West, an area covering 148km² to the west of the current Rockland tenement. Landholder title searches are currently being completed. Laneway will initiate landholder access negotiation in 2013. Initial work will consist of geological mapping and sampling the dyke swarms which are the primary areas of interest and compilation of historical data.

The tenements contain historical occurrences of gold, silver, copper and other polymetallic mineral deposits. There are several alluvial goldfields within the surrounding areas including Canal Creek, which has produced approximately 20,000oz of gold with average grades at 3.2g/t.

5.2.5 New Zealand

The Southern Coromandel Project consists of Exploration Permits ('EPs'), Klondyke (EP53464), Waitekauri (EP53469) and Owaharoa (EP54216), covering approximately 263 km² and one Exploration Permit Application ('EPA'), Waiorongamai (EPA55213) covering an area of 411.6 km². The tenements are located in the highly prospective Hauraki Goldfields district within the mineralised corridor. The area is host to Newmont's Martha Mine and the Golden Cross gold and silver mine. The largest deposit in the Hauraki Goldfields district is Newmont's operational Martha Mine, which has produced an average of 100,000 ounces of gold and 700,000 ounces of silver annually since 1988.

Literature reviews have revealed several areas where significant zones of mineralisation have been delineated mainly surrounding historical mining areas. Laneway is compiling all historical geological, geotechnical, geophysical and drilling data to be reviewed in detail in 2013. Confirmation of historical exploration results may allow upgrade of existing mineralised zones to JORC compliant resources. Data compilation and reviews will generate new targets and potentially upgrade old targets.

5.3 Equity Structure of Laneway

As at 30 June 2013, Laneway had 68,496,150 fully paid ordinary shares on issue.

5.3.1 Top 10 Shareholders of Laneway Ordinary Shares

The top 10 shareholders of Laneway ordinary shares are set out in Table 5.2 below. Table 5.2 does not consider the impacts of any changes in shareholding arising from the Proposed Conversion.

Table 5.2: Top 10 Laneway shareholders

	Shareholder	Number of Shares	Percentage of Total Shares (%)
1	Pine Mountain Pty Ltd ^(a)	7,738,246	11.3%
2	BCP Alpha Investments Limited ^(a)	7,596,989	11.1%
3	Sypco Holdings Pty Ltd	7,535,404	11.0%
4	HSBC Custody Nominees	6,186,012	9.0%
5	¹ Mr Richard Anthon as trustee of the Bizzell Foundation ^(b)	4,282,900	6.3%
6	Horrie PTY LTD	2,400,345	3.5%
7	UBS Wealth Management	1,546,179	2.3%
8	JP Morgan Nominees Australia	1,463,590	2.1%
9	Mr Shaun Edward Scott	1,356,967	2.0%
10	Merrill Lynch (Australia)	988,593	1.4%
	Other Shareholders	27,400,925	40.0%
	Total Shares on Issue	68,496,150	100.0%

Source: Laneway Management

(a) Indicates entities that are controlled by Stephen Bizzell

(b) The Bizzell Foundation is not a 'Bizzell Entity'. Stephen Bizzell is not a beneficiary under the trust deed and has no relevant interest in the assets of the Foundation.

The total shares on issue referred to in Table 5.2 above is prior to the issue of shares under the placement completed on 17 July 2013 and the issue of shares under the Entitlement Offer anticipated to completed 16 August 2013.

5.4 Trading of Laneway Shares

This section sets out our analysis of the share market performance of Laneway shares by considering:

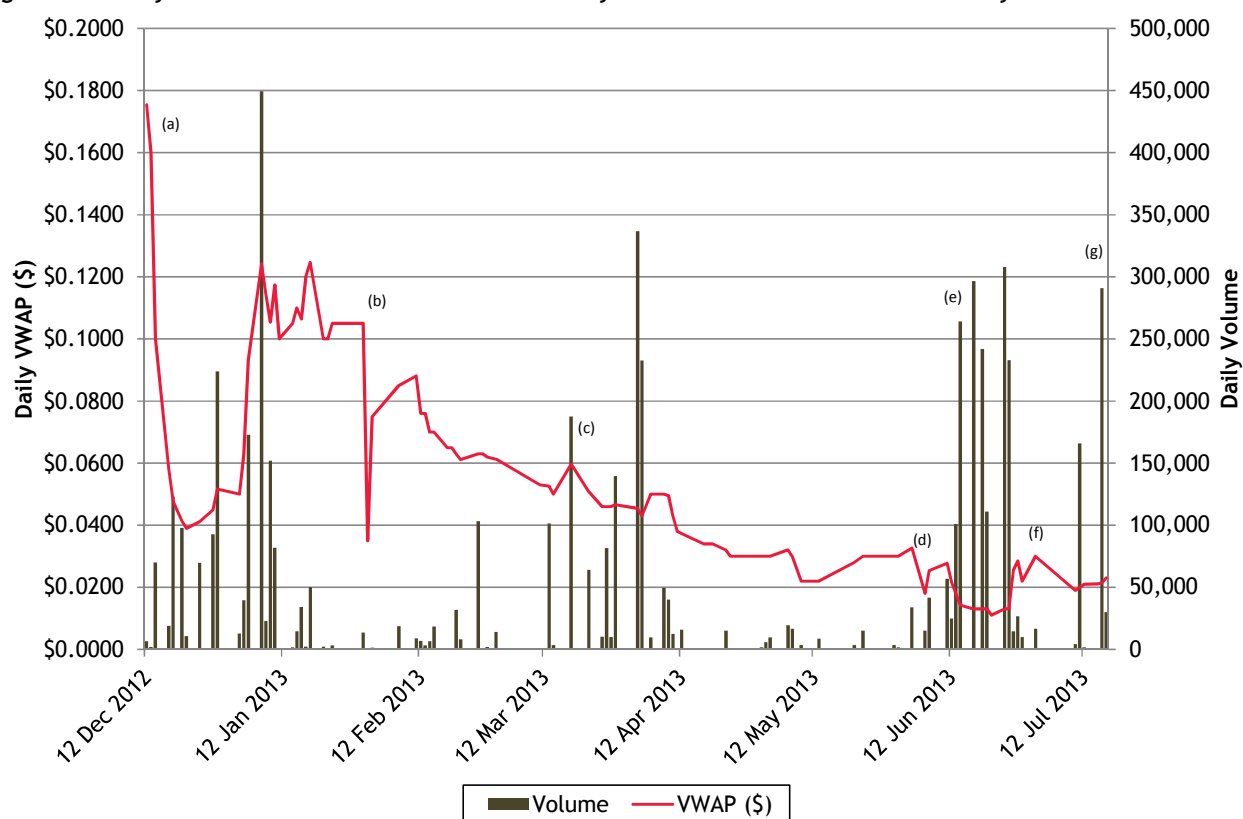
- The recent price of Laneway shares listed on the ASX;
- Significant transactions in Laneway shares; and
- The liquidity of Laneway shares.

5.4.1 Laneway Share Price

Laneway shares are listed on the ASX. Figure 5.1 below shows Laneway's daily volume-weighted average share price ('VWAP') and the volume of shares traded each day over the period 12 December 2012 to 17 July 2013.

We note for completeness that on the 17 December 2012 Laneway advised that the consolidation of the Company's capital, as approved at the AGM had been completed. The consolidation was on a basis of every three hundred shares consolidate into one share.

Figure 5.1: Daily VWAP and Volume Traded for Laneway from 12 December 2013 to 17 July 2013



Source: Bloomberg

Over the period graphed in Figure 5.1, the Laneway daily VWAP shows a period low of \$0.0110 on 21 June 2013 and a period high of \$0.1754 on 12 December 2012.

In addition to the share price and trading data, we have also provided additional information in this Report to assist readers to understand possible reasons for movements in Laneway's share price and volume of share trades over the time period analysed. We have provided a summary of selected Laneway announcements from 12 December 2012 to 30 June 2013 in Table 5.3 below.

Table 5.3: Summary of Selected Laneway Announcements over the period from 17 December 2012 to 17 July 2013

	Date	Announcement
(a)	17-Dec-2013	Renison Consolidated Mines NL ^(a) announce that the consolidation of the Company's capital on a basis of three hundred shares be consolidated into one is now complete.
(b)	30-Jan-2013	Renison Consolidate Mines NL ^(a) announce that ASIC has ratified a change of company name approved at the AGM to Laneway Resources Ltd. The name change becomes effective on 31 January 2013 and the company will began trading under the code LNY.
(c)	15-Mar-13	Laneway release their half year accounts to 31 December 2012.
(d)	06-Jun-13	Laneway announce a capital raising of \$22.2 million by way of a renounceable entitlement offer to raise new funds to continue to develop Laneways projects and meet its strategic goals and facilitate the conversion of existing debt to equity.
(e)	13-Jun-13	Laneway announce the commencement of drilling at the Company's Agate Creek gold project in Queensland.
(f)	01-Jul-13	Laneway announce the prospectus for the Entitlement Offer per the Company's announcement on 6 June 2013 has been withdrawn.
(g)	17-July-13	Laneway announce completion of the collaborative drilling initiative at the Agate Creek gold project.

Source: ASX Announcements

(a) Laneway's former name

In Table 5.4 below we have set out Laneway's VWAP for the 1 week, 1 month, 3 months, 6 months and the period since the capital consolidation.

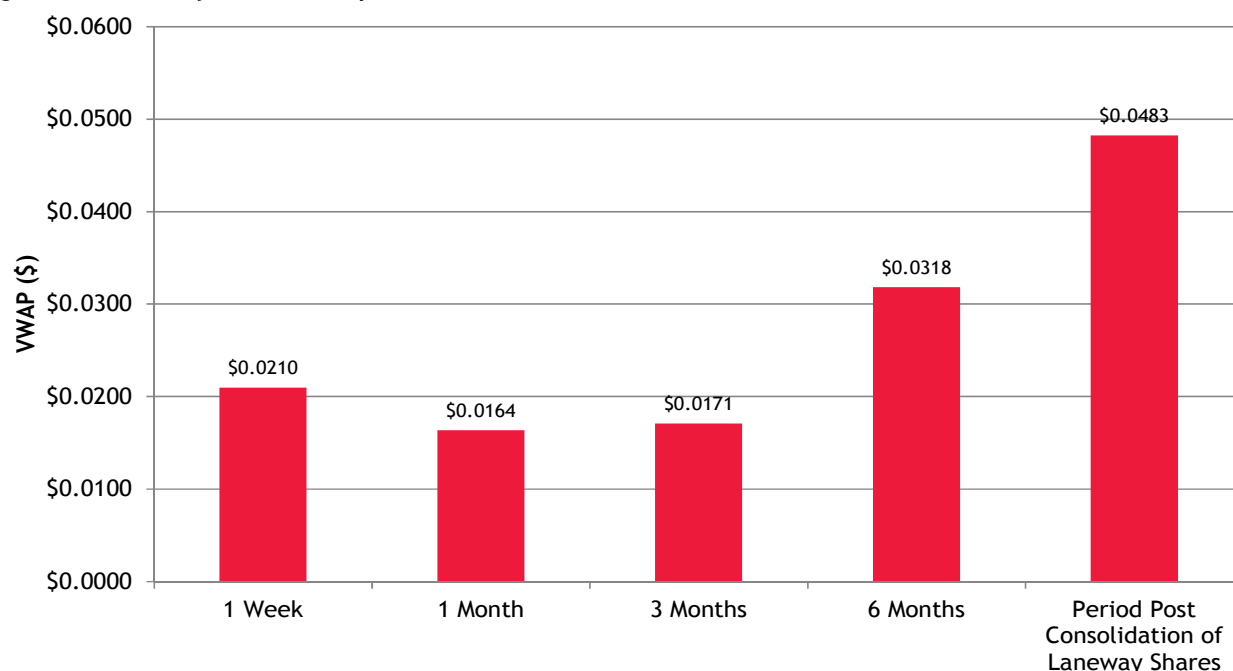
Table 5.4: Laneway's VWAP prior to 17 July 2013

Period before 17 July 2013	VWAP Period	VWAP (\$AUD)
1 Week	11 Jul 2013 to 17 Jul 2013	\$0.0210
1 Month	18 Jun 2013 to 17 Jul 2013	\$0.0164
3 Months	18 Apr 2013 to 17 Jul 2013	\$0.0171
6 Months	18 Jan 2013 to 17 Jul 2013	\$0.0318
Period post consolidation of Laneway Shares	12 Dec 2013 to 17 Jul 2013	\$0.0483

Source: Bloomberg

The information set out in Table 5.4 above is also expressed graphically in Figure 5.2 below.

Figure 5.2: Laneway VWAP over Specified Periods from 12 December 2012



Source: Bloomberg

5.4.2 Transactions in Laneway Shares

Table 5.5 below sets out a summary of the significant transactions in Laneway shares.

Table 5.5: Summary of Recent Significant Transactions in Laneway Shares

Transaction	Date	Description
Share issue ^(a)	17 February 2012	On 17 February 2012, Renison ^(a) issued 10,000,000 fully paid ordinary shares in relation to the acquisition of and grant to Renison of the Klondyke exploration permit (EPS53464) in New Zealand.
Share Issue ^(a)	10 April 2012	On 10 April 2012, Renison issued 979,828,912 shares in relation to the payment of interest on the March 2012 Convertible Notes and 16,561,751,963 shares in relation to the redemption of the Convertible Notes. The two issuances were made at \$0.0009 and \$0.0008 per Laneway share respectively.
Placement	17 July 2013	In addition with the original non-renounceable entitlement offer, that was subsequently withdrawn on 1 July 2013 a placement of 13,666,667 shares at a price \$0.02 to Sophisticated and Professional investors was undertaken. The Placement was later repriced to \$0.015 per share and Laneway raised \$205,000. The Placement was completed on 17 July 2013.

Source: Laneway ASX announcements and 2012 Annual Report

(a) These issuances occurred prior to the share consolidated of December 2012

(b) Laneway's former name

5.4.3 Liquidity of Laneway on the ASX

The volume at which equity instruments are traded is generally referred to as the ‘liquidity’ of the equity instruments. Changes in liquidity may impact the trading price of equity instruments, particularly depending on the number of equity instruments available to be bought and/or sold and the time period over which the equity instrument holder needs to buy and/or sell those equity instruments. Depending on the circumstances, a movement in market price, as is indicated by a share sale or series of share sales, may or may not represent a shift in value of either the equity instruments or of the company as a whole.

Table 5.6 below summarises the monthly liquidity of Laneway shares for period 1 July 2012 to 17 July 2013 including the periods both pre and post the capital consolidation. Liquidity has been summarised by considering the following:

- The volume of Laneway shares traded per month;
- The total value of trades in Laneway shares per month;
- The number of trades in Laneway shares per month;
- The number of shares traded per month as a percentage of the total shares outstanding in Laneway at the end of each month; and
- The volume weighted average price of Laneway shares per month

Table 5.6: Liquidity of Laneway Shares

Month	Volume	Turnover (\$)	Trades	Shares Outstanding	Volume per Shares Outstanding	Monthly VWAP
Post Capital Consolidation						
July 2013 to 17 th	509,492	10,828	13	82,163,000	0.62%	\$0.0213
June 2013	1,778,833	26,964	65	68,496,000	2.60%	\$0.0152
May 2013	86,862	2,541	24	68,496,000	0.13%	\$0.0293
April 2013	714,784	31,950	39	68,496,000	1.04%	\$0.0447
March 2013	612,757	32,050	29	68,496,000	0.89%	\$0.0523
February 2013	210,777	14,223	28	68,496,000	0.31%	\$0.0675
January 2013	1,053,017	117,176	119	68,496,000	1.54%	\$0.1113
December 2012	715,647	38,489	68	68,496,000	1.04%	\$0.0538
Total	5,682,169	274,222	385	68,496,000	8.17%	\$0.0483
Pre Capital Consolidation						
December 2012 to 12 th	0	0	0	20,555,432,000	0.00%	\$0.0010
November 2012	3,490,170	3,490	5	20,555,432,000	0.02%	\$0.0010
October 2012	14,050,000	14,050	8	20,555,432,000	0.07%	\$0.0010
September 2012	51,913,159	51,913	25	20,555,432,000	0.25%	\$0.0010
August 2012	12,400,000	12,400	6	20,555,432,000	0.06%	\$0.0010
July 2012	1,500,052	1,500	5	20,555,432,000	0.01%	\$0.0010
Total	83,353,381	83,353	49	20,555,432,000	0.41%	\$0.0010

Source: Bloomberg and BDO CFQ Analysis

Having regard to Table 5.6 approximately 8.17% of total shares on issue were traded post capital consolidated and approximately 0.41% were traded pre capital consolidation. In our view, this indicates that Laneway shares display a low level of liquidity.

We note that pre capital consolidation the average liquidity measured as Volume per Shares Outstanding is significantly lower than the average liquidity reported Post Capital Consolidation.

5.5 Historical Financial Information

This section of the Report sets out the historical financial information of Laneway. As this Report contains only summarised historical financial information, we recommend that any user of this Report read and understand the additional notes and financial information contained in Laneway's annual reports which include the full statements of comprehensive income, statements of financial position and statements of cash flows.

Laneway's accounts were audited by BDO Audit (QLD) Pty Ltd (formerly PKF East Coast Practice). BDO CFQ has not performed any audit or review of any type on the historical financial information of Laneway. We make no statement as to the accuracy of the information provided. However, we have no reason to believe that the information is misleading.

5.5.1 Comprehensive Income

The consolidated statement of comprehensive income of Laneway for the 12 month periods ended 30 June 2010, 2011 and 2012 as well as the 6 month period ended 31 December 2012 are summarised in Table 5.7 below.

Table 5.7: Summarised Statements of Comprehensive Income

	12 Months Ended 30-Jun-10 Audited (\$)	12 Months Ended 30-Jun-11 Audited (\$)	12 Months Ended 30-Jun-12 Audited (\$)	6 Months Ended 31-Dec-12 Unaudited (\$)
Revenue	89,972	102,391	50,597	24,809
Other Income/(Expense)	(50,102)	(400)	267	-
Exploration expenditure	(35,519)	-	-	-
Exploration costs written off	-	-	-	(488,610)
Depreciation and amortisation expenses	(31,034)	(27,451)	(25,671)	(10,489)
Finance costs	(2,865,093)	(3,097,484)	(3,009,283)	(1,005,493)
Employment costs	(928,479)	(779,988)	(666,925)	(286,499)
Other expenses	(564,773)	(529,048)	(540,431)	(273,526)
Loss from ordinary activities before tax	(4,385,028)	(4,331,980)	(4,191,446)	(2,039,808)
Income tax expense	-	-	-	-
Loss from continuing operations after income tax	(4,385,028)	(4,331,980)	(4,191,446)	(2,039,808)
Profit/(Loss) from discontinued operations after income tax	238,326	-	-	-
Loss for the period	(4,146,702)	(4,331,980)	(4,191,446)	(2,039,808)
Other comprehensive income	-	-	-	-
Total comprehensive income for the year	(4,146,702)	(4,331,980)	(4,191,446)	(2,039,808)

Source: Laneway 2011 and 2012 Annual Reports and Laneway 2013 Half-year Report

In relation to the financial performance of Laneway set out in Table 5.7 above we note the following:

- Revenue primarily relates to recharge for shared office services and is not expected to continue going forward;
- Exploration costs written off during the 6 months leading to December 2012 relate to the decision by the company to cease any further exploration and analysis activities at certain tenements;
- Finance costs for the period to 31 December 2012 primarily relate to interest accrued on the Bizzell Nominees Loan Facility; and
- Laneway has reported a net loss after tax in each of the past three full financial years.

5.5.2 Financial Position

The consolidated statements of financial position of Laneway as at 30 June 2010, 2011 and 2012 as well as 31 December 2012 are summarised in Table 5.8 below.

Table 5.8: Summarised Statements of Financial Position

	As at 30-Jun-10 Audited (\$)	As at 30-Jun-11 Audited (\$)	As at 30-Jun-12 Audited (\$)	As at 31-Dec-12 Unaudited (\$)
Current Assets				
Cash and cash equivalents	56,351	8,605	-	311,355
Trade and other receivables	11,328	22,372	14,739	6,080
Financial assets	1,200	800	1,067	1,067
Prepayments	47,611	35,252	25,107	54,012
Total current assets	116,490	67,029	40,913	372,514
Non Current Assets				
Trade and other receivables	177,567	157,575	115,000	95,000
Other financial assets	-	-	-	-
Property, plant and equipment	94,310	70,489	44,818	34,329
Exploration and evaluation assets	7,950,279	9,230,999	10,056,293	9,940,690
Total non-current assets	8,222,156	9,459,063	10,216,111	10,070,019
Total assets	8,338,646	9,526,092	10,257,024	10,442,533
Current Liabilities				
Trade and other payables	1,655,917	1,803,526	1,741,174	1,928,365
Borrowings	12,427	14,833,911	20,778	860,312
Provisions	94,635	97,049	83,993	89,214
Total current liabilities	1,762,979	16,734,486	1,845,945	2,877,891

	As at 30-Jun-10 Audited (\$)	As at 30-Jun-11 Audited (\$)	As at 30-Jun-12 Audited (\$)	As at 31-Dec-12 Unaudited (\$)
Non Current Liabilities				
Interest bearing loans and borrowings	25,049,640	13,276,900	17,226,594	18,419,965
Provisions	205,650	205,650	205,650	205,650
Total non-current liabilities	25,255,290	13,482,550	17,432,244	18,625,615
Total liabilities	27,018,269	30,217,036	19,278,189	21,503,506
Net assets	(18,679,623)	(20,690,944)	(9,021,165)	(11,060,973)
Equity				
Share capital	81,153,238	83,473,897	99,335,122	99,335,122
Accumulated Losses	(99,832,861)	(104,164,841)	(108,356,287)	(110,396,095)
Total equity	(18,679,623)	(20,690,944)	(9,021,165)	(11,060,973)

Source: Laneway 2011 and 2012 Annual Reports and Laneway 2013 Half-year Report

In relation to the financial position of Laneway set out in Table 5.8 above we note the following:

- Laneway's cash balance increase in December 2012 is due primarily to \$820,000 in loans that convert to shares received to fund general and administrative costs;
- Non-current trade and other receivables are security bonds in relation to leases and tenements held and term deposits lodged as security in relation to guarantees provided for tenements held;
- The decrease in current interest bearing loans and borrowings in 2012 relates to convertible notes maturing on 31 March 2012 with a total value of \$14.82 million;
- Current borrowings include \$820,000 of loans that convert to shares and \$40,312 relating to leases on two company cars;
- Non-current interest bearing borrowings relates primarily to the Bizzell Nominees Loan Facility. Changes in this account in 2011 relate primarily to convertible-notes mentioned above;
- Increase in share capital in 2012 relates to the conversion of convertible notes totalling \$14,077,489 into fully paid ordinary shares; and
- Laneway's total equity value has been negative in each of the past three years. As at 31 December 2012, Laneway has a net asset deficiency of approximately \$11 million.

5.5.3 Cash Flows

The consolidated statement of cash flows of Laneway for the 12 month periods ended 30 June 2009, 2010 and 2011 are summarised in Table 5.9 below.

Table 5.9: Summarised Statements of Cash Flow

	12 Months Ended 30-Jun-10 Audited (\$)	12 Months Ended 30-Jun-11 Audited (\$)	12 Months Ended 30-Jun-12 Audited (\$)	6 Months Ended 31-Dec-12 Unaudited (\$)
Cash Flows from Operating Activities				
Cash receipts in the course of operations	106,343	86,494	61,151	24,827
Cash payments in the course of operations	(1,500,208)	(959,950)	(868,440)	(422,095)
Interest received	1,570	1,459	472	105
Interest paid	(38,040)	(13,371)	(7,952)	(15,984)
R&D refund	-	-	-	-
Net cash flows from / (used in) operating activities	(1,430,335)	(885,368)	(814,769)	(413,146)
Cash Flows from / (used in) Investing Activities				
Purchase of property, plant and equipment	(14,478)	(3,631)	-	-
Proceeds of sale of plant and equipment	49,936	-	-	-
Payments re Tom's Gully mine	(99,566)	-	-	-
Payments for exploration & development	(1,119,912)	(1,380,400)	(769,979)	(338,894)
Proceeds (payments) from (of) security deposits	159,996	19,992	12,782	20,000
Net cash flows from / (used in) investing activities	(1,024,024)	(1,364,039)	(757,197)	(318,894)
Cash Flows from Financing Activities				
Proceeds from borrowings	-	-	-	820,000
Proceeds from issue of debt securities	2,458,889	45,251	-	-
Payments for issue of shares/debt securities	(82,700)	-	-	-
Loans received	915,000	2,200,000	1,572,067	236,177
Loans repaid	(698,001)	(431,163)	-	-
Repayment of hp/finance lease principal	(84,680)	(12,427)	(13,911)	(7,577)
Net cash flows from financing activities	2,508,508	2,201,661	1,558,156	1,048,600
Net increase / (decrease) in cash held	54,149	(47,746)	(13,810)	316,560
Cash at the beginning of the financial year	2,202	56,351	8,605	(5,205)
Cash at the end of the financial year	56,351	8,605	(5,205)	311,355

Source: Laneway 2011 and 2012 Annual Reports and Laneway 2013 Half-year Report

In relation to the cash flows of Laneway set out in Table 5.9 above we note the following:

- Laneway reported negative net cash flows from operating activities in each of the past three years;
- Laneway capitalised approximately \$1.1 million, \$1.4 million and \$0.7 million of exploration and development expenses in 2010, 2011 and 2012 respectively;

- Proceeds from borrowings in December 2012 relate to a short term capital raising undertaken by the company through the issue of a loan which converts into shares;
- Loans received relates primarily to advances received from the Bizzell Nominees Loan Facility; and
- Proceeds from issue of equity securities in December 2009 relates primarily to the issue of 400 million shares at a price of 0.5 cents.

5.6 Summary of Laneway's Debt Position

This section of this Report sets out a description of Laneway's current debt position, including a detailed analysis of the Bizzell Nominees Loan Facility (Section 5.6.1) and other loans outstanding (Section 5.6.2)

5.6.1 Bizzell Nominees Loan Facility

Bizzell Nominees has provided funding to Laneway since mid-2006 and has been the primary source of funds to the Company since late 2007. The funding has been used by Laneway to fund the ongoing exploration and development of its mining tenements. The Bizzell Nominees Loan Facility consists of two loans that are secured by a first ranking general security agreement over all the assets of Laneway. The first loan has been in place since mid-2006 when Bizzell Nominees first started advancing funds to Laneway ('the Original Loan'). The second loan relates to advances made in order to repay convertible notes in 2012 ('the Convertible Note Loan'). We note, at the date of this Report the facilities are fully drawn and that Bizzell Nominees do not intend to advance any further funds to Laneway. The Bizzell Nominees Loan Facility will continue to accrue interest. Key information relating to the two loans which make up the Bizzell Nominees Loan Facility is set out in Table 5.10 below.

Table 5.10: Bizzell Nominees Loan Facility

	('the Original Loan')	('the Convertible Note Loan')
Description	The Original Loan dates back to mid-2006 when Bizzell Nominees began advancing funds to the Company.	The Convertible Note Loan relates to the repayment of outstanding March 2012 convertible notes.
Facility Limit	Up to \$13,500,000 not including the amount of \$8,929,867 already provided.	Up to \$1,500,000.
Total Advances at Proposed Conversion date	\$10,473,728	\$742,500
Accrued Interest at Proposed Conversion Date	\$8,587,034	\$122,817
Outstanding Loan Balance at Proposed Conversion Date	\$19,060,763	\$865,317
Key Terms	Interest is compounded daily on the outstanding principal 11% per annum and is payable on the monthly anniversary of the drawdown rate.	Interest is compounded daily on the outstanding principal at 11% per annum and is payable on the monthly anniversary of the drawdown rate.

Source: Laneway Management and Loan Agreements

5.6.2 Other Loans to Laneway

Laneway has a total of \$820,000 in loans outstanding as at 30 May 2013. Laneway also has a \$50,000 outstanding balance payable to Richard Anthon, a Director of the Company for funds advanced for use in working capital. As discussed in Section 3.2 it is the Company's intention to convert these loans into shares subject to shareholder approval (refer to resolutions 4 and 5 of the Notice of Meeting).

6.0 Valuation of Laneway Shares

This section is set out as follows:

- Section 6.1 sets out our view of the most appropriate methodology to value Laneway shares;
- Section 6.2 sets out key information relating to the Minnelex Valuation of the Laneway Assets;
- Section 6.3 sets out information on the Entitlement Offer scenarios we have considered for the purposes of completing our asset based valuation methodology;
- Section 6.4 sets out information on the impact of the Placement recently completed by the Company on our asset based valuation of Laneway;
- Section 6.5 sets out our calculation of the value of the other assets and liabilities held by Laneway;
- Section 6.6 sets out our calculation of the value of a controlling interest in the shares of Laneway having regard to an asset based valuation methodology;
- Section 6.7 sets out our cross-check calculation of the value of a controlling interest in the shares of Laneway having regard to a market based valuation methodology; and
- Section 6.8 sets out our conclusion on the value of a controlling interest in the shares of Laneway for the purposes of this Report.

6.1 Our Valuation Approach

Table 6.1 below summarises our view of the methodologies that are appropriate to determine the value of a share in Laneway on a controlling interest basis. Table 6.1 also provides a brief explanation as to why each methodology is or is not appropriate. Appendix B of this Report provides a summary of each of the valuation methodologies listed in Table 6.1.

Table 6.1: Appropriate Valuation Methodologies

Valuation Methodology	Adopted	Explanation
DCF	×	We have not been provided with any forecast financial information or projections for Laneway and, as a result, we were not able to apply a DCF valuation methodology. We are of the view that there are more appropriate valuation methodologies than the DCF valuation methodology which can be adopted for the purposes of valuing Laneway in this Report.
CME	×	Laneway does not currently have maintainable earnings suitable for use in a CME valuation methodology. We are of the view that there are more appropriate valuation methodologies than the CME valuation methodology which can be adopted for the purposes of valuing Laneway in this Report.

Valuation Methodology	Adopted	Explanation
ABV	✓ Primary methodology	In our view, it is appropriate to have regard to an asset based valuation methodology for the purposes of valuing Laneway in this Report. The assets of Laneway can be identified and it is possible to determine the fair value of those identifiable assets with a reasonable degree of accuracy. The information that we have been provided to assist with our ABV in relation to the assets and liabilities of Laneway includes: • The Minnelex Valuation Report dated 24 July 2013 which sets out Minnelex's view of the fair value of the Laneway Assets. We have considered the Minnelex Valuation Report in our asset based valuation of Laneway (refer to Section 6.2); • A prospectus dated 17 July 2013 prepared in relation to the Entitlement Offer which sets out information on the amount of capital proposed to be raised prior to the Proposed Conversion (refer to Section 6.3); • Information on the amount of capital raised by the Company via the Placement completed on 17 July 2013 (refer to Section 6.4); and • A consolidated statement of financial position for Laneway as at 31 May 2013 which sets out information on the value of other assets and liabilities held by Laneway (refer to Section 6.5).
MBV	✓ Cross-check	The shares of Laneway are listed on the ASX. It is possible to cross-check the valuation of Laneway using the market based valuation methodology as there is a readily observable market for the trading of shares in Laneway (refer to Section 6.7.1 and Section 6.7.2). We note that the MBV provides a valuation of Laneway shares on a minority interest basis. There have been recent material transactions relating to the issue of large parcels of shares in Laneway, in the form of a share placement and two share issues as payments for debts owed by the Company. Information relating to these transactions is available and has been referred to in this Report (refer to Section 6.7.3). In our view, it is appropriate to have regard to the market based valuation methodology as a cross-check to our asset based valuation methodology in this Report.

For reasons outlined in Table 6.1 above, we are of the view that it is appropriate to adopt the following valuation methodologies for the purposes of determining a value for Laneway shares in this Report:

- An asset based valuation as the primary valuation methodology; and
- A market based valuation as the cross-check to the asset based valuation methodology.

6.2 Summary of Minnelex's Valuation of the Laneway Assets

6.2.1 Overview of the Minnelex Valuation Report

As we are not geologists or specialist valuers of mining portfolios we have considered the Minnelex Valuation Report to determine the fair value of the Laneway Assets. The Minnelex Valuation Report is dated 24 July 2013 and is addressed to Mr Steven Sorbello of BDO CFQ. Mr Robert Pyper of Minnelex has valued the Laneway Assets and prepared the Minnelex Valuation Report.

Based on our enquiries and the information provided to us, we regard Minnelex and Mr Robert Pyper to be independent specialist technical valuers as referred to in ASIC RG 112. In our view, it is appropriate for us to consider the work of Minnelex as they are a specialist firm capable of completing this valuation work and they understand the purpose of the valuation set out in this Report.

We confirm that we have been provided with express written consent by Minnelex to refer to the Minnelex Valuation as a current valuation in this Report. We have made reasonable enquiry of Minnelex and are satisfied that the Minnelex Valuation is suitable for use in this Report. However, we do not take responsibility for the work of Minnelex.

We have summarised the Minnelex Valuation in this section of this Report. We note that this is a summary only and does not substitute for a complete reading of the Minnelex Valuation Report. Our summary does not include all the information that may be of interest to Laneway Shareholders. The Minnelex Valuation Report is attached to this Report as Appendix D. We recommend that Laneway Shareholders read the Minnelex Valuation Report in full.

In their valuation report relating to the Laneway Assets, Minnelex states the following:

- Minnelex has conducted its technical valuation in recognition of the requirements of the Code for the Technical Assessment and Valuation of Mineral and Petroleum Assets and Securities for Independent Expert Reports (2005) ('the Valmin Code'); and
- The Minnelex Valuation Report was prepared in accordance with the relevant requirements of RG 111 and RG 112 issued by ASIC in relation to the preparation of independent expert reports.

6.2.2 Overview of the Valuation Methodologies Adopted by Minnelex

Table 6.2 below sets out a summary of the valuation methodologies adopted by Minnelex for the purposes of determining the value of the Laneway Assets. The valuation methodologies adopted by Minnelex include the:

- Yardstick value method;
- Rating system method (also known as the geoscientific method); and
- Multiple of exploration expenditure method.

Laneway Shareholders should refer to Section 1.2 of the Minnelex Valuation Report for further information on the valuation methodologies adopted by Minnelex.

Table 6.2: Valuation Methodologies Adopted by Minnelex for the Laneway Assets

Asset	Valuation Methodology
Agate Creek (In-Ground Gold)	Yardstick Value Method
Agate Creek (Exploration)	Rating System Method
Coromandel	Rating System Method
Rockland	Rating System Method / Budget Method
Arrawatta	Rating System Method / Multiple of Exploration Expenditure Method ^(a)
Ashford	Yardstick Value Method ^(b)

Source: Minnelex Valuation Report

- (a) Minnelex has determined the value of the Arrawatta coal project by having equal regard to the rating system (geoscientific) method and the multiple of exploration expenditure method.
- (b) Minnelex has referred to a technical valuation report prepared by Behre Dolbear Australia Pty Ltd ('BDA') in 2011 to determine an appropriate value for the Ashford coal project. The primary valuation method adopted by BDA in their technical valuation report ('the BDA Report') is the yardstick value method.
- We have made enquiries of Minnelex in relation to the valuation methodologies and assumptions adopted by BDA in the BDA Report. Minnelex have confirmed to us (and state in the Minnelex Valuation Report) that the valuation methodologies adopted by BDA in the BDA Report are appropriate to adopt for the purposes of the Minnelex Valuation Report. Minnelex have also confirmed to us (and state in the Minnelex Valuation Report) that all of the assumptions adopted by BDA in the BDA Report are relevant and appropriate to adopt for the purposes of the Minnelex Valuation Report with the exception of the coal price and the revision and reclassification of the total resource (which have been updated to reflect current estimates).

6.2.3 Minnelex Valuation of the Laneway Assets

Table 6.3 sets out a summary of Minnelex's valuation of the Laneway Assets. Laneway Shareholders should refer to the full Minnelex Valuation Report for further information on the values calculated for the Laneway Assets by Minnelex.

Table 6.3: Minnelex Valuation of the Laneway Assets

Asset	Project Type	Ownership Interest	Minnelex Valuation Report Section Reference	Low (\$m)	High (\$m)	Preferred (\$m)
Agate Creek	Gold	100%	Section 4.15	13.9	22.3	18.1
Coromandel	Gold	100%	Section 5.7	3.0	8.6	5.8
Rockland	Gold	100%	Section 8.6	0.2	0.3	0.2
Arrawatta	Coal	100%	Section 7.8	0.4	0.9	0.7
Ashford	Coal	100%	Section 6.11	4.9	6.4	5.6
Total				22.4	38.5	30.4

Source: Minnelex Valuation Report

We note the Minnelex Valuation Report states the wide valuation range calculated reflects the significant uncertainty associated with determining a value for exploration projects such as the Laneway Assets.

For the purpose of the valuation work set out in this Report, we have adopted a low value (\$22.4 million), a high value (\$38.5 million) and a mid value (\$30.4 million) for the Laneway Assets.

6.3 Entitlement Offer Scenarios Considered

An overview of the terms of the Entitlement Offer is set out in Section 3.2 of this Report. The terms of the Entitlement Offer propose the issue of up to 328,651,268 shares in Laneway at an offer price of \$0.015 per share to raise approximately \$4.9 million before costs. The cost of the Entitlement Offer is projected to equal \$77,000 as at the date of this Report.

We note the Entitlement Offer is proposed to complete prior to the completion of the Proposed Conversion. As at the date of this Report however, the Entitlement Offer remains open to Laneway Shareholders eligible to take up their entitlement. The total number of shares in Laneway issued and the total amount raised under the Entitlement Offer is therefore uncertain as at the date of this Report.

To allow for the uncertain outcome of the Entitlement Offer, we have completed our valuation of Laneway with reference to the following two scenarios in this Report:

- A scenario in which only the funds already committed under the Entitlement Offers are raised. We refer to this scenario as the 'Low Entitlement Offer Scenario' in this Report;
- A scenario in which the Entitlement Offer is fully subscribed for and the full amount of approximately \$4.9 million is raised. We refer to this scenario as the 'High Entitlement Offer Scenario' in this Report; and
- A scenario that considers the mid-point between the Low Entitlement Offer Scenario and the High Entitlement Offer scenario. We refer to this scenario as the 'Mid Entitlement Offer Scenario' in this Report.

We note for completeness that the Bizzell Entities will only partake in the Entitlement Offer insofar as to maintain their current collective shareholding.

Table 6.4 below sets out information on the number of shares and the total amount of capital raised under each of the Low Entitlement Offer Scenario and the High Entitlement Offer Scenario.

Table 6.4: Entitlement Offer Scenarios Considered

Scenario	Number of Shares Issued	Net Capital Raised ^(a) (\$)
Low Entitlement Offer Scenario	64,586,688	891,800
Mid Entitlement Offer Scenario	196,618,978	2,872,285
High Entitlement Offer Scenario	328,651,268	4,852,769

Source: Laneway Prospectus dated 17 July 2013

(a) Amount quoted is net of estimated capital raising costs of \$77,000.

Table 6.4 above shows that based on commitments under the Entitlement Offer to date 64,586,688 million shares will be issued raising approximately \$0.9 million. Table 6.4 also shows that 328,651,268 shares and approximately \$4.9 million are raised under the High Entitlement Offer Scenario.

6.4 Impact of the Placement on our Asset Based Valuation

An overview of the Placement is set out in Section 3.2 of this Report. The Placement was announced by the Company on 6 June 2013 and completed on 17 July 2013. The Placement involved the issue of 13,666,667 shares in Laneway at an offer price of \$0.015 and raised a total amount of \$205,000.

Our asset based valuation methodology has considered the balance sheet of Laneway as at 31 May 2013. As the Placement was completed post 31 May 2013, we have adjusted Laneway's balance sheet as at 31 May 2013 to incorporate the amount raised under the Placement and adjusted the number of shares accordingly. We have also adjusted the balance of the Bizzell Nominees Loan Facility to reflect the expected balance as at the Proposed Conversion Date.

6.5 Value of Laneway's Other Assets and Liabilities

The unaudited statement of financial position we have been provided sets out information on the other assets and liabilities held by Laneway.

We have referred to the unaudited statement of financial position as at 31 May 2013 prepared for Laneway when determining an appropriate value to adopt for each of the other assets and liabilities held by Laneway. We have assumed that the fair market value of the other assets and liabilities as at the date of this Report are equal to the carrying values set out in this statement of financial position with the exception of the Bizzell Nominees Loan Facility. We have adopted the estimated value of the Bizzell Nominees Loan Facility of approximately \$19.93 million, which represents the final balance of the Bizzell Nominees Loan Facility for the Proposed Conversion. . We have discussed these assumptions with the management and directors of Laneway and we are of the view that these assumptions are reasonable in the circumstances.

We have also been informed by the directors of Laneway that there are no other material assets, liabilities, off-balance sheet assets and liabilities or unrecognised liabilities as at the date of this Report that have not been included in the balance sheet of Laneway as at 31 May 2013 (as summarised below).

The net value we have adopted for the other assets and liabilities held by Laneway is summarised in Table 6.5.

Table 6.5: Values Adopted for the Other Assets and Liabilities Held by Laneway

Item	Value(\$)
Cash and cash equivalents	206,355 ^(a)
Trade and other receivables	101,080
Financial assets	1,067
Property, plant and equipment	34,329
Other assets	54,014
Total Assets	396,845
Trade and other payables	1,928,365
Loans	820,000
Financial liabilities	19,926,080 ^(b)
Other financial liabilities	40,312
Provisions	294,864
Total Liabilities	23,009,621
Net Asset Deficiency	22,612,776

Source: Laneway unaudited statement of financial position as at 31 May 2013 & BDO CFQ Analysis

(a) Includes cash amounts raised under the Placement (\$205,000), however excludes cash amounts projected to be raised under the Entitlement Offer (refer to Section 6.4 for additional information)

- (b) Represents an estimate of the carrying amount of the Bizzell Nominees Loan Facility on 30 August 2013 which is the date on which the directors expect the Proposed Conversion to be completed. The estimate of the carrying amount of the Bizzell Nominees Loan Facility has been prepared by Laneway using assumptions that are consistent with the current terms and conditions of the Bizzell Nominees Loan Facility.

Table 6.5 shows the value of the other assets and liabilities held by Laneway is a net asset deficiency of approximately \$22.61 million.

Table 6.6 adjusts the net asset deficiency position of Laneway for the outstanding liabilities that are proposed to be converted to shares in Laneway under resolutions 2 to 5 of the Notice of Meeting. As noted in Section 3.2, we have assumed for the purposes of this Report that these outstanding liabilities will be converted into shares at the prices consistent with those set out in the Notice of Meeting. This is also consistent with the Directors' expectations.

Table 6.6: Values Adopted for the Other Assets and Liabilities Held by Laneway

Item	Reference	Value (\$)
Net Asset Deficiency		22,612,776
Directors fees in lieu	Section 3.2	(198,333)
Directors loans	Section 3.2	(50,000)
Loans to other creditors	Section 3.2	(834,404)
Adjusted Net Asset Deficiency		21,530,039

Source: BDO CFQ Analysis

Table 6.6 shows the adjusted value of the other assets and liabilities held by Laneway is a net asset deficiency of approximately \$21.53 million.

6.6 Asset Based Valuation of Laneway

As mentioned previously, it is our view that it is appropriate to apply an asset based valuation methodology to determine the value of a Laneway share on a controlling interest basis. The key elements of our asset based valuation methodology can be broadly summarised as:

- The value of the Laneway Assets as set out in Section 6.2;
- The outcome of the Entitlement Offer as discussed in Section 6.3;
- The impact of the Placement as discussed in Section 6.4;
- The value of other assets and liabilities of Laneway as recorded in the Company's unaudited balance sheet as at 31 May 2013 (with adjustments) as set out in Section 6.5; and
- The impact of the passing of resolutions 2 to 5 of the Notice of Meeting as discussed in Section 3.2 and Section 6.5.

Our asset based valuations of Laneway under each of the Entitlement Offer scenarios considered are set out in the following sections of this Report.

6.6.1 Asset Based Valuation under the Low Entitlement Offer Scenario

Our asset based valuation of Laneway under the Low Entitlement Offer Scenario as at the date of this Report is set out in Table 6.7 below.

Table 6.7: Asset Based Valuation of Laneway under the Low Entitlement Offer Scenario

	Section Reference	Low Value (\$)	Mid Value (\$)	High Value (\$)
Value of the Laneway Assets	Section 6.2	22,400,000	30,400,000	38,500,000
Net Capital Raised under the Entitlement Offer	Section 6.3	891,800	891,800	891,800
Value of Laneway Other Assets and Liabilities	Section 6.5	(21,530,039)	(21,530,039)	(21,530,039)
Asset Based Value of Laneway		1,761,761	9,761,761	17,861,761
Number of Laneway Shares on Issue		277,892,238	277,892,238	277,892,238
Value per Laneway Share		0.0063	0.0351	0.0643

Source: BDO CFQ Analysis

In our view, the asset based value of Laneway is within the range of \$1.76 million to \$17.86 million on a controlling interest basis under the Low Entitlement Offer Scenario. This equates to a value per Laneway share within the range of \$0.0063 to \$0.0643 on a controlling interest basis.

6.6.2 Asset Based Valuation under the Mid Entitlement Offer Scenario

Our asset based valuation of Laneway under the Mid Entitlement Offer Scenario as at the date of this Report is set out in Table 6.8 below.

Table 6.8: Asset Based Valuation of Laneway under the Mid Entitlement Offer Scenario

	Section Reference	Low Value (\$)	Mid Value (\$)	High Value (\$)
Value of the Laneway Assets	Section 6.2	22,400,000	30,400,000	38,500,000
Net Capital Raised under the Entitlement Offer	Section 6.3	2,872,285	2,872,285	2,872,285
Value of Laneway Other Assets and Liabilities	Section 6.5	(21,530,039)	(21,530,039)	(21,530,039)
Asset Based Value of Laneway		3,742,246	11,742,246	19,842,246
Number of Laneway Shares on Issue		409,924,528	409,924,528	409,924,528
Value per Laneway Share		0.0091	0.0286	0.0484

Source: BDO CFQ Analysis

In our view, the asset based value of Laneway is within the range of \$3.74 million to \$19.84 million on a controlling interest basis under the Mid Entitlement Offer Scenario. This equates to a value per Laneway share within the range of \$0.0091 to \$0.0484 on a controlling interest basis.

6.6.3 Asset Based Valuation under the High Entitlement Offer Scenario

Our asset based valuation of Laneway under the High Entitlement Offer Scenario as at the date of this Report is set out in Table 6.9 below.

Table 6.9: Asset Based Valuation of Laneway under the High Entitlement Offer Scenario

	Section Reference	Low Value (\$)	Mid Value (\$)	High Value (\$)
Value of the Laneway Assets	Section 6.2	22,400,000	30,400,000	38,500,000
Net Capital Raised under the Entitlement Offer	Section 6.3	4,852,769	4,852,769	4,852,769
Value of Laneway Other Assets and Liabilities	Section 6.5	(21,530,039)	(21,530,039)	(21,530,039)
Asset Based Value of Laneway		5,722,730	13,722,730	21,822,730
Number of Laneway Shares on Issue		541,956,818	541,956,818	541,956,818
Value per Laneway Share		0.0106	0.0253	0.0403

Source: BDO CFQ Analysis

In our view, the asset based value of Laneway is within the range of \$5.72 million to \$21.82 million on a controlling interest basis under the High Entitlement Offer Scenario. This equates to a value per Laneway share within the range of \$0.0106 to \$0.0403 on a controlling interest basis.

6.6.4 Conclusion on Asset Based Valuation of Laneway Shares

Our asset based valuations of a Laneway share are summarised in Table 6.10 below.

Table 6.10: Summary of Asset Based Valuations of a Laneway Share (Controlling Interest)

	Reference	Low (\$)	Mid (\$)	High (\$)
Asset based valuation (Low Entitlement Offer Scenario)	Section 6.6.1	0.0063	0.0351	0.0643
Asset based valuation (Mid Entitlement Offer Scenario)	Section 6.6.2	0.0091	0.0286	0.0484
Asset based valuation (High Entitlement Offer Scenario)	Section 6.6.3	0.0106	0.0253	0.0403

Source: BDO CFQ Analysis

We note that our value per Laneway share at the low end of our asset based valuations increases from the Low Entitlement Offer Scenario (\$0.0063) to the High Entitlement Offer Scenario (\$0.0106). This is because the shares issued under the Entitlement Offer are issued at a price (\$0.015 per share) that is higher than the low value of a Laneway share under the Low Entitlement Offer. The Entitlement Offer is therefore not considered to be dilutive at the low end of our asset based valuation range.

Similarly, we note that our value per Laneway share at the high end of our asset based valuations decreases from the Low Entitlement Offer Scenario (\$0.0643) to the High Entitlement Offer Scenario (\$0.0403). This is because the shares issued under the Entitlement Offer are issued at a price (\$0.015 per share) that is lower than the high value of a Laneway share under the Low Entitlement Offer. The Entitlement Offer is therefore considered to be dilutive at the high end of our asset based valuation range.

The Entitlement Offer would be neither dilutive nor antidilutive in circumstances where our asset based valuation is exactly equal to \$0.015 per share.

It is important for Laneway Shareholders to note that our asset based valuations of Laneway have been completed on the basis that Laneway is a knowledgeable and willing, but not anxious, seller that is able to consider alternative options to the Proposed Transaction in accordance with the requirements of RG 111. Accordingly, our asset based valuation does not specifically incorporate any adjustments for the impact of the issues arising as a consequence of the financial distress currently being experienced by Laneway.

There is a risk that Laneway Shareholders may ultimately realise a value that is materially lower than the value we have calculated for Laneway adopting an asset based valuation methodology in circumstances where the Proposed Conversion is not approved. In circumstances where Laneway is unable to renegotiate the terms of the Bizzell Nominees Loan Facility and an administrator or receiver is appointed, there is a material risk that the value ultimately realised will not exceed the value implied by the Proposed Conversion.

6.7 Market Based Valuation of Laneway

We have cross-checked our asset based valuation of a Laneway share with a market based valuation. We note that a market based valuation generally provides a value per share on a minority interest basis.

This section sets out our market based valuation of Laneway ordinary shares by considering:

- The recent share market performance of Laneway ordinary shares;
- The liquidity of Laneway ordinary shares; and
- Recent transactions relating to large parcels of Laneway ordinary shares.

6.7.1 Analysis of Laneway's Share Market Performance

Laneway's ordinary shares are listed on the ASX. Information on the recent share market performance of Laneway shares along with an analysis of recent announcements made by Laneway to the ASX are set out in Section 5.4.1 of this Report.

For the purposes of our market based valuation, we have assessed the Laneway share price over the period 12 December 2012 to 30 June 2011 which represents the period post the consolidation of Laneway's ordinary shares (refer to Section 5.4.1 of this Report). In our view, the period post the consolidation of Laneway's shares provides the most relevant information for the purposes of completing our market based valuation.

The VWAP of Laneway shares over specified time periods post the consolidation of Laneway's shares is set out in Table 6.11 below.

Table 6.11: VWAP of Laneway Shares over Specified Periods of Time

Specified Period	VWAP Period	VWAP (\$AUD)
1 Week	11 Jul 2013 to 17 Jul 2013	\$0.0210
1 Month	18 Jun 2013 to 17 Jul 2013	\$0.0164
3 Months	18 Apr 2013 to 17 Jul 2013	\$0.0171
6 Months	18 Jan 2013 to 17 Jul 2013	\$0.0318
Period post consolidation of Laneway Shares	12 Dec 2013 to 17 Jul 2013	\$0.0483

Source: Bloomberg

Table 6.11 shows that the VWAP of Laneway shares over the periods specified ranges from \$0.0164 to \$0.0483.

6.7.2 Liquidity of Laneway Shares

Information on the liquidity of Laneway shares is set out in Section 5.5.3 of this Report.

Assuming a consistent number of 68,496,150 ordinary Laneway shares on issue, approximately 8.17% of the total shares on issue were traded over the period 12 December 2012 (the date Laneway's shares were consolidated) to 17 July 2013. In our view, Laneway shares exhibit a relatively low level of liquidity. The results of the MBV methodology should therefore be interpreted with caution.

6.7.3 Recent Significant Transactions in Laneway Shares

In recent years, Laneway has completed two share issues (as payments for debts owed by the Company) and a share placement. We consider that these transactions relate to transactions of minority parcels of shares.

These transactions are summarised below as follows:

- **\$1.8 million share issue:** On 10 April 2012 Laneway announced that it had issued 979,828,912 ordinary shares as payment for interest that had accrued on convertible notes issued by the Company. The issue price of the shares was \$0.0009. The 979,828,912 shares issued represented approximately 32.51% of the total Laneway ordinary shares on issue prior to the completion of the issue.
 - We note the price of \$0.0009 represents a value per share prior to the 300 for 1 consolidation of shares completed by Laneway on 17 December 2012. If the impact of the share consolidation is adjusted for, the implied price per share is \$0.27;
- **\$14.1 million share issue:** On 10 April 2012 Laneway announced that it had issued 16,561,751,963 ordinary shares in relation to the redemption of \$14,077,489 of convertible notes issued by the Company. The issue price of the shares was \$0.0008. The 16,561,751,963 shares issued represented approximately 549.52% of the total Laneway ordinary shares on issue prior to the completion of the issue.
 - We note the price of \$0.0008 represents a value per share prior to the 300 for 1 consolidation of shares completed by Laneway on 17 December 2012. If the impact of the share consolidation is adjusted for, the implied price per share is \$0.24; and
- **\$0.2 million share placement:** On 17 July 2013, Laneway completed a placement of 13,666,667 fully paid ordinary shares to sophisticated, experienced and professional investors at \$0.015 per share to raise \$205,000. The 13,666,667 shares issued represented approximately 20.0% of the total Laneway ordinary shares on issue prior to the completion of the placement. We refer to this placement as the Placement in this Report.

At the time of the first two transactions on 10 April 2012 Laneway shares were trading at the minimum quoted price on the ASX of \$0.001 per share (or an implied price of \$0.30 per share after accounting for the capital consolidation). We note the share price of Laneway significantly decreased following the completion of the capital consolidation, indicating that the shares in Laneway may have been valued by the market at a price less than the minimum quoted price of \$0.001 per share.

In our view, the Placement provides the most relevant information on the price of a Laneway share as it is the most recent transaction and represents a much closer approximation of the current market traded price. The Placement indicates a value for each ordinary Laneway share of \$0.015.

6.7.4 Conclusion on Market Based Valuation of Laneway Shares on a Minority Interest Basis

To determine the valuation range to adopt for our market based valuation of a Laneway share, we have considered a number of factors including the following:

- The Laneway share price may reflect increased levels of uncertainty in relation to the future operations of Laneway given the financing and other risks associated with Laneway being able to realise the value of its assets as anticipated;
- In our view, the market for Laneway shares exhibits a relatively low level of liquidity. The results of the MBV methodology should therefore be interpreted with caution;
- The market prices observed for a company's shares generally incorporate the influence of all publicly available information relevant to value. Where the market is fully informed and liquid, the market price of a company's shares can be expected to provide an objective assessment of the fair value of those shares;
- Laneway appears to be meeting its continuous disclosure obligations in relation to its portfolio of mining tenements and its liabilities. By way of example, Laneway provides quarterly cash flow and activities reports which provide the market with up-to-date information relating to the company's performance and the status of their tenements. We note that the market price of Laneway shares has fluctuated based on price sensitive information announced by Laneway, including announcements relating to the release of half yearly and annual reports.

Based on the information set out in Table 6.11 as well as taking into account recent transactions in Laneway shares (Section 6.7.3), it is our view that the value of each Laneway ordinary share under a market based valuation methodology is within the range of \$0.0150 to \$0.0250 on a minority interest basis as at the date of this Report.

Our market based valuation of Laneway shares on a controlling interest basis is set out in the following section of this Report.

6.7.5 Conclusion on Market Based Valuation of Laneway Shares on a Controlling Interest Basis

The value of a Laneway share on a controlling interest basis can be calculated by applying a control premium to the minority interest value calculated for a Laneway share in Section 6.4.4 of this Report.

To determine an appropriate control premium to apply to our valuation of a Laneway share on a minority interest basis, we have considered the control premium research set out in Appendix C of this Report. Having regard to our research, it is our view that it is appropriate to adopt a control premium in the range of 20% to 40%.

Our valuation of a Laneway share on a controlling interest basis is set out in Table 6.12 below.

Table 6.12: Valuation of a Laneway Share on a Controlling Interest Basis

	Reference	Low (\$)	Mid (\$)	High (\$)
Value of Laneway Shares (Minority Interest)	Section 6.7.4	0.0150	0.0200	0.0250
Control Premium	Appendix D	20.0%	30.0%	40.0%
Value of Laneway Shares (Controlling Interest)		0.0180	0.0260	0.0350

Source: BDO CFQ Analysis

Accordingly, in our view, the market based valuation methodology provides a value per Laneway share within the range of \$0.0180 to \$0.0350 per share on a controlling interest basis.

Notwithstanding that the market based valuation range is at the lower end of our asset based valuation range, it is our view that the cross-check broadly supports our asset based valuation of Laneway.

6.8 Value of Laneway Shares Used to Assess the Proposed Conversion

The results of our asset based valuation and market based valuation of Laneway shares on a controlling interest basis are summarised in Table 6.12. We have referred to the valuation ranges set out in Table 6.13 for the purposes of determining our opinion on the fairness of the Proposed Transaction to Laneway Shareholders in this Report.

Table 6.13: Laneway Share Valuation Summary (Controlling Interest)

	Reference	Low (\$)	Mid (\$)	High (\$)
Asset based valuation (Low Entitlement Offer Scenario)	Section 6.6.1	0.0063	0.0351	0.0643
Asset based valuation (Mid Entitlement Offer Scenario)	Section 6.6.2	0.0091	0.0286	0.0484
Asset based valuation (High Entitlement Offer Scenario)	Section 6.6.3	0.0106	0.0253	0.0403
Market based valuation	Section 6.7.5	0.0180	0.0260	0.0350

Source: BDO CFQ Analysis

Laneway Shareholders should note that we have not adjusted our asset based valuation for the financial distress of Laneway in accordance with paragraph 111.15 of RG 111. We have considered the asset based value of Laneway on the basis of a knowledgeable and willing, but not anxious, seller that is able to consider alternative options to the Proposed Conversion. We would ordinarily expect a company in financial distress to trade at lower values as there is a risk the company will be unable to complete an arm's length transaction within the available timeframe. We have considered the attractiveness and/or availability of alternative methods to remedy the financial distress when considering the reasonableness of the Proposed Conversion in Section 8.0 of this Report.

7.0 Assessment of the Fairness of the Proposed Conversion

This section of this Report sets out our opinion on the fairness of the Proposed Conversion to Laneway Shareholders. This section of this Report is set out as follows:

- Section 7.1 sets out the value we have adopted for a Laneway share for the purpose of assessing the Proposed Conversion;
- Section 7.2 sets out the conversion price proposed to be adopted to convert the Bizzell Nominees Loan Facility to Laneway shares under the Proposed Conversion;
- Section 7.3 compares our value per Laneway share on a controlling interest basis with the conversion price under the Proposed Conversion; and
- Section 7.4 sets out our opinion on the fairness of the Proposed Conversion to Laneway Shareholders.

7.1 Adopted Value of a Laneway Share to Assess the Proposed Conversion

Table 7.1 below summarises our valuation of a Laneway share on a controlling interest basis having regard to various valuation methodologies. Our reasons for adopting a value per Laneway share on a controlling interest basis are summarised in Section 4.0 of this Report.

Table 7.1: Laneway Share Valuation Summary (Controlling Interest)

	Reference	Low (\$)	Mid (\$)	High (\$)
Asset based valuation (Low Entitlement Offer Scenario)	Section 6.6.1	0.0063	0.0351	0.0643
Asset based valuation (Mid Entitlement Offer Scenario)	Section 6.6.2	0.0091	0.0286	0.0484
Asset based valuation (High Entitlement Offer Scenario)	Section 6.6.3	0.0106	0.0253	0.0403
Market based valuation	Section 6.7.5	0.0180	0.0260	0.0350

Source: BDO CFQ Analysis set out in Section 6.0 of this Report

Having regard to the information set out in Table 7.1 above, it is our view that the most appropriate valuation methodology to apply to Laneway is the asset based valuation methodology. We have cross-checked our asset based valuation of Laneway using a market based valuation methodology adjusted for a control premium. Our market based valuation provides a value for Laneway that is within the range of our value calculated for Laneway using an asset based valuation methodology.

Laneway Shareholders should note that we have not adjusted our asset based valuation for the financial distress of Laneway in accordance with paragraph 111.15 of RG 111. We have considered the asset based value of Laneway on the basis of a knowledgeable and willing, but not anxious, seller that is able to consider alternative options to the Proposed Conversion. Had we considered the current financial distress of Laneway, it is likely that our valuation would have resulted in a lower value. We have considered the attractiveness and/or availability of alternative methods to remedy the financial distress when considering the reasonableness of the Proposed Conversion in Section 8.0 of this Report.

7.2 Conversion Price

The conversion price under the Proposed Conversion is \$0.018 per Laneway share (refer to Section 3.2 for further information on the terms of the Proposed Conversion). In our view, it is appropriate to adopt a value of \$0.018 per Laneway share for the purpose of assessing the Proposed Conversion.

7.3 Comparison of the Value of a Laneway Share with the Conversion Price

A comparison of our value per Laneway share on a controlling interest basis with the conversion price under the Proposed Conversion is set out in Table 7.2 below.

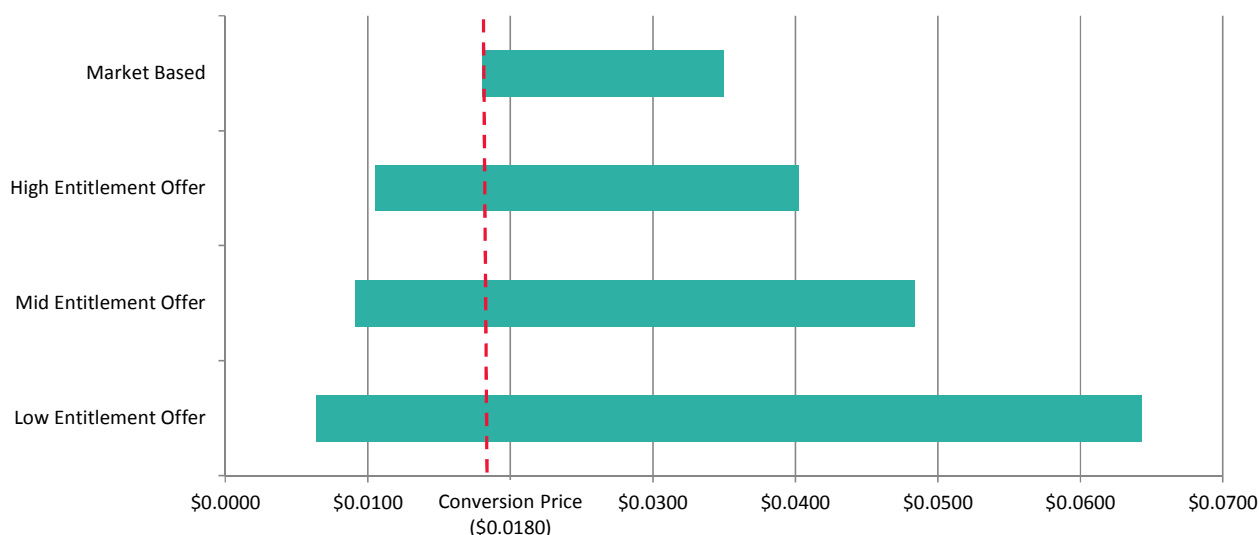
Table 7.2: Comparison of the Value per Laneway Share with the Conversion Price

	Reference	Low (\$)	Mid (\$)	High (\$)
Asset based valuation (Low Entitlement Offer Scenario)	Section 6.6.1	0.0063	0.0351	0.0643
Asset based valuation (Mid Entitlement Offer Scenario)	Section 6.6.2	0.0091	0.0286	0.0484
Asset based valuation (High Entitlement Offer Scenario)	Section 6.6.3	0.0106	0.0253	0.0403
Market based valuation	Section 6.7.5	0.0180	0.0260	0.0350
Conversion Price	Section 7.2	0.0180	0.0180	0.0180

Source: BDO CFQ Analysis

The comparison of the value per Laneway share on a controlling interest basis with the conversion price set out in Table 7.2 is also represented graphically in Figure 7.1 below.

Figure 7.1: Comparison of the Value per Laneway Share with the Conversion Price



Source: BDO CFQ Analysis

Table 7.2 and Figure 7.1 above show that the value of the conversion price under the Proposed Conversion overlaps with the lower end of our range for the value of a Laneway share on a controlling interest basis.

7.4 Asset Based Value of a Laneway Share if Proposed Conversion is Approved

Table 7.3 below sets out our calculated asset based value of a Laneway share assuming the Proposed Conversion is approved.

The valuation work set out in this section in relation to the asset based value of Laneway has been prepared primarily to assist shareholders understand the dilution that may arise from approving the Proposed Conversion. While it is our view that the values we have adopted are appropriate for the purpose of this Report, it is our view that the share market value of Laneway following the Proposed Conversion will depend on the economic conditions and operational prospects that exist at the time.

To calculate the values set out in Table 7.3 below we have:

- Adopted the relevant asset based values from Section 6.6 above;
- Excluded approximately \$19.93 million of liabilities representing the value of the Bizzell Nominees Loan Facility that is proposed to be converted into Laneway shares under the Proposed Conversion;
- Assumed that the number of shares in Laneway are increased as a result of the Proposed Conversion being approved; and
- Adopted a minority discount of 23.1% having reference to the mid-point of our control premium range of 20% to 40% (refer to Appendix C for additional information) and noting that a minority discount is calculated as the inverse of a control premium.

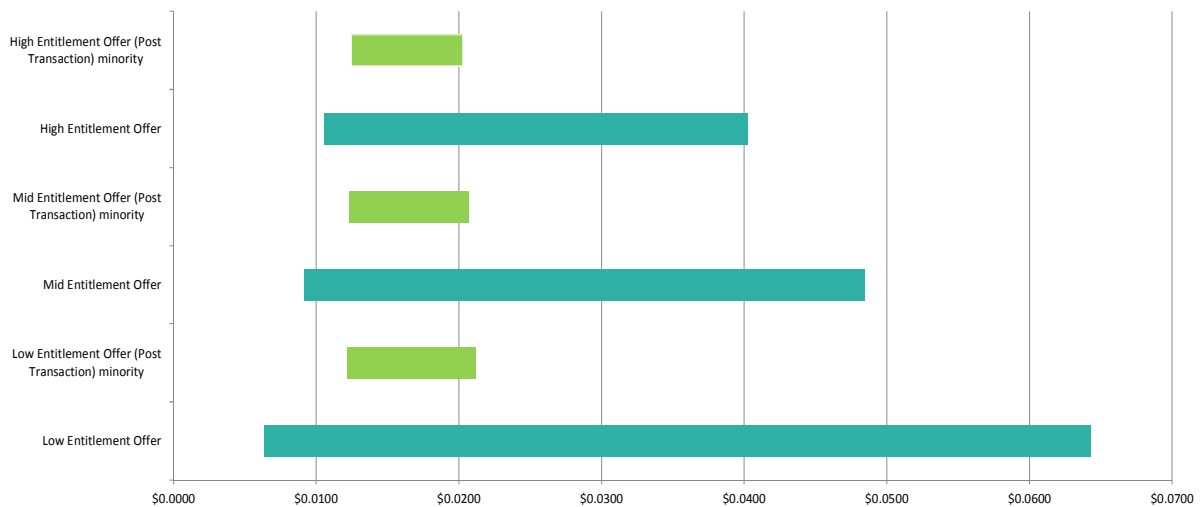
Table 7.3: Calculated Asset Based Value per Laneway Share if Proposed Conversion Approved (Minority Interest)

	Low (\$)	Mid (\$)	High (\$)
Asset based valuation (Low Entitlement Offer Scenario)	0.0122	0.0166	0.0212
Asset based valuation (Mid Entitlement Offer Scenario)	0.0123	0.0165	0.0207
Asset based valuation (High Entitlement Offer Scenario)	0.0125	0.0163	0.0203

Source: BDO CFQ Analysis

Figure 7.2 below sets out a graphical comparison of the controlling asset based valuation of a Laneway share prior to the Proposed Conversion from Table 7.2 with our calculated asset based minority value per Laneway share assuming the Proposed Conversion is approved.

Figure 7.2: Comparison of Controlling Value per Laneway Share Prior to Proposed Conversion to Minority Value Assuming the Proposed Conversion is Approved



Source: BDO CFQ Analysis

Table 7.3 and Figure 7.2 above show that our calculated asset based valuation of a Laneway share on a minority basis has reduced to a range of approximately \$0.0122 to \$0.0212 relative to the controlling value pre Proposed Conversion which was in the range of \$0.0063 to \$0.0643. The reason that the valuation range shown has reduced to \$0.0122 to \$0.0212 is because of:

- Dilution arising from the Proposed Conversion which, if approved, may result in an amount up to approximately 1,094.2 million additional shares being issued at 1.8 cents; and
- A discount of 23.7% which is applied to calculate a minority interest in circumstances where the Proposed Conversion is assumed to be approved relative to the pre Proposed Conversion value being on a controlling interest basis.

7.5 Assessment of Fairness

To assess the fairness of the Proposed Conversion to Laneway Shareholders, we have considered the following:

- The conversion price of 1.8 cents under the Proposed Conversion is at the low end of our valuation of a Laneway share on a controlling interest basis;
- Our calculated asset based valuation of a Laneway share on a minority basis has reduced to a range of approximately \$0.0122 to \$0.0212 (assuming a minority discount of 23.7%) relative to the controlling value pre Proposed Conversion which was in the range of \$0.0063 to \$0.0643;
- Shares have been issued, and are proposed to be issued, at values within the range of 0.75 cents to 1.5 cents in return for cash and to settle outstanding liabilities; and
- The conversion price is at a 20% premium to the price of the Entitlement Offer announced by Laneway on 17 July 2013 and the placement completed on 17 July 2013, effectively representing a control premium at the low end of our 20% to 40% range.



Having regard to the above assessment of the Proposed Conversion, it is our opinion that in the absence of a superior offer, the Proposed Conversion is **Fair** to Laneway Shareholders.

Laneway Shareholders should also refer to Section 8.0 of this Report which sets out additional issues that Laneway Shareholders should consider when deciding whether to vote in favour of or against the Proposed Conversion.

8.0 Assessment of the Reasonableness of the Proposed Conversion

This section of this Report is set out as follows:

- Section 8.1 outlines the potential advantages of the Proposed Conversion to Laneway Shareholders;
- Section 8.2 outlines the potential disadvantages of the Proposed Conversion to Laneway Shareholders;
- Section 8.3 outlines the alternatives available to Laneway in circumstances where the Proposed Conversion is not approved;
- Section 8.4 considers the position of Laneway Shareholders in the event the Proposed Conversion is not approved; and
- Section 8.5 provides our assessment of the reasonableness of the Proposed Conversion.

8.1 Advantages of the Proposed Conversion

Table 8.1 below outlines the potential advantages to Laneway Shareholders of approving the Proposed Conversion.

Table 8.1: Advantages to Laneway Shareholders of approving the Proposed Conversion

Advantages	Explanation
The Proposed Conversion is the best proposal available for recapitalising the Company	As noted in Section 3.4 of this Report, the directors of Laneway and their advisers have considered a range of alternative strategies for recapitalising the Company. The directors and their advisers are of the view that the Proposed Conversion is the best proposal available for recapitalising the Company as at the date of this Report, particularly given that the conversion price is at a 20% premium to the subscription price of the Entitlement Offer.
Laneway will no longer be required to repay the Bizzell Nominees Loan facility	If the Proposed Conversion is approved, the Bizzell Nominees Loan Facility will be extinguished and Laneway will no longer be required to make principal and interest payments to Bizzell Nominees. Interest will also no longer continue to accrue on the amounts drawn down from the Bizzell Nominees Loan Facility at the rate of 11.0% per annum compounded daily. The Company may therefore be able to commit additional funds to the continued exploration and development of the Laneway assets.
The ability of Laneway to raise additional funds may increase	The Proposed Conversion will extinguish the Bizzell Nominees Loan Facility and therefore reduce the Company's level of gearing and unencumber its assets. The reduced level of gearing may increase the Company's ability to raise additional funds.

Advantages	Explanation
The risk of Laneway being placed into receivership by Bizzell Nominees is decreased	Laneway has historically depended on the Bizzell Nominees Loan Facility to fund the continued operations of the Company. If the Proposed Conversion is not approved, Bizzell Nominees has advised Laneway that it does not intend to advance further funds to Laneway and that it requires repayment of the loan no later than 30 June 2014. Should the Proposed Conversion not be approved and Laneway not be in a position to repay the loan by 30 June 2014 Bizzell Nominees will have an election to exercise its rights under its general security over Laneway. These rights include the appointment of a receiver to dispose of Laneway's assets to enable the proceeds to be applied in repayment of the loan, or winding the Company up. If Laneway is placed into receivership and the receiver is unable to obtain a superior proposal to the Proposed Conversion, it is possible that Laneway Shareholders may realise a value for their investment which is significantly less than the value implied by the Proposed Conversion or may not realise any value at all. If the Proposed Conversion is approved however, the Bizzell Nominees Loan Facility will be extinguished and the risk of Laneway being placed into receivership by Bizzell Nominees will reduce.
Laneway Shareholders ability to realise a control premium via a takeover is unlikely to change materially	Notwithstanding our consideration of a control premium and minority discount in Section 7.4 above, in our view it could be argued that a control premium and minority discount is not relevant in the current analysis as Laneway Shareholders ability to realise a control premium via a takeover is unlikely to change materially. The reasons for this view include: • In our view, a takeover offer is less likely to be forthcoming in circumstances where companies are geared at Laneway's level and the debt is short term debt; • The Bizzell Nominees Loan Facility contains change of control provisions that effectively mean that Bizzell Nominees has to consent to any change of control event. While the Bizzell Nominees Loan Facility is in place, a change of control event such as a takeover will require the consent of Bizzell Nominees; and • Given the Bizzell Entities 23.73% interest in Laneway and the level of debt held by Bizzell Nominees, a potential acquirer will be unable to acquire 100% of the Company without the support of the Bizzell Entities.

Source: BDO CFQ Analysis

8.2 Disadvantages of the Proposed Conversion

Table 8.2 below outlines the potential disadvantages to Laneway Shareholders of approving the Proposed Conversion.

Table 8.2: Disadvantages to Laneway Shareholders of Approving the Proposed Conversion

Disadvantages	Explanation
The Bizzell Entities will hold a controlling interest in the Company and dilute the Laneway Shareholders relevant interest in the Company	If the Proposed Conversion is approved then the Bizzell Entities relevant interest in Laneway shares will increase from approximately 23.73% to an ownership interest within the range of 71.73% to 82.05% (assuming resolutions 2 to 5 are approved) or within the range of 78.21% to 90.72% if resolutions 2 to 5 are not approved. This increase in shareholding will dilute the Laneway Shareholders relevant interest in the Company and lessen their exposure to any upside in the value of Laneway. Further, with this increase in relevant interest we note the following: • With a relevant interest in excess of 50%, the Bizzell Entities will be in a position to control the day-to-day operations of the Company, will have the ability to pass ordinary resolutions at a general meeting of the Company and will have the ability to deter or block any future takeover offers; • With a relevant interest in excess of 75%, the Bizzell Entities will be able to pass any special resolution at a general meeting of the Company.
Compulsory Acquisition	If the Proposed Conversion is approved then the Bizzell Entities relevant interest in Laneway shares will increase from approximately 23.73% to an ownership interest within the range of 71.73% to 82.05% (assuming resolutions 2 to 5 are approved) or within the range of 78.21% to 90.72% if resolutions 2 to 5 are not approved. With a relevant interest in excess of 90%, the Bizzell Entities will have an option to compulsorily acquire the balance of shares in Laneway not already held having regard to the process set out in Chapter 6A of the Act. The process set out in Chapter 6A includes a requirement for an independent expert to be selected from an ASIC shortlist to provide an opinion on whether the proposed terms of the compulsory acquisition notice give a 'fair value' for the securities. In accordance with this guidance, and to the extent relevant, to determine 'fair value' the expert is required to: - first assess the value of the entity as a whole; - then allocate that value among the classes of issued securities in the company (taking into account the relative financial risk and the voting and distribution rights of the classes); - then allocate the value of each class pro rata among the securities in that class (without allowing any premium or applying a discount for particular securities or interest in that class); and - in determining the fair value for securities, take into account the prices paid for securities in that class in the previous six months. For completeness we note that the Bizzell Entities relevant interest will only increase above 90% in circumstances where the Entitlement Offer is not supported by existing shareholders and resolutions 2 to 5 are not approved. In considering whether resolutions 2 to 5 will be approved, Laneway Shareholders should note that we understand that it is the Bizzell Entities' intention to vote their 23.7% interest in the Company in favour of these resolutions. This would require a further 26.3% of shareholders to vote in favour of the resolutions for the relevant number of shares to be issued.

Disadvantages	Explanation
Potential for a significant number of Laneway shares to be sold on the open market	As mentioned above, Bizzell Nominees has the potential to be issued with up to 1,094 million new shares in Laneway depending on the outcome of the Entitlement Offer. Under the terms of the Proposed Conversion, there is no restriction on Bizzell Nominees selling the new Laneway shares it is entitled to receive on the open market. If the Proposed Conversion is approved, Bizzell Nominees may elect to sell some of the new Laneway shares it has received on the open market. This may place downward pressure on the share trading price of Laneway if the increased supply of Laneway shares sufficiently outweighs the demand for Laneway shares.

Source: BDO CFQ Analysis

8.3 Alternatives to the Proposed Conversion

Based on discussions with the directors of Laneway, we understand that the alternatives available to Laneway in circumstances where the Proposed Conversion is not approved include:

- Raising equity capital to meet the obligations of the Bizzell Nominees Loan Facility;
- Renegotiating the terms and conditions of the Bizzell Nominees Loan Facility with Bizzell Nominees;
- Refinancing the Bizzell Nominees Loan Facility with a new debt facility;
- An orderly realisation of the Company's assets to repay the Bizzell Nominees Loan Facility and return excess cash (if any) to shareholders; or
- Voluntarily entering administration (or receivership if unable to repay the Bizzell Nominees Loan Facility by required date).

Each of the alternative options is considered in more detail in Table 8.3 below.

Table 8.3: Alternative Options Available to Laneway Shareholders

Alternative	Explanation
Equity Capital Raising	An option available to Laneway is to raise additional equity capital by securing a cornerstone investor to assist with the repayment of the Bizzell Nominees Loan Facility and fund future growth. We understand that this option has previously been considered by the directors of Laneway and that they were unable to identify a cornerstone investor willing to invest the amounts required to recapitalise Laneway in the current capital market conditions. Laneway Shareholders should note that further attempts to identify a suitable cornerstone investor may require considerable amounts of time and even if a suitable cornerstone investor was able to be identified, there is no guarantee that they would invest in the Company at a share price higher than the \$0.018 under the Proposed Conversion.
Renegotiate Debt Facilities	Laneway may attempt to renegotiate the terms and conditions of the Bizzell Nominees Loan Facility with Bizzell Nominees. We note however that Bizzell Nominees has advised Laneway that it does not intend to advance further funds to Laneway and that it requires repayment of the loan no later than 30 June 2014. It follows that should the proposed loan conversion not be approved and Laneway not be in a position to repay the loan by 30 June 2014, Bizzell Nominees will have an election to exercise its rights under its general security over Laneway, which rights include the appointment of a receiver to dispose of Laneway's assets so that the proceeds can be applied in repayment of the loan, or winding Laneway up.

Alternative	Explanation
Refinance Debt Facilities	Laneway may attempt to establish a new debt facility to replace the Bizzell Loan Facility. However, we understand that Laneway management are of the view that they will be unable to attract an alternative debt facility on terms acceptable to the Company given current capital market conditions.
Voluntary Administration (or Receivership)	The directors of Laneway may decide to place the company into voluntary administration in circumstances where they are unable to improve the financial position of the Company through alternatives including the above and/or in circumstances where the business can no longer continue to operate as a going concern. Similarly, if the Bizzell Nominees Loan Facility is unable to be renegotiated or refinanced, Bizzell Nominees may appoint a receiver to the Company. If a voluntary administrator or receiver is appointed to the Company and the assets are liquidated, Laneway Shareholders will only realise a value from their investment in circumstances where the value realised for the assets, net of costs, exceeds the amount of money owed to the Company's creditors and debt holders.

Source: BDO CFQ and Laneway management

8.4 Position of Laneway Shareholders if the Proposed Conversion is Not Approved

Table 8.4 outlines the position of Laneway Shareholders if the Proposed Conversion is not approved.

Table 8.4: Potential Impact on Laneway Shareholders if the Proposed Conversion is Not Approved

Impact	Explanation
Laneway Shareholders will continue to hold a controlling interest in the Company	If the Proposed Conversion is not approved, Laneway Shareholders will continue to hold a controlling interest in the Company. The Bizzell Entities not hold a controlling interest (i.e. an interest in less than 50% of the Laneway ordinary shares).
Laneway Shareholders will not be diluted	If the Proposed Conversion is not approved, Bizzell Nominees will not be able to convert the Bizzell Loan Facility into ordinary Laneway shares and Laneway Shareholders will not have their collective interest diluted. Bizzell Nominees will continue to have security over the assets of Laneway.
The Bizzell Loan Facility will not be extinguished	If the Proposed Conversion is not approved, the Bizzell Loan Facility will not be extinguished and Laneway will be required to make principal and interest payments to Bizzell Nominees. Interest will also continue to accrue on the amounts drawn down from the Bizzell Loan Facility at the rate of 11.0% per annum compounded daily.
The directors of Laneway will need to consider the alternatives to the Proposed Conversion	If the Proposed Conversion is not approved, the directors of Laneway will need to consider the alternatives to the Proposed Conversion set out in Section 8.3 above. However, as discussed in Section 8.3, the Directors of Laneway are of the view that it is unlikely that the Company will be able to successfully raise the capital required to repay the Bizzell Loan Facility and continue funding its operations in the current market. In circumstances where Laneway is unable to repay or renegotiate the Bizzell Loan Facility, a voluntary administrator or receiver may be appointed to the Company. If a voluntary administrator or receiver is appointed, there is a material risk that the value ultimately realised will not exceed the value implied by the Proposed Conversion or the values implied by the process recently conducted by Laneway to recapitalise the Company (refer to Section 5.1.3 of this Report for more detail).

Impact	Explanation
Laneway Shareholders will not be able to recover the costs incurred in relation to the Proposed Conversion	If the Proposed Conversion is not approved, Laneway will not be able to recover the costs incurred in relation to the Proposed Conversion.

Source: BDO CFQ Analysis

8.5 Assessment of the Reasonableness of the Proposed Acquisition

In our opinion, after consideration of all issues including those set out above in this section of this Report, it is our view that, in the absence of any other information, the Proposed Conversion is **Reasonable** to Laneway Shareholders.

9.0 Sources of Information

This Report is based on information from sources including the following:

- Laneway Annual Report for the year ended 30 June 2011, 2012 and 31 December 2012;
- Laneway Website;
- Technical Expert's Report prepared by Minnelex, dated 24 July 2013;
- Publicly available information from sources including Laneway's ASX announcements, Bloomberg, industry websites, the Australian Bureau of Statistics and the Australian Department of Foreign Affairs and Trade; and
- Meetings and correspondence with Laneway management on the Proposed Conversion (including various other documents provided by the management and directors of Laneway).

10.0 Representations, Indemnities & Warranties

Laneway has agreed to our terms of engagement and the following indemnities and representations.

10.2 Representations

Laneway recognises and confirms that, in preparing this Report, except to the extent to which it is unreasonable to do so, BDO Persons have used and relied on publicly available information and on data, material and other information furnished to BDO Persons by Laneway, its management, and other parties, and may assume and rely upon the accuracy and completeness of, and has not assumed any responsibility for independent verification of, such publicly available information and the other information so furnished.

Laneway has acknowledged that the engagement of BDO CFQ is as an independent contractor and not in any other capacity including a fiduciary capacity.

10.2 Indemnities & Warranties

In connection with BDO CFQ's engagement to prepare this Report, Laneway has agreed to indemnify and hold harmless BDO CFQ, BDO (QLD) or any of the partners, directors, agents or associates (together 'BDO Persons'), to the full extent lawful, from and against all losses, claims, damages, liabilities and expenses incurred by them. Laneway will not be responsible, however, to the extent to which such losses, claims, damages, liabilities or expenses result from the negligent acts or omissions or wilful misconduct of any BDO Persons.

Laneway has agreed to indemnify BDO Persons in respect of all costs, expenses, fees of separate legal counsel or any other experts in connection with investigating, preparing or defending any action or claim made against BDO Persons, including claims relating to or in connection with information provided to or which should have been provided to BDO CFQ by Laneway (including but not limited to the directors and advisers of Laneway) as part of this engagement.

11.0 Experience, Disclaimers and Qualifications

BDO CFQ has extensive experience in the provision of corporate finance advice, including takeovers, valuations and acquisitions. BDO CFQ holds an Australian Financial Services Licence issued by ASIC for preparing expert reports pursuant to the Listing Rules of the ASX and the Act.

BDO CFQ and its related parties in Australia have a wide range of experience in transactions involving the advising, auditing or expert reporting on companies that have operations domestically and in foreign jurisdictions. BDO in Queensland and in Australia is a national association of separate partnerships and entities and is a member of the international BDO network of individual firms.

Steven Sorbello has prepared this Report with the assistance of staff members. Mr Sorbello is a director of BDO CFQ and has extensive experience in corporate advice and the provision of valuation and business services to a diverse range of clients, including large private, public and listed companies, financial institutions and professional organisations.

This Report has been prepared at the request of the directors of Laneway to provide Laneway Shareholders with information to assist them to decide whether to vote for or against the Proposed Conversion. BDO CFQ hereby consents to this Report being used for that purpose. Apart from such use, neither the whole nor any part of this Report, nor any reference thereto may be included in or with, or attached to any document, circular, resolution, statement, or letter without the prior written consent of BDO CFQ.

BDO CFQ takes no responsibility for the contents of other documents supplied in conjunction with this Report. BDO CFQ has not audited or reviewed the information and explanations supplied to us, nor has it conducted anything in the nature of an audit or a review of any of the entities mentioned in this Report. However we have no reason to believe that any of the information or explanations so supplied are false or that material information has been withheld.

Any forecast information which has been referred to in this Report has been prepared by the relevant entity and is generally based upon best estimate assumptions about events and management actions, which may or may not occur. Accordingly, BDO CFQ cannot provide any assurance that any forecast is representative of results or outcomes that will actually be achieved.

With respect to taxation implications of the Proposed Conversion, it is strongly recommended that Laneway shareholders obtain their own taxation advice, specific to their own particular circumstances.

The statements and opinions included in this Report are given in good faith and in the belief that they are not false, misleading or incomplete. This Report is current as at 15 August 2013.

BDO Corporate Finance (QLD) Ltd



Steven Sorbello
Director

Appendix A - Industry Information¹

Appendix A of this Report is set out as follows:

- Section A.1 provides an overview of the Australian mineral exploration industry;
- Section A.2 sets out an overview of the gold industry; and
- Section A.3 sets out an overview of the coal industry.

This summary is not intended to be a comprehensive analysis of the abovementioned industries. The information presented in this appendix has been compiled from a range of publicly available sources.

We have not commissioned the reports referred to in this appendix and have not independently verified any of the information contained in this appendix. We recommend that Laneway shareholders refer to the original source of the information listed in this appendix, and any other information they believe appropriate, for a more comprehensive analysis. This appendix should be referred to as a broad guide only.

A.1 Minerals Exploration in Australia Industry Overview

This section sets out a brief summary of the minerals exploration industry in Australia.

A.1.1 Background

Mining exploration firms in Australia are involved in the discovery and development of ore bodies for future production and export.

Exploration companies in Australia compete to obtain exploration leases over areas of land considered to be prospective. Once an exploration lease is obtained by a company, the holder may carry out exploration and other activities that may be necessary for defining and producing the resource.

Mineral exploration is generally regarded as a risky undertaking and as a speculative investment by prospective lenders and shareholders. This is due to approximately 0.1% of mineral ore bodies discovered being developed into mining operations.

Approximately 69% of total exploration activity in Australia during FY2012 related to the exploration of existing ore deposits and focused on proving a known deposit already classified as an inferred mineral resource. Exploration of existing deposits is considered less risky as mineral ore bodies have already been identified. The remaining exploration activity relates to identifying new deposits. New deposits are defined as previously unknown mineralisation or known mineralisation that has not yet had sufficient exploration to be classified as an inferred mineral resource.

A.1.2 Exploration Expenditure

The level of exploration of different minerals and ore bodies in Australia is primarily driven by the level of demand for minerals. Expenditure of mineral exploration companies is influenced by the level of metal and minerals demanded by the market and the availability of funding to undertake exploration.

¹ Information in this appendix was sourced from the Australian Bureau of Statistics, Australian Department of Foreign Affairs and Trade, Geoscience Australia: Australian Mineral Exploration Review 2011, BHP Statistical Review of World Energy 2013, Bloomberg and other publicly available information.

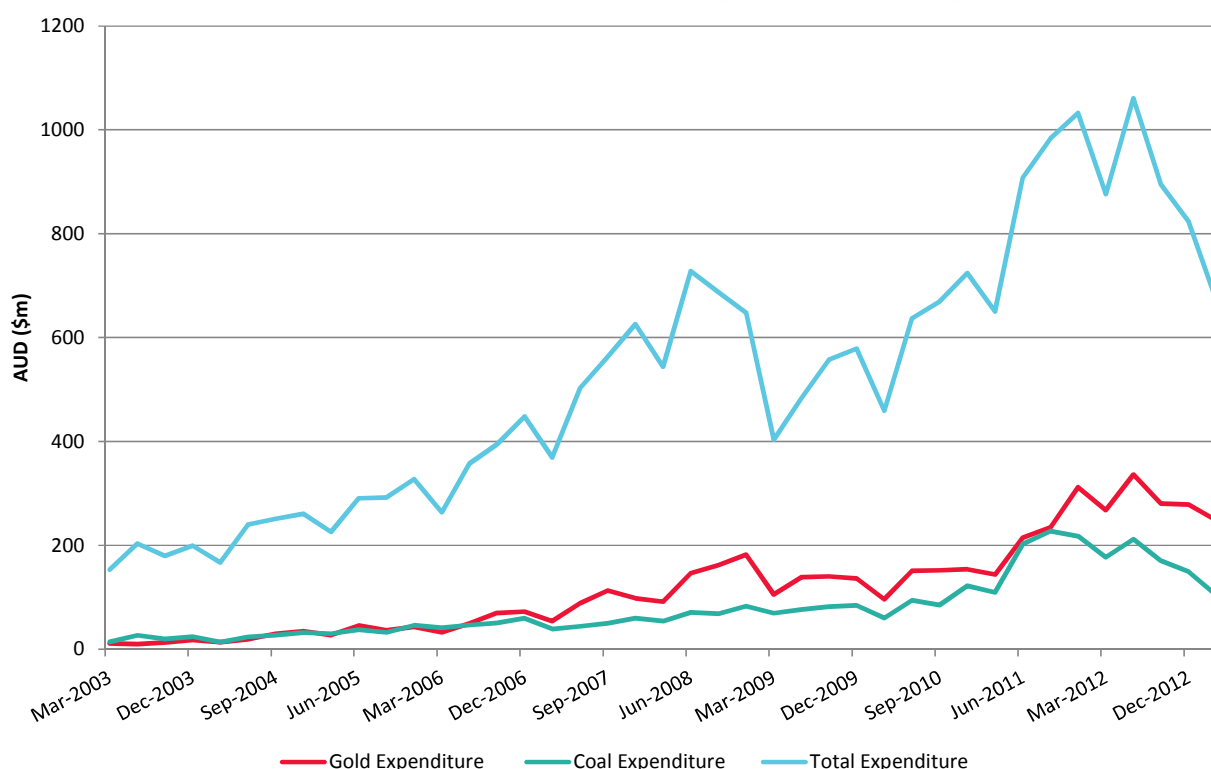
Advances in mineral extraction technologies also influence the level of spending on mineral exploration by Australian companies. The availability of newer extraction and processing technologies allow ore bodies that were previously considered to be economically unviable to be brought into production. Advances in technology allow a greater number of ore bodies to be explored for potentially viable mining operations.

Government policy changes may also affect the level of exploration for specific mineral types.

Australian mineral exploration expenditure, excluding petroleum, in the 12 months to March 2013 was approximately \$3.4 billion, down from \$3.8 billion in the previous 12 month period. The sharp decrease, particularly in the last three quarters is largely attributable to weaker commodity prices, higher expected future costs of exploration and development and Australian government policy setting. The short to medium term outlook for mineral exploration is one characterised by a great deal of uncertainty and will likely be driven by global macroeconomic factors and the flow through affect that these factors will have on the prices of Australia's key commodities.

Figure A.1 below sets out the quarterly expenditure of Australian companies on total mineral exploration (excluding petroleum), gold exploration and coal exploration for the last ten years to March 2013.

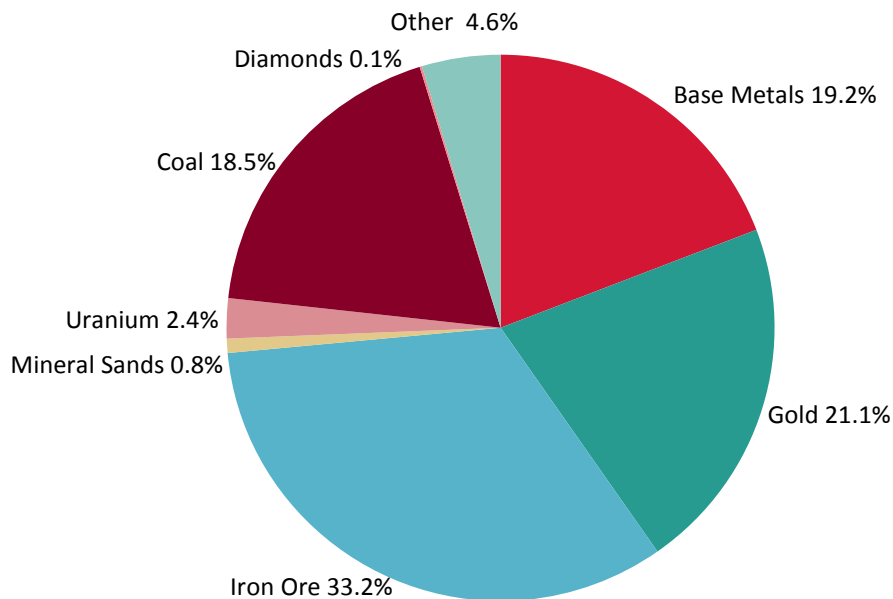
Figure A.1: Quarterly Australian Mineral Exploration Expenditure (excluding petroleum)



Source: Australian Bureau of Statistics

Figure A.2 below sets out the percentage of total exploration expenditure in Australia for different resource types for the twelve months to March 2013.

Figure A.2: Exploration Expenditure in Australia by Resource Type



Source: Australian Bureau of Statistics

A.2 Gold Industry Overview

A.2.1 Gold Production

In 2011-12, Australia mined approximately 253 tonnes of gold representing approximately 9.3% of the 2012 global gold production. Australia ranked second in the world behind China in terms of total gold produced in 2012. Western Australia is the largest producer and exporter of gold in Australia, accounting for approximately 71% of total Australian production in 2012.

A.2.2 Global Gold Demand

Gold is both a commodity and an international store of monetary value. Once mined, gold continues to exist indefinitely, often melted down and recycled to produce alternative or replacement products. This characteristic means that gold demand is supported by both mine production and gold recycling.

World demand for gold has two key drivers, consumption and investment. Gold consumption comprises around three quarters of world demand and relates to the use of gold in the manufacturing of jewellery, electronics, dentistry, coins and other industrial applications. Gold investment relates to gold purchases for financial purposes (usually in the form of gold bullion), which is traditionally seen as a secure 'defensive' investment.

Factors which influence the demand for gold consumption and investment differ. Gold consumption demand is influenced by changes at the household level, including household income and changes in consumer appetite/taste for jewellery. Gold investment demand is influenced by broader economic factors, including developments in the outlook for global economies, shifts in the value of major currencies and changes in the riskiness of other assets.

Quarter 1, 2013 saw a strong resurgence in demand for gold jewellery, bars and coins, however, overall demand remained suppressed.

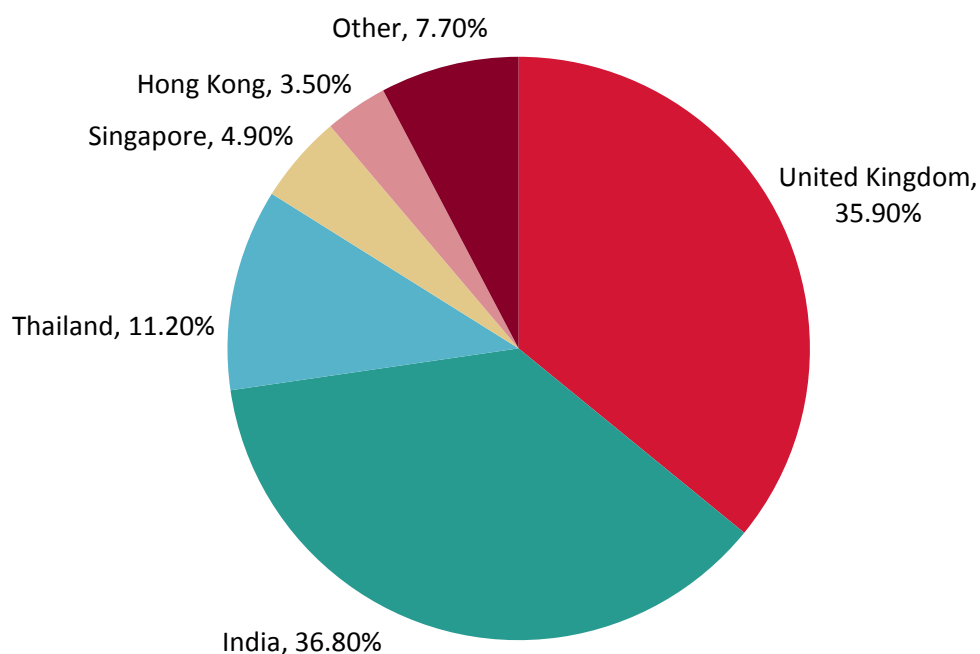
A.2.3 Australian Gold Reserves

Australia's reserves of gold were 7,400 tonnes in December 2012 according to United States Geological Survey estimates, the highest of any country and about 14% of the global total. Other countries that make up a significant portion of global reserves include South Africa (11.5%), Russia (9.6%) and Chile (7.5%). Around 70% of Australia's total reserves are contained in just 15 deposits, with more than 50% of total Economic Demonstrated Resources in the four largest deposits.

A.2.3 Australian Gold Exports

In 2010, Australia's gold exports totalled approximately 335 tonnes, representing approximately 6.5% of Australia's total commodity exports. Demand for Australian gold in 2010 was largely dominated by India, the United Kingdom and Thailand. Figure A.3 below sets out Australian gold exports by destination in 2010.

Figure A.3: Australian Gold Exports by Destination - 2010

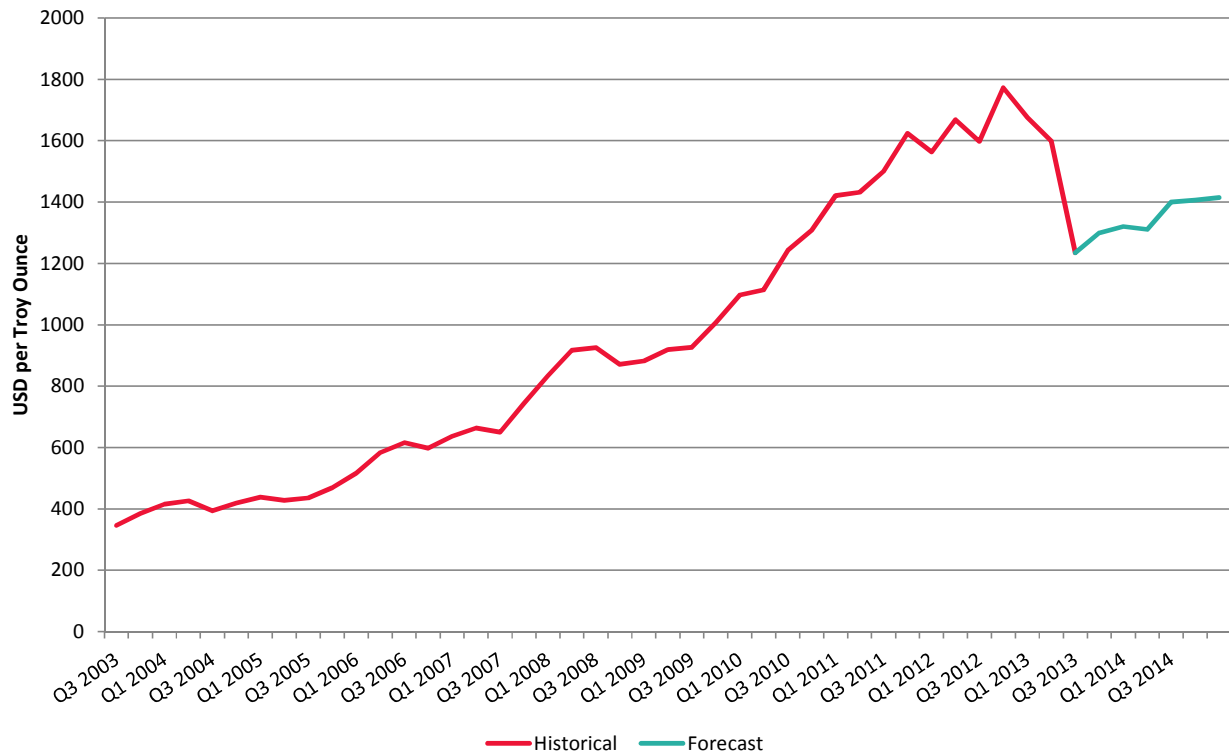


Source: Department of Foreign Affairs and Trade, Australia's gold industry: trade, production and outlook

A.2.4 Spot Price of Gold

Figure A.4 below sets out the quarterly Gold Spot Price for the period from quarter two 2003 to quarter two 2013.

Figure A.4: Gold Spot Price from 2003 to 2013



Source: Bloomberg

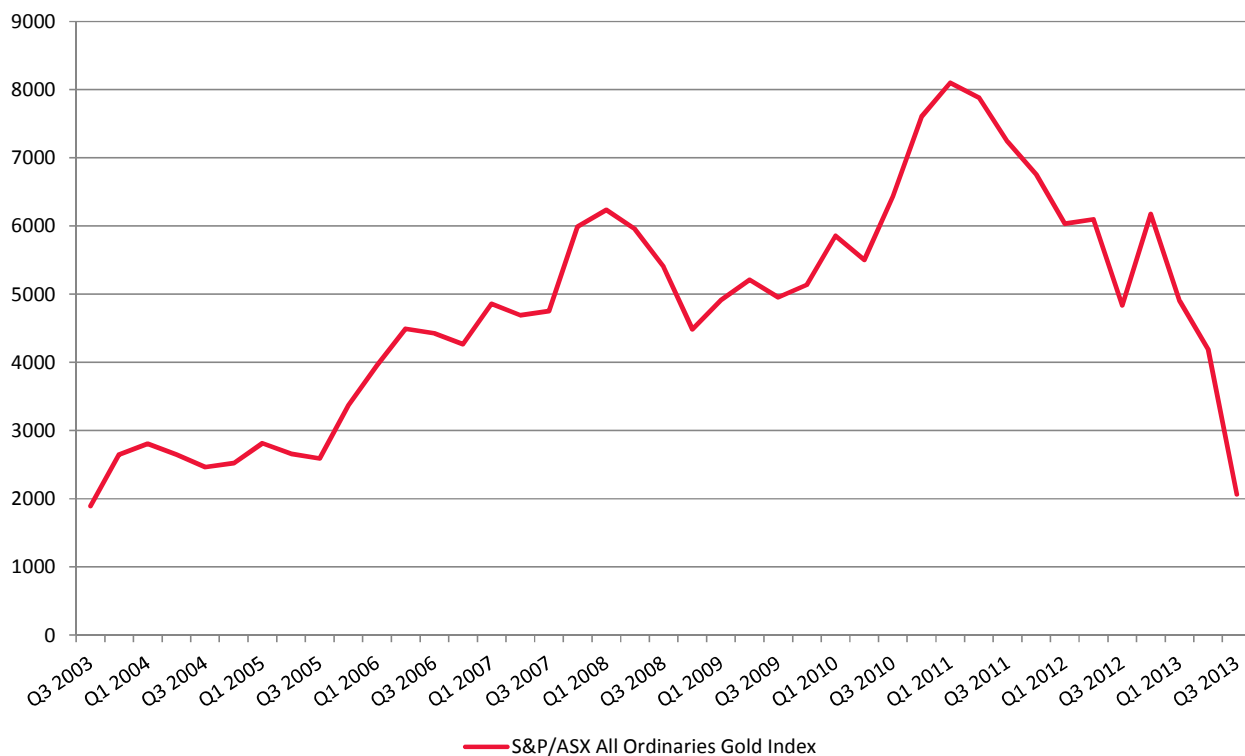
The price of gold fluctuates on a daily basis depending on global demand and supply factors. As seen in Figure A.4 above, the price trend of gold since the Global Financial Crisis is reflective of weak global economic conditions driving demand. The peak in quarter four 2012 was caused, amongst other things, by continued uncertainty surrounding the stability of the Eurozone, and weaker economic results out of China. Since reaching a high in quarter four 2012 the price of gold has declined sharply, however analysts are expecting the price of gold to stabilise around \$1,400 per ounce in 2014.

Nevertheless, ongoing uncertainty in global financial markets may continue to drive investors toward using precious metals as a store of value.

A.2.5 S&P/ASX All Ordinaries Gold Index

Figure A.5 below sets out the quarterly S&P/ASX All Ordinaries Gold Index for the period from quarter two 2003 to quarter two 2013.

Figure A.5: S&P/ASX All Ordinaries Gold Index from 2001 to 2013



Source: Bloomberg

The S&P/ASX All Ordinaries Gold Index includes companies in the Gold sub-industry of the All Ordinaries Index. There are very few companies, included in the All Ordinaries Gold Index that have a market capitalisation of less than \$50m.

The S&P/ASX All Ordinaries Gold Index has been relatively volatile over the past five years, ranging from a high of 8,099 in quarter four 2010 to a low of 1,891 points in quarter three 2003. Generally, movements in the S&P/ASX All Ordinaries Gold Index have corresponded to movements in gold spot prices, as shown by the peaks in late 2007/early 2008 and late 2010/early 2011 and the decreases in late 2008, late 2011 and mid-2013.

A.3 Coal Industry Overview

A.3.1 Coal Production

In 2011-12, Australia mined approximately 344 million tonnes of coal representing approximately 6.3% of the 2012 global coal production. Australia ranked third in the world behind China and the US in terms of total coal produced in 2012. Australia's coal production is concentrated in Queensland and New South Wales. Historically total coal production is split approximately 55%-60% thermal coal with the rest metallurgical coal.

A.3.2 Coal Demand

Coal is a fossil fuel accounting for around 40 per cent of total world power generation. Coal is primarily a mixture of carbon and hydrogen atoms, with very small amounts of sulphur (bound with carbon or iron) and other elements.

As of 2012, 40% of the world's electricity needs were provided by coal, making it the second most utilised source of primary energy after oil. This figure is expected to remain at similar levels over the next 30 years. Approximately 3.7 billion tonnes of hard coal and brown coal were consumed worldwide in 2012. The five largest users of coal - China, the US, India, Japan and Russia - account for 76.4% of total global coal use.

Factors which influence the demand for coal consumption is largely driven by the demand derived from electricity generation, which can be linked back to the overall economic activity and broader economic factors.

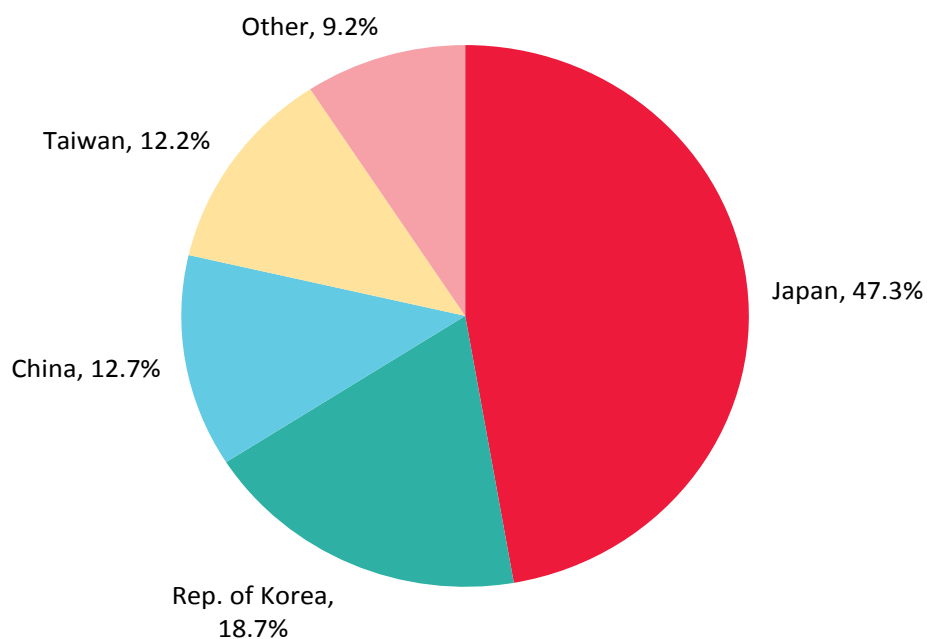
A.3.3 Australian Coal Reserves

Australia's total proved reserves of coal were 76,400 million tonnes at the end of 2012 according to BP Statistical Review of World Energy 2013 and about 8.9% of the global total. Other countries that make up a significant portion of global reserves include the US (27.6%), Russia (18.2%) and China (13.3%).

A.3.4 Australian Coal Exports

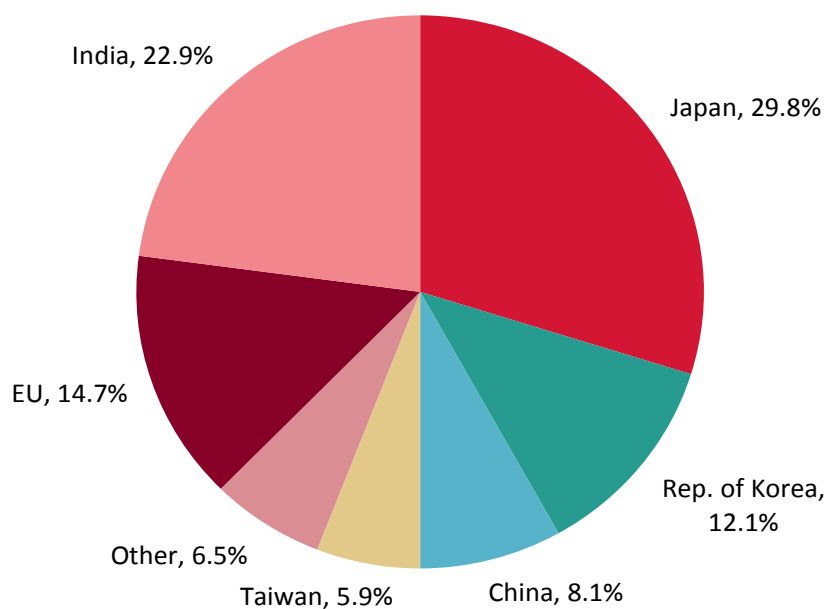
Australia is the world's largest exporter of coking coal and second largest exporter of coal overall having exported 284 million tonnes of hard coal in 2011 out of its total production of 345 million tonnes. Since 2011, Australia has remained the world's largest supplier of coking coal, accounting for approximately 50% of world exports. Australia's coal exports have historically been split approximately 50-50 between thermal and metallurgical coal. Over the past ten years to 2011 the value of coal exports increased from \$12.5 billion to \$46.8 billion. Figure A.6 and A.7 below set out Australian Thermal coal and Metallurgical Coal exports by destination in 2010.

Figure A.6: Australian Thermal Coal Exports by Destination - 2011



Source: Department of Foreign Affairs and Trade

Figure A.7: Australian Metallurgical Coal Exports by Destination - 2011



Source: Department of Foreign Affairs and Trade

A.3.5 Price of Coal

Most coal traded in international markets is bought and sold pursuant to term contract arrangements between the world's major producers and buyers. The term contract arrangements set out a number of key terms including:

- the benchmark prices at which coal will be traded;
- the volume of coal to be traded;
- the energy content of the coal to be traded; and
- the method and cost of transportation.

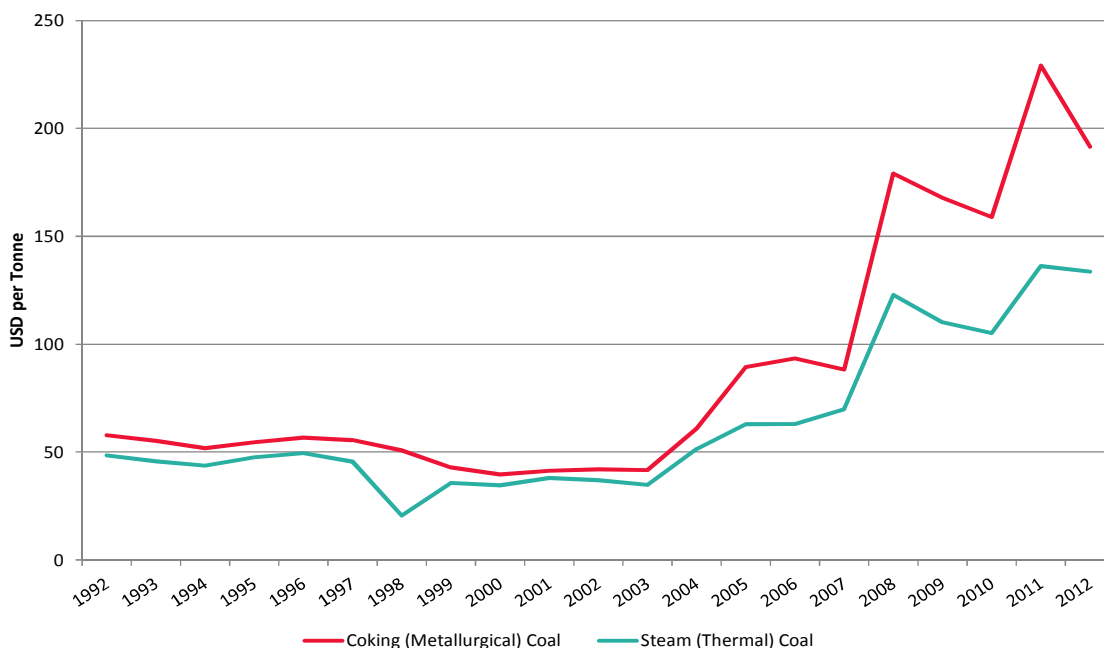
Existing term contracts generally serve as the reference point when negotiating updated term contract arrangements.

The benchmark prices negotiated and agreed between the major producers and buyers generally determine the price at which subsequent coal contracts will settle at following adjustments for the specific energy specifications of the coal.

The coal price is also affected by quality factors that are specific to the type of coal being produced. Coal with a relatively low level of impurities, such as sulphur, often also attracts either a price premium or is less likely to suffer volume cuts if demand eases. Low sulphur coal offers the user lower operating costs, as fewer impurities need to be removed and disposed of. For coking coal, higher carbon content generally attracts a higher price or more ready market acceptance. Purchasers of steaming coal are interested in its calorific value, as this determines its usefulness as a source of fuel for power generation. Generally, the higher the calorific value, the higher the price.

Figure A.8 below shows the average spot price for coking/steam coal over the period 1991 to 2011 in US dollars per metric tonne.

Figure A.8: Japan Coal Import CIF Price (1992-2012)



Source: BP Statistical Review of World Energy June 2012

We note that the coal price achieved is highly variable depending on a number of factors as discussed above. Figure A.8 above is for indicative purposes only and may not represent the actual price achieved on the sale of that type of coal.

Appendix B - Common Valuation Methodologies

A 'fair market value' is often defined as the price that reflects a sales price negotiated in an open and unrestricted market between a knowledgeable, willing but not anxious buyer and a knowledgeable, willing but not anxious seller, with both parties at arm's length. The valuation work set out in this Report assumes this relationship.

There are a number of methodologies available to value an entity at fair market value. In preparing this Report, we have considered, amongst other metrics, the valuation methodologies recommended by ASIC in RG 111 regarding content of expert reports. The methodologies include those mentioned directly below.

B.1 Discounted Future Cash Flows ('DCF')

The DCF approach calculates the value of an entity by adding all of its future net cash flows discounted to their present value at an appropriate discount rate. The discount rate is usually calculated to represent the rate of return that investors might expect from their capital contribution, given the riskiness of the future cash flows and the cost of financing using debt instruments.

In addition to the periodic cash flows, a terminal value is included in the cash flow to represent the value of the entity at the end of the cash flow period. This amount is also discounted to its present value. The DCF approach is usually appropriate when:

- An entity does not have consistent historical earnings but is identified as being of value because of its capacity to generate future earnings; and
- Future cash flow forecasts can be made with a reasonable degree of certainty over a sufficiently long period of time.

Any surplus assets, along with other necessary valuation adjustments, are added to the DCF calculation to calculate the total entity value.

B.2 Capitalisation of Future Maintainable Earnings ('CME')

The CME approach involves identifying a maintainable earnings stream for an entity and multiplying this earnings stream by an appropriate capitalisation multiple. Any surplus assets, along with other necessary valuation adjustments, are added to the CME calculation to calculate the total entity value.

The maintainable earnings estimate may require normalisation adjustments for non-commercial, abnormal or extraordinary events.

The capitalisation multiple typically reflects issues such as business outlook, investor expectations, prevailing interest rates, quality of management, business risk and any forecast growth not already included in the maintainable earnings calculation. While this approach also relies to some degree on the availability of market data, the rate is an alternative way of stating the expected return on an asset, allowing for a risk premium over the risk free rate.

The CME approach is generally most appropriate where an entity has historical earnings and/or a defined forecast or budget. Further, a CME is usually considered when relevant comparable information is available.

B.3 Asset Based Valuations ('ABV')

Asset based valuations are used to estimate the market value of an entity based on the realised value of its identifiable net assets. The ABV approach ignores the possibility that an entity's value could exceed the realisable value of its net assets, however when used in conjunction with other methods which determine the value of an entity to be greater than the realisable value of its net assets, it is also possible to arrive at a reliable estimate of the value of goodwill.

The ABV approach is most appropriate where the assets of an entity can be identified and it is possible, with a reasonable degree of accuracy, to determine the fair value of those identifiable assets.

B.4 Market Based Valuations ('MBV')

Market based valuations relate to the valuation of an entity, where its shares are traded on an exchange. The range of share prices observed may constitute the market value of the shares where sufficient volumes of shares are traded and the shares are traded over a sufficiently long period of time. Share market prices usually reflect the prices paid for parcels of shares not offering control to the purchaser.

Appendix C - Control Premium Research

A controlling interest in a company is usually regarded as being more valuable than a minority interest as it provides the owner with:

- control over the operating and financial decisions of the company;
- the right to set the strategic direction of the company;
- control over the buying, selling and use of the company's assets; and
- control over the appointment of staff and the setting of financial policies.

The increase in value for a controlling interest is often observed where an acquirer launches a takeover bid, or some other mechanism for control, for another company.

To form our view of an appropriate range of control premiums applicable to Laneway, we have considered information which includes:

- control premiums implied in merger and acquisition transactions in the Australian gold exploration and coal exploration industries from 2009 to 2013; and
- other research including recent independent expert's reports opining on transactions in the Australian mining and minerals industry.

C.1 Control Premiums in Gold and Coal Industry

For the purposes of this Report, we have categorised our research into the following four groups:

- Control transactions involving gold companies whose operations include exploration activities and a deal value below \$100 million;
- Control transactions involving gold companies whose operations include exploration activities and a deal value of \$100 million or above;
- Control transactions involving coal companies whose operations include exploration activities and a deal value below \$100 million; and
- Control transactions involving coal companies whose operations include exploration activities and a deal value of \$100 million or above.

We have defined a control transaction to be a transaction in which the bidder acquires a shareholding of greater than 50% in the target company.

This section is set out as follows:

- Section C.1.1 sets out the gold exploration industry control premium research;
- Section C.1.2 sets out the coal exploration industry control premium research; and
- Section C.1.3 sets out a summary of the aggregate results.

C.1.1 Australian Gold Exploration Industry Control Premium Research

In Table C.1 below we have set out the observed control premiums based on an analysis of Bloomberg data on announced transactions from July 2009 to July 2013 within the Australian gold exploration industry.

Table C.1: Australian Gold Exploration Industry Control Premium Research

	Deal Value \$0 - \$100m	Deal Value \$100m+	All Transactions
Max	102.0%	128.6%	128.6%
Min	(17.7%)	(1.1%)	(17.7%)
Median	30.8%	38.2%	35.9%
Mean	38.6%	42.2%	40.3%
No. of Transactions	12	11	23

Source: Bloomberg

With reference to Table C.1 above we note that the median observed control premium within the Australian gold exploration industry is approximately 30.8% for deals under \$100 million and 38.2% for deals over \$100 million.

In our view, Laneway is most similar to a gold exploration company with a deal value less than \$100 million.

C.1.2 Australian Coal Industry Control Premium Research

In Table C.2 below we have set out the observed control premiums based on an analysis of Bloomberg data on announced transactions from July 2009 to July 2013 within the Australian coal exploration industry.

Table C.2: Australian Coal Exploration Industry Control Premium Research

	Deal Value \$0 - \$100m	Deal Value \$100m+	All Transactions
Max	69.6%	102.9%	102.9%
Min	13.2%	(17.4%)	(17.4%)
Median	51.6%	27.8%	39.1%
Mean	46.5%	36.1%	38.9%
No. of Transactions	4	11	15

Source: Bloomberg

With reference to Table C.2 above we note that the median observed control premium within the Australian coal exploration industry is approximately 51.6% for deals under \$100 million and 27.8% for deals over \$100 million.

C.1.3 Summary of Aggregate Results

In Table C.3 below we have presented the aggregate results for both gold exploration and coal exploration industry transactions from July 2009 to July 2013.

Table C.3: Australian Gold and Coal Exploration Industry Control Premium Research Summary

	Deal Value \$0 - \$100m	Deal Value \$100m+	All Transactions
Max	102.0%	128.6%	128.6%
Min	(17.7%)	(17.4%)	(17.7%)
Median	34.8%	37.3%	36.2%
Mean	40.6%	39.2%	39.8%
No. of Transactions	16	22	38

Source: Bloomberg

With reference to Table C.3 above, the median observed control premium within the Australian gold and coal exploration industry is approximately 34.8% for deals under \$100 million and 37.3% for deals over \$100 million.

C.2 Other Research

In addition to the above transaction analysis, we have also had regard to the following:

- Recent independent expert's reports opining on transactions in the Australian mining and minerals industry which apply control premiums in the range of 10% to 40%;
- Our own research using information sourced from databases including MergerMarket, Capital IQ and Bloomberg;
- Various industry and academic research;
- Various valuation textbooks; and
- Industry practice.

C.3 Conclusion

The range of control premiums observed may be impacted by a range of factors including:

- Specific acquirer premium and/or special value that may be applicable to the acquirer;
- Level of ownership in the target company already held by the acquirer;
- Market speculation about any impending transactions involving the target and/or the sector that the target belongs to;
- The presence of competing bids; and
- General market sentiment and economic factors.

Having regard to the above information, it is our view that it is appropriate to consider control premiums within the range of 20% to 40% for the purposes of assessing the Proposed Conversion within the context of this Report.



Appendix D - Technical Expert's Report



MINNELEX PTY. LTD.

GEOLOGICAL CONSULTING SERVICES & VALUATIONS

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1 August 2013

Steven Sorbello
Director
BDO Corporate Finance (Qld)
Level 10, 12 Creek Street
Brisbane Qld 4000

INDEPENDENT VALUATION OF THE LANEWAY RESOURCES LTD PROJECTS.

BDO Corporate Finance (QLD) Ltd has commissioned Minnelex Pty Ltd [Minnelex] to prepare a Technical Assessment Report containing a Technical Fair Market Valuation of various mineral assets, as supporting documentation to a proposed debt to equity conversion resulting in a change of control of Laneway Resources Ltd [Laneway]. Laneway's projects being valued include gold in North Queensland and New Zealand and coal in NSW. Minnelex consents to BDO to directly refer to and rely on this report for the purposes of completing its independent expert's report and for the report to be included as an appendix to the BDO report, which will be made public.

The valuation is at the date of the report with an effective date of 24 July 2013 and reflects the value that the coal and gold assets would change hands in an open and unrestricted market between a willing buyer and a willing seller in an "arm's length" transaction, with each party acting knowledgeably, prudently and without compulsion. The valuation may change after this date to variations in economic, market, legal or political factors, as well as to ongoing exploration. The values ascribed to the various projects are rounded and summarised as:

Project	Percentage held	Low \$ M*	High \$ M	Preferred \$ M
Agate Creek (gold)	100	13.9	22.3	18.1
Coromandel (gold)	100	3.0	8.6	5.8
Rockland (gold)	100	0.2	0.3	0.2
Arrawatta (coal)	100	0.4	0.9	0.7
Ashford (coal)	50	4.9	6.4	5.6
Total value		22.4	38.5	30.4

* \$ x 1 million

The large spread of possible values comes about because much of the value rating is due to estimating the dollar value of exploration projects with no resources. The valuation methodology for such projects makes it unlikely that an accuracy greater than 40 - 50% is possible.

Minnelex and Robert Pyper have prepared a wide range of Independent Expert and Specialist's reports relating to the requirements of the ASX and ASIC. A list of Minnelex Independent Reports issued for valuation purposes is available.

The Independent Report has used the information provided by Laneway and information sourced from company reports to the ASX. Laneway has warrant that all material information has been provided to Minnelex and has agreed to indemnify Minnelex from any liability arising from its reliance upon information provided or information not provided. The valuation does not provide an opinion as to share or corporate value but values the exploration tenements and resources only.

The valuation has been carried out to be in accordance with the relevant requirements of the VALMIN Code of the AusIMM and the Australian Securities and Investments Commission [ASIC] Regulatory Guides, 111 and 112. The VALMIN Code sets out the principles and matters, which should be taken into account in preparation of an expert report concerned with mining assets. Regulatory Guide 111 provides guidance on how an expert can help security holders make informed decisions about transactions. Regulatory Guide 112 explains how ASIC interprets the requirement that an expert is independent of the party that commissions the expert report (commissioning party) and other interested parties.

The tenement status is kept up to date by Hetherington and has not been reviewed further and no field visit was undertaken as no additional material information was to be gained.

The report has been prepared by R C W Pyper, BSc. FAusIMM, GAICD. Consultant Geologist.

Yours faithfully

A handwritten signature in blue ink, appearing to read 'R Pyper', is written on a light blue rectangular background.

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1. Introduction

Laneway is an emerging mining company with four project areas, Agate Creek and Rocklands are gold projects in Queensland, Ashford-Arrawatta is a coal project in NSW and Southern Coromandel is a gold project in New Zealand. Agate Creek and Ashford have JORC Resources

1.1 Exploration and Mining risks

Estimation of risk needs to be taken into account in assessing mineral project valuations, the principal risks being summarised as follows:

Mining and Exploration Risks

The successful exploitation of mineral exploration resources and the design and construction of efficient mining facilities has inherent risks which can be hampered by force majeure circumstances, cost over-runs, inconsistent grades and other unforeseen events. The technical risks attached to resource project development and production is unknown until economic resources are outlined.

General Economic Conditions

Production from mineral resources is subject to international market conditions, exchange rates and normal cost inflation. These matters would be considered if economic resources are outlined.

Environmental Impact Constraints

Exploration and development of any resources will be dependent on the projects meeting environmental guidelines. The grant development permits are dependent on approval of environmental management programmes.

Native Title and Sacred Sites

Legislation is such that mining tenements may be affected by native title negotiation processes. The existence of native title is now recognized as part of the common law of Australia as a result of the 1992 decision of the High Court of Australia in *Mabo & Ors v The State of Queensland* (No. 2) (1992) 175 CLR 1. The Company, will be required to comply with the notification requirements set out in section 29 of the Commonwealth Native Title Act.

Land Access

A mining company may be required to seek consent of landholders to obtain access to resources and for exploration. Legislation could restrict access to tenements.

1.2 Valuation Methodologies Overview

There are about six valuation methods in common use and where possible more than one method is used before selecting a final value.

- 1) The actual transaction method which, as its name suggests uses recent transactions for the property in question as a basis for assessing a value which may be modified for the results of exploration since the time of that transaction.
- 2) The comparable transaction method; this involves comparison with recent, transactions for properties with similar exploration prospectivity characteristics in the same geological environment or geographical region with similar mineralisation. Often such transactions are of a "farm-in" or joint venture nature. Comparable transactions are rarely truly comparable and generally can only give a very rough valuation guide.
- 3) The expected value method; this is also a semi-quantitative method which can be used for advanced projects when it is reasonable to assess the likely economic parameters of a target. The value is estimated by using discounted cash flow analysis, subtracting from that value the costs of proving the target and applying to the result a judgmental probability factor that the target will be achieved.

4) The appraised value or multiples of exploration expenditure method; this applies a multiplier known as a prospective enhancement multiplier (PEM) usually in the range 0.5 — 3.0, to past expenditure which is considered to have been effective in advancing prospectivity. Sometimes committed future expenditure also may be taken into account. The Appraised Value Method is one of the methods most applicable for valuing exploration properties that have neither viable ore reserves nor any imminent commercial production possibilities on which to establish a value. Its value is related to its potential for the existence of an economically viable ore body.

An objective way to value a property's exploration potential is to equate it to the cost of exploration work that is warranted to assess that potential. This is mainly determined by budget figures and estimations of additional expenditure that might still be required.

Past and planned expenditures on a property of merit can be used to give a current dollar value for that property. Any expenditures considered as contributing to the value of the property are those, which are judged to be relevant, prudent, and which were incurred in accordance with normally accepted industry practices. Useful past expenditure saves the company from having to test areas that have already been tested, eg by soil and stream sediment sampling, RAB drilling etc. It also highlights more prospective areas on which the budget should be concentrated.

As a result of this evaluation process, the valuer must decide as to what degree the exploration efforts have enhanced or diminished the value of the property. Only those expenditures deemed relevant to the overall value of the property are retained and used in the valuation process. In cases where inconclusive results are obtained, a subjective judgement may be made by the appraiser either on the basis of his own experience or in consultation with other technical experts. It is relevant to consider the intention of the current owners regarding their exploration plans for the property and in this regard any funds committed to exploration work in the future budget period can be taken into account when arriving at an appraised value. New geological models may be relevant opening up areas once considered not worth further expenditure.

Future planned committed expenditure may also be considered as a measure of the estimated investment value of the property, to which a future exploration multiplier (FEM) can be applied. The multiples generally range from 1.0 to 3.0 with values greater than 1.0 applying where exploration has upgraded the property. The multiples are listed below.

0.75	Previous exploration indicates that the area has very limited potential for a significant discovery.
1.0	Little past work is available but regional information is positive and warrants further exploration
1.5	Existing data is sufficient to warrant further exploration. Further work is expected to define interesting targets
2.0	An interesting target or targets are present for evaluation
2.5	The tenement contains a defined drill target with significant geochemical intersections.
3.0	Exploration is well advanced and limited infill drilling is likely to define an Inferred Resource

5) The yardstick value method; commonly used when there is a defined resource or when the data that is available permits the valuer to make a reasonable estimate of the likely parameters of the exploration target. For a gold property this yardstick value is based on the ounces of gold contained in the resource and is derived from comparison with a number of other recent transactions for similar properties. This may also apply to well established zones of mineralisation which have not formally been categorised under the JORC code. An additional risk weighting may be appropriate in these circumstances.

The dollar value must take into account a number of aspects of the resources including:

- The confidence in the resource estimation (the JORC Category).
- The quality of the resource (grade and recovery characteristics)
- Possible extensions of the resource in adjacent areas.
- Exploration potential for other mineralisation within the tenements
- Presence and condition of a treatment plant within the project
- Proximity of treatment facilities, infrastructure, development and capital expenditure aspects.

Overall value is estimated as a percentage of contained value once appropriate discounts for uncertainty relating to resource categorisation are taken into account.

6) The Geoscientific rating; this is an attempt by the Expert to quantify the various technical aspects of a property through the use of multipliers which are applied to a base (or intrinsic) value. This intrinsic value is the keystone of the method as it provides a standard base from which to commence a valuation. This intrinsic value is known as the basic acquisition cost (BAC) which represents "the average cost to identify, apply for and retain a base unit of area of title". Previous valuations using the method in Australia have determined that the BAC is to be applied to a tenement of average area and average tenure period (i.e. the total average expenditure per standard unit area, typically per block or per km). It is important to note that different practitioners use slightly differing approaches to calculate the BAC, with some Experts including the minimum expenditure commitment (as determined by government) in the determination.

To arrive at a value for each property the valuer then grades four key technical attributes which either enhance or downgrade the intrinsic value of each property. The factors comprise off-property attributes, on-property attributes, anomalies and geology. The attributes are given incremental, fractional or integer ratings to arrive at a series of multiplier factors. These multipliers are then applied sequentially to the BAC to estimate the Technical Value of each mineral property. A fifth factor reflecting the current state of the market is then applied to estimate the Market Value.

The market component may be estimated according to the Expert's knowledge of the particular property. This can include a discount by considering conceptual exploration target models for the area.

The geoscientific rating approach makes an attempt to implement a system that is both systematic and defensible. It demands a degree of detached rigor whilst endeavouring to account for the key factors that can be reasonably considered to impact on the exploration potential of a property. There is a body of theory that can be used to support that judgement. However, it is important to note that application of the method should be undertaken by qualified valuers and supported by other valuation methods otherwise there can be a tendency for a "value by numbers" approach.

The following sections set out the basis for the determination of the Base Acquisition Costs and multipliers used to assess the Laneway exploration properties. Components of the BAC are the Identification Costs ("IC") and the Application and Retention Cost. In addition, the major issues which limit the accuracy and reliability of the estimates are discussed.

Assumptions Used

The valuation of an asset using the geoscientific rating method is based on a standard cost for a typical exploration project, to which a series of multipliers are applied to determine the Technical Value. This is then adjusted for local market conditions to determine the Fair Market Value of the project as at the effective valuation date. The following assumptions have been used to apply to the geoscientific rating method:

- Market Factor for metals properties: No premium/discount
- 20% discount for tenements in application

Given the nature of the exercise, there is inevitably a degree of subjectivity in making assessments regarding the applicable multipliers and base acquisition costs. Consequently another party may not

necessarily reach the same conclusions as the selection of the appropriate costs and market factors to apply to the geoscientific rating method is fundamentally a matter of judgement. However, one of the major benefits of the geoscientific rating method is that it discloses in clear, unambiguous terms the subjective judgements made by the valuer in assessing the merits of the project tenements.

Metals Multiplier Table

Multipliers or ratings and the criteria for rating selection are summarised in Table 1. In determining the technical value for the tenements, the company's equity interest in the property is taken into consideration, if they are subject to either a farm-in, joint venture or option to purchase arrangement.

Minnelex considers it appropriate to only value tenement applications where it is satisfied that there is no cause to doubt their eventual granting and where there is no pre-existing or related title. In valuing tenement applications, Minnelex has applied a discount of 20% to account for the uncertainty regarding the likelihood of grant and timing delays to exploration.

Market Factor

In arriving at a fair market value, Minnelex has considered the current market for gold and base metal exploration properties in Australia. Although there is a positive outlook for these metals, Minnelex considers that the current market is unlikely to pay a premium for these early stage projects.

Analysis of the Geoscientific Rating Method

The geoscientific rating method is considered by Minnelex to have the following benefits:

- It offers a systematic approach which requires the valuer to justify and rank aspects of the project which either enhance or downgrade the intrinsic value of a property.
- It is transparent and reveals the subjective judgements made by the valuer to determine value in a manner that enables others to replicate the process.
- It considers the main factors which are likely to impact on the exploration potential of a project.

However, some of the limitations of the geoscientific rating method include:

- The degree of dependence of the property value on the BAC. This typically results in large properties having a high values whilst small properties tend to have low values, which may not necessarily reflect the real exploration potential. This may in part be circumvented by the Geological Factor or dividing larger tenements into sub-areas which are then valued independently. This assists in accounting for large areas with little or no perceived exploration potential.
- Due to different statutory charges the BAC differs between States. Furthermore different practitioners use slightly differing approaches to calculate the BAC.
- The requirement for a subjective judgement to be made about the "market" in order to convert technical values to fair market values. Given that geoscientists are largely concerned with the technical aspects of a project they may not necessarily be the best commentators on the state of the mineral property market.
- The method may not include all relevant factors pertaining to a project. Examples may include depth of mineralisation, metallurgical, cultural or environmental considerations.
- Due to its reliance on the BAC and the area of the property the geoscientific rating method may overvalue a project's exploration potential relative to other valuation methods. As such, the method should be compiled by appropriately experienced geoscientists and supported by the use of other valuation methods to ensure that the process is not merely a "value by numbers" and ties in with market reality.
- Identical properties in different states may have a different valuation due to the BAC differences, which is an argument for using the same BAC for all projects within the one valuation report.

Table 1

Metals Rating Criteria				
Rating	Off Property Factor	On Property Factor	Anomaly Factor	Geological Factor
0.1				Unfavourable geological setting
0.5			Extensive previous exploration gave poor results	Poor geological setting
0.9			Poor results to date	Generally favourable geological setting, under cover
1.0	No known mineralisation in district	No known mineralisation on lease	No targets outlined	Generally favourable geological setting
1.5	Minor workings	Minor workings or mineralised zones exposed	Target identified, initial indications positive	Favourable geological setting with structures or mineralised zones
2.0	Several old workings in district	Several old workings or exploration targets identified	”	
2.5	”	”	Significant grade intercepts evident but not linked on cross or long section	”
3.0	Minor abundant workings with significant previous production	Minor abundant workings with significant previous production	”	Significant mineralised zones exposed in prospective host rocks
3.5	”	”	Several economic grade intercepts on adjacent sections	
4.0	Along strike from a major mine(s)	Major mine with significant historical production		
5.0	Along strike from a world class mine	”		
10.0		World class mine		

2. Property

The tenements subject to this valuation are tabled below.

Table 2. Laneway Tenements

Type	Title	Name	Commodity	Expiry Date	State	Area sq km
EPM	17632	Robin Hood	Au	21/11/2016	QLD	159.2
EPM	17949	Oakey Creek	Au	14/05/2017	QLD	68.25
MDL	402	Sherwood	Au	1/06/2017	QLD	29.26
EPM	17788	Agate Creek	Au	17/08/2017	QLD	321.6
EPMA	17626	Long Gully	Au	application	QLD	84.55
EPMA	17629	Robertson	Au	application	QLD	39.02
EPM	19368	Rockland	Au	31/07/2017	QLD	157.3
EPMA	19571	Rockland West	Au	application	QLD	148.3
EP	53464	Klondyke	Au	19/12/2016	NZ	161.2
EP	53469	Waitekauri	Au	19/12/2016	NZ	46.05
EP	54216	Owharoa	Au	10/02/2017	NZ	56.1
EP	55213	Waiorongamai	Au	17/7/2016	NZ	310.77
EL	6324	Ashford	Coal	19/04/2014	NSW	7.951
EL	6433	Arrawatta	Coal	15/06/2014	NSW	25.13
EL	6428	Ashford North	Coal	6/06/2014	NSW	5.848

EL	6521	Rob Roy	Coal	10/03/2014	NSW	98.52
EL	6526	Athelwood	Coal	14/03/2014	NSW	17.71
TOTAL						11389.534

3. Location



Figure 3.1: showing location of Laneway's Projects

4. Agate Creek

Laneway 100%

4.1 Introduction

The Agate Creek epithermal gold project covers in excess of 700 square kilometres (sq km). The Project is located approximately 40 km south of Forsyth and 60 km west of Kidston in northeast Queensland.

Laneway Resources has a JORC compliant resource at Sherwood (within MDL402) comprising a combined Indicated and Inferred Mineral Resource of 9.5 M tonnes (t) @ 1.4 g/t Au for 414,000 oz at a 0.5 g/t gold cut-off grade. At a 0.3 g/t cutoff it has a combined Indicated and Inferred Mineral Resource of 17 Mt at 0.94 g/t gold for 514,000 oz.

4.2 Property

Table 3: Agate Creek Tenements

Type	Title No	Name	Commodity	Expiry Date	State	Area km2	Sub`blocks.
EPM	17632	Robin Hood	Au	21/11/2016	QLD	159.2	49
EPM	17949	Oakey Creek	Au	14/05/2017	QLD	68.25	21
MDL	402	Sherwood	Au	1/06/2017	QLD	29.26	11
EPM	17788	Agate Creek	Au	17/08/2017	QLD	321.6	100
EPMA	17626	Long Gully	Au	application	QLD	84.55	26
EPMA	17629	Robertson	Au	application	QLD	39.02	12

EPM17788 was granted on 17/8/12 along with MDL402 as part of a conditional surrender that replaced EPM9632, EPM10719, EPM11237 and EPM11238.

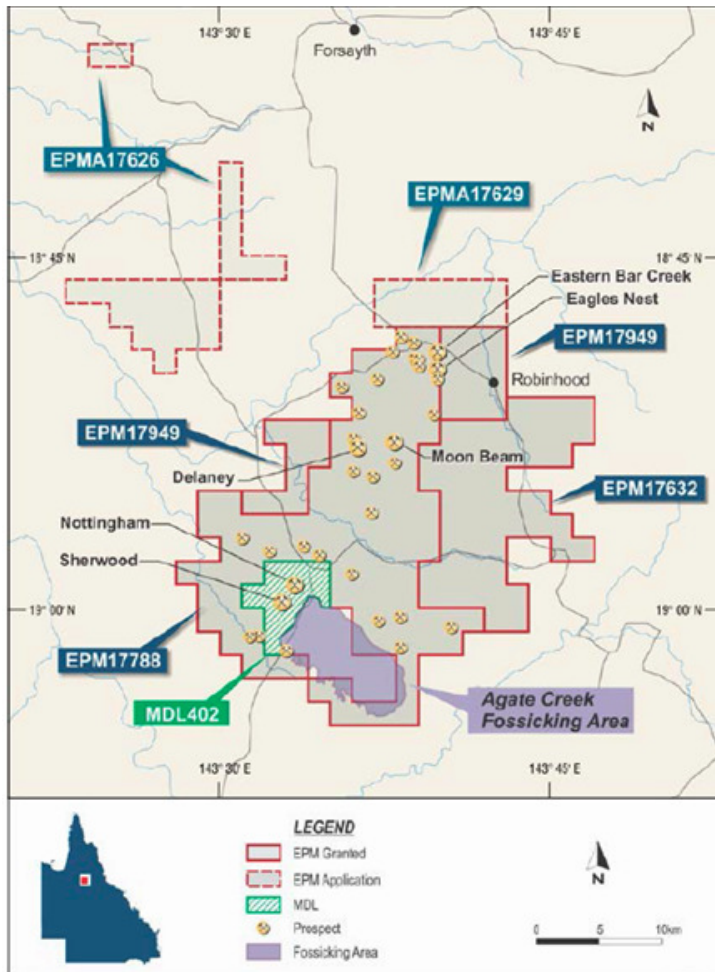


Figure 4.1: Agate Creek Project Location and tenements

4.3 Previous work

- 1993-1996 – Granted to CRA Exploration Pty Ltd; The SE portion of EPM 9632 was originally within prospecting reserve RA175 and restricted to mineral exploration. RA175 became available for all categories of exploration from 2nd August 1993. Part of reserve RA35 was revoked on 30th November 1995. The remainder is the sterile Agate Creek Fossicking Reserve.
- 1997 – CRA became Rio Tinto Exploration Pty Ltd (Rio Tinto) and carried out exploration activities until the end of 1998;
- 1998 – Licences transferred to Plutonic Operations Ltd (Plutonic) a wholly owned subsidiary of Homestake Gold of Australia Ltd (Homestake) operated on the licences until 2001 when Homestake merged with Barrick Gold Corporation (Barrick);
- 2001 – Normandy Exploration Pty Ltd (Normandy) entered into a Joint Venture (JVA) with Barrick and continued exploration activities until late 2001;
- November 2001 – Normandy assigned its rights under the Agate Creek JVA to Leyshon Resources Ltd (Leyshon) who did not carry out any field exploration during its management of the project (until 2003) due to the tenements being tied up in “Swiss Cheese” negotiations;

- 2003 – Renison Consolidated Mines NL (Renison) entered into the Agate Creek Farm-in and Joint Venture agreement with Barrick whereby Renison may earn up to a 65% interest in the project by incurring expenditure of \$1,500,000 over a period of three years, including a minimum expenditure of \$250,000 in the initial year of the agreement. This expenditure was met in April 2006;
- June 2005 – EPM 10719 Little John, EPM 11237 Bar Creek and EPM 11238 Mud Springs Dam came out of “Swiss Cheese” which gave clear title to these tenements;
- 2008 – Renison became major holders of the Project after assignment of 65% as per the original farm in agreement was completed in March;
- 2009-2010 – Renison's interest increased to 100% and Barrick's interest converted to a net smelter royalty.
- 2012 – Conditional Surrender is granted so that existing tenure EPM 9632 Cave Creek, EPM 10719 Little John, EPM 11237 Bar Creek and EPM 11238 Mud Springs Dam is replaced by EPM17788 and MDL402.
- 2013 – Renison changes its name to Laneway Resources and tenement titles transfer is completed.

4.4 Geology and Mineralisation

The Agate Creek Project is situated within the historic Etheridge Goldfield. The most significant deposit in the area is at Kidston, which is approximately 60 km east of the Agate Creek Project and has produced over 3 Moz of gold. Historically narrow-vein mining has taken place within the Forsayth area along or adjacent to the fault trace.

Gold mineralisation at Sherwood is a low-sulphidation, adularia-sericite type epithermal system, genetically related to the emplacement of Permo-Carboniferous porphyritic rhyolite and andesite extrusives and intrusives. Most mineralisation occurs within the Robertson Fault Zone at the intersection of the Robin Hood Fault. The mineralised zones are interpreted as boiling outflow zones, likely fossil geysers.

The Agate Creek and Sherwood West faults were the major fluid conduits of the active Permian epithermal plumbing system. All significant mineralisation found at Sherwood occurs within 400 m of the faulted contact of Proterozoic rocks and Robin Hood Granodiorite. The known mineralised zone extends over 1 km along strike and Laneway has targeted the potential for a bonanza zone at the intersection between the Sherwood West mineralised zone and both the Agate Creek Fault and Zig-Zag Fault.

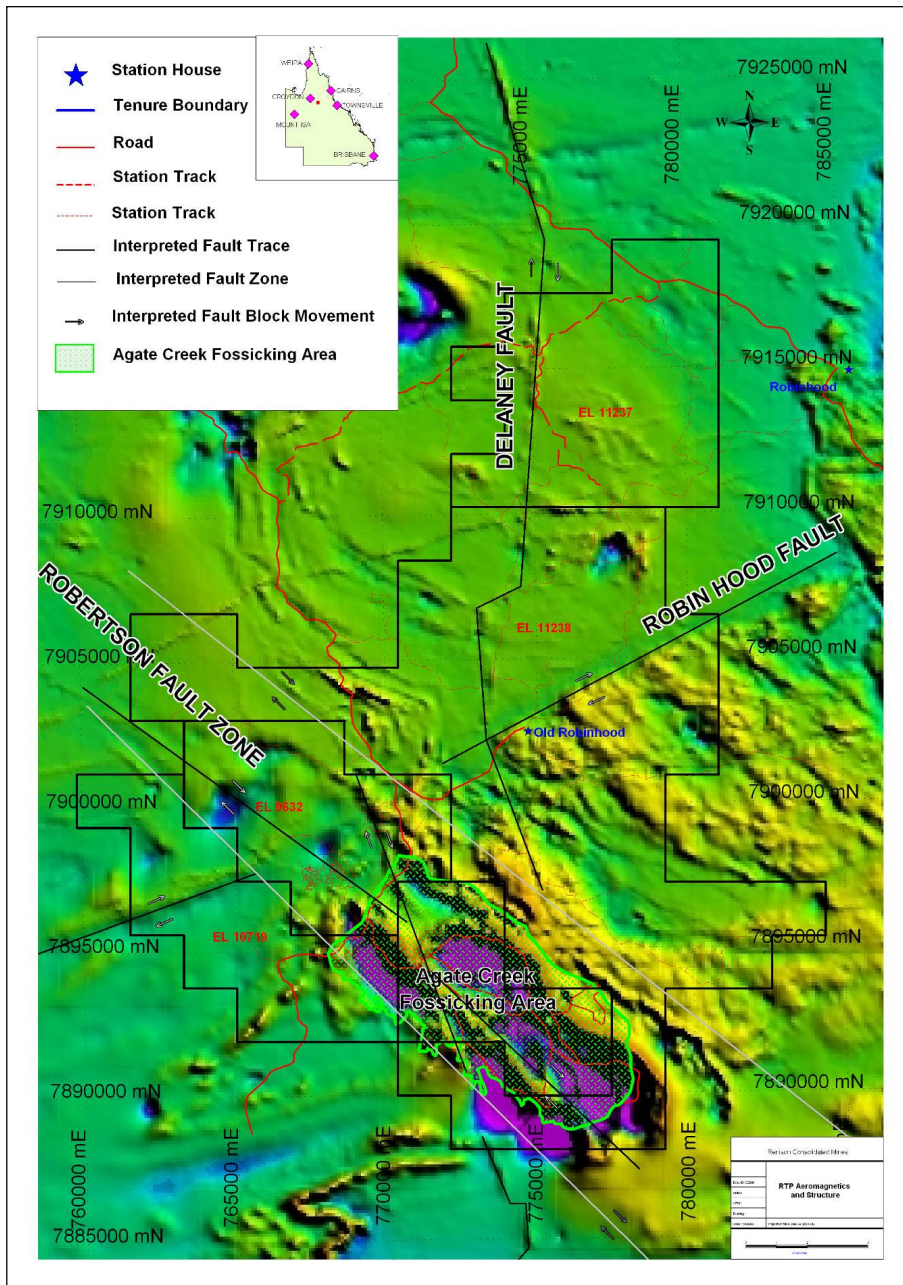


Figure 4.2 : showing magnetics and structure of the Agate Creek Project

4.5 Sherwood Resource

In 2011 an updated Mineral Resource estimate was completed at the Sherwood, Sherwood West and Sherwood South deposits by Independent consultants Golder Associates Pty Ltd (Golder), using a top grade cut of 40 g/t gold. The resource calculations were based upon a total of 480 exploration drillholes. The Golder tables below indicate a recoverable resource estimate that is adjusted to account for a selective mining option and includes an allowance for mine dilution. It should be noted that mineral resource estimates are not precise calculations, being dependent on the interpretation of limited information on the location, shape and continuity of the occurrence and on the available sampling results.

Table 4: Current resource estimates at a 0.5 g/t gold cut-off.

0.5 g/t cut-off	Total			Sherwood			Sherwood South			Sherwood West		
Resource Classification	Mt	Gold g/t	Gold '000 oz	Mt	Gold g/t	Gold '000oz	Mt	Gold g/t	Gold '000oz	Mt	Gold g/t	Gold '000Oz
Indicated	5.95	1.42	272	3.01	1.53	148	0		0	2.94	1.31	124
Inferred	3.52	1.26	143	1.38	1.36	60	0.30	1.34	13	1.84	1.17	69
Total	9.47	1.36	414	4.39	1.47	207	0.30	1.34	13	4.78	1.25	192

Grade and tonnage rounded to two decimal places. Ounces calculated after rounding and reported to nearest 1000 ounces.

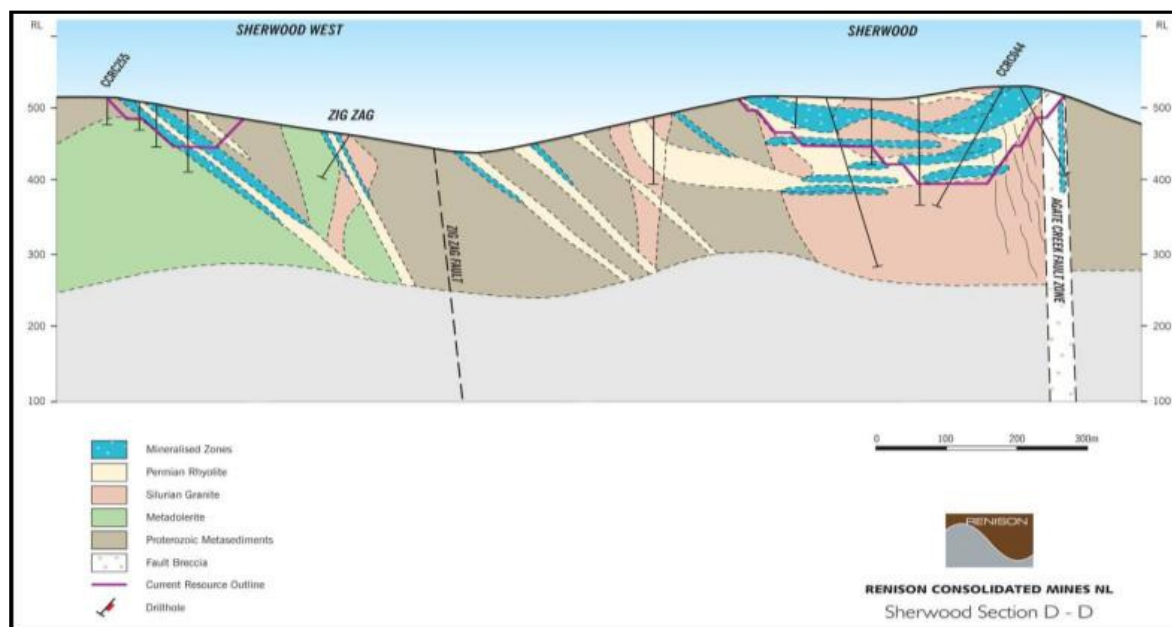
Table 5: Current resource estimates at a 0.3 g/t gold cut-off grade

0.3 g/t cut-off	Total			Sherwood			Sherwood South			Sherwood West		
Resource Classification	Mt	Gold g/t	Gold '000 oz	Mt	Gold g/t	Gold '000oz	Mt	Gold g/t	Gold '000oz	Mt	Gold g/t	Gold '000Oz
Indicated	10.65	0.98	336	5.42	1.04	181	0		0	5.23	0.92	155
Inferred	6.36	0.88	180	2.61	0.91	76	0.43	1.05	15	3.32	0.83	89
Total	17.01	0.94	514	8.03	1.00	258	0.43	1.05	15	8.55	0.89	245

Grade and tonnage rounded to two decimal places. Ounces calculated after rounding and reported to nearest 1000 ounces.

Previous financial modelling was based upon a \$AUD750 per ounce gold price (the current spot gold price is approximately AU\$1350 ounce). At the time it indicated that the 0.5 g/t gold grade cut-off could be profitable for CIP processing at a 1 to 1.5 Mt/a processing rate.

Metallurgical test work to date has shown the gold mineralisation to be amenable to CIP processing with high recoveries at moderate grinds and low reagent consumptions.

**Figure 4.3: Section showing mineralisation and pit outlines**

4.6 Previous Exploration

There have been over 6,000 rock chips, 3,000 stream sediments, 1,600 soil samples and over 100 line km of geological mapping completed regionally. The completed regional mapping and sampling has defined numerous high priority regional targets with less than 25% of the tenement holding so far covered. This work has led to the delineation of 47 regional targets as described under regional prospects of which 8 have had first pass drilling, totalling 50 drillholes. Four of these prospects

returned very positive results and have follow up drilling programs planned. An additional 3 prospects have first pass drill programs planned and have Native Title clearances ready for drilling. With the high quality targets already generated and 75% of the tenement area still to be mapped the high prospectivity of the area is evident.

4.7 Proposed Exploration

Work planned will be focused on advancing feasibility studies metallurgical testing and geotechnical work, with the additional aim of an increasing the mineral resource. This work includes deep diamond drilling for the boiling/bonanza zone at Sherwood (to be partially funded by Qld Government CDI grant that Laneway has been awarded). RC drilling is planned for resource infill, strike and dip extensions of current mineralisation.

4.8 Agate Creek Regional Prospects

4.8.1 Introduction

Numerous exploration targets and areas of interest have been defined at Agate Creek which has involved the expenditure of about \$15 M over the years. Principal areas of interest are mostly within EPM17788.

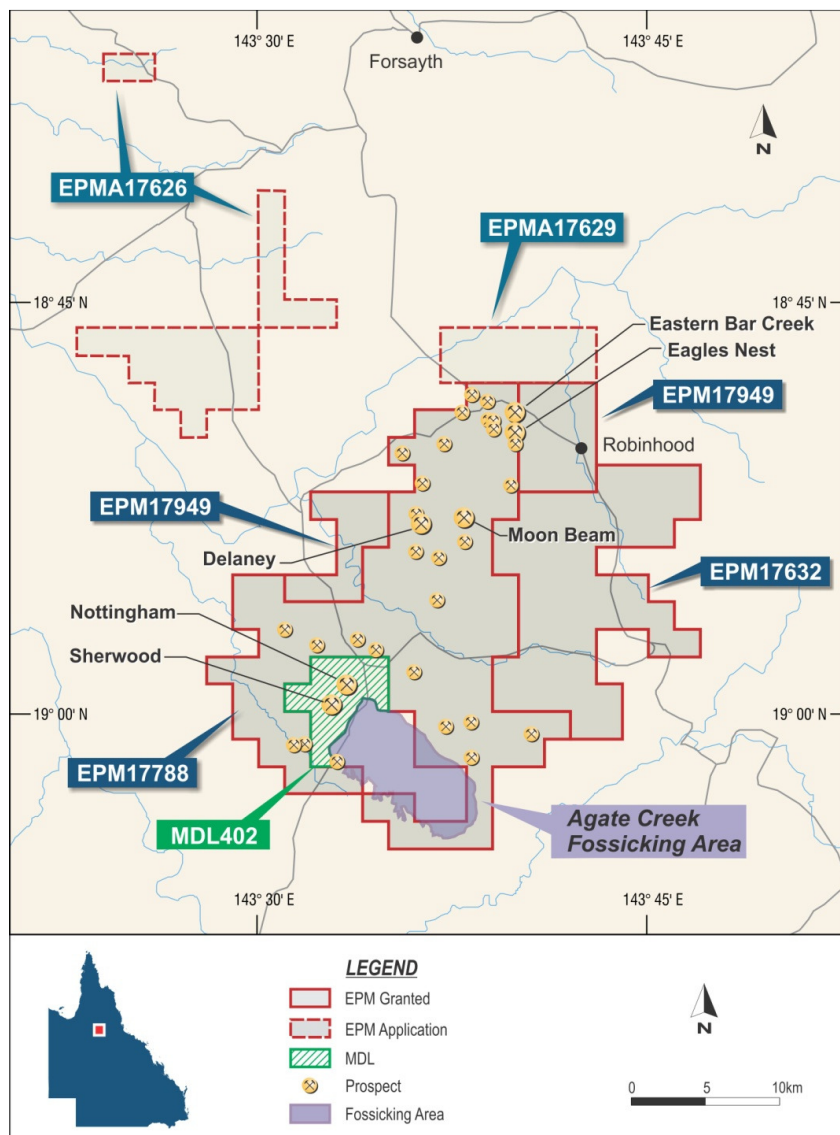


Figure 4.5: Regional Prospects within the Agate Creek Project

4.8.2 Eagles Nest

Eagles Nest is a swarm of northwest trending rhyolite dykes 15m wide with over 500m of strike extent. Mineralisation is hosted in chalcedonic quartz veins and gossanous quartz vein breccias within the rhyolites. Detailed rock chip surveys have produced many results between 1 to 3.5g/t Au associated with elevated silver (Ag) up to 144g/t and lead (Pb) up to 10%.

Six holes were drilled and intersected chalcedonic quartz veins and breccias within altered rhyolites. Rhyolites were within gneissic to pegmatitic rocks with minor schistose zones. While gold grades have been lower than expected there were several zones with good silver and base metal grades including 1m @15g/t Ag with 1.6% Pb and 0.99% Zn from 30m in ENRCO3. Second round drilling is now planned.

Table 6: Regional drilling significant intercepts

HOLE No	Depth (m)	From (m)	To (m)	Interval (m)	Comments
Eagles Nest					
ENRCO2	31	3	4	1	1m @ 12g/t Ag & 1.2% Pb
ENRCO3	55	30	31	1	1m @ 15g/t Ag & 1.6% Pb % 0.99% Zn
		44	45	1	1m @ 15g/t Ag & 1.46% Pb % 0.7% Zn
ENRCO4	79	11	14	3	3m @ 10g/t Ag & 1.02% Pb
		19	20		1m @ 36g/t Ag & 0.6% Pb
ENRCO5	79	17	18	1	1m @ 17g/t Ag & 1.2% Pb & 0.7% Zn

4.8.3 Eastern Bar and Eastern Bar South

Eastern Bar Creek is a gossanous quartz vein breccia ridge trending northwest with anomalous gold, silver and base metals within Proterozoic metasediments. The ridge can be traced over 1km and is up to 12 m wide.

Seven holes were drilled and intersected gossanous quartz vein breccias within metasediments. Results showed encouraging silver and copper including, 4m @ 44g/t Ag, 0.13% Cu from 12m in EBRCO5 and 2m @ 134g/t Ag, 0.43% Cu from 17m in EBRCO7. These results indicate a zone of mineralisation 3-8m wide over approximately 300m along strike that is open at both ends and at depth. Further drilling is planned.

Eastern Bar South is located approximately 200 m from Eastern Bar Creek. It has shallow old diggings within micaceous metasediments where Cu, Pb, Ag and Au were extracted. Historical rock chips show values of up to 79g/t Au in granites and pegmatites. The prospect is in an area where outcrop is limited but is near the edge of the granite metasediment contact.

During 2009 twelve rock chips were taken with best results including 36g/t Au, 643g/t Ag, 2.28% Cu and 22.6% Pb and 52g/t Au. A drilling program is planned to better define the mineralised zone and sub-surface geology.

Table 7: Regional drilling significant intercepts

HOLE No	Depth (m)	From (m)	To (m)	Interval (m)	Comments
Eastern Bar					
EBRC01	55	1	6	5	5m @ 12.9 g/t Ag & 0.1% Cu
		9	12	3	3m @ 29.8 g/t Ag
EBRC02	61	11	23	12	12m @ 18 g/t Ag
EBRC03	55	0	3	3	3m @ 20.6 g/t Ag & 0.1% Cu
		10	17	7	7m @ 22.9 g/t Ag
		28	32	4	4m @ 34.9 g/t Ag
EBRC04	61	15	19	4	4m @ 57.8 g/t Ag & 0.13% Cu
EBRC05	55	9	17	8	8m @ 49 g/t Ag Incl. 5m @ 44 g/t Ag & 0.13% Cu from 12m
EBRC06	55	9	14	5	5m @ 75.7 g/t Ag
EBRC07	49	17	24	7	7m @ 57.7 g/t Ag; 0.18% Cu & 0.5% Zn Incl. 2m @ 134 g/t Ag & 0.43% Cu from 17m

4.8.4 Moonbeam

Moonbeam is a 1m wide at surface west-northwest trending galena and quartz vein striking for approximately 1,000m. Significant silver, copper, lead and zinc mineralisation has been identified within this regional structure including one sample which returned 2510 g/t Ag, 5.58%Cu, 3.4%Pb, 5.94%Zn, and another sample which returned 1770g/t Ag, 1.15%Cu, 8.45%Zn. Field checking showed a massive galena vein within sheared micaceous metasediments.

The two holes put down intersected gneissic to pegmatitic rocks with minor quartz veining and showed that the mineralisation extends and widens at depth. Drilling results from the two holes completed show significant copper lead and zinc mineralisation including 1m @ 452 g/t Ag, 0.7% Cu, 4.9% Pb, 5.3% Zn from 25m in MBRC01. Second round drilling will focus on extending the mineralised zone along strike and down dip.

Table 8: Regional drilling significant intercepts

HOLE No	Depth (m)	From (m)	To (m)	Interval (m)	Comments
Moonbeam					
MBRCO 1	3/	25	30	5	5m @ 141g/t Ag; 0.21% Cu; 1.58% Pb & 1.64% Zn Inc 1m @ 452g/t Ag; 0.7% Cu; 4.9% Pb & 5.3% Zn
MBRCO2	31	0	8	8	8m @ 99g/t Ag; 0.22% Cu; 1.19% Pb & 0.47% Zn Incl. 1m @ 400g/t Ag; 0.22%Cu; 2.62% Pb & 0.3% Zn

4.8.5 Delaney

The Delaney prospect is located at the intersection of several rhyolite dykes along the Delaney Fault trace. Mineralisation is within sulphide rich quartz veins within the rhyolite dykes that are up to 2 m wide. The Delaney Fault is a long lived regional structure that hosts rhyolite, andesite, quartz veining and some mineralisation, including gold, silver and lead. Adjacent splays

are sometimes gold mineralised although maximum gold values to date are lower than 1 g/t Au.

The best results at Delaney show very low gold grades but include a cluster of encouraging base metal results with 4.8% Pb, 58g/t Ag, 0.9% Cu and 2.3% Zn. The figure below shows planned drilling at Delaney with significant rock chips.

4.8.6 Nottingham

Historical drilling at Nottingham has showed wide ranging results, with several drillholes returning high though inconsistent results. Nottingham is a drill ready target with a 2 km long outcropping of epithermal quartz breccia veins and peripheral stockwork zones. Rhyolites along the zone and the vein itself are variably mineralised with one rhyolite, peripheral to the vein showing visible gold in stockwork quartz veinlets. To date drilling has largely missed the main target zone. Laneway hopes find satellite mill feed deposits within the wider project area.

Detailed mapping and rock chipping early in 2011 delineated several chalcedonic vein breccias, two of which were drilled, however further mapping is required to adequately cover the area. Detailed structural mapping along with lithological mapping and rock chipping is planned for Nottingham in the coming field season. Additional drilling may also be undertaken if results warrant.

4.9 Proposed Regional Exploration

Several regional prospects will be prioritised for first pass and follow up drilling, regional and detailed geological sampling and mapping will continue to be used as a first pass tool for identifying new prospects and assisting with drill planning and prioritisation.

Deep drilling is planned to attempt to intersect the potential Sherwood bonanza zone just above the intersection of the Agate Creek and Sherwood West Faults, 200-600 m below surface.

Several regional prospects remain drill ready including Cattle Creek, Eastern Bar South and Delaney. The prospects drilled in 2009 such as Eastern Bar, Eagles Nest, Nottingham and Moonbeam have follow up drilling planned, after the significant results received in 2008.

4.10 Agate Creek Valuation

4.10.1 Determination of Agate Creek in-ground gold value

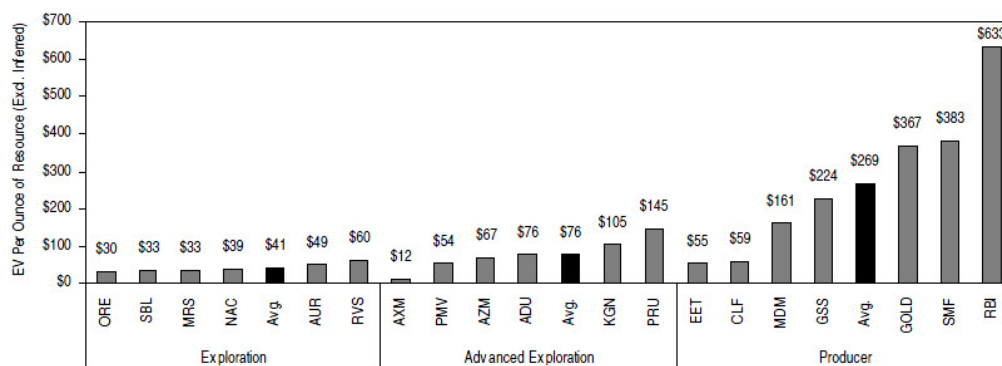
Review of EV/Resource Ounce

To get some idea of the value of Laneway's gold resources it is helpful to look at lists of EV/resource ounce. Because of the dispersion of values about a mean these values will change with the gold price and current market sentiment but they are useful for comparing average values of the various stages companies have reached as they move from early exploration through advanced exploration to Producers. Laneway is regarded as an Advanced Explorer.

Figure: showing EV per Resource oz, June 2010.

Note, gold had traded between US\$900 and \$1200 for the last 12 months to June 2010)

Exhibit 14. EV Per Ounce Of Resource (US\$/oz.)



Source: Bloomberg and CIBC World Markets Inc.

Data collected by Gold Beaver in August 2011 is shown below for the major gold developing companies in Australia. These have operations predominantly in Australia.

While market capitalisation is not as good a measure as EV it is probably a good approximation in many cases. Market capitalisation ranges from \$10/oz to over \$200/oz and is affected by investor expectations as to grade, exploration potential, percent recovery, cost of mining, perceived annual production, life of mine, cost of infrastructure and other factors. At present many of these companies are well off their market highs.

Figure showing market capitalisation per resources ounce of major gold developing companies* in Australia (after Gold Beaver 8/11)

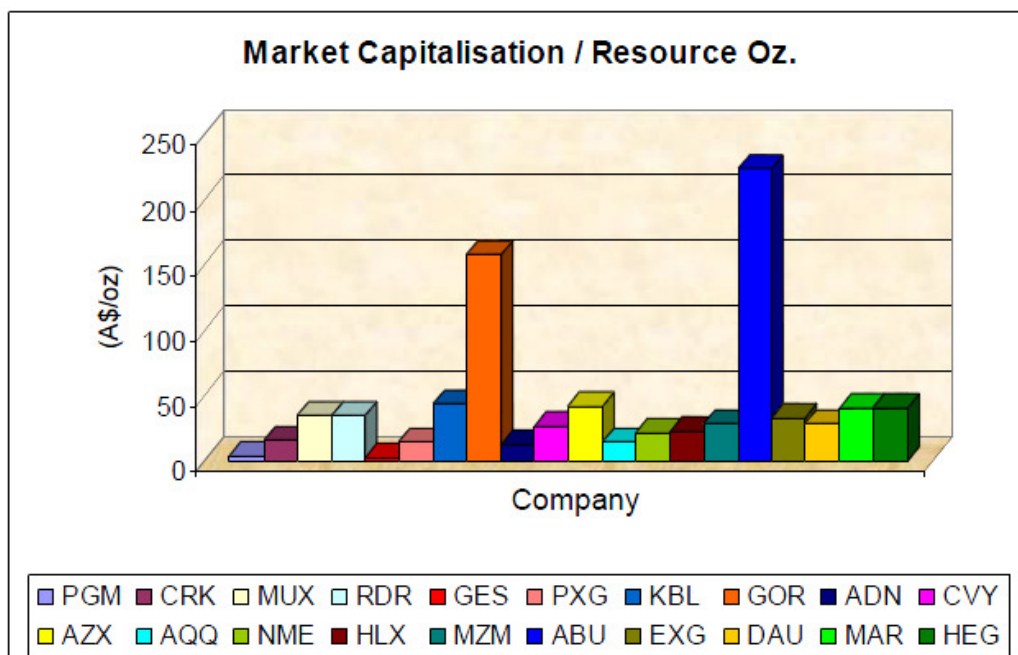


Figure 4.6: showing market capitalisation per resource ounce

*Table of Major Gold Developing Companies in Australia

Platina Resources Limited	Carrick Gold Limited	Mungana Goldmines Ltd
Genesis Resources Limited	Phoenix Gold Limited	Kimberley Metals Ltd
Gold Road Resources Limited	Adelaide Resources Limited	Coventry Resources Limited
Auzex Resources Limited	Aphrodite Gold Limited	NEX Metals Exploration Limited
Helix Resources Limited	Montezuma Mining Company	ABM Resources NL
Excelsior Gold Limited	Dampier Gold Ltd	Malachite Resources Limited
Hill End Gold Limited	Reed Resources Ltd (RDR)	

Public information collated by Helm et al in 2008 indicates that the market was paying 0.4% - 2% of the insitu gold value for early stage gold projects and between 0.7% and 4.5% for advanced gold projects. If the value of gold is taken to be \$1200/ oz then this equates to \$5 - \$24 for early stage gold projects and \$8 to \$54/oz for advanced projects.

For gold mining companies not in production, early stage projects would have little infrastructure in place and a resource base that is only partly drilled out and mainly in the inferred category with exploration still defining potential target areas based on surface work. Advanced projects would have Indicated and probably Measured Resources, well established infrastructure and targets zones with drill hole backup.

Proactive Investors note (2012) that the recent EV for Australian based gold resources is A\$60.00 per ounce; The EV for production resources is A\$152.56 per ounce. Today these values seem far too high. Current average total cash costs are summarised in the Argonaut data below:

FY13 total cash costs forecasts

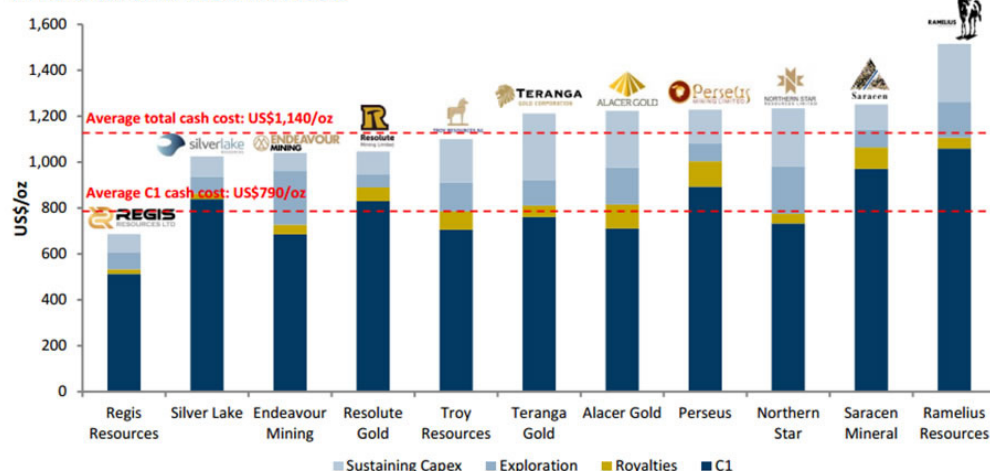


Figure 4.7: Total cash costs forecasts

Source Argonaut Securities, Mines and Money conference, Hong Kong 2013

Review of Comparable Transactions

The comparable transactions below illustrate the wide range of values according to investor expectations and other factors. Opencut resources should generally command a higher price.

Fortnum Gold Mine WA

On 9 January 2010 the Fortnum gold project in WA was sold for \$35M in cash and shares.

Resources were 7.7 Mt Indicated and 8.9 Mt Inferred for 1.2 M oz at 2.2 g/t in total

Also included were 2225 sq km ground, 100 targets and a 1 Mt/y CIL plant

Overall this values the gold at around \$20/oz.

LionGold

On 14 October 2011, LionGold paid \$54M for the 1.47M oz indicated and inferred open pit resource held by Signature Metals, valuing the gold at \$37/oz.

Ramelius Resources

On 8 December 2011 Ramelius Resources purchase an 80% interest in the Barlee Gold open cut resource from Beacon Minerals for A\$4-million in cash plus royalty, indicating a value of about \$70/oz gold.

Panoramic Resources Gold. On 27th June 2012, Perth-based Panoramic Resources acquired a 70% interest in the Mount Henry gold project, in Western Australia. Panoramic would issue project holder Matsa Resources with A\$5 M in cash, along with 14 M new Panoramic shares (~\$0.625) in exchange for majority ownership, and would act as the sole operator, free carrying Matsa until the completion of a bankable feasibility study (BFS). The Mount Henry project is estimated to contain a resource of some 26.4-Mt, at 1.72 g/t gold for 1.46-Moz of contained gold. This values the gold at **\$13.7/oz**

Panoramic Resources on 24th May 2012 acquired the high-grade Wilsons gold underground mine project, in Western Australia, for A\$8 M from fellow listed Apex Mining. Wilsons has a defined Indicated and Inferred resource of some 325 000 oz of gold, located within 14 km of the Gidgee plant. The sale values the gold at **\$24.6/oz**.

Pioneer Resources on 13th March 2012 sold its western Mount Jewell gold project tenements, including the Tregurtha and Hughes deposits, to fellow junior Carrick Gold for A\$8 M. The Tregurtha and Hughes deposits have a combined JORC -compliant resource of 3.8 Mt at 1.53 g/t gold for 185 000 oz. The sale values the gold at \$43.24/oz.

Sovereign Gold 14/3/13 acquired unlisted explorer Gossan Hill Gold for \$700,000 in cash and shares. Gossan Hill holds three 'advanced' gold prospects in New South Wales including Mt Adrah with Indicated and Inferred Resources (open cut and underground) of 6.552 Mt @ 1.13 g/t (0.5 cut off) for 239,000 oz, valuing the gold at around \$2/oz after attributing some value to the other tenements.

Gascoyne Resources Limited, August 6, 2012, purchased an 80% interest in Dalgara (7.5 Mt @ 1.58 g/t for 382,300 oz measured and indicated) for \$150,000 valuing the project at \$5/oz.

Southern Cross Goldfields Ltd, May 27, 2013 completed acquisition of the Sandstone gold property in the east Murchison region for \$5 M, valuing the project at \$8/oz.

Panoramic Resources Ltd acquired a majority stake in the Mt Henry project for almost \$13 M, valuing the project at \$13/oz.

At the Australian Nickel Conference in Perth, October 2012, PCF Capital Group noted that listed gold explorers are being valued at \$US37 per ounce, developer at \$47/oz and a producer is valued at \$75/oz. Explorers are defined as having a JORC-compliant resource; developers have a resource and a feasibility study and producers have these plus they are in production.

4.11 In-ground gold values

Laneway is regarded by Minnelex as a being close to the advanced project stage; the reasons include:

- Drilling and sampling have established a JORC resource.

- It can extract gold by opencut.

- It is reasonably located for workforce and transport.

- There is a mill in Georgetown that may need mill feed.

- Altius is actively working on gold projects and resources nearby.

On this basis Minnelex attributes the following values per in-ground ounce within MDL402:

Indicated: \$30-40/oz

Inferred: \$20-30/oz

Table 9: Valuation of Agate Creek gold resources (0.5 g/t Au Cut off)

Type	No of ounces	Low \$ M	High \$ M
Indicated	272,000	8.2	10.9
Inferred	143,000	2.9	4.3
Total*		11.1	15.2

*Rounded

4.12 Value of Agate Creek Gold Resource

The Agate Creek gold resource has an estimated value of Au\$13.1 M within a range of \$11.1 M and \$15.2 M

4.13 Agate Creek Tenements Valuation Factors

Table 10: Geoscientific Factors

	N°	Area	Off Property		On Property		Anomaly		Geology	
			L	H	L	H	L	H	L	H
Robin Hood	17632	159.2	0.9	1	0.9	1	0.9	1	2	2.5
Oakey Creek	17949	68.25	2	2.5	1	1.5	0.9	1	2	2.5
Agate Creek	17788	321.6	2	2.5	2	2.5	2.5	3	1.5	2
Long Gully	17626	84.55	0.9	1	0.9	1	0.9	1	1	1.5
Robertson	17629	39.02	0.9	1	0.9	1	0.9	1	1	1.5
Sherwood	402	29.26	1.5	2	2	2.5	3	3.5	1.5	2

To get a final figure for the possible value of the tenements, the low and the high factors are multiplied out and applied to the BAC x area (sq km).

Table 11: Geoscientific Valuation

Tenement	Number	Factors L	Factors H	\$ Low	\$ High
Robin Hood	17632	1.458	2.5	116,057	199,000
Oakey Creek	17949	3.6	9.375	122,850	319,922
Agate Creek	17788	15	37.5	2,412,000	6,030,000
Long Gully	17626	0.729	1.5	24,655	50,730
Robertson	17629	0.729	1.5	11,378	23,412
Sherwood MDL	402	13.5	35	197,505	512,050
TOTAL				2,884,445	7,135,114

4.14 Value of Exploration Tenements

The prospective value of the Agate Creek gold tenements is estimated to be \$5 M within a range of \$2.9 M to \$7.1 M.

An approximate check of the exploration value can be obtained from Multiples of Exploration Expenditure. Total expenditure is estimated to be about \$15M. Most of which would have been spent on the gold resource. Direct exploration expenditure on the tenements outside the MDL would be approximately \$1.75 to 2.25 M. With drill targets and old workings present a PEM of 2.5 is indicated suggesting a preferred value of approximately \$5 M which is in line with the geoscientific valuation

Table12: Summary of values for Agate Creek Exploration Potential and in-ground gold resources

	Low \$ M	High \$ M	Preferred \$ M
Exploration Value	2.9	7.1	5.0
In-ground gold	11.0	15.2	13.1
Total	13.9	22.3	18.1

4.15 Summary value of Agate Creek

Agate Creek has a preferred value of \$18.1 M within a range of \$13.9 M to \$22.3 M

5 New Zealand Southern Coromandel Project

5.1 Introduction

The Southern Coromandel Project consists of four granted exploration permits, all coincident to and surrounding the prospective Hauraki Goldfields district within the mineralised corridor that is host to Newmont's Martha Mine (Waihi) and the Golden Cross gold and silver mine.

The Hauraki Goldfields district was extensively mined between 1860 and 1952 with total production of over 45 Moz of gold and silver from around 50 low-sulphidation epithermal deposits. Mining typically has a vertical extent of 170-330 m but up to 700 m at Karangahake and 600 m at Waihi. The largest deposit in the Hauraki Goldfields district is Newmont's operational Martha Mine which has produced an average of 100,000 oz of gold and 700,000 oz of silver annually since 1988. The project is at an early stage of exploration by Laneway with only historical review and basic ground work carried out to date

5.2 Property

Table 13: Property for the NZ project is tabled below

Type	Title No	Name	Commodity	Expiry Date	State	Area km2	Sub blocks.
EP	53464	Klondyke	Au	19/12/2016	NZ	161.2	
EP	53469	Waitekauri	Au	19/12/2016	NZ	46.05	
EP	54216	Owharoa	Au	10/02/2017	NZ	56.1	
EP	55213	Waiorongamai	Au	17/7/2016	NZ	310.77	

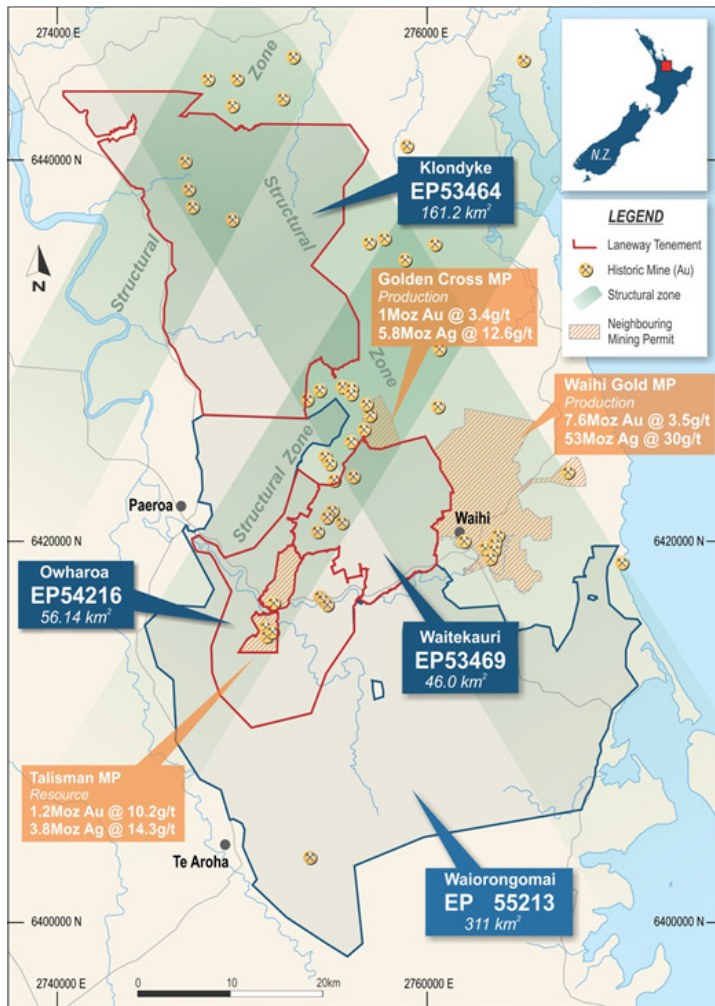


Figure 5.1: Showing tenements and old workings.

5.3 NZ Epithermal Deposits. Primary Characteristics

A magmatic arc rift setting on a convergent plate boundary

Localised on the margins of active or extinct caldera features

Deposits associated with active or extinct geothermal areas

Deposit features

Hosts: andesitic to rhyolitic flows, flow breccias and pyroclastics

Structure: steep to moderately dipping extensional quartz veins

Mineralogy: gold predominantly found as electrum. Accessory minerals include acanthite, pyrrargyrite accessory galena, sphalerite and chalcopryrite

Mineral host: quartz with ubiquitous pyrite and calcite

Alteration: elongate mineral envelopes of chlorite-calcite-quartz-pyrite, ± illite-adularia-albite-epidote; which grade to intense pervasive silicification with quartz, illite, adularia and pyrite.

Deposit Model Mineralisation Types and Criteria

Epithermal Gold deposition generally limited to between 100-400m below ground surface (equivalent to temps between 180-260°C in low salinity, low gas systems)

Majority of Coromandel Au-Ag deposits have depth extents <200m with Waihi and Karangahake being exceptions

Epithermal palaeo-depth indicators include sinters; hydrostatic pressures derived from fluid inclusions and hydrothermal alterations

Low-sulphidation epithermal mineralisation include the following 3 main types

Andesite hosted epithermal Au-Ag

Rhyolite hosted epithermal Au-Ag

Andesite hosted polymetallic veins

High sulphidation epithermal mineralisation possible as there is advanced argillic alteration present in the Coromandel region

5.4 Previous Exploration

The majority of historical exploration occurred between 1970 and 1990 with only small areas subject to more recent work. A significant number of drillholes, stream sediments, rock chips, and soil samples have been taken across the project and have delineated several prospects including Joker, Marys Hill, Maratoto, Scotia, Jubilee, Sovereign and Jasper Creek. Several of these prospects have significant mineralised zones surrounding historical mines and resources that require detailed field investigation of results.

During the first field season several field visits were completed with work including initial land access agreements, field mapping and rock chip sampling. A small number of samples showed hydrothermal veining and alteration. Rock chip samples of up to 0.44g/t Au highlighted several areas for follow up within Waitekauri.

5.5 Proposed Exploration

Literature reviews have revealed several areas where significant zones of mineralisation have been delineated mainly surrounding areas of historical mining. These zones lie within the structural corridor that is host to Golden Cross and Talisman and as such are a high priority for Laneway as they have received limited work since the 1990s and have potential to bring the historical resources up to JORC compliance.

Table 14: Historical production figures (MR2796)

Area	Claim	Gold Produced (oz)	Average Grade Au (g/t)	Ore	Average Grade Ag (g/t)	Ore
Puriri	Miners Right	1070	23.7		18.4	
	Hit or Miss	239	15.8		4.9	
	Surprise	220	12.1		8.3	
Omahu	Sheet Anchor	1410	7.2		41.9	
	We Three	539	21.8		24.5	
	Klondyke	35	2.7		1.6	
Waitekauri	Maoriland/Sovereign	5396	24.3		47.1	
	Grace Darling	298	3.5		2.1	
	Jubilee	1292	22.5		25.1	
	Scotia	738	17.4		24.8	

5.6 Coromandel Valuation Factors

As minimal expenditure has been incurred the value of the project can't be estimated using multiples of past useful expenditure. The Klondyke tenement (EP53464, 161 sq km) was acquired from the previous Prospecting Permit holder (RJY Consulting) for the payment of NZ\$ 5,000. A further payment of 10 million Renison shares will occur on the granting of the Exploration Permit. RJY Consulting will then earn a 0.75% Net Smelter Royalty on production from the tenement. Klondyke was granted in December 2011 when the shares were trading at \$0.30, valuating the tenement at approximately \$3,000,500 or \$18,637 / sq km. The geoscientific valuation for this tenement suggests a value of \$3.3 M (Table 15B). The other tenements were picked up through normal tenement application and for these and EP53464 a value can be gauged by the geoscientific method which includes a rating for geological and mineralisation potential.

Minnelex has calculated that the BAC for NZ is approximately \$965/sq km for an EP. The rating factors for the tenements are listed below and valuation methodologies are in section 1.2. EP54215, Waiorongamai has been reduced by 50% as it encompasses ground well outside the main gold zones with unknown potential.

Table15A: Geoscientific Ratings of Klondyke Project

Tenement	Sq Km	Off Property		On Property		Anomaly		Geology	
		L	H	L	H	L	H	L	H
53464	161.2	2	2.5	2	2.5	1.5	2	2	2.5
53469	46.05	2	2.5	2	2.5	1.5	2	2	2.5
54216	56.1	2.5	3	1.5	2	1	1.5	1.5	2
55213	310.75	1.5	2	1.5	2	1	1.5	1	1.5

To get a final figure for the possible value of the tenements, the low and the high factors are multiplied out and applied to the BAC x square kilometres.

Table15B: Valuation of Klondyke Project (rounded)

	Tenement	Low factor	High factor	Low \$	High \$
Klondyke	EP53464	12	31.25	1,866,696	4,861,188
Waitekauri	EP53469	12	31.25	533,259	1,388,695
Owharoa	EP54216	5.625	18	304,518	974,457
Waiorongamai	EP55213	2.25	9	337,380	1,349,519
	Total			3,041,853	8,573,859

5.7 Coromandel Valuation

The Coromandel gold project is valued at \$5.8 M within a range of \$3.0 M to 8.6 M

6 Ashford Coal Project

Ashford (50% interest)

6.1 Introduction

The Ashford hard coking-coal project is in a JV with New Hope Coal Limited (previously NEC). The project is located 10 km north of the township of Ashford in northern NSW. The deposit contains an Indicated Resource of 8.2 Mt and an Inferred Resource of 5 Mt. The resource is a hard coking coal with low ash and sulphur content. A conceptual study had previously been undertaken by Minserve Group Pty Ltd (Minserve) to assess the feasibility of developing a mining operation, which would export high grade coking coal either through the Port of Brisbane or from Newcastle. The project does not yet have arrangements in place for transport of coal to port or port capacity, however the Federal Government has decided on the preferred route for a proposed inland railway, which will run to the west of Ashford. This proposed inland railway will bring heavy haul rail capacity closer to the Ashford project. Initial studies have looked at mining by open cut mine and possible underground operation.

The area has potential to produce high volatile, high fluidity coking coal but its potential is limited by the generally thin seams in the areas drilled to date and the presence of igneous intrusives, which have coked the seams in some holes, and slightly devolatilised seams in others. Future drilling is planned to extend the current mineralisation with particular focus on the interpreted fault offset in the central part of the licences.

6.2 Property

Table 16: Ashford Coal tenements

Type	Title No	Name	Commodity	Expiry Date	State	Sq km
EL	6324	Ashford	Coal	19/04/2014	NSW	7.951
EL	6428	Ashford North	Coal	6/06/2014	NSW	5.848
EL	6526	Athelwood	Coal	14/03/2014	NSW	17.71

The Ashford tenements lie some 10 km north of the Ashford township in central northern NSW and cover an area of 31.51 sq km.

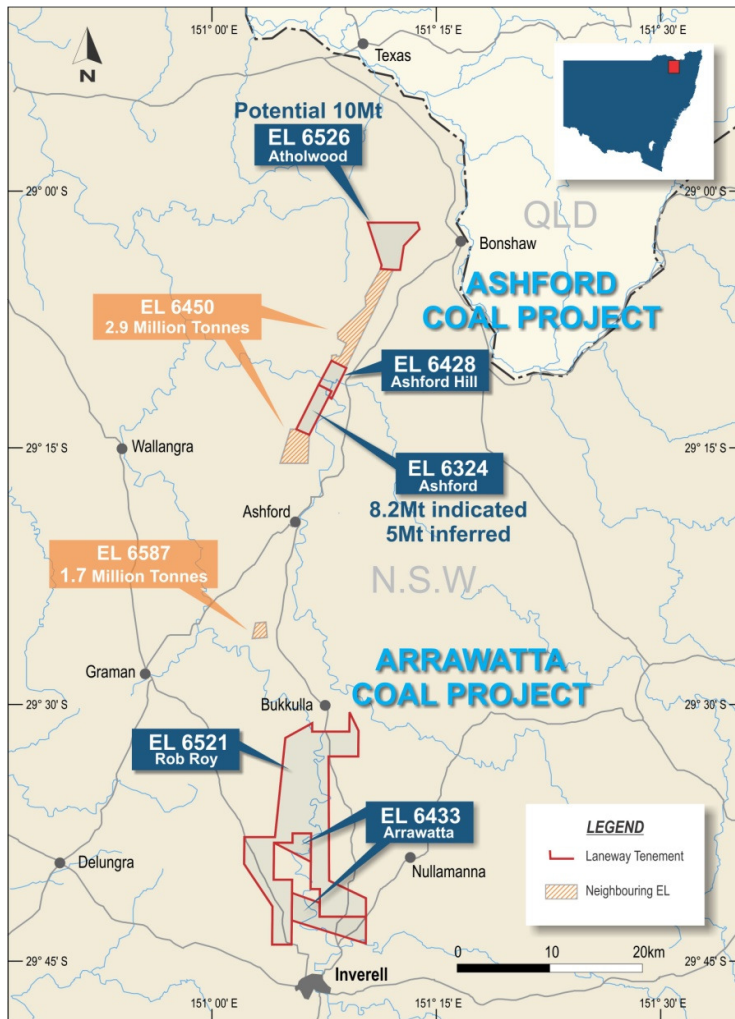


Figure 6.1: Coal tenements

6.3 Historical

The Ashford region has an extensive history of open cut mining extending back to 1884, when coal was discovered along the Severn River. Between discovery and 1925, some 2,000 t of coal were produced, mainly after 1911 when the Bickham mines were opened. An open cut mining operation was developed in 1959 to supply coal to the Ashford Power Station located near the mine. The Ashford Colliery operated from 1959 to 1990. Initially the operator was Davis Contractors until 1976 when White Industries Limited (WIL) acquired the colliery. Mining ceased in 1985 when delivered coal from surrounding mines became cheaper. The Ashford Power Station was closed in 1993.

In 1987, WIL commenced further exploration drilling on its Mining Lease areas west of the abandoned open pits to determine the potential of the down-dip extensions to the Ashford Seam. The drilling demonstrated that the seam continued westward and planning was underway for an underground mining operation when the Ashford Power Station closed the mine. Lack of infrastructure and remoteness from existing export facilities has limited development of the project since then.

6.4 Geology and Mineralisation

Regionally the Ashford coal measures are expressed as a 10 km wide by 80 km long north trending basin extending from the Queensland border south to Inverell. The coal measures unconformably overlie metamorphosed and deformed Carboniferous rock strata. To the west a leucogranite intrudes the Carboniferous sequence and a low angle thrust fault displaces it over the Permian coal measures.

The Ashford Seam is the principal seam within the Ashford Project area and occurs 10 m to 30 m above the Carboniferous unconformity interface. The Ashford Seam thickness varies from 0.2 m to 24.4 m with a thickness greater than 9 m for about 3 km of strike length. The seam dips 25° to 30° to the west, and flattens to approximately 15° under the Severn Fault to the west. The Bonshaw Seam, a 2 m thick, low quality seam, occurs approximately 30 m above the Ashford Seam.

The coal seam continues along strike further to the north within EL 6428. In a drilling program conducted between 2005 and 2006, 38 holes were drilled and 27 intersected coal. The results of the drilling program showed poor coal quality due to heating from intrusive sills in some coal seams, making it difficult to correlate unaffected coal seams.

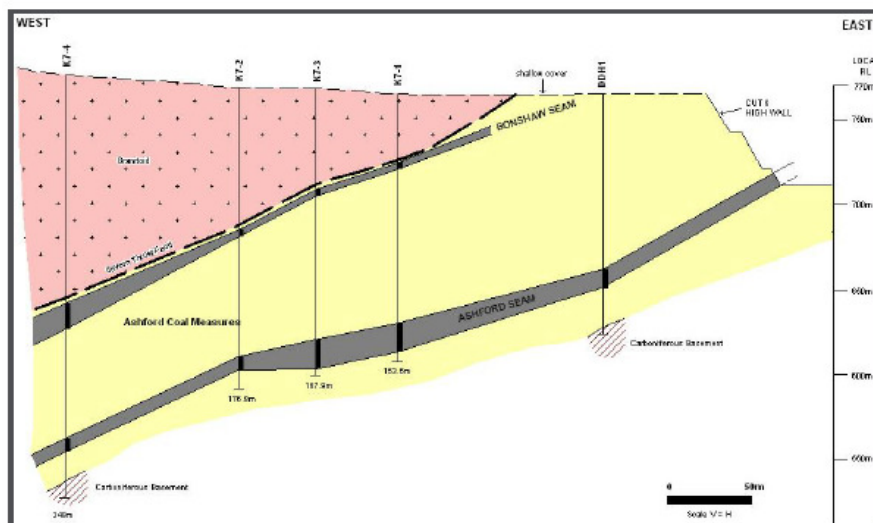


Figure 6.2: Ashford geological cross section K7-2 to DDH1.

6.5 Data Acquisition

Exploration has been focused on testing for the southern extension of the Ashford coal measures within the Arrawatta Project area. Laneway has completed over 100 drillholes and several line kilometres of geological mapping with results showing the Permian sequence does extend to the south through the Arrawatta Project. The coal intercepted has been thin seams with a cumulative thickness of up to 12 m.

The majority of the drill holes used in this assessment have been drilled by NEC and Renison since being granted tenure in 2005. Other sources of data include drilling by White Industries Limited who operated the Ashford Colliery from 1976 to 1996. Each borehole has been logged in detail by on-site geologists including sample recovery and core loss. Sampling of coal intervals was carried out at the drill site. All laboratory analysis used in this assessment has been carried out at accredited laboratories in accordance with Australian standards. None of the core samples were halved or quartered prior to being dispatched to the laboratories. Standard techniques were used at the laboratories to obtain representative sub-samples for analysis. Where possible, all holes have been logged using downhole geophysical techniques. This was not possible for all drill holes as some of the holes had caved in immediately after completion of drilling. Drill holes have been surveyed using high precision instruments by contract survey companies.

6.6 Coal Resource

In 2006, JB Mining reported an in-situ Inferred Coal Resource of 18 Mt in accordance with the JORC Code (2004)

6.7 Geological Database

A review of the geological database was carried out in 2011. The review identified that the database had not been updated since the 2005 drilling program.

The database was subsequently updated with all current information including, collar, lithology, geophysics and results of laboratory analysis of cored holes. Additional historic data was also loaded into the database. After all of the available data was loaded into the database, it was reviewed with respect to:

- Seam nomenclature
- Base of weathering
- Top of carboniferous basement
- Base of overlying granite
- Sample depths

The geological database contained 156 drill holes. All drill hole collar locations have been converted to and stored in GDA94 zone 56. Most drill holes have been logged using geophysical techniques. This includes density, natural gamma, calliper and sonic velocity.

The proximate analysis table contains 178 records for raw coal analysis. Of these records, 170 were deemed valid. The samples excluded were done so as they were sampled from open holes and were likely to be contaminated. A count of coal quality records for each parameter is given as table 4.1.

6.8 Coal quality

Analytical studies confirmed coking coal can be produced from the Ashford deposit provided the seam is selectively mined, excluding the lowest part of the seam. Drill results from 2005 confirm that a low ash coking coal should be able to be produced at a reasonable yield, with low sulphur and phosphorous content and good coking properties (Minserv, 2005). In the 2011 revision by NEC the following coal quality parameters were composited and subsequently modelled:

- Ash % (ad)
- Moisture % (ad)
- Volatile matter % (ad)
- Relative Density g/cc (ad)
- Specific energy Mj/kg (ad)
- Crucible Swell Number

Coal quality statistics, at air-dried basis, from the composited coal quality table are given in table 17

Table 17

SEAM	No. of Samples	Ash % (ad)	Moisture % (ad)	Volatile Matter % (ad)	RD g/cc (ad)	CSN	Specific Energy mj/kg (ad)
A1	20	11.4	0.9	23.9	1.41	5.5	31.4
A2	25	16.8	0.9	22.5	1.47	4.5	29.1
A3	27	18.4	0.9	21.7	1.48	4.5	28.5
A4	25	23.7	1.0	19.9	1.54	3.5	26.4
A5	23	24.6	1.0	19.1	1.55	2.0	25.3

Table ; Average Coal Quality Statistics

6.9 Ashford Coal Valuation Factors

6.9.1 Previous Valuation of the coal projects

Ashford (and Arrawatta) coal assets were originally held by Renison Consolidated Mines NL (Renison). The Ashford assets were valued by Behre Dolbear Australia Pty Limited (BDA) in 2011. BDA looked at a number of valuation methodologies having regard to:

- The planned future expenditure in respect of exploration permits
- Values implied by farm out agreements
- Historical expenditure on the permits
- Resource multiples observed for comparable transactions involving companies or projects at a broadly similar stage of development
- The reserve and resource multiples implied by their valuation of Northern Energy compared with the reserve and resource multiples observed for comparable listed companies and comparable transactions, respectively.

Their conclusions were based on recent drilling and reinterpretation of the Severn fault and from this they estimated that the Ashford deposit is underlain by an Inferred Resource of 18Mt. There has been very limited work done on the possible development of the Ashford deposit, in that it is of small scale and relatively isolated from the infrastructure that would be required to deliver it to the potential customers.

For the resource BDA considered the valuation methods that would be most appropriate, given the level of exploration to date, the extent and degree of definition of any identified resources and the stage of development of each.

The following methods were considered:

- Discounted cash flow
- Related Transactions
- Alternative Offers and Joint Venture Terms
- Rules of Thumb or Yardsticks
- Past Expenditure (PEM)

BDA concluded that the project was at a preliminary stage and the PEM would not be appropriate. Similarly DCF was ruled out for the same reason and related offers and joint venture terms were not found.

Using the Yardstick method for valuation of Ashford, and considering that the coal quality is forecast as export low ash hard coking coal, BDA considered that 20% of the resources may be recoverable by open cut and a further 40% of the balance are assumed recoverable by underground (board and pillar). Based on forecast quality, the mining recoverable resources may have a value of around \$1.60/t of recoverable resource, in the range of \$1.40-1.80/t of resource. This valued the project at Au\$15 M, in the range of A\$13-17 M.

Interest	Low Au\$ M	High Au\$ M	Likely Au\$ M
Ashford 50%	6.5	8.5	7.5

Minnelex has reviewed the BDA Ashford coal report and methodology adopted and considers that their approach is suitable for the purposes of valuing the project. Minnelex also confirms that all of the assumptions adopted by BDA for the purposes of the report are still relevant and appropriate to adopt for the Minnelex report with the exception of the coal price and the revision and re-classification of the total resource, which is discussed below.

6.10 Revised Resource Calculations

Subsequently to the BDA valuation, the Inferred Coal Resource was re-calculated by NEC in late 2011 and classified into indicated and inferred confidence categories in accordance with the JORC code. The report also adheres to the Australian guidelines for estimating and reporting of inventory coal, coal resources and coal reserves, 2003 edition. The resource has been estimated on a ply by ply basis. The same resource limits were used for each ply.

Points of observation were determined for the Ashford seam as a whole as the Ashford seam is coalesced throughout the majority of the deposit. The classification of a point of observation was consistent for all resource classification categories. A point of observation was defined as a cored interval with 95% recovery with recovered samples analysed for raw ash content. The points of observation were sourced from the coal quality composite model. The total resource was then estimated by ply, resource confidence category and depth. Table presents a summary of the results of the resource estimate.

Total resources within EL6234 have been re-estimated at 13 Mt of insitu coal. 8.2 Mt have been classified as indicated and 5 Mt as inferred. Of the total resource, 4.4 Mt are at a depth less than 100m while 8.6 Mt are between 100m and 200m depth.

Table 18: Ashford estimated resources by seam group and depth range

SEAM	DEPTH RANGE (M)	INDICATED (Mt)	INFERRED (Mt)	TOTAL (Mt)
A1	0-100	0.5	0.2	0.7
	100-200	1.4	0.5	1.9
A2	0-100	0.5	0.5	1
	100-200	1.2	0.6	1.8
A3	0-100	0.5	0.3	0.8
	100-200	1.2	0.5	1.7
A4	0-100	0.4	0.5	0.9
	100-200	0.9	0.6	1.5
A5	0-100	0.5	0.5	1
	100-200	1.1	0.6	1.7
TOTAL	0-100	2.4	2	4.4
	100-200	5.8	2.8	8.6
TOTAL		8.2	5	13

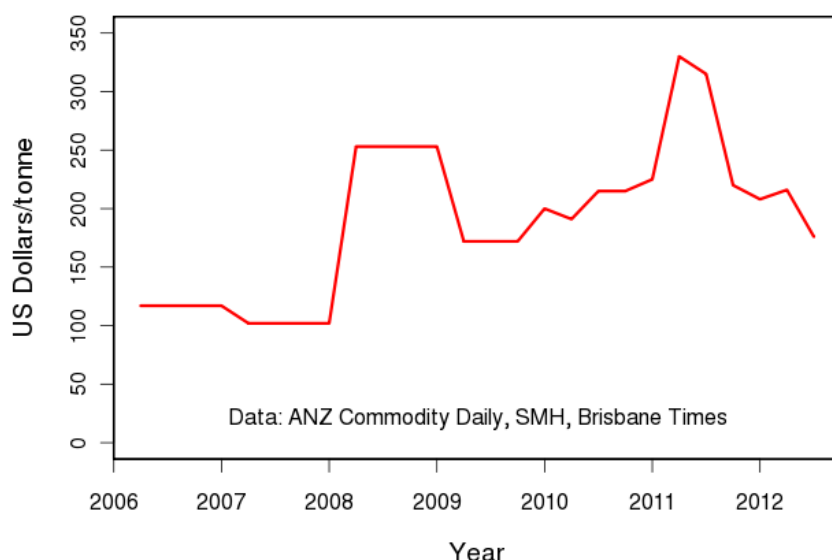
Further to the resources given in table 18, an exploration target of 4-5 Mt may be achievable to 200m depth. A down-dip extension of the known resources may exist as the contact between the Ashford seam and overthrust granite has not been defined for the strike of the deposit. A northern extension of the main Ashford deposit may also exist. Four drill holes were drilled along the sub-crop in this area but encountered mostly mylonitic coal. A down dip extension of the coal encountered in this location may be less Mylonitic or undisturbed and provide further resources.

6.11 Ashford Coal Valuation Review

6.11.1 Change in coal price

In September 2011, when the BDA valuation was completed, Australian coking coal prices were over US\$200/t and since 2008 they had averaged probably around \$210 – \$220/t. Their slide to the current level of around \$165/t or less commenced in August 2012. The impact of weak metallurgical coal prices on producers' margins is forcing companies with operations in Australia to mothball some of their mines or consider asset sales. For example, a day after Anglo American said it would place its Aquila mine in Queensland's Bowen Basin region on care and maintenance from July 30, it emerged that Rio Tinto could soon finalize the sale of some coal interests in Australia. At the same time, Anglo American Metallurgical Coal CEO Seamus French indicated that the Aquila mine would be mothballed this summer due to expected low coal prices over the remainder of 2013.

Australian coking coal price 2006 - 2012



Premium low-volatile HCC prices assessed by Platts have fallen 40% over the past 12 months to \$135.00/mt FOB this month, from \$223/mt FOB Australia on June 11, 2012. The HCC price has fallen 16% since the start of 2013. "Around half of all open cut mines in Australia are believed to be selling coal below their production costs."

JP Morgan estimates for the hard coking coal price to an average of \$US156 per tonne in 2013 and \$US160 per tonne in 2014.

Comparable transactions are hard to find and with the turmoil in prices recently it is not possible to update the valuation using this method. The estimated percentage drop in metallurgical coal values from around \$210/t to \$156/t is 25%, which will reduce 2011 BDA valuation in the current market. There is no direct relationship between valuation per tonne of coal and the valuation of the project and if coal prices were to drop well below economic cutoff, the project would still have some intrinsic value based on expectations that prices could rise again. Were this to happen, a value could be ascertained using historical expenditure, geoscientific calculation or some assumed value per tonne in-ground.

The drop in coal values is assessed to have reduced the project value by 25%

6.11.2 Change in resource tonnes

The revised resource tonnes from 18 Mt to 8.2 Mt Indicated and 5 Mt Inferred plus a new target potential has, in the opinion of Minnelex, not had a material effect on value as higher tonnes of low value Inferred Resource has been replaced by lower tonnes of higher value Indicated Resource.

Table 19: Coal valuation summary

Ashford 50% Interest	Low Au\$M	High Au\$M	Likely Au\$ M
BDA Valuation, 2011	6.5	8.5	7.5
Current 25% lower price	4.88	6.38	5.63

6.12 Current Valuation of Ashford Coal

The current value of the Ashford coal is estimated to be \$5.63 M within a range of \$4.88 M to \$6.38 M.

7 Arrawatta Coal Project

(100% Laneway)

7.1 Introduction

The Arrawatta Project covers over 123 sq km comprising two tenements (EL6433 and EL6521) located approximately 10km north of Inverell in Northern NSW and is the interpreted extension of the Ashford coal measures. The Arrawatta Project, unlike Ashford, is an earlier stage exploration project with no defined coal resources despite previous drilling intercepted coal seams varying from 0.1 m to 1.9 m in thickness, averaging 0.6 m.

7.2 Property

Table 20: Arrawatta tenements

Type	Title No	Name	Commodity	Expiry Date	State	Sq Km
EL	6433	Arrawatta	Coal	15/06/2014	NSW	25.13
EL	6521	Rob Roy	Coal	10/03/2014	NSW	98.52

7.3 Previous work

The coal potential was tested by Renison in 2005 - 2008 however no resource was defined. There are reportedly three coal seams that consist of multiple coal plies with black shale bands and reported seam thickness ranging up to 1.9 m and averaging 0.6 m. To date the exploration shows the coal to be quite inferior to the Ashford coal.

7.4 Geology

Significant thicknesses of coal-bearing Permian sediments had previously been identified in and around the original Arrawatta discovery. Drillholes intersected Permian sediments with coal over a strike of approximately 3 km with the sequence open to the north. Coal-bearing strata are contained in two to three sequences within the Permian sediments. The Ashford Seam is the principal coal seam and occurs between 10 to 30metres above the Carboniferous/Permian unconformity interface. The Bonshaw Seam, a minor and low quality seam lays a further 50 above the Ashford seam and is generally 2 metres thick with interbedded shaley coal banding. The roof of the Ashford seam is a competent lithic conglomerate with a quartz carbonate matrix. Two types of coal are present. The brown coal is stony, butuminous and broken and found just under the basalt cap. The coking coal when intercepted is often broken and moderately soft with common stony bands.

7.5 Exploration Completed

Exploration has been focused on testing for the southern extension of the Ashford coal measures within the Arrawatta Project area. Laneway has completed over 100 drillholes and several line kilometres of geological mapping with results showing the Permian sequence does extend to the south through the Arrawatta Project. The coal intercepted has been thin seams with a cumulative thickness of up to 12m.

During 2013, Laneway completed internal reviews on all tenements within the Arrawatta Project. As a consequence of this 47% of EL6433 and 75% of EL6521 was renewed. The remainder being relinquished due to limited prospectivity associated with block faulting in the area.

7.6 Proposed Exploration

A Review of Environmental Factors (REF) document was compiled and submitted for work on the Arrawatta Project. Drill planning is complete and drilling will commence as soon as REF has been approved. Drilling is planned to extend the current mineralisation with particular focus on the interpreted fault offset in the central part of the licences.

7.7 Arrawatta Valuation

Geoscientific factors

The project area covers 120 sq km in which coal has been found but no resource has yet been defined after considerable drilling. Given the current weakened state of the coal market no premium is applicable to the technical value.

Geoscientific rating criteria (After Xstract)

Rating	Off-property factor	On-property factor	Quality factor	Anomaly factor	Geological factors	Local/ Infrastructure Factors
0.1				No seams identified		
0.5					Unfavourable stratigraphy	Unable to access market
0.7			Lignite		Generally favourable stratigraphy on 25% of lease or significant igneous / structural complexity	Located at distance to market but supporting infrastructure in development
0.9			Thermal coal with impurities	Few thin seams (at shallow depths)	Generally favourable stratigraphy on 50% of lease or minor igneous / structural complexity	
1.0	No known mineralisation in district	No known mineralisation on lease	PCI coal with impurities or thermal coal without major impurities	Coal seam identified	Generally favourable stratigraphy (70% lease)	Located at distance to market but supporting infrastructure in place
1.5	Minor workings	Minor workings	Soft coking coal with impurities or PCI coal without major impurities	Single consistent thick (>2m) seam or multiple seams	Generally favourable stratigraphy and simple igneous / structural features	In proximity to market with appropriate infrastructure in place to access
2.0	Several old workings	Several old workings	Hard coking with impurities or soft coking without major impurities	Favourable aggregate seam thickness	Generally favourable stratigraphy and simple igneous / structural features	
2.5	Abundant workings with significant previous production	Mine or abundant workings with significant previous production	Hard coking coal without major impurities	Two or more consistently thick (>2m) seams	Favourable stratigraphy without igneous or structural features	
3.0	Along strike from mine	Mine or abundant workings with significant previous production			Favourable stratigraphy without igneous or structural features	
3.5	Along strike of world class mine	Major mine with significant historical production		Numerous thick seams		
4.0	World class mine				World class mine	

Table 21A: geoscientific factors

Name	Title	Off property		On Property		Anomaly		Geology		Quality factor		Local Infrastructure	
Arrawatta	6433	1.5	1.75	1.5	1.5	1.25	1.5	1.75	2	1	1.5	0.8	0.9
Rob Roy	6521	1.5	1.75	1.5	2	1.25	1.5	1.5	2	1	1.5	0.8	0.9

Table 21B: Arrawatta coal valuation

Name	Title	Factors L	Factors H	\$	\$
Arrawatta	6433	3.94	10.63	49,475	133,582
Rob Roy	6521	3.38	14.18	166,253	698,261
Total value				215,728	831,843

The likely geoscientific factors indicate that the project has a preferred value of \$524,000 but ranging from \$216,000 to \$831,000. The wide spread of values is a direct consequence of the assumptions that have to be made when there are no resources to better indicate values.

Comparative Valuation

The mergers, takeovers, acquisitions and joint ventures in the coal industry in the last few years were carried out before prices dropped and have involved companies well located with respect to infrastructure and with resources or reserves. These companies have little in common with the Arrawatta Project and have not been used.

Multiples of exploration

An alternative valuation method of checking would be to use comparative transactions or multiples of exploration. Comparative transactions are not known but currently, some \$2.5 M has been spent on Arrawatta. Of this, some 50% can be attributed to direct exploration that has advanced the project. Given the lack of any resource to date, multiples of 0.5 to 0.75 are considered appropriate. This gives a preferred value for the Arrawatta coal of \$654,000 within a range of \$423,000 and \$886,000

Averaging this with the geoscientific valuation indicates a value of \$0.65 M within a range of \$0.43 M to \$0.89 M

7.8 Value of total coal assets

Table 22: Value of Total coal assets (rounded)

Coal Project	Valuation	Lower range (AUD M)	Upper range (AUD M)	Preferred (AUD M)
Ashford (50% basis)	BDA Valuation update	4.88	6.38	5.63
Arrawatta	Geoscientific Rating	0.22	0.83	0.5
Arrawatta	MEE	0.63	0.94	0.79
Arrawatta	Averaged	0.42	0.89	0.65
Total attributable value		5.30	7.26	6.28

The value of the total coal assets is \$6.28 M within a range of \$5.30 M to \$7.26 M

8 Rockland Gold Project

(Laneway 100%)

8.1 Introduction

The area, which is 20 km southwest of Warwick, NSW is regarded by the company as having significant potential for Intrusion-Related Gold Systems (IRGS) mineralisation and a set of parallel dykes is present striking north-northwest over several kilometres just to the east of a large granite pluton. Planning for landholder discussions, access and field work is underway.

8.2 Property

Table 23: Rockland tenements

Type	Title No	Name	Commodity	Expiry Date	State	Area	Sub-blocks.
EPM		Rockland	Au	31/07/2017	QLD	157.3	50
EPMA	19571	Rockland West	Au	application	QLD	148.3	49

EPM19368 was granted on 31 July 2012 and is located to the southwest of Warwick in southeastern Queensland. During investigation into EPM19368 the discovery of a second area of interest was followed up with an application for EPMA19571 (Rockland West) covering 148 sq km to the west of the current tenement.

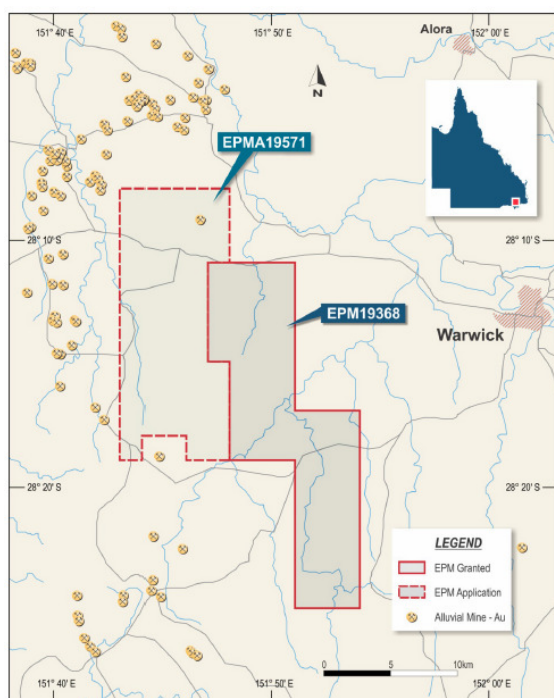


Figure 8.1: Rockland Project Tenements and old workings

8.3 Geology and Mineralisation

IRGS is a relatively new style of gold mineralisation typified by the well studied occurrences in Alaska and the Yukon (Fort Knox and Dublin Gulch deposits). Deposit size ranges from small (veins) and disseminated gold, e.g. Timbarra in NSW 700,000 oz Au averaging 1 g/t Au, to larger systems such as Kidston that produced 140 t gold. Many systems overseas typically contain greater than 3 Moz Au. They are generally large tonnage, low grade gold deposits. Grades can range up to 10g/t gold and deposits vary in size up to 35 Moz gold. Very often IRGS are surrounded by low tonnage but high grade alluvial gold deposits.

During investigation into EPM19368 the discovery of a second area of interest was followed up with an application for EPMA19571 (Rockland West) to the west of the current tenement. The area lies over the Greymare Granite which shows an adakitic signature characteristics of magma that have partially melted from the altered basalt that is subducted below volcanic arcs; they are found in association with large copper-gold porphyry systems. The granite has been intruded into the Texas Beds (metasediments) and shows a magnetic low quite distinct from other granites in the area.

There are several alluvial goldfields surround the area including Thanes Creek, Pikedale and Canal Creek. No hard rock source for these has been found to date. There are also several polymetallic mineral occurrences to the east of the application area.

The New England Batholith granites show significant polymetallic mineral deposits throughout the region. Mineralisation has been reported in both the Commonwealth and State governments reports related to the mineralogy of the extensive dyke swarms up to 3,000 m in width and extending for over 10 km, which occur in a north north-west trend within the area of application.

There are several alluvial goldfields surround the area including Thanes Creek, Pikedale and the Canal Creek Goldfield which produced over 565 kg of Au at average grades of 3.2 g/t Au. No hard rock source for these large alluvial fields has been found to date. There are also several polymetallic mineral occurrences in the area including Cu, Au, Ag, Mo, Mn.

8.4 Proposed Exploration Program

Laneway is currently completing landholder title searches and will initiate landholder access negotiations in 2013. Initial work will consist of geological mapping and sampling across the dyke swarms which are the primary areas of interest. Historical data is also being compiled.

The principal target of exploration will be Intrusive Related Gold Systems (IRGS) similar to that found at Timbarra in Northern NSW. The region also holds potential for granite associated shallow, low tonnage, high grade deposits of Cu, Pb, Zn, Ag, Sn.

8.5 Rockland Gold Valuation Factors

Rocklands is at a very early stage of exploration. No comparable project is known and as no direct exploration has yet been carried out, past expenditure is not an option for valuation; the project is best valued by the geoscientific method or by looking at the exploration program that might be justified in the first year. The IRGS model, while attractive, is just a geological model yet to be tested and in the present climate, is unlikely to attract more than the minimum departmental expenditure to hold the property. On the assumption that both tenements are granted then the first year exploration expenditure, which would include geological mapping, soil sampling and possible RAB drilling and trial geophysics.

8.5.1 Budget Valuation

Based on a justifiable budget, the likely value of this early-stage project would be \$200,000, within a range of \$150,000 to \$250,000.

8.5.2 Geoscientific Valuation

Table 24A: Geoscientific factors

Tenement	Number	Sq km	Off Property		On Property		Anomaly		Geology	
			L	H	L	H	L	H	L	H
Rockland	19368	157.3	.9	1	.9	1	1	1.5	1.5	2
Rockland W	19571	148.3	0.9	1	.9	1	1	1.5	1.5	2

Table 24B: Summary of Rockland values (Rounded)

Tenement	Number	Factors L	Factors H	\$ x 1000	\$ x 1000
				L	H
Rockland	19368	1.2	3	96,000	236,000
Rockland West*	19571	1.2	3	72,000	178,000
TOTAL Rockland				168,000	414,000
Budget valuation				150,000	250,000
Averaged				159,000	332,000

*Reduced by 20% as an application.

8.6 Rockland Valuation

The Rockland Gold Project has a preferred value of \$245,000 within a range of \$159,000 and \$332,000

Qualifications and Experience

Minnelex is a geological consultancy. The person responsible for this report is:

R.C.W. Pyper. BSc. (geol.). MAICD. FAusIMM. Consulting Geologist

Mr Pyper is the Principal of Minnelex and is a geologist with 50 years of industry experience and 30 years of consulting practice in precious metals, base metals, coal, bauxite, gemstones, industrial minerals, iron ore, dimension stone and mineral sands. He has had extensive experience in the valuation of mineral exploration properties. Mr Pyper has had sufficient experience relevant to the styles of mineralisation and the types of deposits under consideration and to the activity which he is undertaking, to qualify as a Competent Person as defined in the 2004 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Pyper consents to the inclusion in the report of matters based on his information in the form and context in which it appears

Disclaimer of Interests

At the date of this report and currently, Minnelex does not have, nor has had any relationship with Laneway other than as may have occurred as a result of providing consultancy services in the ordinary course of business. Minnelex and R C Pyper have neither relevant interest in, nor any interest in the acquisition or disposal of any securities of Laneway. Minnelex has no pecuniary or other interest that could be regarded as being capable of affecting its ability to give an unbiased opinion in relation to the acquisition of the mineral interests of Laneway. The fee charged for this report is \$8,000.

A handwritten signature in blue ink, appearing to read 'R Pyper', is shown on a light-colored background.

Robert C W Pyper

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Glossary

%	Per cent
ADB	Air dry basis
Adakitic.	A term that covers a range of rocks found in arc settings ranging from pristine slab melt, to adakite-peridotite hybrid melt, to melt derived from peridotite metasomatized by slab melt
Argillic alteration.	Hydrothermal alteration of wall rock which introduces clay minerals including kaolinite, smectite and illite. Advanced alteration occurs under lower pH and higher temperature conditions
Adularia	Feldspar mineral, a potassium aluminosilicate
andesite	A fine grained igneous rock with intermediate silica content
ASL	Above sea level
AUD	Australian Dollar
AUD B	Australian Dollar billion
AUD M	Australian Dollar million
BAC	Base acquisition cost
Bizzell	Bizzell Capital Partners Pty Ltd
Carboniferous	345-280 million years ago
Chalcedonic	Cryptocrystalline form of silica, composed of very fine intergrowths of the minerals quartz
DAF	Dry, Ash Free
DB	Dry basis
DD	Diamond drilling method that produces a core of rock
Ddpm	dial divisions per minute
EL	Exploration Licence
Epithermal	Low temperature hydrothermal processes.
extrusives	Where hot magma from inside the Earth flows out (extrudes) onto the surface as lava
GAR	Gross as received
Gneissic	A banded or foliated metamorphic rock, usually of the same composition as granite.
Gossan	Intensely oxidized, weathered or decomposed rock, usually the upper and exposed part of an ore deposit or mineral vein.
HCC	Hard Coking Coal
JORC Code 2004.	The Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (2004 edition)
Intrusive	A body of hot igneous rock which invades the overlying rocks
JV	Joint venture
Kcal/kg	Kilocalories per kilogram
km	Kilometres
low sulphidation	distinguished from high sulphidation primarily by the different sulphide mineralogy (pyrite, sphalerite, galena, chalcopyrite), deposited from dilute hydrothermal fluids
m	Metres
M	Million
Mt	Million tonnes
Mtpa	Million tonnes per annum
New Hope	New Hope Corporation Limited
	Northern Energy Northern Energy Corporation Limited
Pegmatitic	A very crystalline, intrusive igneous rock composed of interlocking crystals usually larger than 2.5 cm in size
Permian	280-225 Ma
Porphyritic	Rock with a large difference between the size of the tiny matrix crystals and other much larger crystals
RAB	Reverse Air Blast drilling method
RC	Reverse Circulation drilling method
RD	Relative density
Renison	Renison Consolidated Mines NL
Resource	Mineral resources are estimates, not precise calculations

Resource	Inferred Resource. That part of a mineral resource for which tonnage, grade and mineral content can be estimated with only a low level of confidence. Mineralisation has been identified but continuity of grade cannot be confidently interpreted.
Resource	Indicated Resource. Here there is sufficient confidence to support mine planning and evaluation and to aid in the assessment of the economic viability of the deposit.
Rhyolites	
ROM	Run-of-mine
Schistose	
Sericite	A fine grained mica, similar to muscovite
t	Tonnes
USD	United States of America Dollar
VALMIN Code	2005 edition of the Code for the Technical Assessment and Valuation of Mineral and Petroleum Assets and Securities for Independent Expert Reports
VR	Vitrinite reflectance
WIL	White Industries Limited