

Labyrinth Gold Project, Canada

Drilling continues to generate highly encouraging results as part of strategy for maiden JORC Resource

First eight holes all hit the targeted Boucher lode; Plus, drilling hits new mineralisation outside the current non-JORC Resource

Key Points

- Maiden underground exploration program at flagship Labyrinth Gold Project in Quebec progressing well, with over 2,000m of diamond drilling completed
- Initial 8 holes have all intercepted the targeted Boucher lode at planned depth, with core visually displaying a well-developed quartz vein hosting pyrite and chalcopyrite. The vein has ranged from 1.5m to 6m wide with a significant alteration assemblage consisting of sericite and carbonate up to 18m wide
- Visible gold intersected outside the current non-JORC resource between the Talus and Boucher lodes; this highlights potential to expand the known mineralisation and validates Labyrinth's initial appraisal of the resource
- Compilation of a maiden JORC Resource (existing NI43-101 foreign estimate is 2.1Mt at 7.1g/t for 479,000oz¹) remains on track for delivery in 2022
- Labyrinth has acquired seven new mining claims in Ontario which run parallel with the Labyrinth tenure; this is in line with the Company's strategy to grow its land holding in the highly prospective Abitibi region



Figure 1 - Core tray containing Boucher intercept from 213m - 219m in LABU-22-06

¹ Refer to ASX announcement 2 September 2021 (**Initial Market Announcement**) for foreign estimate information, JORC 2012 tables and competent person statement. The Company is not aware of any new information or data that materially affects the information included in the 2 September release.



Labyrinth Resources (ASX: LRL) (**'Labyrinth'** or **'the Company'**) is pleased to advise that the first eight holes of the underground diamond drilling program at its Labyrinth Gold Project in Canada have returned highly encouraging results based on visual inspection of the core.

All eight holes have hit the targeted Boucher lode, with one also intersecting visible gold in a previously unmodelled area of the resource.

Labyrinth Chief Executive Matt Nixon said: "The results look highly promising at this stage and support our strategy to establish a significant high-grade JORC Resource later this year.

"We continue to hit the key Boucher lode with every hole and we have also intersected mineralisation outside the Resource, allowing us to modify the design of our maiden drilling program and ensure we also include targets within the mine sequence of the known McDowell and Talus lodes.

"This all bodes very well for the maiden JORC Resource and we look forward to receiving the first assays in coming weeks".

Diamond Drilling

The maiden underground diamond drilling program at Labyrinth Gold Project consists of ~5,000m across 20 holes targeting the known resource, with 15 holes focussed on the highly prospective Boucher lode, to enable conversion of the NI43-101 Resource compiled in 2010 to JORC classification. The drilling has progressed very well since getting underway in mid-February, with eight holes now completed for 2,111.5m and all intercepting the Boucher lode around modelled depths. The resulting core has presented strongly sheared and silicified package with multiple stages of veining evident with the gold mineralising event having abundant pyrite and chalcopyrite present in fine grained veinlets. Sulphides are most prevalent at the margins of the quartz veins as well as stylolites within the veins.

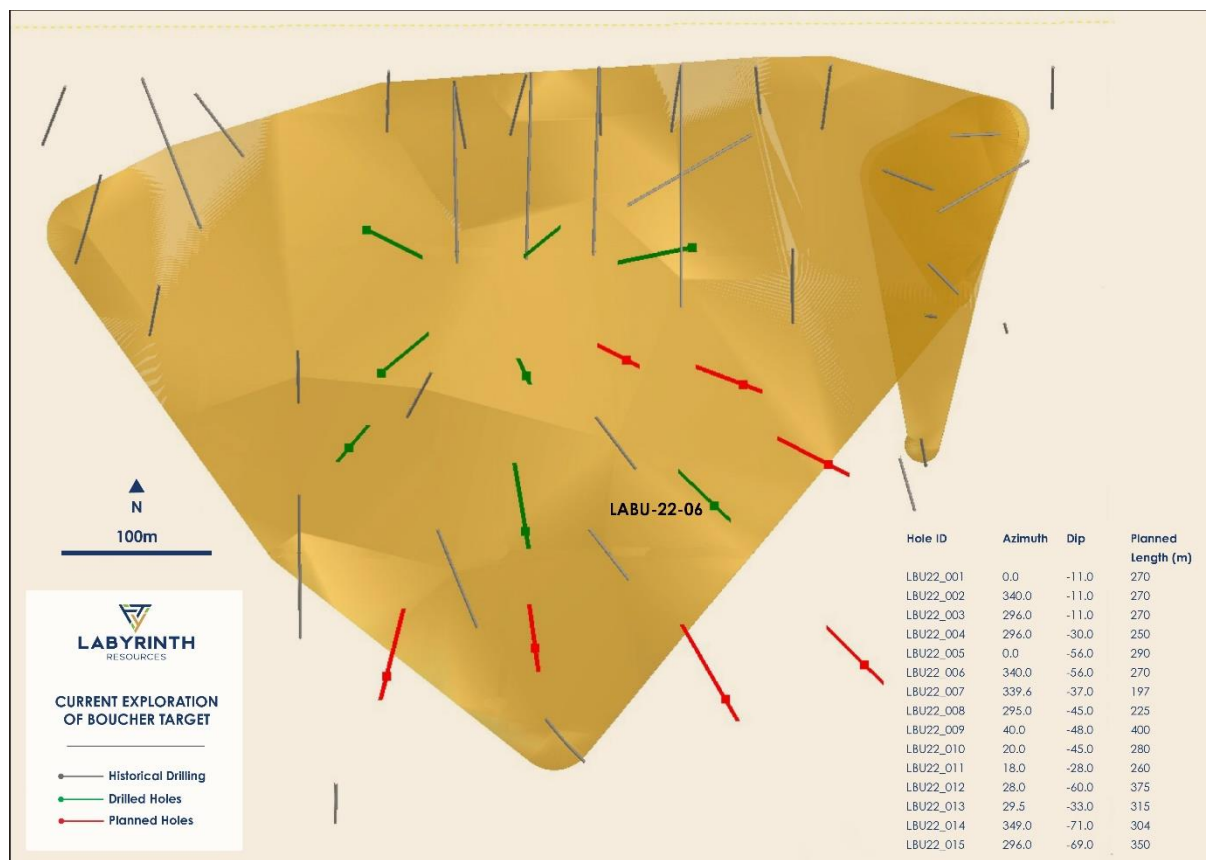


Figure 2 Boucher phase one exploration

Visible gold was identified in hole LABU-22-06 at 149.5m deep among quartz veinlets in a currently unmodelled zone between Talus and Boucher, supporting Labyrinth's technical assessment of the considerable upside potential of the resource.

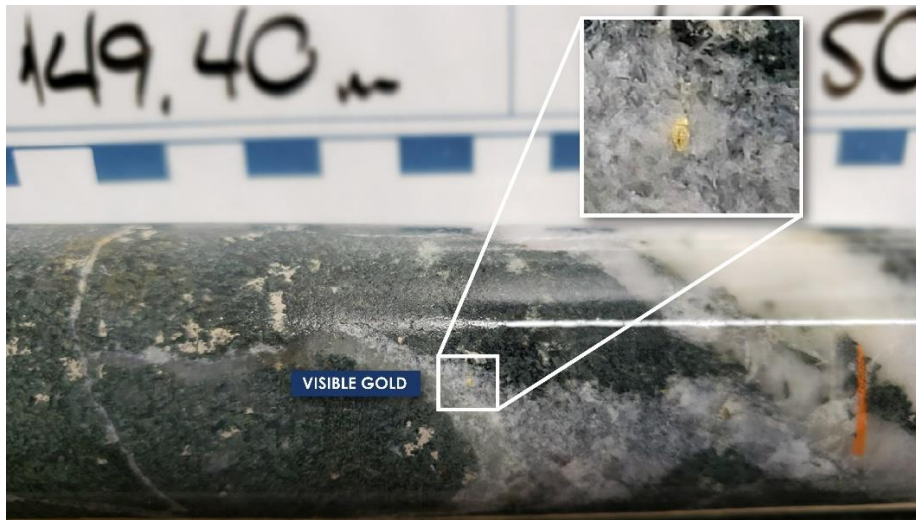


Figure 3 Visible gold intercept in unmodelled zone in hole LABU – 22 - 06

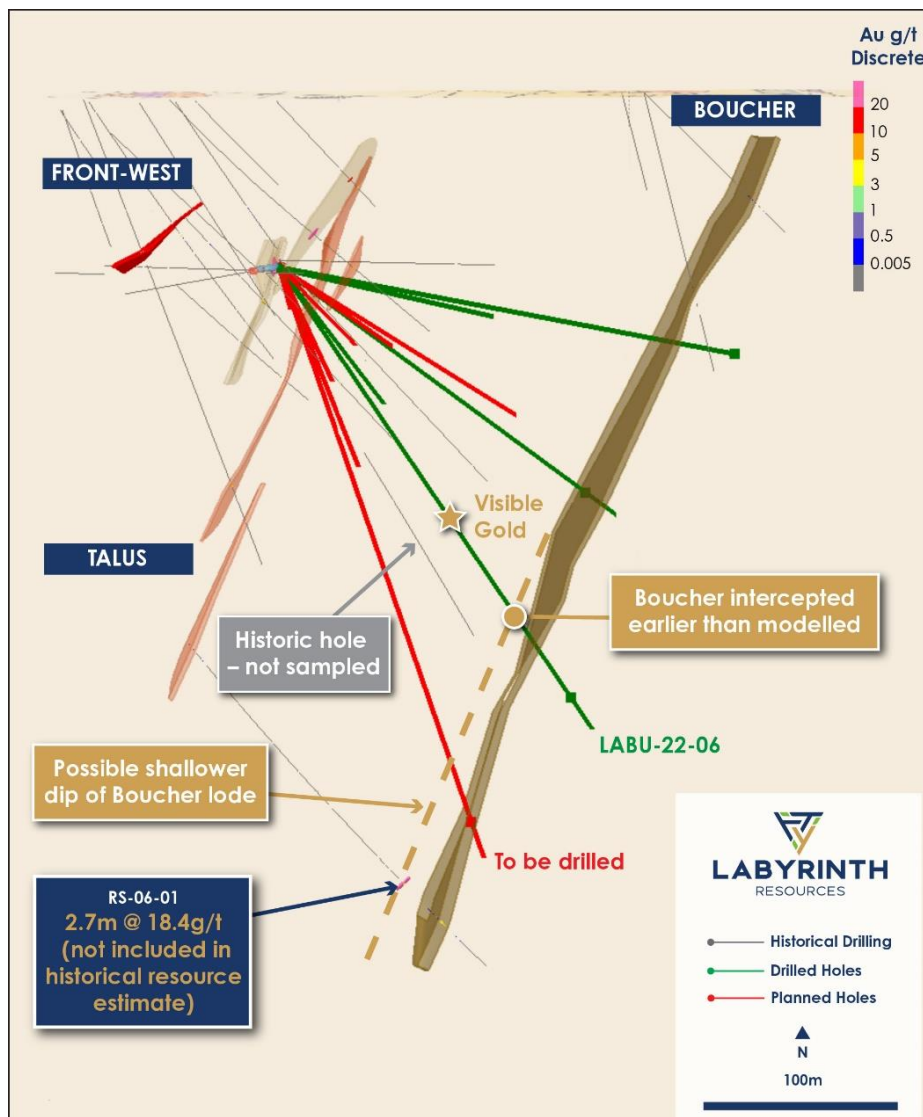


Figure 4 Visible gold location



Assay turnaround times in Canada have been impacted, as they have been in Australia, due to COVID. However, Labyrinth maintains a strong relationship with the selected laboratory and has confirmed its samples be prioritised, therefore the Company expects results in coming weeks.

Underground Sampling

Following inspection of the existing underground workings and review of historical data by Labyrinth, a comprehensive underground sampling program has been implemented that seeks to attain sufficient data for the JORC resource as well as improve the geological understanding of multiple areas in the mine, particularly in the ore drive extents that remain unmapped despite the presence of mineralisation in the current faces.

Figure 5 below illustrates the first location the team have conducted sampling, the current face of the McDowell 110 East ore drive, where the previous mine owner had commenced development activities immediately prior to the acquisition by Labyrinth. Mineralisation can be observed in the face, with a historical intercept of 1.4m @ 9.1g/t including 0.46m @ 22.3g/t¹ located 60m along strike. The 90 and 130 levels also have current face positions with visible mineralisation at distances of 165m and 100m further along strike respectively, providing strong indication of potential for future immediate lateral ore development extensions in the historic underground mine workings. The 110 East samples have also been prioritised with the assay laboratory.

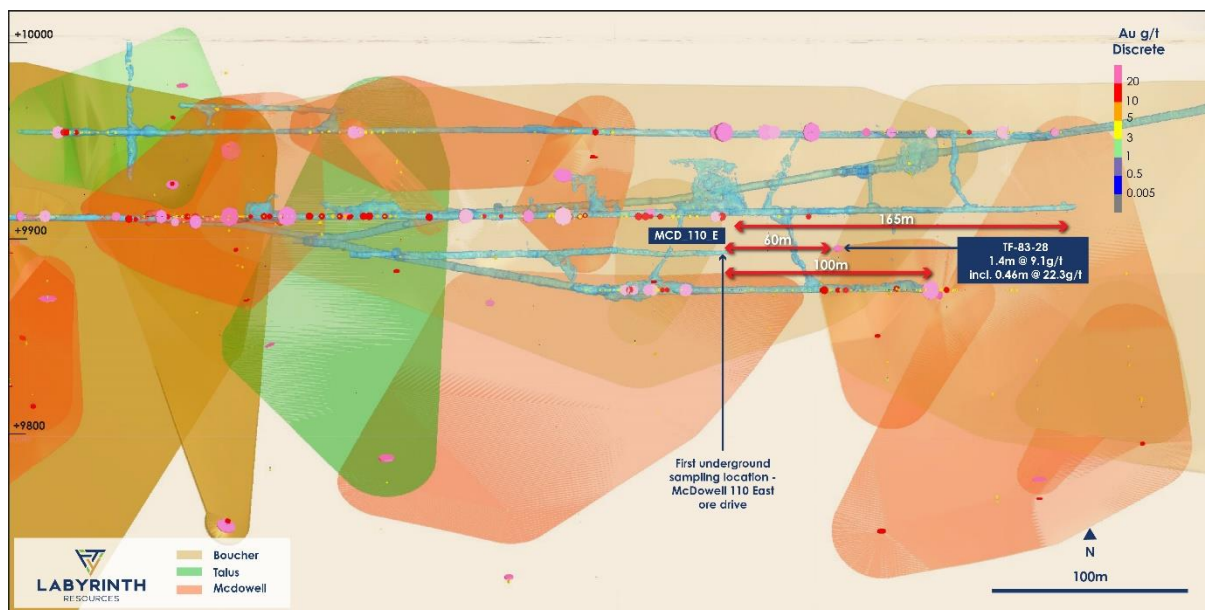


Figure 5 McDowell 110 E Sampling location

Mining Claim Acquisitions

In line with the Company's strategy to grow its land holding in the highly prospective Abitibi region, Labyrinth has agreed to acquire an initial 7 mining claims in Ontario from a private owner which are strategically located adjacent to the current tenure of the Labyrinth Gold Project in Quebec. Labyrinth will provide a cash consideration of CAD\$7,000 and a net smelter royalty of 2.5%, which can be purchased by the Company at its sole discretion within 48 months for consideration of \$50,000 per 0.5%.

The acquired claims are 568103, 568104, 568105, 569333, 569334, 569335 and 569336.

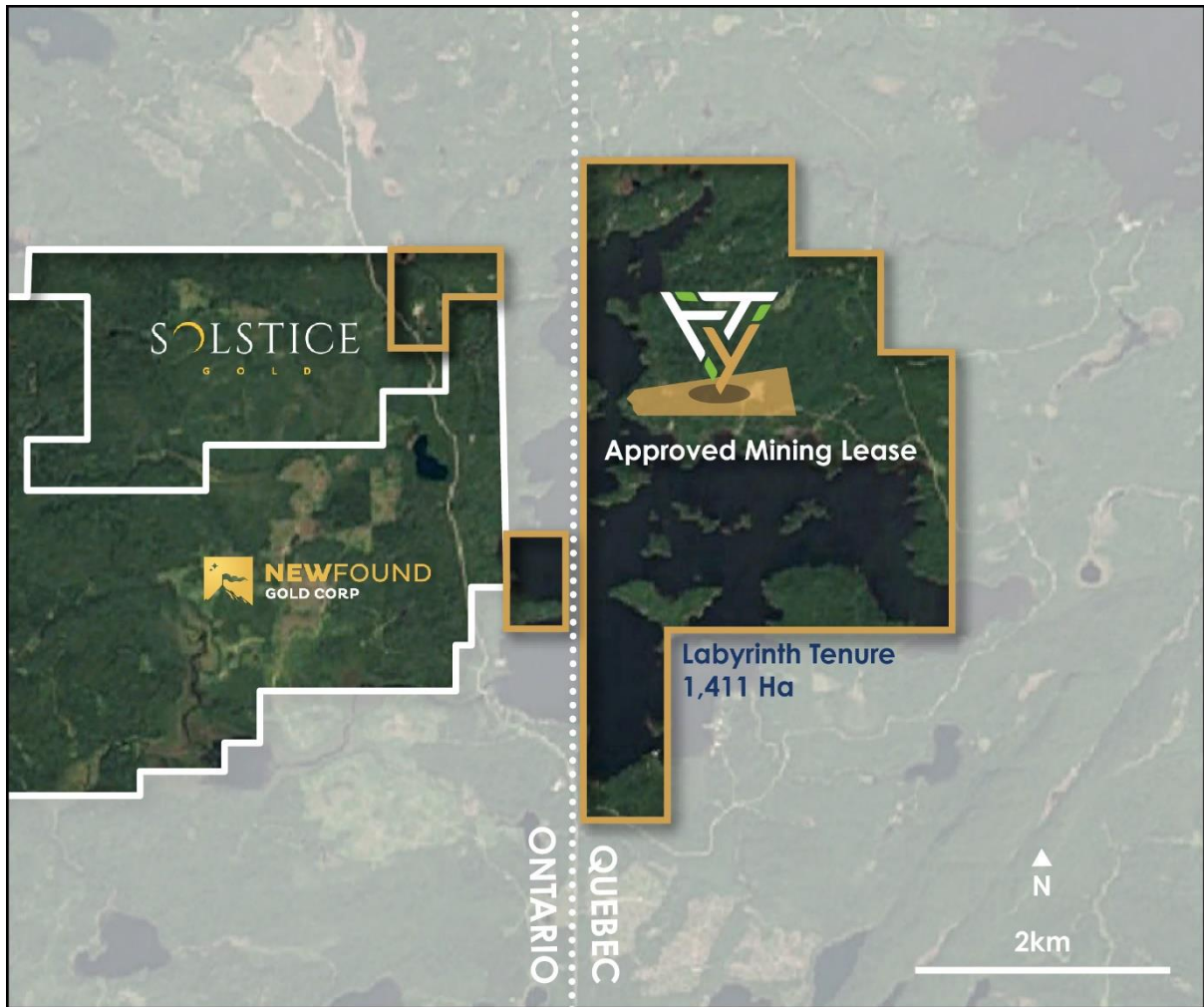


Figure 6 Labyrinth acquires mining claims in Ontario

This announcement has been authorised and approved for release by the Board.

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Competent Persons Statement

The information in this announcement that relates to exploration results for the Labyrinth Gold Project is based on information compiled by Mr Andrew Chirside, who is an employee of Labyrinth Resources Limited. Mr Chirside is a professional geoscientist and Member of the Australian Institute of Mining and Metallurgy and has sufficient experience relevant to the style of mineralisation and type of deposit under consideration, and to the activity which has been undertaken, to qualify as a Competent Person as defined in the 2012 Edition of the Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Chirside consents to the inclusion in this announcement of the matters based on this information in the form and context in which it appears.

Appendix One – Interpreted Visible Gold Interval

Hole ID	Diameter	Mine Easting	Mine Northing	Elevation	Azimuth	Dip	Length (m)
LABU-22-06	BQ	6019.60	2546.70	9910	340.0	-56	278.9

Hole ID	From (m)	Interval (m)	Description
LABU-22-06	81.55	131.45	Diorite, medium to bright green, fine grained (1-2mm), massive, equigranular and homogeneous. Moderate to strongly magnetic. Effervescence to HCl. @149.20-.55m: segments of brecciated qtz-calcite veinlets. 1x 15cm length on core @40*tca, Tr to 1% sulphides; 1x uncontinuous vein over ~13cm@40*tca in general, 1 VG speck 1mm x 0.5mm.



Appendix Two – JORC Code, 2012 Edition

Section 1. Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Sampling techniques	<ul style="list-style-type: none"> Nature and quality of sampling (eg cut channels, random chips, or specific specialized industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling. Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used. Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverized to produce a 30 g charge for fire assay'). In other cases, more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information. 	<ul style="list-style-type: none"> Drill samples recovered using a LM90 diamond drilling rig with wireline core barrel recovery through the inside of the drill string and employing a BQ size diamond drill bit at the face. Rock chips samples are collected using a geological hammer to break the area of interest. Pieces of rock are then placed into sample bags and sealed for delivery to the laboratory. Where possible all samples are taken at 1m intervals. Some sub-sampling will be undertaken in reference to geological units and other intervals as determined by a qualified consultant geologist. The diamond drill core is meter-marked, logged, marked for sampling, photographed and whole core sampled. Samples are bagged in numbered calico bags, wire tied and sent to Swaslabs in Swastika for assay. Samples are crushed, split, pulverized, split and fire assayed using a 30g charge with an AAS finish.
Drilling techniques	<ul style="list-style-type: none"> Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc). 	<ul style="list-style-type: none"> All drilling being reported is diamond drilling.
Drill sample recovery	<ul style="list-style-type: none"> Method of recording and assessing core and chip sample recoveries and results assessed. Measures taken to maximize sample recovery and ensure representative nature of the samples. Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material. 	<ul style="list-style-type: none"> Drill core is assessed for core recovery during drilling operations. All care is taken to recover the entire core, however some drilling conditions i.e broken ground can impede 100% recovery. Core is also meter marked by experienced contract geologists to core blocks inserted by drillers at the end of their runs. This provides a further level of quality control re: core recovery as the geologist will discuss with drilling crew if there are issues. To date core recovery has been +95%.



<p>Logging</p>	<ul style="list-style-type: none"> • Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies. • Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography. • The total length and percentage of the relevant intersections logged. 	<ul style="list-style-type: none"> • All diamond drill core is logged for geology and fundamental geotechnical parameters are taken i.e RQD etc. • All core logging is quantitative and a full record is taken by a qualified and experienced contract geologist.
<p>Sub-sampling techniques and sample preparation</p>	<ul style="list-style-type: none"> • If core, whether cut or sawn and whether quarter, half or all core taken. • If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry. • For all sample types, the nature, quality and appropriateness of the sample preparation technique. • Quality control procedures adopted for all sub-sampling stages to maximize representivity of samples. • Measures taken to ensure that the sampling is representative of the in-situ material collected, including for instance results for field duplicate/second- half sampling. • Whether sample sizes are appropriate to the grain size of the material being sampled 	<ul style="list-style-type: none"> • All drill-core being reported is BQ (36.5mm). • Qualified and experienced contract geologists determine the sampling and sub-sampling with the majority of samples being 1m and a nominal minimum sample length of 0.3m.
<p>Quality of assay data and laboratory tests</p>	<ul style="list-style-type: none"> • The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total. • For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc. • Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established. 	<ul style="list-style-type: none"> • Samples are crushed, split, pulverized, split and fire assayed using a 30g charge with an AAS finish. • The nature of assaying employed (Fire Assay) is appropriate for the style of mineralisation under review. • Certified Reference Material or Standards, as well as Blanks are inserted at regular intervals 1:20 by qualified contract geologists to ensure a standardized measure of QAQC. • A lab audit of Swaslabs was undertaken on 01/03/22 with no deviations from standard practices observed.
<p>Verification of sampling and assaying</p>	<ul style="list-style-type: none"> • The verification of significant intersections by either independent or alternative company personnel. • The use of twinned holes. • Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols. • Discuss any adjustment to assay data. 	<ul style="list-style-type: none"> • Qualified and experienced company geologists design and supervise the drilling program. Experienced contract geologists geologically log the core as per procedures. • A number of twinned holes are employed during the program to provide a measure of reproducibility and as a measure of spatial variability given the high-grade gold mineralisation present at the property. • Data is entered directly into logging software to minimize any transcription errors



Location of data points	<ul style="list-style-type: none"> • Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation. • Specification of the grid system used. • Quality and adequacy of topographic control. 	<ul style="list-style-type: none"> • The underground development has been flown by a drone as well as picked up by a surveyor creating high confidence in location. • At the end of each phase of drilling the drill-collars are also picked up by a qualified surface surveyor. • The grid system in use is a local mine grid that has been developed reference from the portal
Data spacing and distribution	<ul style="list-style-type: none"> • Data spacing for reporting of Exploration Results. • Whether the data spacing, and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied. • Whether sample compositing has been applied. 	<ul style="list-style-type: none"> • Hole spacing is highly variable due to the early stage of the project, however, a 80m meter spacing is being targeted in preparation for a maiden JORC-compliant resource over the project. • A 80m spacing of data would be sufficient to establish a JORC-compliant Inferred resource at Labyrinth. • No sample compositing is being employed or being applied.
Orientation of data in relation to geological structure	<ul style="list-style-type: none"> • Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type. • If the relationship between the drilling orientation and the orientation of key mineralized structures is considered to have introduced a sampling bias, this should be assessed and reported if material. 	<ul style="list-style-type: none"> • Drilling is being conducted perpendicular to the strike of the mineralized structure and the various dips of the drill-holes will give very close to a right-angle intercept of the projected mineralized positions. • There appears to be no sample bias in relation to ore body geometry and the angles of drill-hole intercept.
Sample security	<ul style="list-style-type: none"> • The measures taken to ensure sample security. 	<ul style="list-style-type: none"> • The core samples are bagged and sealed with numbered security tags. Once samples arrive at the laboratory the security tags and corresponding samples are verified against onsite logs. Site is always occupied, and no samples were left at the project during field breaks.
Audits or reviews	<ul style="list-style-type: none"> • The results of any audits or reviews of sampling techniques and data. 	<ul style="list-style-type: none"> • A review of all logging and sampling practices was carried out on 26/02/22 with no deviations observed.