

Drilling underway at flagship high-grade Labyrinth Gold Project, Canada

- Maiden 5,000m underground diamond drilling program has commenced at the flagship Labyrinth Gold Project in Canada
- Labyrinth hosts a non-JORC compliant NI43-101 resource of 2.1Mt at 7.1g/t for 479,000oz of gold
- The program is aimed at converting the resource to JORC status and targeting high-grade extensions to known mineralisation at the historic mine, where very limited exploration has taken place since the 1980s
- Drilling will follow up on high-grade historical intersections of the significantly prospective Boucher lodes, which include results such as:
 - 2.39m @ 26.9 g/t Au from 218m
 - 1.45m @ 32.9 g/t Au from 490m
 - 2.4m @ 14.6 g/t Au from 227m
- Agreement reached with nearby assay laboratory for prioritised Labyrinth results

Labyrinth Resources Limited (ASX: LRL) ('Labyrinth' or 'the Company') is pleased to advise that drilling has commenced at its 100 per cent owned Labyrinth Gold Project in Quebec, Canada.

The initial 5,000m diamond drilling program, which will be conducted from underground for greater efficiency and accuracy, is aimed at converting the existing non-JORC-compliant NI43-101 resource of 2.1Mt at 7.1g/t for 479,000oz of gold, including 570,000t at 6.52g/t for 120,000oz¹ in the Indicated category, to JORC status.



Figure 1 Location of Labyrinth Resources Projects amongst neighbouring gold camps, Quebec

¹ Refer to ASX announcement 2 September 2021 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. All material assumptions and technical parameters continue to apply and have not materially changed.

The high-grade Labyrinth project is located in the prolific Abitibi Greenstone Belt and was last mined in the early 1980s, when production stopped amid the depressed gold price. Very limited exploration has been conducted on the project since, however the underground mine remains accessible and includes five main levels of ore drive development to a depth of approximately 130m below surface.

Following the acquisition of the Labyrinth Gold Project in the December quarter 2021, the Company has moved quickly to begin this drilling campaign. Preparations included mobilisation of compressed natural gas heating, electrical infrastructure and the completion of the critical underground survey, ventilation and remediation tasks to ensure a safe and efficient workplace.

Drilling will target the under-explored but highly prospective Boucher lodes located in the footwall of the existing underground mine and within the Labyrinth fault system that has been mapped over a strike length exceeding 4km. Drilling will also further define and expand the known resource of the McDowell, Talus, Shaft and Front-West lodes.

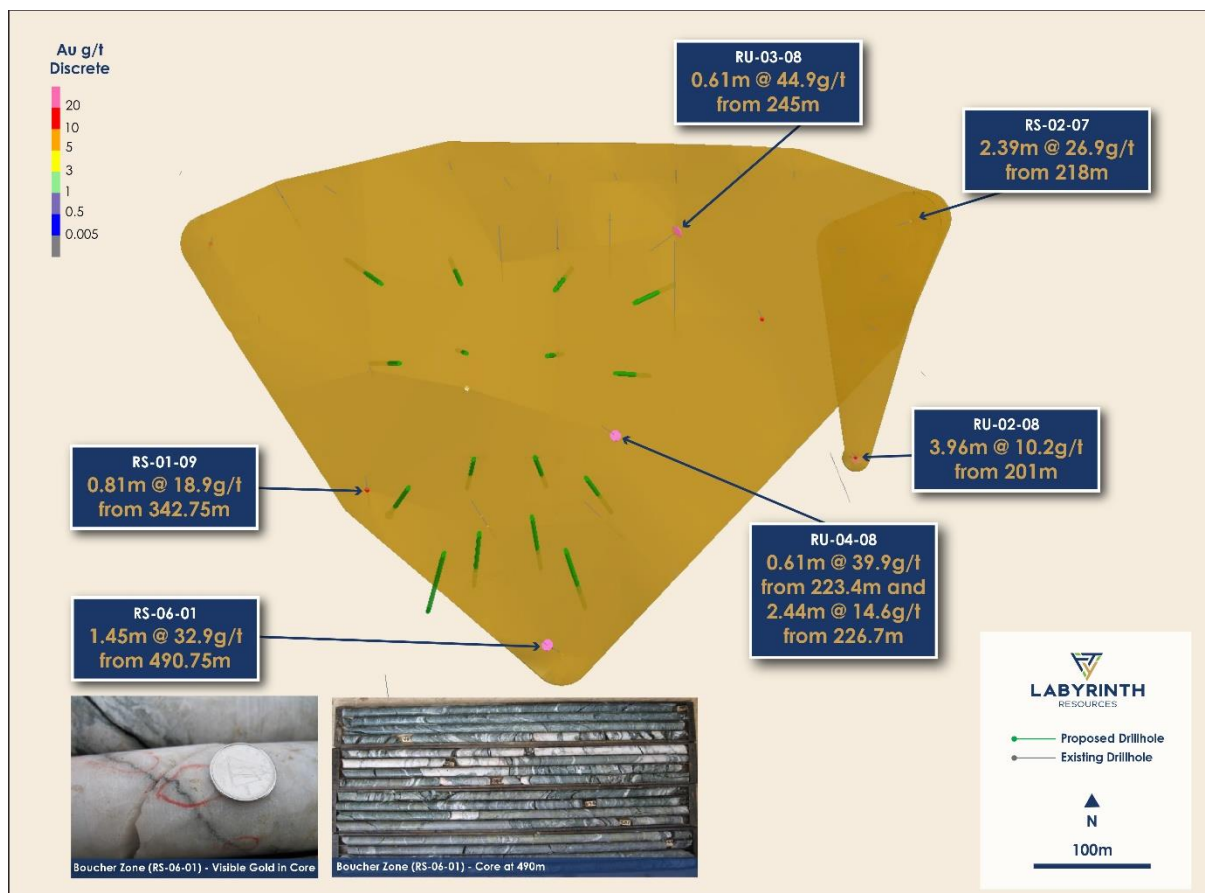


Figure 2 Current modelled interpretation of Boucher lodes with significant historical intercepts and planned drilling

The host rocks exist within a 600m thick differentiated sill that grades from gabbro through to granodiorite with the mineralisation predominantly hosted in the diorite/andesite. The mineralisation at Labyrinth is hosted within east-west trending quartz veins that can be traced for at least 1.4km along strike and run parallel with the trend of the lithology. The quartz veins show lamination and host sulphides that are associated with the mineralising event.

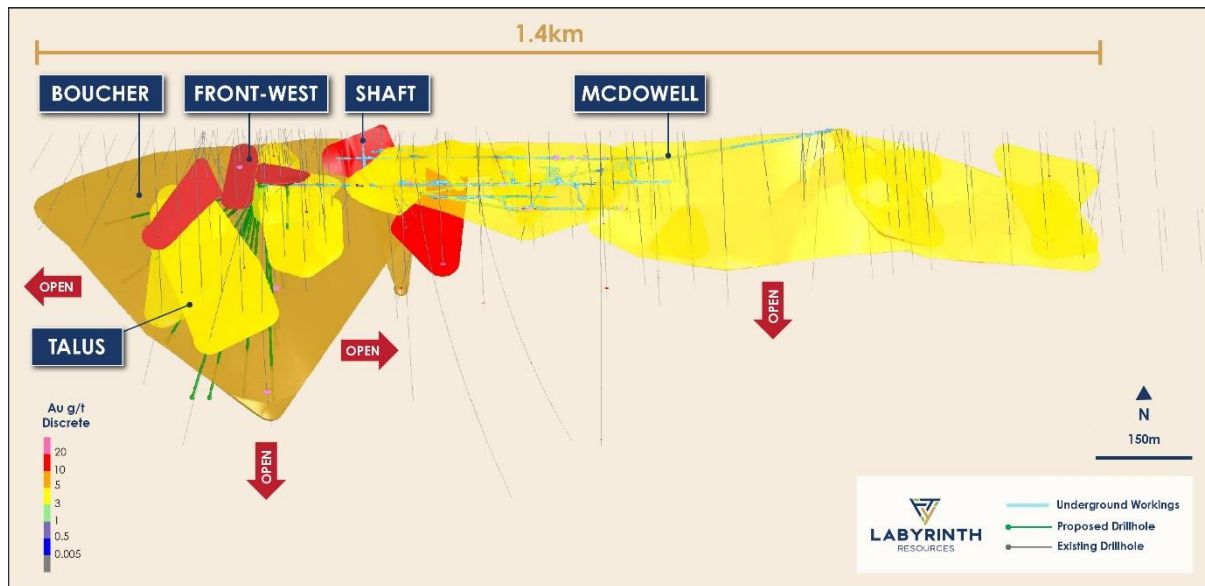


Figure 3 Designed drilling targeting Boucher amongst current Labyrinth Gold Project modelled lodes

Recently appointed Chief Geologist Andrew Chirnside, who achieved considerable success in the Jundee Operations' (Northern Star Resources ASX: NST) greenstone gold system with very similar mineralogy to the Abitibi Belt, will drive the maiden drilling program at the Labyrinth project.

The drilling program is part of the growth strategy being implemented by new Labyrinth Chief Executive Matt Nixon.

Mr Nixon said "We are very excited to be drilling at our flagship Labyrinth Gold Project.

"After taking operational control of the asset in November 2021, to be in a position to commence underground drilling activities after just three months is extremely impressive and a testament to the intent and expertise of the Labyrinth teams in both Quebec and Western Australia.

"We can now follow up on the high-grade historical intersections, with particular focus on the Boucher lodes, as we work towards generation of a maiden JORC resource in 2022.

"We look forward to providing results as soon as they become available".

Denain Exploration Update

The surface diamond drilling program at the prospective Denain Gold Project, where Labyrinth is spending \$1.08 million on exploration as agreed during the transaction process with previous owners Nippon Dragon Inc. (since changed name to G.E.T.T Gold TSX-V: GETT) continues to progress well, with approximately 65% of planned drilling now completed.

Drilling to date has produced multiple intervals of prominent shearing and quartz veining presenting as a complex mineralised system located at the eastern abutment of the renowned Cadillac – Larder Lake Fault. Assay laboratories at nearby Val d'Or continue to experience significant backlog and subsequent delayed turn-around-time for results, with the Company seeking alternative laboratory solutions for future samples from Denain and the Labyrinth Gold Project.



Penny's Find Transaction Update

The sale of Labyrinth's 50% interest in the Penny's Find project to joint venture partner Horizon Minerals Limited (ASX: HRZ) (refer ASX announcement 20 December 2021) remains on track for completion in the March quarter, with the parties awaiting Ministerial Consent for the transfer of title in the relevant tenements and satisfaction of all conditions precedent.

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

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