

Labyrinth Gold Project, Canada

# Strong first assays with high grades and significant widths

The results support Labyrinth's strategy to convert the 479,000oz foreign resource to a JORC-compliant estimate later this year

## Key Points

- Assays from first seven holes at the targeted Boucher lode consistently exceed, or confirm, the historic mineralised intervals used in the 2010 NI43-101 foreign estimate (2.1Mt @ 7.1g/t for 479,000oz)<sup>1</sup>
- Highlights include:
  - 7.5m @ 7.01g/t from 213m in hole LABU-22-06 including 0.5m @ 62.51g/t and 1.45m @ 8.46g/t
  - 2.8m @ 5.2g/t from 230m in hole LABU-22-05 including 0.4m @ 18.91g/t
  - 1.5m @ 4.68g/t from 201m in hole LABU-22-03 targeting shallowest extent of known Boucher modelled lode close to surface
- Drilling also intersected the Talus lode just 21 – 27m off collar adjacent to McDowell 90Lvl West drill platform, again demonstrating consistent lode widths greater than historical interpretation, including:
  - 3.7m @ 4.75g/t from 23m in hole LABU-22-07 including 0.35m @ 21.78g/t
- More assays pending and drilling is ongoing
- Metallurgical test-work to start within weeks as part of strategy to complete a maiden JORC estimate this year

<sup>1</sup> Refer to ASX announcement 2 September 2021 (**Initial Market Announcement**) for foreign estimate information, JORC 2012 tables, cautionary statement 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.

**Cautionary Statement:** the estimates of mineralisation in respect to the Labyrinth and Denain gold projects reported in this announcement are “foreign estimates” for the purposes of the ASX Listing Rules, and accordingly:

- the estimates are not reported in accordance with the JORC Code;
- a competent person has not done sufficient work to classify the foreign estimates as mineral resources or ore reserves in accordance with the JORC Code; and
- it is uncertain that following evaluation and/or further exploration work that the foreign estimates will be able to be reported as mineral resources or ore reserves in accordance with the JORC Code.



Figure 1 - Core tray containing Boucher intercept from ~213m in LABU-22-06, hosting 7.5m @ 7.01g/t

Labyrinth Resources (ASX: LRL) (**'Labyrinth'** or **'the Company'**) is pleased to announce strong first assays from drilling at its Labyrinth Gold Project in Quebec, Canada.

The results, which come from the first seven holes of the maiden underground diamond drilling program, confirm the presence of significant broad widths of mineralisation supported by discrete high-grade veining in the targeted Boucher lode.

Labyrinth Chief Executive Matt Nixon said: "These assays are an outstanding start to our maiden drilling program.

"They are entirely consistent with our strategy to convert the existing 479,000oz foreign resource to a JORC estimate this year.

"Importantly, the results support our view that the orebody hosts significantly wider mineralisation around the high-grade discrete veins, which in turn highlights the potential for more gold than previously estimated.

"These consistent widths exist 200 – 400m below surface, which is common in Abitibi deposits that often only open up in width and grade below the 300 – 500m horizon, with the Labyrinth Gold Project remaining open at depth and along strike".

### **Exploration Update**

The maiden underground diamond drilling program at Labyrinth Gold Project consists of ~5,000m across 20 holes targeting the known resource mineralisation over a strike of 400m and to a depth of 400m below surface, with 15 holes focussed on the highly prospective Boucher lode, to enable conversion of the NI43-101 Resource compiled in 2010 to JORC classification.

Results have been received for holes LABU-22-01 through to LABU-22-07, with assays pending for LABU-22-08 through to LABU-22-10 and drilling ongoing. The initial results from the first seven holes drilled confirm the Boucher presence associated with the Labyrinth Fault and pleasingly support the grade distribution indicated by historical data that was used to generate the foreign resource estimate.

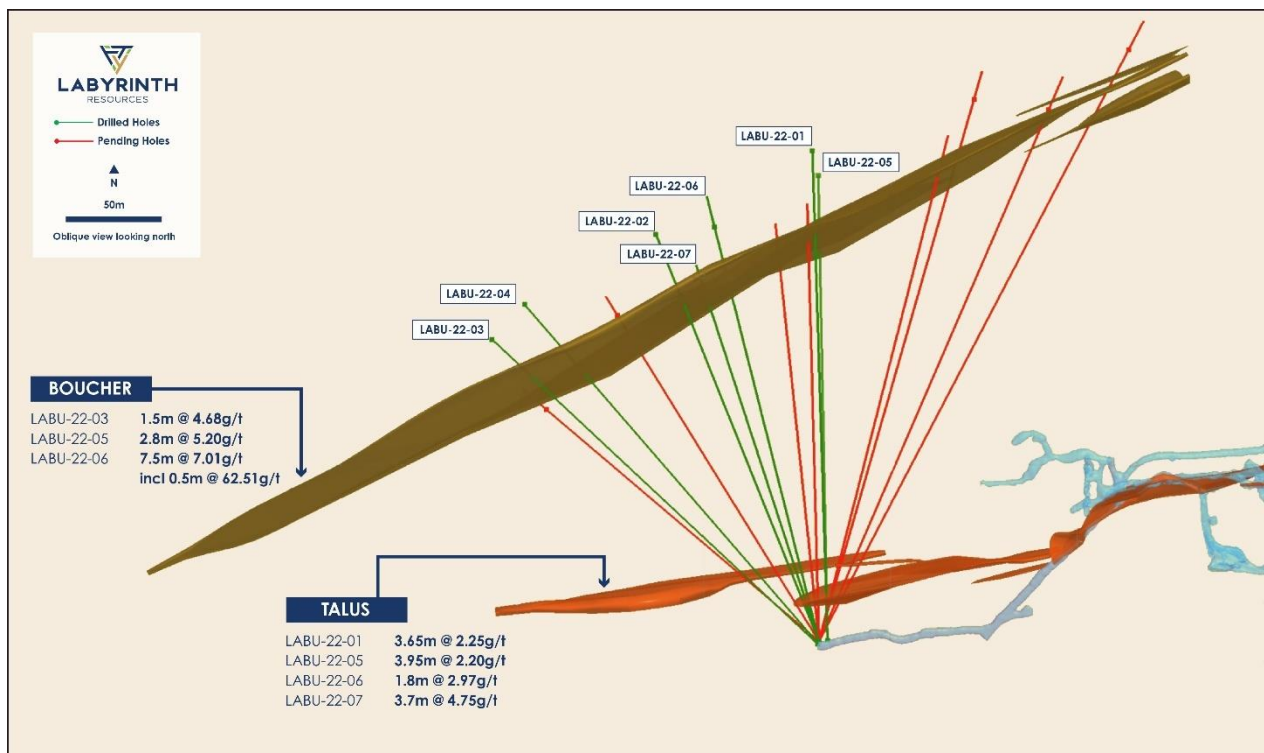


Figure 2 - Significant intercepts of LABU-22-01 to LABU-22-07 collared in the MCD\_90\_W ore drive

The initial exploration campaign seeks to confirm two important attributes of the resource identified through due diligence by the Labyrinth team:

- 1) That the mineralised intervals of the Labyrinth Gold Project lodges are substantially wider than previously modelled by historic assessments, which would provide ore widths significantly more conducive to successful, profitable underground production activities; and
- 2) That the consistency of mineralisation widths and grade tenure improves as the ore body depth increases; This is typical of numerous similar deposits throughout the Abitibi Greenstone Belt.

While only an initial small data set of assay results have been received, the compilation of these results with historic intercepts into the Boucher lode at depths between 200m and 450m below surface as illustrated in Figure 3 demonstrate very encouraging gold volume consistency, most importantly remaining open at depth and along strike. Labyrinth intends to test this immense potential with subsequent exploration phases.

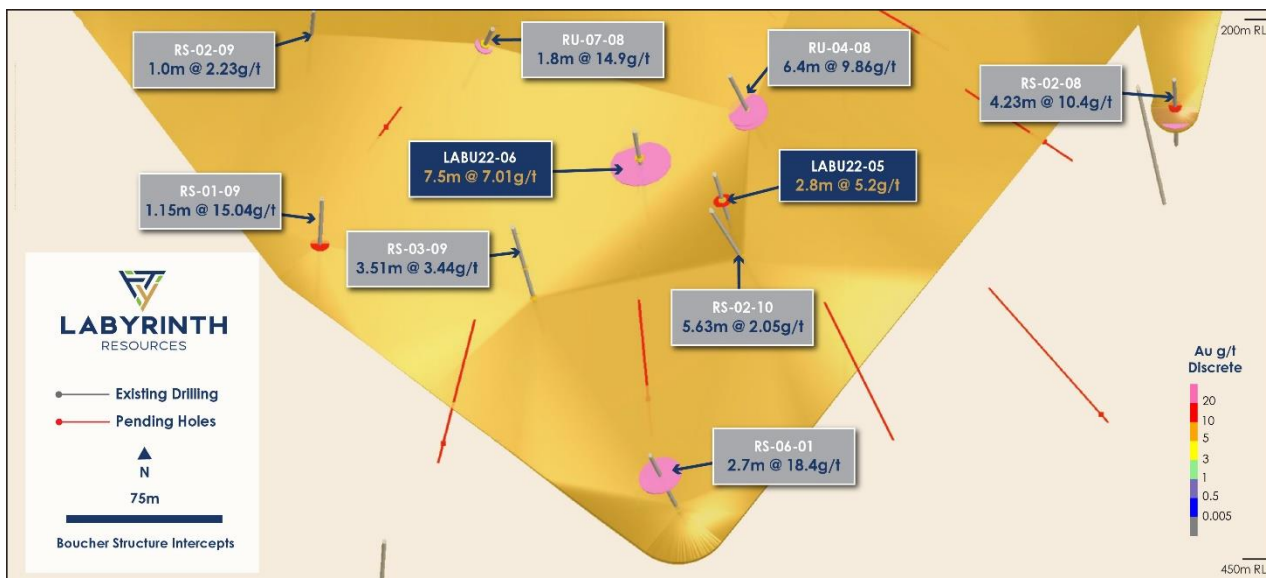


Figure 3 – All intercept results of historically modelled Boucher<sup>2</sup> lode below 200m from surface

A detailed review of the historical results and their utilisation in the NI43-101 foreign estimate, such as in the example of RU-04-08 in Figure 4, illustrate the immediate upside potential of the mineral resource at the Labyrinth Gold Project. The historical foreign resource estimate included an assay result for RU-04-08 of 14.35g/t over a Boucher interval of 2.4m, yet excluded a discrete high-grade result of 1.2m at 22.35g/t. The total composited result for this interval is 6.4m @ 9.86g/t. Pleasingly, this significant result is validated by LABU-22-06 located just 60m away from RU-04-08.



Figure 4 - Assessment of historical data from RU-04-08 and comparison to LABU-22-06 result

<sup>2</sup> Refer to Initial Market Announcement for all historically reported results utilised in foreign estimate.



To support Labyrinth's strategy to deliver a maiden JORC Resource for the flagship project in 2022, SGS Canada Inc. have been engaged to conduct necessary metallurgical test-work in the coming weeks, with a drill rig relocation planned accordingly to enable exploration targeting of the McDowell lode and the mine sequence of the existing historic underground development.

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

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## About Labyrinth Gold Project

The high-grade Labyrinth Gold 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.

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.

The Labyrinth Gold Project possesses an existing non-JORC-compliant historic NI43-101 resource of 2.1Mt at 7.1g/t for 479,000oz of gold, including 570,000t at 6.52g/t for 120,000oz in the Measured & Indicated category<sup>3</sup>.

Table 1 - 2010 Foreign (NI43-101) Mineral Resource Estimate at 3g/t Cut-off for Labyrinth Gold Project

Classified Global Resources at 3 g/t Au Cut-off				
Vein/Structure	Classification	Tonnage	Au (g/t)	Oz (31.103 g)
Total	Measured	124 800	6.95	27 900
	Indicated	445 400	6.40	91 600
	<b>Total</b>	<b>570 300</b>	<b>6.52</b>	<b>119 500</b>
	Inferred	1 512 400	7.40	359 600

<sup>3</sup> Refer to ASX announcement 2 September 2021 (**Initial Market Announcement**) for foreign estimate information, JORC 2012 tables, cautionary statement and competent person statement.



**Table One – Labyrinth Gold Project Material Results of > 5 gram metres**

Hole ID	Lode	Mine Easting	Mine Northing	Elevation	Azi	Dip	Depth From	To	Width	Intercept Depth Below Surface	Au g/t	
LABU-22-01	Talus	6024.2	2547	9910	0	-11	270	21.7	25.4	3.65	95	2.52
LABU-22-02		6024.2	2547	9910	340	-11	240					NSI
LABU-22-03	Boucher	6024.2	2547	9910	314	-11	265	201	211	10.3	130	0.88
LABU-22-04		6019	2545.6	9910	314	-30	251					NSI
LABU-22-05	Talus	6019	2545.6	9910	0	-56	291	27.2	31.2	3.95	115	2.20
	Boucher							230	233	2.8	281	5.20
	<i>including</i>							232	233	0.4		18.91
LABU-22-06	Talus	6019	2545.6	9910	340	-56	279	27.8	29.6	1.8	113	2.97
	Boucher	6019	2545.6	9910				213	221	7.5	268	7.01
	<i>including</i>							218	219	0.5		62.51
LABU-22-07	Talus	6019	2545.6	9910	340	-37	258	23.2	26.9	3.7	105	4.75
	<i>including</i>							23.2	23.5	0.35		21.78

- 1) Depth, From, To, Width and Intercept Depth Below Surface are all measured in metres
- 2) Northing and Easting are mine grid, with direction of the initial decline the master reference
- 3) Widths are downhole widths only
- 4) Azimuth is measured in degrees and is local grid, with the difference in local grid north and magnetic north at Labyrinth property being -11.3 degrees
- 5) Dip is measured in degrees
- 6) Gram metres is a method of reporting assays using a length weighted average grade to easily compare intercepts of different lengths

## Forward Looking Information

This announcement contains forward-looking information about the Company and its operations. In certain cases, forward-looking information may be identified by such terms as "anticipates", "believes", "should", "could", "estimates", "target", "likely", "plan", "expects", "may", "intend", "shall", "will", or "would". These statements are based on information currently available to the Company and the Company provides no assurance that actual results will meet management's expectations. Forward-looking statements are subject to risk factors associated with the Company's business, many of which are beyond the control of the Company. It is believed that the expectations reflected in these statements are reasonable but they may be affected by a variety of variables and changes in underlying assumptions which could cause actual results or trends to differ materially from those expressed or implied in such statements. There can be no assurance that actual outcomes will not differ materially from these statements.

## 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 Chirnside, who is an employee of Labyrinth Resources Limited. Mr Chirnside 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 Chirnside 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 – JORC Code, 2012 Edition

### Section 1. Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
<b>Sampling techniques</b>	<ul style="list-style-type: none"> <li>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.</li> <li>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</li> <li>Aspects of the determination of mineralisation that are Material to the Public Report.</li> <li>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.</li> </ul>	<ul style="list-style-type: none"> <li>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.</li> <li>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.</li> <li>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.</li> <li>The diamond drill core is meter-marked, logged, marked for sampling, photographed and whole core sampled.</li> <li>Samples are bagged in numbered calico bags, wire tied and sent to Swaslabs in Swastika for assay.</li> <li>Samples are crushed, split, pulverized, split and fire assayed using a 30g charge with an AAS finish.</li> </ul>
<b>Drilling techniques</b>	<ul style="list-style-type: none"> <li>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).</li> </ul>	<ul style="list-style-type: none"> <li>All drilling being reported is diamond drilling.</li> </ul>
<b>Drill sample recovery</b>	<ul style="list-style-type: none"> <li>Method of recording and assessing core and chip sample recoveries and results assessed.</li> <li>Measures taken to maximize sample recovery and ensure representative nature of the samples.</li> <li>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.</li> </ul>	<ul style="list-style-type: none"> <li>Drill core is assessed for core recovery during drilling operations.</li> <li>All care is taken to recover the entire core, however some drilling conditions i.e broken ground can impede 100% recovery.</li> <li>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.</li> <li>To date core recovery has been +95%.</li> </ul>





<p><b>Logging</b></p>	<ul style="list-style-type: none"> <li>• 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.</li> <li>• Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</li> <li>• The total length and percentage of the relevant intersections logged.</li> </ul>	<ul style="list-style-type: none"> <li>• All diamond drill core is logged for geology and fundamental geotechnical parameters are taken i.e RQD etc.</li> <li>• All core logging is quantitative and a full record is taken by a qualified and experienced contract geologist.</li> </ul>
<p><b>Sub-sampling techniques and sample preparation</b></p>	<ul style="list-style-type: none"> <li>• If core, whether cut or sawn and whether quarter, half or all core taken.</li> <li>• If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</li> <li>• For all sample types, the nature, quality and appropriateness of the sample preparation technique.</li> <li>• Quality control procedures adopted for all sub-sampling stages to maximize representivity of samples.</li> <li>• 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.</li> <li>• Whether sample sizes are appropriate to the grain size of the material being sampled</li> </ul>	<ul style="list-style-type: none"> <li>• All drill-core being reported is BQ (36.5mm).</li> <li>• 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.</li> </ul>
<p><b>Quality of assay data and laboratory tests</b></p>	<ul style="list-style-type: none"> <li>• The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</li> <li>• 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.</li> <li>• 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.</li> </ul>	<ul style="list-style-type: none"> <li>• Samples are crushed, split, pulverized, split and fire assayed using a 30g charge with an AAS finish.</li> <li>• Samples of greater than 10g/t are crushed, split, pulverized, split and a gravimetric reading is utilized.</li> <li>• Samples containing visible gold are requested to be assayed using screen fire assaying consisting of them being crushed, pulverized, split, sieved to remove the coarse fraction and a weighted average method is used to determine the final assay grade.</li> <li>• The nature of assaying employed (Fire Assay) is appropriate for the style of mineralisation under review.</li> <li>• 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.</li> <li>• A lab audit of Swaslabs was undertaken on 01/03/22 with no deviations from standard practices observed.</li> </ul>



<b>Verification of sampling and assaying</b>	<ul style="list-style-type: none"> <li>• The verification of significant intersections by either independent or alternative company personnel.</li> <li>• The use of twinned holes.</li> <li>• Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</li> <li>• Discuss any adjustment to assay data.</li> </ul>	<ul style="list-style-type: none"> <li>• Qualified and experienced company geologists design and supervise the drilling program. Experienced contract geologists geologically log the core as per procedures.</li> <li>• 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.</li> <li>• Data is entered directly into logging software to minimize any transcription errors</li> </ul>
<b>Location of data points</b>	<ul style="list-style-type: none"> <li>• 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.</li> <li>• Specification of the grid system used.</li> <li>• Quality and adequacy of topographic control.</li> </ul>	<ul style="list-style-type: none"> <li>• The underground development has been flown by a drone as well as picked up by a surveyor creating high confidence in location.</li> <li>• At the end of each phase of drilling the drill-collars are also picked up by a qualified surface surveyor.</li> <li>• The grid system in use is a local mine grid that has been developed reference from the portal</li> </ul>
<b>Data spacing and distribution</b>	<ul style="list-style-type: none"> <li>• Data spacing for reporting of Exploration Results.</li> <li>• 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.</li> <li>• Whether sample compositing has been applied.</li> </ul>	<ul style="list-style-type: none"> <li>• Hole spacing is highly variable due to the early stage of the project, however, an 80m meter spacing is being targeted in preparation for a maiden JORC-compliant resource over the project.</li> <li>• An 80m spacing of data would be sufficient to establish a JORC-compliant Inferred resource at Labyrinth.</li> <li>• No sample compositing is being employed or being applied.</li> </ul>
<b>Orientation of data in relation to geological structure</b>	<ul style="list-style-type: none"> <li>• Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</li> <li>• 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.</li> </ul>	<ul style="list-style-type: none"> <li>• Drilling is being conducted perpendicular to the strike of the mineralized structure and the various dips of the drill-holes will give close to a right-angle intercept of the projected mineralized positions.</li> <li>• There appears to be no sample bias in relation to ore body geometry and the angles of drill-hole intercept.</li> </ul>
<b>Sample security</b>	<ul style="list-style-type: none"> <li>• The measures taken to ensure sample security.</li> </ul>	<ul style="list-style-type: none"> <li>• 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.</li> </ul>
<b>Audits or reviews</b>	<ul style="list-style-type: none"> <li>• The results of any audits or reviews of sampling techniques and data.</li> </ul>	<ul style="list-style-type: none"> <li>• A review of all logging and sampling practices was carried out on 26/02/22 with no deviations observed.</li> </ul>



## Section 2. Reporting of Exploration Results

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	<ul style="list-style-type: none"> <li>Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.</li> <li>The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.</li> </ul>	<ul style="list-style-type: none"> <li>The mineral concessions of the Denain Gold Project consist of 13 unpatented claims covering approximately 364Ha. An NSR royalty is payable to Vaquelin of 2% of ounces produced from a specific individual claim and to Venpar of 1.5% of ounces produced from 8 specific claims.</li> <li>The claims are CDC 2438660 to CDC 2438861 all in SNRC 31 N14. Current ownership is 85% Nippon Dragon (TSX-V: NIP) and 15% Bell Copper (TSX-V: BCU)</li> <li>Labyrinth Resources has Completed a sale agreement to acquire 100% of the Nippon ownership in the Denain property (and Rocmec1 property), which requires satisfaction of following considerations: C\$2,000,000 will be paid to Nippon Dragon. 6 months from signing a further C\$1,500,000 will be paid to Nippon Dragon. 12 months from signing a further C\$1,500,000 will be paid. Labyrinth will also pay 4,500 ounces of gold to Nippon over an agreed 48 month period from Commencement Date and will provide C\$1,085,000 to Nippon for surface exploration at the direction of Labyrinth. Further details are included in ASX release 2 September 2021.</li> </ul>
Exploration done by other parties	<ul style="list-style-type: none"> <li>Acknowledgment and appraisal of exploration by other parties.</li> </ul>	<p>From the first discovery in 1924 to 1985 a total of 23,200m from 166 historical drill-holes were drilled over the Rocmec 1 property. Most of the information was validated from historical paper sections as well as paper logs when possible. The coordinates were transferred into the metric local grid using GIS software.</p> <p>From 2006 to 2010 a further 10,300m of diamond drilling was drilled by Rocmec Mining both on surface and underground on the Rocmec 1 property.</p> <p>Since the initial discovery in the 1920s, constant exploration work has been undertaken on the property. More than 30,000m of diamond drilling, a 98m shaft, 844m of ramp, 1,729m of underground galleries and 187m of raises were carried out between 1934 and 1983.</p> <p>Historical exploration summary In October 1924, A.W. Balzimer and M. Mitto claimed the area with the gold discovery near the actual ramp. Exploration work was concentrated in this part of the property and consisted especially of work of stripping and trench sampling.</p> <p>In 1934-35, Sylvanite Mines drilled 1,111m on the property. Later, Erie Canadian Mines drilled 10 holes before Bordulac Mines bought the property in 1945.</p>



		<p>Between November 1946 and September 1947, Bordulac Mines drilled several holes totalling 4,208m. Core recovery for this program did not exceed 70% and reached hardly 30% locally. In 1946 geologist H.S. Scott published a geological report on the property. A 46m shaft with two (2) compartments was sunk in 1948-49. Approximately 308m of drifts were dug at level 150 (ft), now called level 45, to explore the Talus vein previously discovered during a surface drilling campaign totalling 2,225m. Another diamond drilling campaign of 640m led to the discovery of the McDowell vein. The shaft was deepened to a 97.5m depth and an additional 494m of drift were dug at level 300 (ft), now called level 90, to intercept the McDowell vein.</p> <p>In 1952, underground work was suspended and the mine was flooded. In 1956-57, an electromagnetic survey was carried out to the eastern end of the gold bearing corridor.</p> <p>From 1961 to 1963, 30 diamond drill holes totalling 7,650 meters verified the in-depth extension of the mineral-bearing structures. Mr. C.W. Archibald prepared a study for North Bordulac Mines, (previously Bordulac Mines) for future mine production of the deposit. In 1967, a diamond drilling campaign totalling 2,114m was conducted to define targets close to surface.</p> <p>From 2006 to 2010 a further 10,300m of diamond drilling was drilled by Rocmec Mining both on surface and underground on the Rocmec 1 property.</p> <p>In 1969, Gold Hawk Exploration optioned the property and carried out 10 diamond drill holes from surface. In 1972, Gold Hawk Mines bought the mine. It built an access road, pumped out the mine and carried out a sampling program at level 300 (ft), now called level 90.</p> <p>In 1972, Kerr Addison Mines optioned the most part of the property and carried out a vast ground geophysical survey (magnetic and electromagnetic) in the sectors located apart from the known gold bearing zones. The same year, Somed Mines of Montreal optioned the remainder of the property and dug a ramp of 134m to extract the Russian Kid vein (original discovery). It also prepared a detailed study of the geological resources in place but decided not to execute its option. The Somed Report is yet to be located.</p> <p>In 1978, Explorations El Coco acquired the property and built an all-year access road, set up buildings including offices and a machine shop, and installed compressors and generators.</p>
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		<p>From 1979 to 1981, the company extended the access ramp down to level 425 (ft) now called level 130, totalling 814m. It also dug 454m of drifts at level 150 (ft), now called level 45, 202m at level 300 (ft), now called level 90, and 203m at level 425 (ft) now called level 130 (m) and prepared six shrinkages at level 300 (ft), now called level 90 (m), for bulk sampling. Bulk sampling was carried out from January 1981 to January 1982. Gold prices dropped to less than USD\$325 during the following months.</p> <p>During this period, 9,366t of ore was sent to the mill of the Belmoral Mines. At the end of production year 1982, an evaluated quantity of 15,622t was left on the property of which 4,313t was on surface. In 1983, Metalor (in joint venture with El Coco) drilled 30 surface diamond drill holes totalling 5,443m and 24 underground diamond drill holes totalling 1,634m</p>
<b>Geology</b>	Deposit type, geological setting and style of mineralisation.	The Labyrinth project is an epithermal gold mineralised system that is hosted in the Abitibi Greenstone belt. Host rocks are predominantly volcanic intrusives ranging from coarse andesites to diorites. Gold mineralisation is hosted within shear zones that have been filled with quartz veining. Mineralisation consists predominantly of pyrite with rare visible gold observed.
<b>Drill hole Information</b>	<ul style="list-style-type: none"> <li>• A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: <ul style="list-style-type: none"> <li>○ easting and northing of the drill hole collar</li> <li>○ elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</li> <li>○ dip and azimuth of the hole</li> <li>○ down hole length and interception depth</li> <li>○ hole length.</li> </ul> </li> </ul> <p>If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.</p>	All relevant drillhole information is tabulated in table 1 above and shows significant intercepts.



<p><b>Data aggregation methods</b></p>	<ul style="list-style-type: none"> <li>In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.</li> <li>Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.</li> </ul> <p>The assumptions used for any reporting of metal equivalent values should be clearly stated.</p>	<p>Grades are reported above a nominal cut off grade of 5g/tm (gram metres)</p> <p>Where grades have been aggregated it has been a length weighted calculation.</p>
<p><b>Relationship between mineralisation widths and intercept lengths</b></p>	<ul style="list-style-type: none"> <li>These relationships are particularly important in the reporting of Exploration Results.</li> <li>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</li> </ul> <p>If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').</p>	<p>All drillhole intercepts are measured in downhole metres, no estimates have been made on true widths of mineralisation. Drilling has been planned to be as perpendicular to the understood geometry of the mineralisation however some bias may exist due to the lack of understanding on the deposit at this stage.</p>
<p><b>Diagrams</b></p>	<p>Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.</p>	<p>Refer to figures and tables in the body of the text.</p>
<p><b>Balanced reporting</b></p>	<p>Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.</p>	<p>Grades are reported above a nominal cut off grade of 5g/tm (gram metres)</p>
<p><b>Other substantive exploration data</b></p>	<p>Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</p>	<p>No other meaningful substantive exploration data is available for the prospect.</p>



<b>Further work</b>	<ul style="list-style-type: none"><li>• The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).</li></ul> <p>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</p>	Further work may be undertaken pending the success of the remaining outstanding assays as well as further geological work to be undertaken.
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