



**MARCH 2022 QUARTERLY ACTIVITIES REPORT**

**Strong first assays put Labyrinth on track  
for maiden JORC Resource this year**

**More assays pending and drilling ongoing as part of strategy to  
convert 479,000oz foreign resource to JORC status**

**Key Points**

- Maiden 5,000m underground diamond drilling program commenced at the flagship Labyrinth Gold Project in Quebec, Canada
- Labyrinth hosts a non-JORC compliant NI43-101 resource of 2.1Mt at 7.1g/t for 479,000oz of gold<sup>1</sup>
- Drilling is consistently intersecting the significant but under-explored Boucher target at modelled depth
- The program is aimed at converting the existing foreign resource estimate 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
- Labyrinth obtained high-grade historical assay data during the quarter which further underpins its strategy to establish a significant JORC-compliant Resource
- The raw historical data contains numerous assays of more than 100g/t, including:
  - 2.39m @ 207.8g/t from 218.8m in hole RS-02-07 (Boucher) including 0.3m @ 619.6g/t and 0.6m @ 505.1g/t
  - 2.26m @ 59.6g/t from 40.11m in hole TF-83-54 (Talus) including 0.4m @ 349.4g/t
  - 0.61m @ 132.2g/t from 245.1m in hole RU-03-08 (Boucher)
- At the Denain Prospect, initial assays from the completed 4,018m surface drilling campaign confirmed the presence of shallow high-grade gold, as well as evidence of associated elevated copper, including:
  - 1.0m @ 17.91g/t and 0.51% Cu from 200m in hole 22-14 (South Vein)
- Strong cash position of \$6m to fund exploration activities at the Labyrinth Gold Project

<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.



Labyrinth Resources Limited ('the Company' or 'Labyrinth') is pleased to report on what was a significant quarter for the Company as it made strong progress with its strategy to establish a substantial North American gold inventory.

During the quarter, Labyrinth commenced the maiden 5,000m underground diamond drilling program at the highly prospective flagship Labyrinth Gold Project, as well as completing the maiden surface diamond drilling program at the Denain gold prospect, ensuring the Company delivered the exploration expenditure agreed in the transaction with G.E.T.T Gold (TSX-V: GETT).

Labyrinth Chief Executive Matt Nixon said: "It was a highly successful for the Company as we started underground drilling at our flagship project in the Abitibi just three months after taking operational control of the asset, while also completing the maiden surface drilling campaign at Denain.

"Our team in Quebec is performing admirably and we remain on-track with our strategy to deliver a maiden JORC resource for the Labyrinth Gold Project in 2022, building on the historical high-grade intercepts and then seeking to unlock the significant grade and width potential of the gold resource at depth".

## CANADIAN ACTIVITIES

The Labyrinth and Denain gold projects are located approximately 230km apart along highway 117 and situated in a world class mining jurisdiction hosted by the prolific Abitibi Greenstone Belt.



Figure 1 - Location of Canadian projects



## 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 Gold Project 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 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>2</sup>.

Table 1 2010 NI43-101 Global Mineral Resource Estimate at 3g/t

	Classification	Tonnage	Au g/t	Ounces
<b>Total</b>	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

In late February 2022, Labyrinth Chief Executive Matt Nixon and Chief Geologist Andrew Chirnside spent a week on site at the Labyrinth Gold Project and interrogated previously unavailable historical data, both paper-form and digital. As a result, the original database containing all exploration data for the project up to and including 2003 was obtained, containing uncut results for very high-grade intersections on the Boucher, Talus, McDowell and Front West lodes (previously the Company was only able to access result values used by SGS in the 2010 NI43-101 foreign estimate, which were top-cut at a conservative 45g/t).

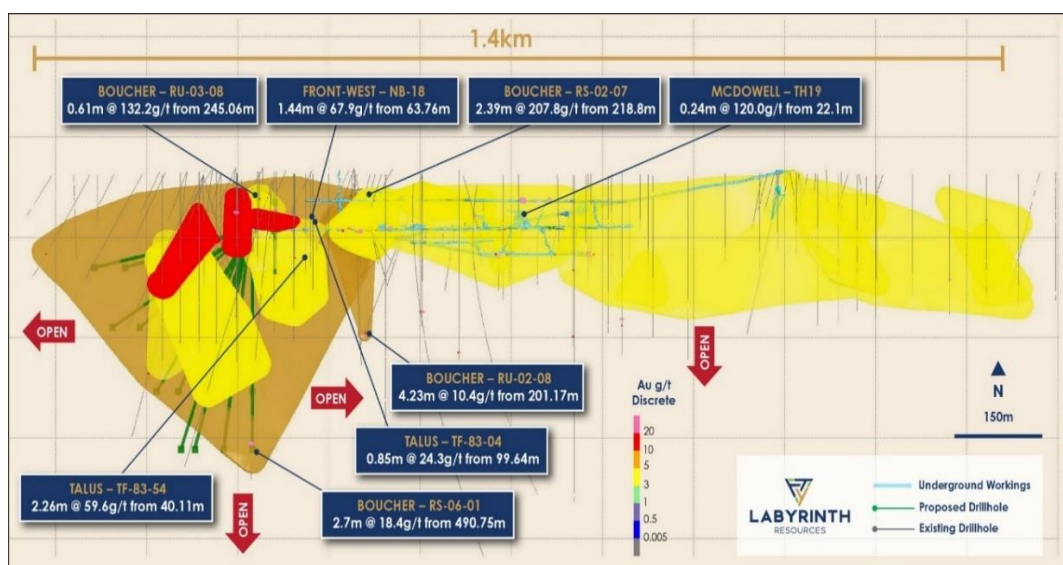


Figure 2 Additional historic uncut assay data for Labyrinth Gold Project

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

## DENAIN

The Denain Project is located 60km east of the town of Val d'Or and comprises 13 Claims across a tenure area of 360ha at the eastern abutment of the renowned Cadillac-Larder Lake Fault, which also hosts the current largest Canadian gold mine in Canadian Malarctic.

The surface diamond drilling campaign was completed at the Denain gold prospect in March, with a total of 4,018m drilled from 22 holes, ensuring that Labyrinth importantly delivered the agreed exploration expenditure of CAD \$1.085 million to satisfy the flow-through commitment incurred by previous owners G.E.T.T Gold (TSX-V: GETT). Satisfying this exploration commitment enables title for the Labyrinth and Denain tenements to be legally transferred to the Company once remaining tranche payments are paid in May and November 2022.

The results to date confirm the presence of prospective high-grade, shallow gold mineralisation commencing at surface outcrops at the property (with a 4.45kg rock chip sample collected from the North Vein returning a significant result of 33.2g/t Au as reported in ASX Announcement 10 November 2021), as well as indication of elevated copper in South Vein intercepts. Highlights include:

- **1.0m @ 17.91g/t Au and 0.51% Cu from 200m in hole 22-14 (South Vein)**
- **1.0m @ 9.73g/t Au and 0.28% Cu from 45m in hole 21-07 (South Vein)**
- **0.8m @ 10.55g/t Au from 313m in hole 21-02 (North Vein)**

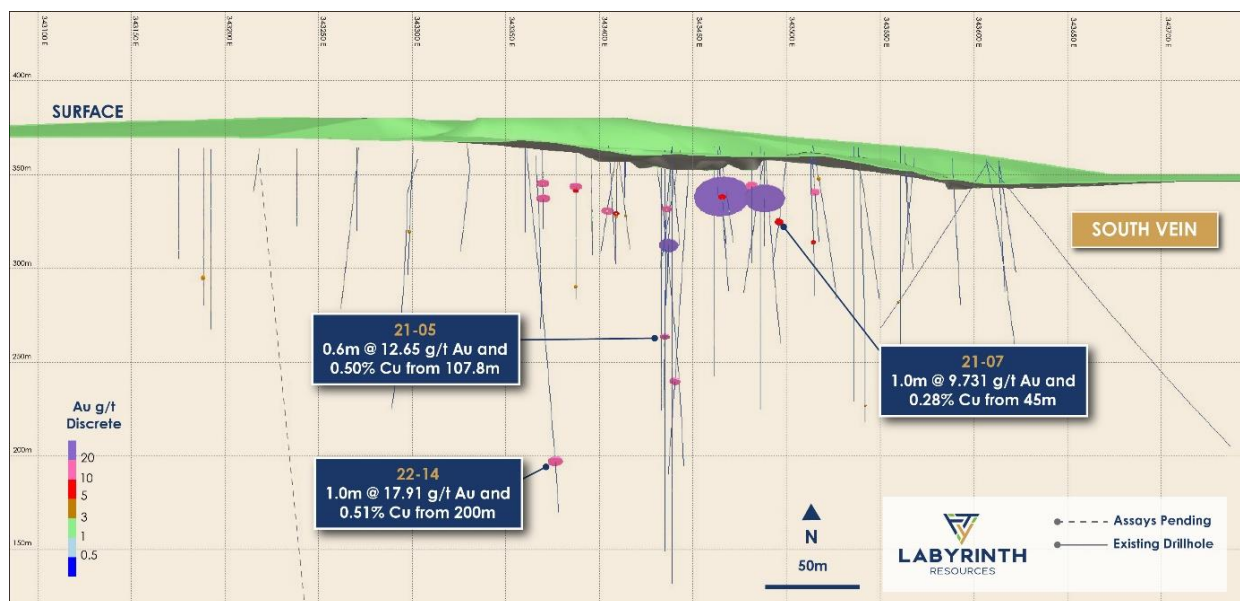


Figure 3 Significant South Vein intercepts



## AUSTRALIAN ACTIVITIES

During the quarter Labyrinth delivered results aligned with the Company strategy with respect to its Australian gold projects and continued to work closely with joint venture partners at Comet Vale and Penny's Find to progress mutually beneficially options that also ensure maximum value for shareholders.



Figure 4 Labyrinth Western Australia Projects

## PENNY'S FIND

In December 2021, Labyrinth entered into a binding agreement to sell its remaining 50% interest in Penny's Find to joint venture partner Horizon Minerals (ASX:HRZ) ('**Horizon**') (through Horizon's wholly owned subsidiary Black Mountain Gold Pty Ltd) for a total commitment of \$1.25 million (refer ASX announcement 21 December 2021). Horizon will pay the Company cash consideration of \$500,000, issue \$250,000 worth of fully paid ordinary shares in Horizon at completion in return for the Company's 50% right, title and interest in the Penny's Find project.

The Horizon shares will be issued at a deemed price of the 10-day VWAP of Horizon's shares prior to the issue date and will be under voluntary escrow for 6 months. Holding the shares in Horizon allows the Company continued exposure to the Penny's Find Project.

In addition, as part of the consideration and at the completion of the Penny's Find Sale, Horizon agrees to assume 100% of all future deferred payments, obligations and royalties inclusive of the deferred payments due to Empire Resources Ltd currently estimated at \$500,000.

Labyrinth expects Completion to be achieved in the June quarter following finalisation of all conditions precedent documents.



## **GOLDEN LODGE**

During the quarter Labyrinth conducted on-ground geological mapping activities across the tenements as well as detailed review of historical drilling data, with an expert consultant report expected in the June quarter intending to optimise potential further drilling targets.

## **COMET VALE**

The Comet Vale joint venture operation (Labyrinth 51%/Sand Queen Gold Mines Pty Ltd 49%) remained suspended during the quarter with no drilling or mining activities conducted as the parties collaborated on development of an optimal strategy to realise maximum value from the highly prospective tenement package. The Company continues to analyse historical drilling data and geological information with a view to identify additional mineralisation at the project, including conducting on-ground mapping activities in areas containing historical gold mining during the quarter.

## **CORPORATE**

### **FINANCIAL INFORMATION**

The net cash position of the Company on 31 March 2021 was \$6.06 million. The Appendix 5B detailing the consolidated cash flows for the quarter is provided in a separate report.

In accordance with Listing Rule 5.3.1, there were no substantive mining production and development activities undertaken during the December quarter.

In accordance with Listing Rule 5.3.5, Labyrinth advises that the payments to related parties as advised in the Appendix 5B pertain to legal fees of \$37,563 Director fees of \$25,632 and Consultant remuneration for technical services of \$10,000.

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

#### **Investor Enquiries**

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## INTERESTS IN MINING TENEMENTS

Tenement/ Claim	Location	Project	Group Interest Start of Quarter	Group Interest End of Quarter
M27/156	Western Australia	Penny's Find	50%	50%
L27/90	Western Australia	Penny's Find	50%	50%
L27/91	Western Australia	Penny's Find	50%	50%
L27/92	Western Australia	Penny's Find	50%	50%
L27/93	Western Australia	Penny's Find	50%	50%
G27/1	Western Australia	Penny's Find	50%	50%
P30/1100	Western Australia	Golden Lode	100%	100%
P30/1102	Western Australia	Golden Lode	100%	100%
P30/1103	Western Australia	Golden Lode	100%	100%
P30/1131	Western Australia	Golden Lode	100%	100%
L29/67	Western Australia	Comet Vale	51%	51%
M29/35	Western Australia	Comet Vale	51%	51%
M29/52	Western Australia	Comet Vale	51%	51%
M29/85	Western Australia	Comet Vale	51%	51%
M29/185	Western Australia	Comet Vale	51%	51%
M29/186	Western Australia	Comet Vale	51%	51%
M29/197	Western Australia	Comet Vale	51%	51%
M29/198	Western Australia	Comet Vale	51%	51%
M29/199	Western Australia	Comet Vale	51%	51%
M29/200	Western Australia	Comet Vale	51%	51%





M29/201	Western Australia	Comet Vale	51%	51%
M29/232	Western Australia	Comet Vale	51%	51%
M29/233	Western Australia	Comet Vale	51%	51%
M29/235	Western Australia	Comet Vale	51%	51%
M29/270	Western Australia	Comet Vale	51%	51%
M29/321	Western Australia	Comet Vale	51%	51%
CDC2438660	Quebec	Denain	85%	85%
CDC2438661	Quebec	Denain	85%	85%
CDC2438662	Quebec	Denain	85%	85%
CDC2438663	Quebec	Denain	85%	85%
CDC2438664	Quebec	Denain	85%	85%
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CDC2438667	Quebec	Denain	85%	85%
CDC2438668	Quebec	Denain	85%	85%
CDC2438669	Quebec	Denain	85%	85%
CDC2438670	Quebec	Denain	85%	85%
CDC2438671	Quebec	Denain	85%	85%
CDC2438672	Quebec	Denain	85%	85%
BM869	Quebec	Labyrinth	100%	100%
CDC2477686	Quebec	Labyrinth	100%	100%
CDC2477687	Quebec	Labyrinth	100%	100%
CDC2477688	Quebec	Labyrinth	100%	100%





CDC2477689	Quebec	Labyrinth	100%	100%
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CDC2477715	Quebec	Labyrinth	100%	100%
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CDC2477717	Quebec	Labyrinth	100%	100%
CDC2477718	Quebec	Labyrinth	100%	100%
CDC2477719	Quebec	Labyrinth	100%	100%

*Note: Registered title of Labyrinth and Denain claims remains with G.E.T.T Gold (TSX-V: GETT) until payment of Final Payment as part of acquisition consideration, though Labyrinth Resources Limited obtained operational control immediately upon Completion in November 2021.*

## SUMMARY OF CASH EXPENDITURE PER PROJECT

Project	Cash Expenditure \$'000
Labyrinth	845
Denain	928
Comet Vale	13
Golden Lode	5
Penny's Find	2
<b>Total</b>	<b>1,793</b>

## COMPETENT PERSONS STATEMENT

The information in this announcement that relates to exploration results for the Labyrinth Gold Project and Denain Project is based on information compiled by Mr Andrew Chirnside, who is an employee of Labyrinth Resources Limited. Mr Chirnside is a professional geologist 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.



Specific exploration results referred to in this announcement were originally reported in the below Company announcements in accordance with ASX Listing Rule 5.7.

Title	Date
Outcropping Vein Sample Returns High Grade 33.2g/t Gold	10 November 2021
Drilling Underway at Flagship Labyrinth Gold Project	15 February 2022
Labyrinth and Denain Gold Project Update, Canada	10 March 2022

The Company confirms that it is not aware of any information or data that materially affects the information included in the said original announcements and the form and context in which the Competent Persons' findings are presented have not materially modified from the original market announcements.

### 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.