

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

LABYRINTH RESOURCES LIMITED

ABN

45 008 740 672

Quarter ended ("current quarter")

30 JUNE 2022

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation	-	-
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(106)	(526)
	(e) administration and corporate costs	(508)	(1,885)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	1	5
1.5	Interest and other costs of finance paid	-	(6)
1.6	Income taxes paid	(24)	(24)
1.7	Government grants and tax incentives	-	-
1.8	Other	-	-
1.9	Net cash from / (used in) operating activities	(637)	(2,436)

2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	(32)	(249)
	(d) exploration & evaluation	(3,219)	(7,882)
	(e) investments	-	-
	(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	91	91
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other	-	-
2.6	Net cash from / (used in) investing activities	(3,160)	(8,040)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	8,500
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	(510)
3.5	Proceeds from borrowings	90	240
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other	-	-
3.10	Net cash from / (used in) financing activities	90	8,230

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	6,058	4,595
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(637)	(2,436)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(3,160)	(8,040)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	90	8,230

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

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4.5	Effect of movement in exchange rates on cash held	2	4
4.6	Cash and cash equivalents at end of period	2,353	2,353

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	2,353	6,058
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	2,353	6,058

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	29
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		

Total reported at Item 6.1 consists of the following:

\$11,640 – Payment of legal fees

\$17,088 – Payment of Director fees

7.	Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i> <i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other – Insurance premium loan	96	96
7.4	Total financing facilities	96	96
7.5	Unused financing facilities available at quarter end		-
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		
	Loan to fund insurance premium – Term: 10 months, Interest rate: 3.98%, unsecured		

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(637)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(3,219)
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(3,856)
8.4	Cash and cash equivalents at quarter end (item 4.6)	2,353
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	2,353
8.7	Estimated quarters of funding available (item 8.6 divided by item 8.3)	0.61
	<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8	If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
	Answer: The Company does not expect that it will continue to have the current level of net operating cash flows for the time being. The current level of net operating cash flow includes a significant CAD\$1.5 million tranche payment as part of the acquisition of the Company's Quebec gold projects that was paid in May. The current level of net operating cash flow also reflects planned aggressive expenditure on the Denain surface exploration program, the Labyrinth underground exploration program and the Labyrinth surface exploration program concurrently during the June quarter aligned with the Company's budget forecast. No tranche payment is payable in the subsequent quarter and both the Denain surface program and Labyrinth underground program were completed during the June quarter, with the Labyrinth surface program expected to complete during August, significantly reducing operating expenditure requirements.	

8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: The Company expects to receive funds during the September quarter following completion of the Penny's Find sale transaction.

The Company has previously been successful in raising further cash to fund its operations related to its current strategic focus on the Quebec gold projects and believes that any future steps to raise cash will have a high likelihood of success.

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: The Company expects to be able to continue its operations and meet its business objectives on the basis explained in 8.8.1 and 8.8.2. The June quarter expenditure was significantly higher than both previous and subsequent quarters due to a large single transaction payment and multiple concurrent drilling programs. The current surface exploration program is expected to complete during August, at which point the critical business objective of Labyrinth will be delivery of the maiden JORC Mineral Resource Estimate and operating expenditure on exploration drilling will reduce accordingly.

The Company expects to receive cash funds for sale of Penny's Find during the September quarter and, as it has done so in the past, the Company will raise cash at appropriate times to meet Labyrinth's strategic objectives.

Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date:29 July 2022.....

Authorised by:The Board.....
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.