

DECEMBER 2022 QUARTERLY ACTIVITIES REPORT

Labyrinth prepares for drilling at flagship Canadian gold project and multi-commodity Comet Vale in WA

Strong potential to continue growing 500,000oz Resource at Labyrinth while assessing early options for utilising ~20,000t bulk sample permit; Numerous drill targets identified at Comet Vale

Key Points

- Future production outlook at Labyrinth Gold Project in Quebec, Canada bolstered by outstanding overall recovery of 95.2%¹
- The metallurgical testwork demonstrated a clear, efficient processing pathway for the high-grade Labyrinth project, returning 96g/t Au concentrate at 97.3% recovery with negligible deleterious elements
- The combination of these strong metallurgical results and the 500,000 maiden JORC resource at 5g/t² demonstrates strong scope for further inventory growth, production and cashflow at Labyrinth
- At multi-commodity Comet Vale Project in WA, extensive historical data review and on-ground works during the quarter delineated priority follow-up drilling targets
- Focus is now turning to designed drilling programs at both Labyrinth and Comet Vale in parallel with assessments of geophysical surveys across the tenures
- Successful A\$1.3m private placement completed³ with existing major shareholders, demonstrating strong support for Labyrinth's strategy and its Canadian and WA projects

Labyrinth Resources Limited ('the Company' or 'Labyrinth') (ASX: LRL) is pleased to report on a successful quarter that saw it continue to add significant value to its flagship Labyrinth Gold Project in Canada and prepare for its maiden drilling program at the Comet Vale project in WA.

As a result of the key achievements during the quarter, Labyrinth is now set to advance both projects with further exploration and drilling.

Excellent metallurgical results received for the Labyrinth Gold Project confirmed the development potential as the Company works to build on the significant, 500,000oz high-grade JORC Resource established in 2022.

Labyrinth Chief Executive Matt Nixon said: "We completed a substantial volume of exploration planning and optimisation during the quarter to build on the significant 500,000oz Resource base established in September.

¹ Refer to ASX Announcement 24 November 2022

² Refer to ASX Announcement 27 September 2022

³ Refer to ASX Announcement 19 December 2022



"The outstanding metallurgical results add substantial value to Labyrinth because they underpin development and processing options.

"We also embarked on an exploration program at the highly prospective Comet Vale project during the quarter, with the tenure presenting multiple genuine prospects with limited historical drilling.

"We have a host of work planned for 2023 which has strong potential to create immense value for shareholders at both projects".

CANADIAN ACTIVITIES

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



Figure 1 - Location of Labyrinth Resources Projects amongst Abitibi Gold Camps (Sources: Ontario Ministry of Northern Development and Mines Statistics <https://www.geologyontario.mndm.gov.on.ca>, History of Abitibi Gold Belt (2021) <https://www.visualcapitalist.com/sp/the-history-of-the-abitibi-gold-belt>)

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, giving the Company a genuine point of difference compared to its gold exploration peers.

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 1.6km along strike and run parallel with the trend of the lithology. The quartz veins show lamination and host sulphides associated with the mineralising event.

During the quarter, metallurgical results were received that confirmed the Labyrinth gold mineralisation is highly amenable to flotation owing to the strong affiliation of gold with pyrite and the absence of common deleterious elements leading to a high gold grade, dominant pyrite concentrate. Mineralogical studies identified free gold as being ultrafine leading to the low gravity recovery hence an option exists to remove the gravity circuit thus producing an even higher value concentrate if sale terms are favourable.

This study illustrated the benefit of a finer grind size hence the implementation of an UFG mill on the float concentrate stream will be required prior to cyanidation. Opportunities to further improve flotation and dissolution kinetics and to reduce capital and operating cost will be the focus of future studies including the application of the baseline conditions identified in this program to variability diamond core samples.

Labyrinth are in a strong position based on these stand-out metallurgical results to conduct a preliminary economic study on the following three options:

1. Installation of a Gravity/Float/UFG Leach circuit
2. Installation of a Gravity/Float circuit for offsite sale/treatment of float concentrate
3. Whole of Ore Toll Treatment or Ore Sales through discussions with nearby facilities

Near term production hence early cash-flow via toll treatment or ore purchase is possible with fifteen gold mills located within a 200km haulage distance from Labyrinth (Table 1). Of those, three have flotation circuits with the remaining being gravity/cyanidation, the closest being Kirkland Lake's Macassa Mill which operates a P80 40-45µm leach feed grind size ensuring improved recoveries.

Table 1: Nearby Processing Facilities

Company	Mill	Haulage Distance from Labyrinth (km)	Direction	Flowsheet	Capacity (TPD)
Kirkland Lake	Macassa Mill	64	SW	CIP (P ₈₀ 40-45µm)	2,000
Kirkland Lake	Holt Mill	101	NNW	Gravity/CIL	3,000
IAMGold	Westwood- Doyon Mill	103	E	Gravity/CIL	3,000
Agnico Eagle	Laronde	110	E	Float/CIL	7,000
Alamos	Young-Davidson	124	SW	Float/CIL	8,000
Yamana & Agnico Eagle	Canadian Malartic	146	E	CIL	60,000
Yamana	Camflo	152	E	CIL	1,600
McEwen Mining	Black Fox Mill	156	NW	CIL	2,000
Wesdome	Kiena	161	E	CIL	700
Agnico Eagle	Goldex	164	E	Gravity/Flotation	8,000

Eldorado Gold	Lamaque/ Sigma Mill	175	E	Gravity/ CIL	2,600
Pan American Silver	Bell Creek Mill	187	NW	Gravity/CIL	4,400
QMX	Aurbel Mill	188	E	CIL	1,400
Monarch Mining	Beacon Mill	190	E	Gravity/Leach	750
Newmont	Dome Mill	197	NW	Gravity/CIL	12,000

The excellent metallurgical results build on the maiden JORC Resource completed in 2022 and focus during the quarter was placed on design of the next phases of drilling at the project, regional prospectivity and high-level assessment of near term mine production opportunity. The Inferred Mineral Resource includes mineralisation within five lodes: Boucher, McDowell, Talus, Shaft and Front West (2). In addition to the known mineralisation, there is also immense potential to grow the Mineral Resource given that the key lodes remain open along strike and at depth (Figure 2).

Table 2 – Labyrinth Inferred Mineral Resource.

	Lode	Tonnes (Mt)	Au (g/t)	Au (oz)
Inferred	Boucher	1	5.7	190,000
	McDowell	1	4.5	150,000
	Talus	0.7	5.3	110,000
	Front West	0.2	2.7	20,000
	Shaft	0.1	5.5	30,000
	Total	3	5.0	500,000

Notes:

1. Reported at a 3 g/t.m accumulation (grade x vein thickness) cut-off and depleted for historical mining.
2. The Mineral Resource is classified in accordance with the JORC Code (2012).
3. The effective date of the Mineral Resource estimate is 25 August 2022.
4. Estimates are rounded to reflect the level of confidence in the Mineral Resource at present. All resource tonnages have been rounded to the first significant figure. Differences may occur in totals due to rounding.
5. Mineral Resource is reported as a global resource.

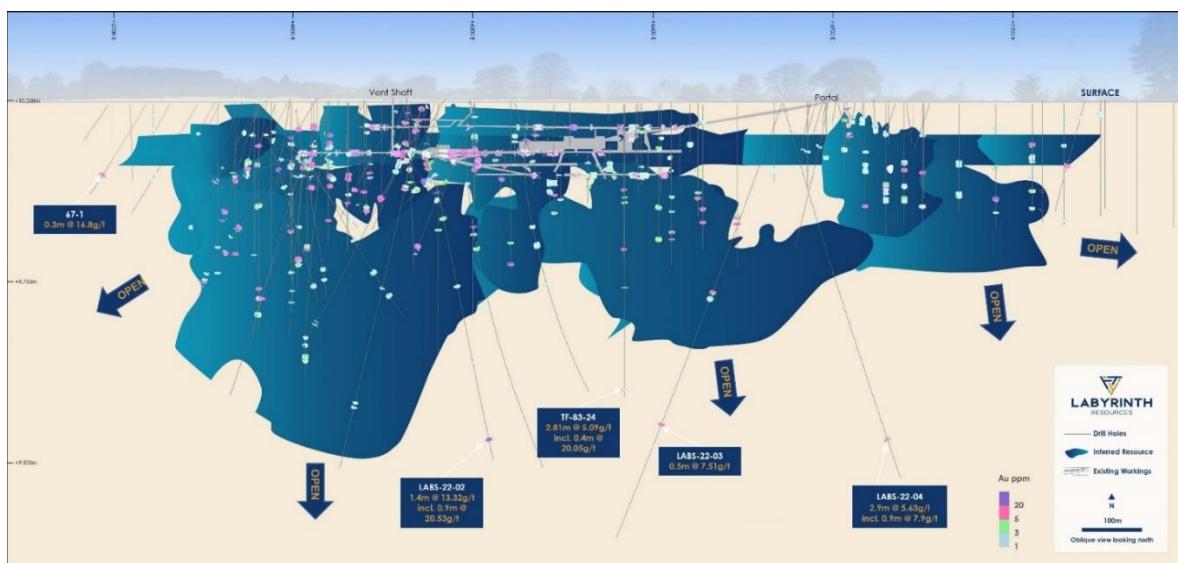


Figure 2 – Long section of Labyrinth Inferred Mineral Resource and drilling results.

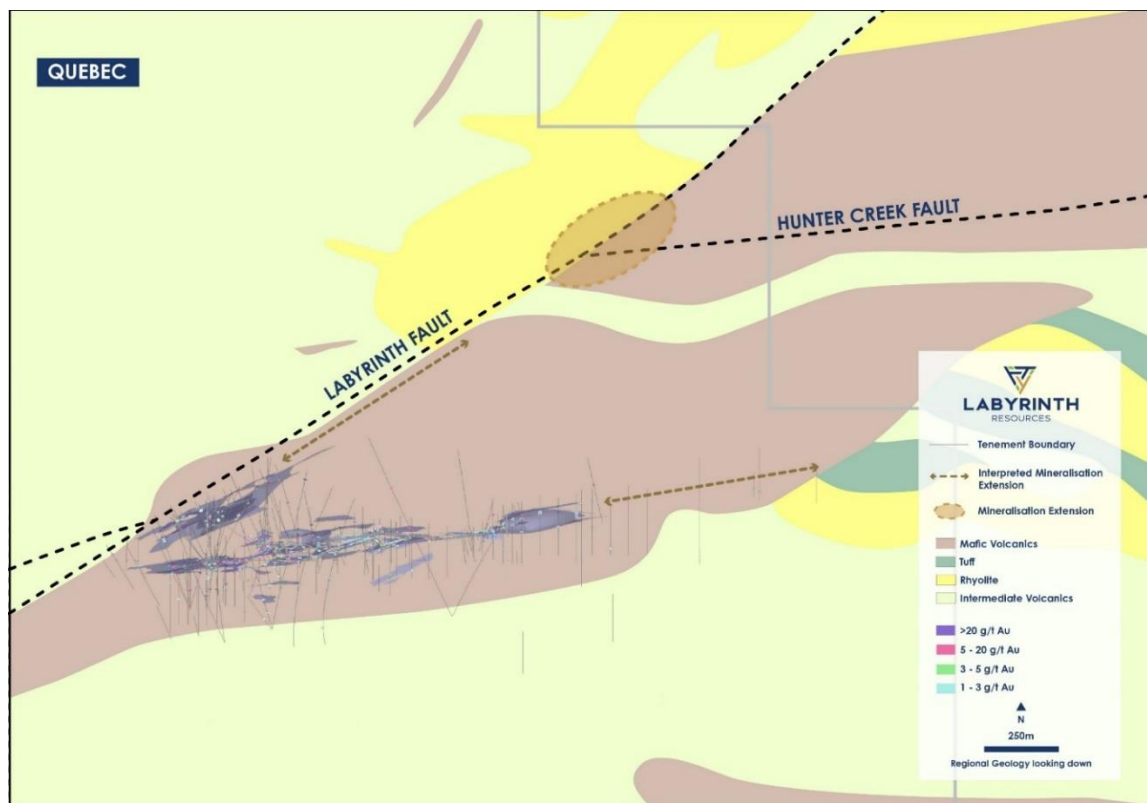


Figure 3 - Regional potential on Labyrinth Gold Project tenure

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 presenting complex mineralogical system, likely attributable to the influence of late-stage faulting associated with the Grenville Front, appears to occur in all rock types at the prospect with the Quartz Porphyry/Agglomerate contact seeming most favourable. As this contact is irregular in nature it requires further work to identify the areas that are most conducive to hosting high grade gold and this will drive subsequent strategy on further exploration, with the Labyrinth Gold Project remaining the advanced and larger potential strategic project for the Company.

AUSTRALIAN ACTIVITIES

During the quarter, following extensive historical data review, Labyrinth commenced a regional exploration program at the highly prospective, multi-commodity Comet Vale Project.



Figure 4 – Comet Vale Project location, WA

COMET VALE

The exploration program commenced at the Comet Vale joint venture gold project (Labyrinth 51% / Sand Queen Gold Mines Pty Ltd 49%) is the first genuine surface exploration undertaken for 15 years, despite the project hosting extensive high-grade gold and copper mineralisation and strong evidence of nickel laterite.

During the quarter, Labyrinth completed a full review of the geology and known mineralisation and carried out an initial phase of on ground mapping. This process highlighted the significant potential but under-explored nature of the project. The Company intends to progress the exploration program towards a surface drilling campaign in the first half of 2023, with Program of Works submissions and planning works well advanced.

Comet Vale is on the eastern limb of a regional-scale, north-south trending anticline: the Goongarrie-Mt Pleasant Anticline. The Goongarrie Monzogranite is in the core of this south plunging anticline and is enclosed by rocks of the Ora Banda Domain.

The mafic-ultramafic rocks in the Comet Vale area therefore are part of the same sequence that hosts the Grants Patch, Ora Banda and Mt Pleasant gold camps, as well as the Goongarrie and Highway nickel laterite deposits on the southern and western limbs of this anticline and consist of the Missouri Basalt, the Walter Williams Formation and the Siberia Komatiite. To the east of the property is the northern extension of the prolific Boulder-Lefroy Fault that hosts the world-class Superpit mine.

Much of the western part of the project area is blanketed by a thin cover of wind-blown sands (1-4 m thick) and a thin underlying layer of lateritic gravel (<1 m thick). This transported regolith covers the majority of the ground that is prospective for parallel deposits to the Sovereign trend so requires geophysical techniques to test for prospectivity. Most of the Walter Williams Formation has a laterite cover (up to 44m thick) and locally has a jasperoidal silica cap rock.

This has preserved the underlying saprolitic part of the weathered profile that is also a potential host for lateritic Ni-Co deposits.

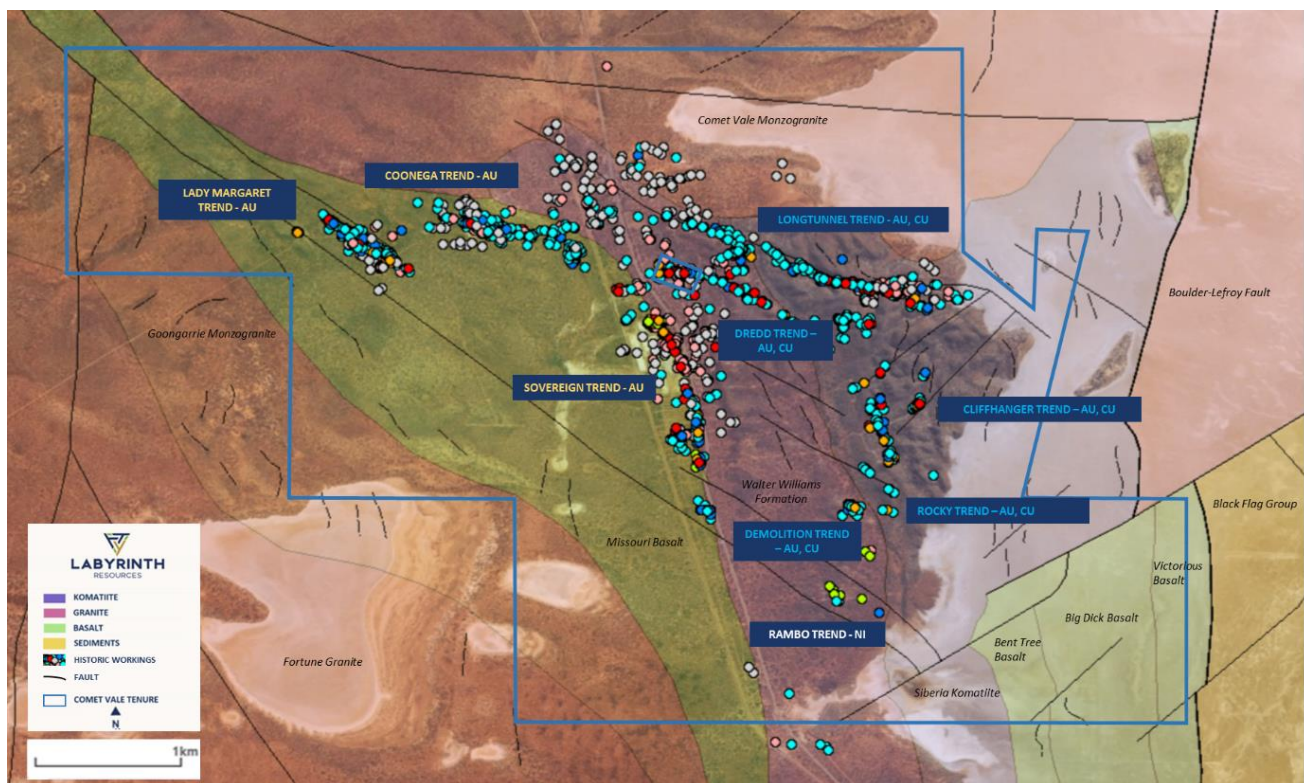


Figure 5 Geological map showing mineralised trends and tenure boundaries

CORPORATE

FINANCIAL INFORMATION

During the quarter, Labyrinth successfully completed a A\$1.3m placement at a price of 1.7c per share solely to strategic existing major shareholders to accelerate exploration.

The placement price represented the 5-day volume weighted average price (VWAP) of Labyrinth's shares at close of trade on 14 December 2022, with the closing price on that date also being 1.7c and therefore reflecting a non-discounted pricing mechanism, a great outcome for the Company.

Proceeds of the Placement will be used to:

- Accelerate surface exploration activities, including geophysical survey and regional on-ground works across the full tenure of the Company's flagship Labyrinth Gold Project in Quebec;
- Accelerate surface exploration activities, including RC drilling, at the Comet Vale gold-copper-nickel project in Western Australia;
- Complete the CAD\$500,000 payment to G.E.T.T Gold Inc related to the acquisition of the Company's Quebec projects (refer ASX Announcement 9 November 2022); and
- Working capital, including advancement of Labyrinth's strategic opportunities as highlighted in the Company's AGM presentation on 29 November 2022.



Total cash and investments in listed companies on 31 December 2022 was \$1.517 million, with the cash balance comprising \$1.334 million of this amount.

In accordance with Listing Rule 5.3.1, there were no substantive mining production and development activities undertaken during the September 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 \$17,153 and Director fees of \$19,676.

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

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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%	0%
L27/90	Western Australia	Penny's Find	50%	0%
L27/91	Western Australia	Penny's Find	50%	0%
L27/92	Western Australia	Penny's Find	50%	0%
L27/93	Western Australia	Penny's Find	50%	0%
G27/1	Western Australia	Penny's Find	50%	0%
P30/1100	Western Australia	Golden Lode	100%	0%
P30/1102	Western Australia	Golden Lode	100%	0%
P30/1103	Western Australia	Golden Lode	100%	0%
P30/1131	Western Australia	Golden Lode	100%	0%
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%
CDC2438665	Quebec	Denain	85%	85%
CDC2438666	Quebec	Denain	85%	85%
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%
CDC2477690	Quebec	Labyrinth	100%	100%
CDC2477691	Quebec	Labyrinth	100%	100%
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CDC2477709	Quebec	Labyrinth	100%	100%
CDC2477710	Quebec	Labyrinth	100%	100%



CDC2477711	Quebec	Labyrinth	100%	100%
CDC2477712	Quebec	Labyrinth	100%	100%
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CDC2477716	Quebec	Labyrinth	100%	100%
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	275
Denain	3
Comet Vale	101
Golden Lode	1
Penny's Find	1
Total	381

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.

The information in this announcement that relates to Mineral Resources is based on information and supporting documentation compiled under the supervision of Mr Rene Sterk,



a Competent Person, who is a Fellow and Chartered Professional of The Australasian Institute of Mining and Metallurgy (AusIMM). Mr Sterk is Managing Director of RSC, independent resource development consultants. The full nature of the relationship between Mr Sterk and Labyrinth Resources Limited, including any issue that could be perceived by investors as a conflict of interest, has been disclosed. Mr Sterk has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'.

The information in this announcement to which this statement is attached relates to Metallurgical Testwork Results and is based on information compiled by Mr Brant Tapley. Mr Tapley is the Director of JT Metallurgical Services Pty Ltd and is a Competent Person who is a Member of the Australasian Institute of Mining and Metallurgy (AusIMM). Mr Tapley has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration, and to the metallurgical, processing and testwork techniques being used to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Tapley consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

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

Title	Date
Labyrinth Embarks on Comet Vale Exploration Program	15 December 2022
Excellent Metallurgical Results at Labyrinth Gold Project	24 November 2022
Labyrinth Maiden Mineral Resource Estimate	27 September 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.

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")

31 DECEMBER 2022

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 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	(132)	(223)
	(e) administration and corporate costs	(409)	(963)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	5	8
1.5	Interest and other costs of finance paid	(1)	(2)
1.6	Income taxes paid	(62)	(110)
1.7	Government grants and tax incentives	-	-
1.8	Other – Sales tax and GST received	79	498
1.9	Net cash from / (used in) operating activities	(520)	(792)

2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	(548)	(548)
	(c) property, plant and equipment	(2)	(41)
	(d) exploration & evaluation	(381)	(1,822)
	(e) investments	-	-
	(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	627
	(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	(931)	(1,784)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	1,283	1,283
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	-	-
3.5	Proceeds from borrowings	-	344
3.6	Repayment of borrowings	(29)	(67)
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	1,254	1,560

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	1,535	2,353
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(520)	(792)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(931)	(1,784)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	1,254	1,560

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

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	(4)	(3)
4.6	Cash and cash equivalents at end of period	1,334	1,334

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	1,334	1,535
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)	1,334	1,535

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	37
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:

\$17,153 – Payment of legal fees

\$19,676 – Payment of Director fees

7. Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. 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	-	-
7.4 Total financing facilities	-	-
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.		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(520)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(381)
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(901)
8.4 Cash and cash equivalents at quarter end (item 4.6)	1,334
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	1,334
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	1.48
<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?	
<p>Answer: The Company does not expect that it will continue to have the current level of net operating cash flows for the time being.</p> <p>The current level of net operating cash flow reflects the timing of invoices related to the finalisation of significant independent technical works associated with the maiden JORC Resource for the Labyrinth Gold Project that was released in the September quarter. The Company also incurred higher levels of audit and reporting expenditure due to the Annual Reporting obligations as well as one-off costs associated with the resolution of legacy tenement expenditure at Comet Vale. All of the aforementioned costs will not be incurred into 2023 H1.</p>	

- 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: In December the Company completed a circa \$1.3m private placement to existing strategic major shareholders at a 5-day VWAP pricing mechanism, confirming ongoing support of the Company's activity and direction. The Company is also awaiting audit outcomes of the FY22 Canadian Federal Tax submission which indicates a tax refund of up to CAD\$705,000 expected to be received in the coming months. 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. Following delivery of the maiden JORC resource for the Labyrinth Gold Project during the September quarter and completion of associated invoices during the December quarter, the level of net operating cashflow has reduced significantly whilst the Company conducts internal assessment works of the geological model and accordingly designs its next planned exploration program(s) at its projects.

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:31 January 2023.....

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".
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.