Labrador Gold Provides Exploration Update for Its Ashuanipi Project

VANCOUVER, British Columbia, Sept. 03, 2019 -- Labrador Gold Corp. (TSX-V: LAB) ("Labrador Gold" or the "Company") announces that it has received a request to stop further exploration at its Ashuanipi project in western Labrador. The request was received following the start of the Company's exploration program and subsequent discussions with members of the Matimekush-Lac John First Nation in Schefferville, Quebec. Labrador Gold holds, under option, a number of mineral licenses in western Labrador, south east of Schefferville that cover a portion of a trapline owned by some members of the Matimekush-Lac John First Nation and conducted exploration without incident during 2017 and 2018.

"It is unfortunate that discussions to date have resulted in us having to stop work," said Roger Moss, President and Chief Executive Officer of Labrador Gold. "However, we will respect their decision as we continue discussions with the aim of maximizing benefits for all stakeholders. The company is committed to maintaining good relationships with the community as we look to restart our exploration program at Ashuanipi."

Labrador Gold will continue discussions to properly understand the concerns of the Matimekush-Lac John First Nation and to seek ways in which we can work with the community in order that our low-impact exploration does not interfere with their traditional activities.

The Company is also reviewing the Hopedale, Labrador and Borden Lake Extension, Ontario projects with the aim of conducting further exploration on one or both of the projects during the remainder of the field season.

Roger Moss, PhD., P.Geo., is the qualified person responsible for all technical information in this release.

The Company gratefully acknowledges the Newfoundland and Labrador Ministry of Natural Resources' Junior Exploration Assistance (JEA) Program for its financial support for exploration of the Ashuanipi property.

About Labrador Gold:

Labrador Gold is a Canadian based mineral exploration company focused on the acquisition and exploration of prospective gold projects in the Americas. In 2017 Labrador Gold signed a Letter of Intent under which the Company has the option to acquire 100% of the 896 square kilometre (km^2) Ashuanipi property in northwest Labrador and the Hopedale (458 km^2) property in eastern Labrador.

The Hopedale property covers much of the Hunt River and Florence Lake greenstone belts that stretch over 80 km. The belts are typical of greenstone belts around the world but have been underexplored by comparison. Initial work by Labrador Gold during 2017 show gold anomalies in soils and lake sediments over a 3 kilometre section of the northern portion of the Florence Lake greenstone belt in the vicinity of the known Thurber Dog gold showing where grab samples assayed up to 7.8g/t gold. In addition, anomalous gold in soil and lake sediment samples occur over approximately 40 kilometres along the southern section of the greenstone belt (see news release dated January 25th 2018 for more details). Labrador Gold now controls approximately 57km strike length of the Florence Lake Greenstone Belt.

The Ashuanipi gold project is located just 35 km from the historical iron ore mining community of Schefferville, which is linked by rail to the port of Sept Iles, Quebec in the south. The claim blocks cover large lake sediment gold anomalies that, with the exception of local prospecting, have not seen a systematic modern day exploration program. Results of the 2017 reconnaissance exploration program following up the lake sediment anomalies show gold anomalies in soils and lake sediments over a 15 kilometre long by 2 to 6 kilometre wide north-south trend and over a 14 kilometre long by 2 to 4 kilometre wide east-west trend. The anomalies appear to be broadly associated with magnetic highs and do not show any correlation with specific rock types on a regional scale (see news release dated January 18th 2018). This suggests a possible structural control on the localization of the gold anomalies. Historical work 30 km north on the Quebec side led to gold intersections of up to 2.23 grams per tonne (g/t) Au over 19.55 metres (not true width) (Source: IOS Services Geoscientifiques, 2012, Exploration and geological reconnaissance work in the Goodwood River Area, Sheffor Project, Summer Field Season 2011). Gold in both areas appears to be associated with similar rock types.

The Company has 56,264,022 common shares issued and outstanding and trades on the TSX Venture Exchange under the symbol LAB.

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