

INTERIM REPORT

31 December 2022

Labyrinth Resources Limited

ABN 45 008 740 672



CORPORATE DIRECTORY

DIRECTORS

Dean Hely
Simon Lawson
Mel Ashton

CHIEF EXECUTIVE OFFICER

Matthew Nixon

COMPANY SECRETARY

Kelly Moore

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AUDITOR

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STOCK EXCHANGE LISTING

Australian Securities Exchange (ASX code: LRL)

WEBSITE

www.labyrinthresources.com

ASX CODE

LRL



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The Directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'Group') consisting of Labyrinth Resources Limited (referred to hereafter as the 'Company' or 'parent entity' or 'Labyrinth') and the entities it controlled at the end of, or during, the half-year ended 31 December 2022.

Directors

The following persons were Directors of the Company during the whole of the financial half-year and up to the date of this report, unless otherwise stated:

Dean Hely (Non-Executive Chairman)
Mel Ashton (Non-Executive Director)
Simon Lawson (Technical Director)

Review of operations

In the six months to 31 December 2022, the Company progressed its strategy of advancing the highly prospective Labyrinth Gold Project in Quebec, culminating in the delivery of the maiden Inferred Mineral Resource of 3Mt @ 5g/t Au for 500,000oz (at 3g/t.m cut-off) in September 2022. In addition to the Labyrinth project, the Company owns the Denain gold project. The projects are 230km apart along Highway 117 and situated in a world-class mining jurisdiction hosted by the prolific Abitibi Greenstone Belt.

In parallel with the maiden Resource, Labyrinth completed the full review of the geology and known mineralisation at the Comet Vale project in Western Australia and conducted the first genuine surface exploration there in over 15 years, delineating immediate drill targets for follow-up in 2023.

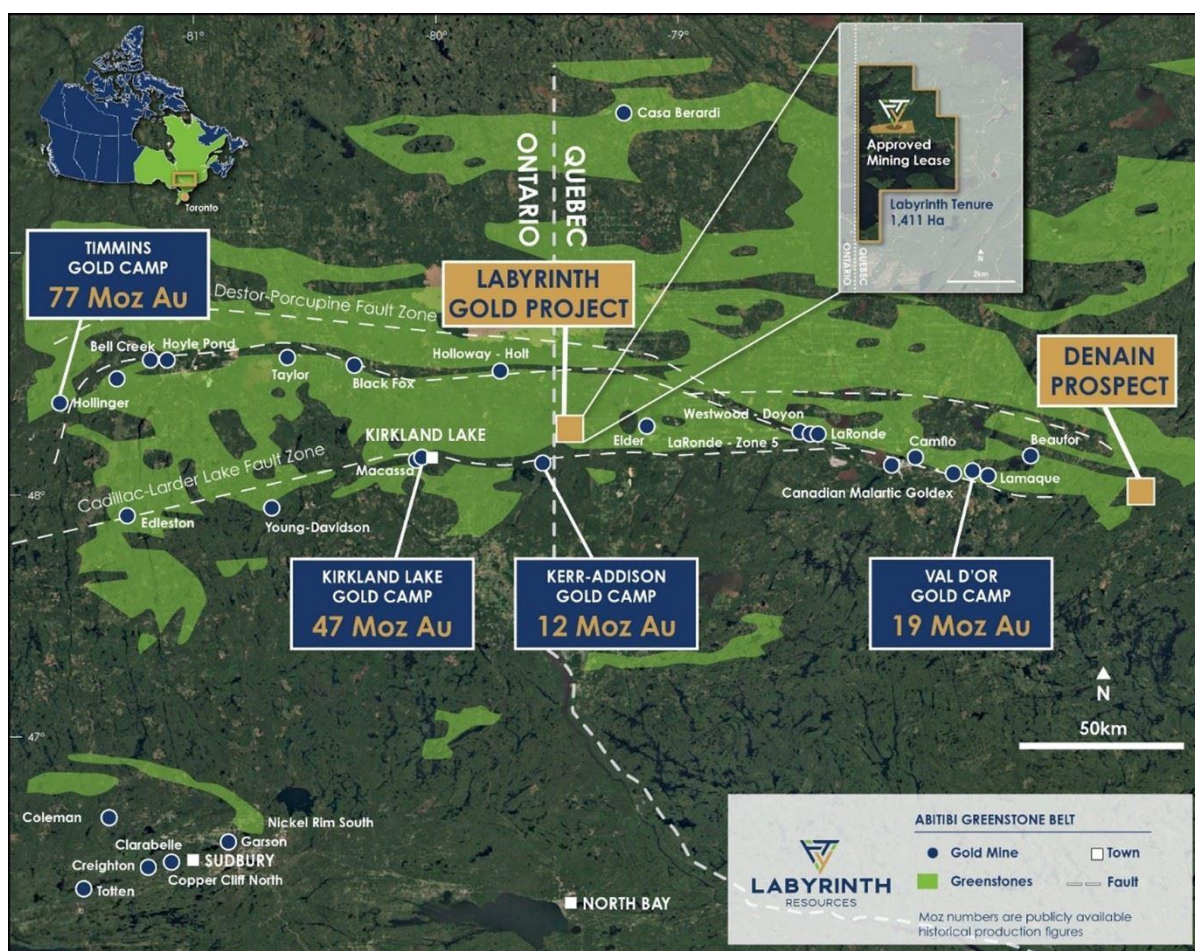


Figure 1 - Location of Labyrinth Resources Projects amongst Abitibi Gold Camps (Sources: Ontario Ministry of Northern Development and Mines Statistics <https://www.geologyontario.mndm.gov.on.ca>, History of Abitibi Gold Belt (2021) <https://www.visualcapitalist.com/sp/the-history-of-the-abitibi-gold-belt>)



CANADIAN ACTIVITIES

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 dry, ventilated and 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 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 period, the Company safely and successfully completed the maiden surface diamond drilling program at Labyrinth consisting of 5 holes targeting extension of the known resource mineralisation to depths of up to ~700m across ~1.2km of the currently defined 1.6km in strike. The 3,135m of drilling confirmed significant extension to all currently defined lodes at depth and along strike, expanding the known mineralisation down-dip by up to 390m down to 690m below surface. Highlights included:

- 2.2m @ 10.67g/t from 143.5m in LABS-22-01A including 0.5m @ 44.12g/t, part of a broader mineralised interval of 8.1m @ 4.05g/t, extending the Front-West lode 125m down-dip
- 2.9m @ 5.63g/t from 600.1m in LABS-22-04 including 0.9m @ 7.9g/t, extending the McDowell lode 390m down-dip
- 1.4m @ 13.32g/t from 652.3m in LABS-22-02 including 0.9m @ 20.53g/t, extending the Boucher lode 375m down-dip

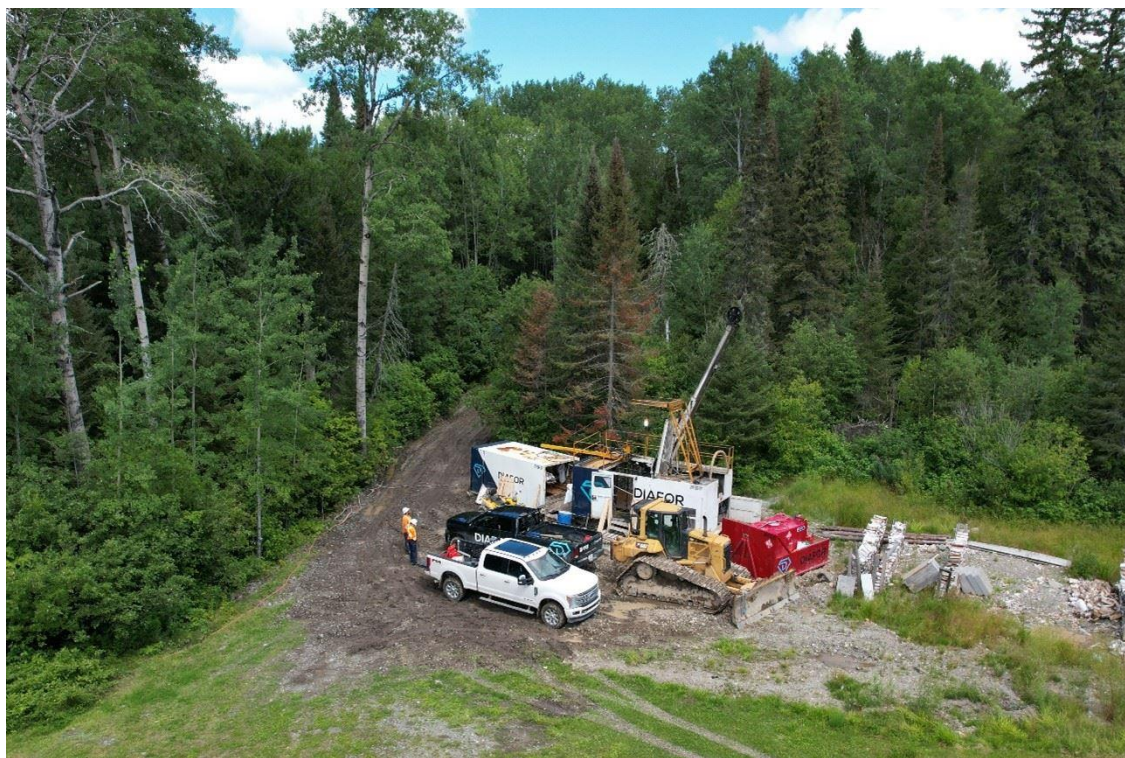


Figure 2 Surface Diamond Drill Rig at Labyrinth Gold Project

Completion of the maiden underground and surface drilling programs enabled the compilation of the initial Mineral Resource for the Labyrinth Gold Project by renowned independent geological consultancy RSC, with an Inferred Resource of 3Mt @ 5.0g/t for 500,000oz (see ASX release dated 28 September 2022).

The Inferred Mineral Resource includes mineralisation within five lodes: Boucher, McDowell, Talus, Shaft and Front West (Table 1). 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 3).



Table 1 – 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.

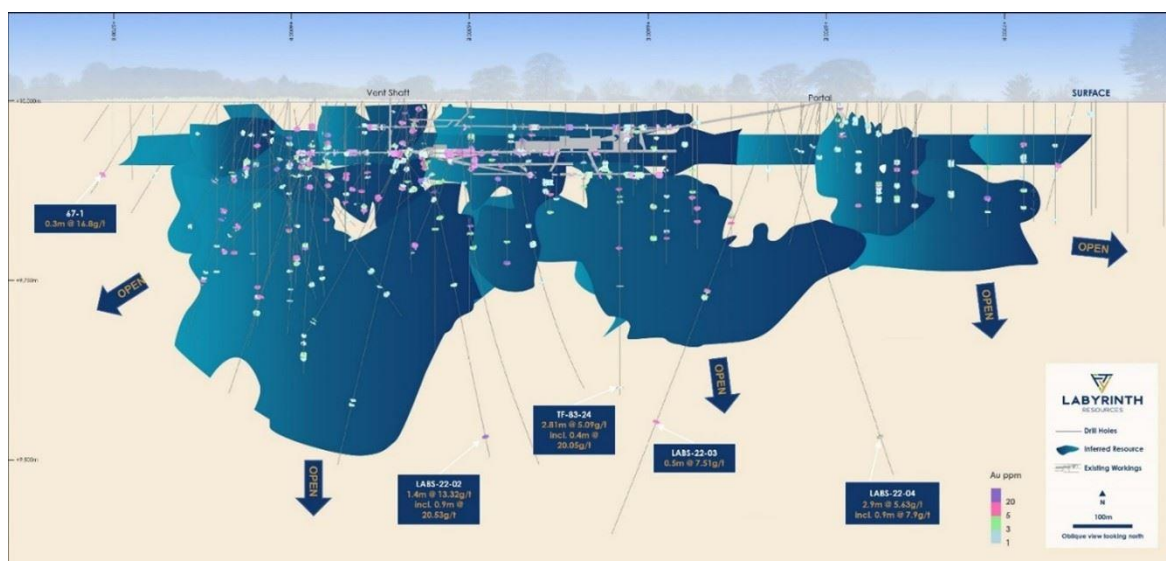


Figure 3 – Long section of Labyrinth Inferred Mineral Resource and drilling results.



The model comprises four lodes within the Main-lode system of the historical mine (McDowell, Talus, Shaft and Front West; Figure 3). The Main-lode model extends 1.7 km along a strike of 080 and dips ~60° to the south. The less-explored Boucher lode system is situated to the north of the Main-lode and was modelled separately. The Boucher lode consists of several parallel mineralised veins with a strike of 060 and dipping ~65° towards the southeast. The Boucher system was modelled over 1 km of strike. Veins within the Boucher lode exhibit higher grades overall than the Main-lode structures (Table 1).

The high-grade component of the Labyrinth Mineral Resource is presented at various Au cut-off grades in Table 2.

Table 2 – Total Mineral Resource at various Au cut-off grades demonstrating significant high-grade component.

	Au cut-off (g/t)	Tonnes (Mt)	Au (g/t)	Au (oz)
Inferred	2	3.0	5.0	500,000
	4	1.5	6.5	300,000
	6	0.5	10.0	150,000
	8	0.3	12.0	100,000
	10	0.2	14.0	90,000

Notes:

1. Reported at various Au cut-off grades as specified and a minimum vein thickness of 1.5 m, ie the 2g/t cut-off grade is reported at a 3 g/t.m accumulation (grade x vein thickness) cut-off and depleted for historical mining.
2. Differences may occur in totals due to rounding

Following the definition of the Resource metallurgical testwork was completed 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.

These outstanding metallurgical results place Labyrinth in a strong position 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. 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.

The current significant risk to mining operations globally stemming from limited access to personnel and fleet, specifically in the underground mining space, is well documented and the Labyrinth Resources team is well placed to leverage value from their expertise and reach in this regard.

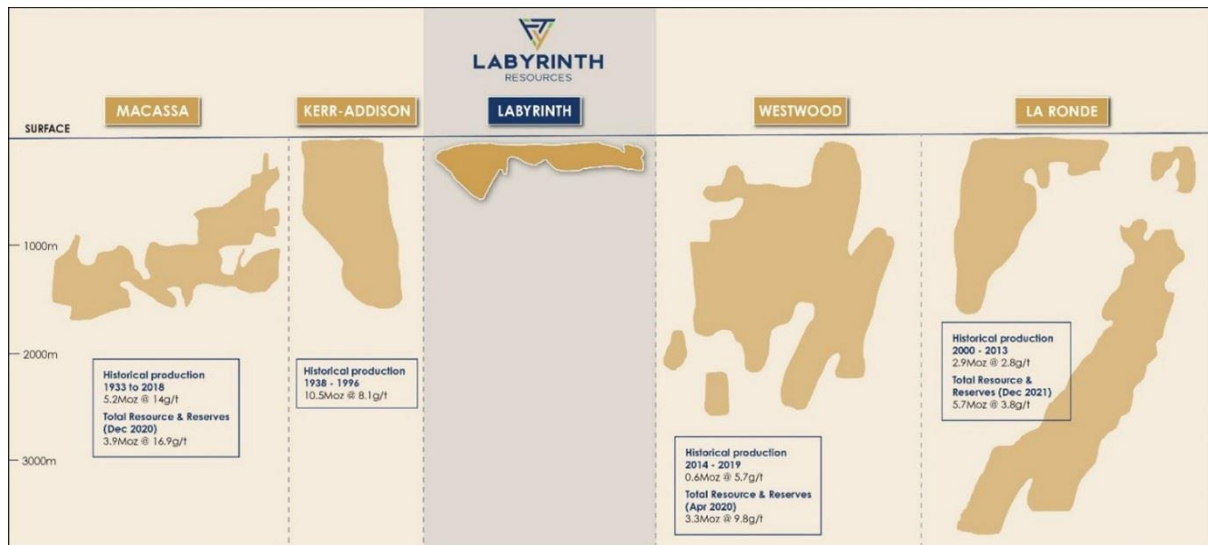


Figure 4 - Significant Gold Projects within 100km radius of Labyrinth¹

DENAIN GOLD PROJECT

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

COMET VALE PROJECT

The Comet Vale project is centred on the old mining town of Comet Vale, 100 km north-northwest of Kalgoorlie, Western Australia. The Goldfields Highway passes through the centre of the project area and is alongside the Sand Queen main shaft (55 meters from the highway). Historical production on the Sovereign trend alone is recorded as 185,000oz at the very high grade of 23.5g/t (ASX Release Reed Resources Corporate Presentation dated 20 March 2003).

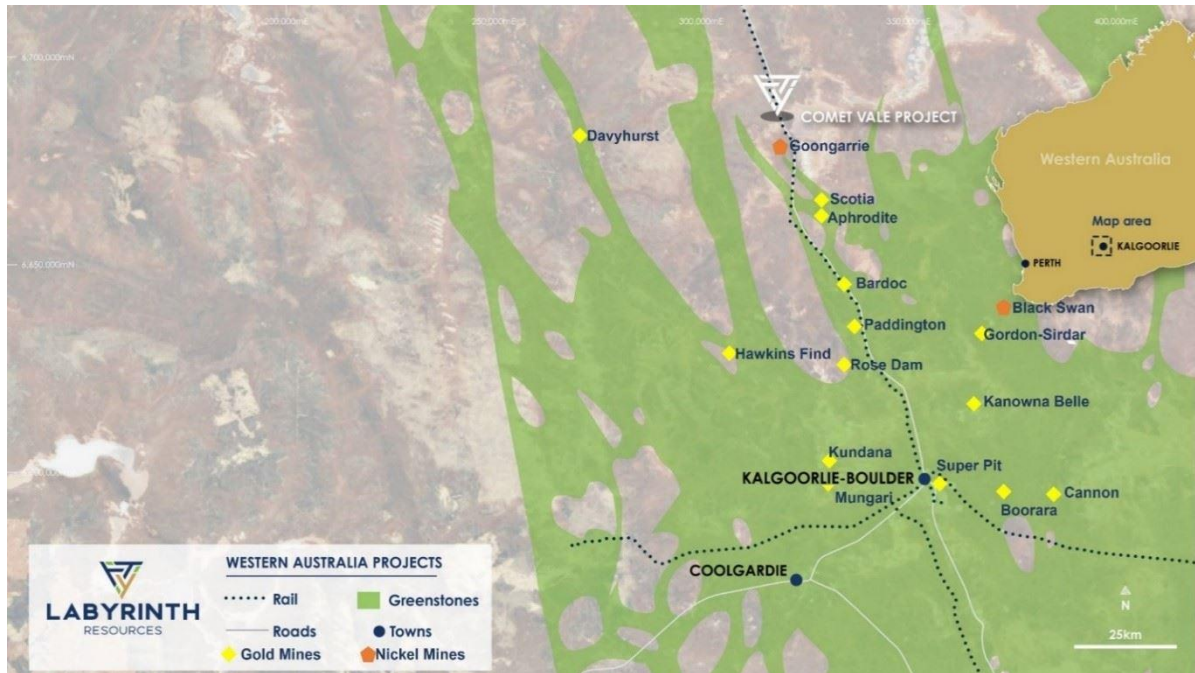


Figure 5 – Comet Vale Project location, WA

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.

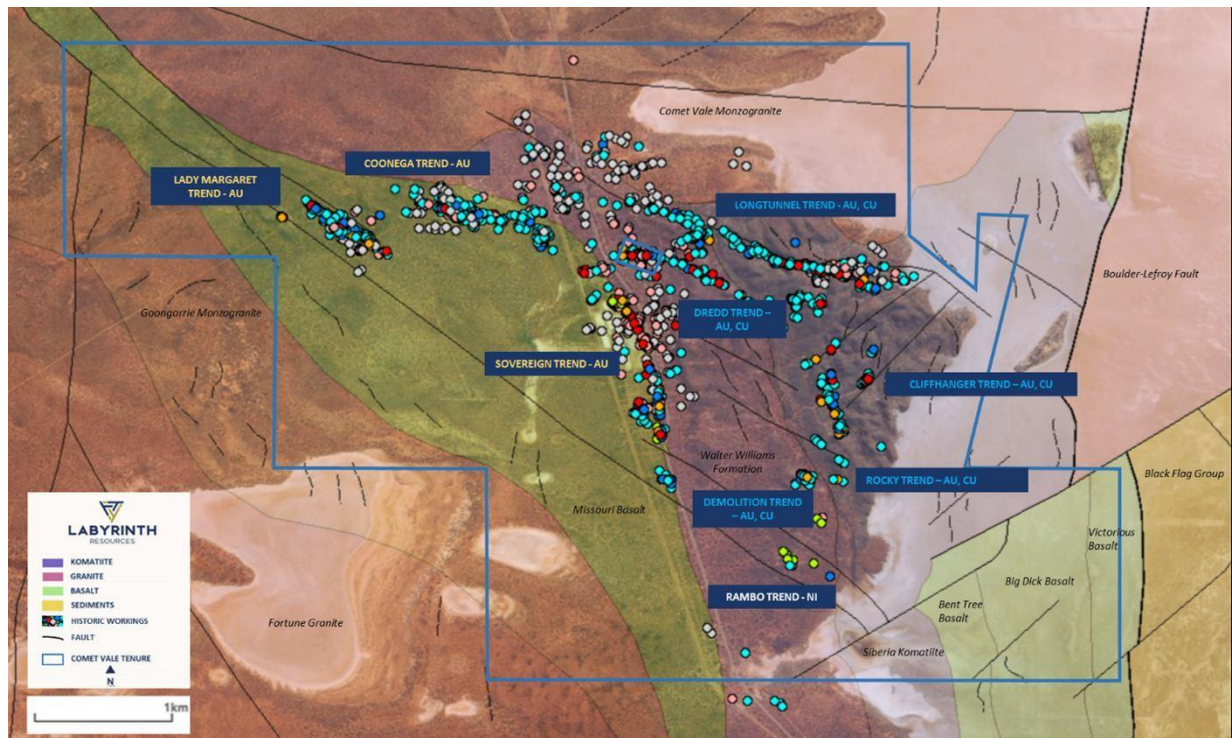


Figure 6 - Geological map showing mineralised trends and tenure boundaries

A surface exploration program commenced at the Comet Vale joint venture gold project (Labyrinth 51%/Sand Queen Gold Mines Pty Ltd 49%) during the half year, 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.



Figure 7 - CEO Matt Nixon completing on-ground works at Comet Vale (L) and Copper mineralisation associated with existing gold workings (R)



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 PoW submissions and planning works well advanced.

PENNY'S FIND PROJECT

During the half year period the sale of the remaining 50% interest in the Penny's Find Gold Project to joint venture partner Horizon Minerals (ASX: HRZ) ('Horizon') (through Horizon's wholly owned subsidiary Black Mountain Gold Pty Ltd) was completed and tenements transferred.

Horizon paid the Company cash consideration of \$527,000 and 3 million fully paid ordinary shares in Horizon, allowing the Company continued exposure to the Penny's Find Gold Project.

CAUTIONARY STATEMENT

Certain information in this report contains references to visual results. The Company draws attention to the inherent uncertainty in reporting of visual results.

FORWARD LOOKING INFORMATION

This report 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 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.

The information in this report that relates to Exploration Results and Mineral Resources at the Comet Vale Project is based on, and fairly represents, information and supporting documentation reviewed by Malcolm Castle, who is a Member of the Australasian Institute of Mining and Metallurgy (AusIMM). Mr Castle has sufficient experience, which is relevant to the style of mineralisation and type of deposit under consideration and to the activity, which they are undertaking to qualify as an Expert and Competent Person as defined under the VALMIN Code and in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' (JORC Code 2012). Mr Castle consents to the inclusion in this report of the matters based on the information in the form and context in which they appear.



SPECIFIC COMPANY ASX ANNOUNCEMENTS

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

Title	Date
44g/t Gold Hit in Significant 125m Down-Dip Intercept	25 July 2022
More High-Grade Gold in Significant 375m Down-Dip Intercept	10 August 2022
High Grade Results Demonstrate Resource Growth Potential	24 August 2022
Labyrinth Maiden Mineral Resource Estimate	27 September 2022
Excellent Metallurgical Results at Labyrinth Gold Project	24 November 2022
Labyrinth Embarks on Comet Vale Exploration Program	15 December 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.

CORPORATE AND OTHER

CAPITAL RAISING ACTIVITIES

During the half year, the Company finalised a placement to strategic existing major shareholders to raise circa \$1.3 million at a price of 1.7c per share (Placement). Labyrinth issued a total of 75,470,588 new shares and the proceeds from the Placement are being used to accelerate surface exploration activities at the Company's gold projects in Quebec and Western Australia, complete a CAD\$500,000 acquisition payment for the Quebec project and for working capital to advance Labyrinth's strategic opportunities.

Summary of results

	31 Dec 2022 \$	31 Dec 2021 \$
Revenue from ordinary activities	-	-
Other income	1,244,771	4,560
	<u>1,244,771</u>	<u>4,560</u>
Loss before income tax	(1,430,622)	(1,851,062)
Income tax expense	(113,083)	-
Loss attributable to owners	<u>(1,543,705)</u>	<u>(1,851,062)</u>
Other comprehensive loss	<u>10,128</u>	<u>146</u>

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this Directors' report.

This report is made in accordance with a resolution of Directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the Directors

Dean Hely
Non-Executive Chairman

16 March 2023
Perth

**AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF LABYRINTH RESOURCES LIMITED**

As auditor for the review of Labyrinth Resources Limited for the half-year ended 31 December 2022, I declare that, to the best of my knowledge and belief, there have been:

- a) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review, and
- b) no contraventions of any applicable code of professional conduct in relation to the review.



NEIL PACE
PARTNER



MOORE AUSTRALIA AUDIT (WA)
CHARTERED ACCOUNTANTS

Signed at Perth this 16th day of March 2023.

Labyrinth Resources Limited
Statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2022



	Note	31 Dec 2022	31 Dec 2021
		\$	\$
Revenue			
Other income	5	1,244,771	4,560
Expenses			
Professional fees	6	(222,154)	(492,852)
Foreign exchange gains/losses		318,699	26,873
Loss from financial instrument at fair value through profit or loss	7	(1,708,349)	(207,554)
Travel expenses		(46,192)	-
Listed entity expenses		(49,017)	(42,706)
Employee benefits expense		(185,346)	(223,004)
Exploration expenditure		(290)	-
Stamp duty		(4,324)	-
Royalties		-	(100,000)
Other expenses		(328,718)	(159,611)
Depreciation		-	(1,727)
Write off of assets - receivables	8	(31,606)	-
Write off of assets - exploration and evaluation	11	(5,857)	-
Share based payments expense	16	(400,303)	(650,889)
Finance costs		(11,936)	(4,152)
Loss before income tax expense		(1,430,622)	(1,851,062)
Income tax expense		(113,083)	-
Loss after income tax expense for the half-year attributable to the owners of Labyrinth Resources Limited		(1,543,705)	(1,851,062)
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation		10,128	146
Other comprehensive income for the half-year, net of tax		10,128	146
Total comprehensive loss for the half-year attributable to the owners of Labyrinth Resources Limited		(1,533,577)	(1,850,916)
		Cents	Cents
Basic loss per share		(0.18)	(0.22)
Diluted loss per share		(0.18)	(0.22)

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes



	Note	31 Dec 2022 \$	30 June 2022 \$
Assets			
Current assets			
Cash and cash equivalents		1,334,028	2,360,814
Trade and other receivables	8	154,401	780,701
Other		69,170	182,638
		<u>1,557,599</u>	<u>3,324,153</u>
Non-current assets classified as held for sale	9	-	50,690
Total current assets		<u>1,557,599</u>	<u>3,374,843</u>
Non-current assets			
Trade and other receivables	8	-	16,060
Property, plant and equipment	10	207,946	221,332
Exploration and evaluation	11	24,871,169	23,558,142
Investments	12	205,640	-
Total non-current assets		<u>25,284,755</u>	<u>23,795,534</u>
Total assets		<u>26,842,354</u>	<u>27,170,377</u>
Liabilities			
Current liabilities			
Trade and other payables	13	1,480,560	2,715,042
Other liabilities	14	3,847,343	1,138,134
Income tax		224,385	227,560
		<u>5,552,288</u>	<u>4,080,736</u>
Liabilities directly associated with assets classified as held for sale		-	400,000
Total current liabilities		<u>5,552,288</u>	<u>4,480,736</u>
Non-current liabilities			
Other liabilities	14	10,279,065	11,822,236
Total non-current liabilities		<u>10,279,065</u>	<u>11,822,236</u>
Total liabilities		<u>15,831,353</u>	<u>16,302,972</u>
Net assets		<u>11,011,001</u>	<u>10,867,405</u>
Equity			
Issued capital	15	306,232,758	304,910,838
Reserves		1,573,699	1,208,318
Accumulated losses		(296,795,456)	(295,251,751)
Total equity		<u>11,011,001</u>	<u>10,867,405</u>

The above statement of financial position should be read in conjunction with the accompanying notes



	Issued capital \$	Foreign currency translation reserve \$	Accumulated losses \$	Share-based payments reserve \$	Total equity \$
Balance at 1 July 2021	295,925,673	-	(288,331,405)	151,040	7,745,308
Loss after income tax expense for the half-year	-	-	(1,851,062)	-	(1,851,062)
Other comprehensive income for the half-year, net of tax	-	146	-	-	146
Total comprehensive profit/(loss) for the half- year	-	146	(1,851,062)	-	(1,850,916)
Issue of shares, net of transaction costs (note 15)	8,714,138	-	-	275,839	8,989,977
Share-based payments (note 16)	180,000	-	-	470,889	650,889
Balance at 31 December 2021	<u>304,819,811</u>	<u>146</u>	<u>(290,182,467)</u>	<u>897,768</u>	<u>15,535,258</u>
	Issued capital \$	Foreign currency translation reserve \$	Accumulated losses \$	Share-based payments reserve \$	Total equity \$
Balance at 1 July 2022	304,910,838	(7,637)	(295,251,751)	1,215,955	10,867,405
Loss after income tax expense for the half-year	-	-	(1,543,705)	-	(1,543,705)
Other comprehensive income for the half-year, net of tax	-	10,128	-	-	10,128
Total comprehensive profit/(loss) for the half- year	-	10,128	(1,543,705)	-	(1,533,577)
Issue of shares, net of transaction costs (note 15)	1,276,870	-	-	-	1,276,870
Share-based payments (note 16)	45,050	-	-	355,253	400,303
Balance at 31 December 2022	<u>306,232,758</u>	<u>2,491</u>	<u>(296,795,456)</u>	<u>1,571,208</u>	<u>11,011,001</u>

The above statement of changes in equity should be read in conjunction with the accompanying notes



	Note	31 Dec 2022 \$	31 Dec 2021 \$
Cash flows from operating activities			
Payments to suppliers and employees (inclusive of GST)		(1,166,161)	(1,056,941)
Interest received		8,177	2,969
Interest and other finance costs paid		(2,274)	(4,082)
Sales taxes refunded		497,522	-
Income taxes paid		(116,259)	-
Net cash used in operating activities		(778,995)	(1,058,054)
Cash flows from investing activities			
Payments for property, plant and equipment		(41,425)	(25,585)
Payments for exploration and evaluation		(1,844,238)	(630,847)
Payments for acquisition of Canadian Projects		(547,819)	(2,283,419)
Proceeds on sale of tenements		626,800	-
Net cash used in investing activities		(1,806,682)	(2,939,851)
Cash flows from financing activities			
Proceeds from issue of shares, net of transaction costs		1,283,000	7,989,976
Receipts from working capital facility		344,454	60,000
Repayment of loan		(67,043)	-
Net cash from financing activities		1,560,411	8,049,976
Net (decrease)/increase in cash and cash equivalents		(1,025,266)	4,052,071
Cash and cash equivalents at the beginning of the financial half-year		2,360,814	4,594,342
Effects of exchange rate changes on cash and cash equivalents		(1,520)	146
Cash and cash equivalents at the end of the financial half-year		1,334,028	8,646,559

The above statement of cash flows should be read in conjunction with the accompanying notes



Note 1. General information

The financial statements cover Labyrinth Resources Limited as a Group consisting of Labyrinth Resources Limited and the entities it controlled at the end of, or during, the half-year. The financial statements are presented in Australian dollars, which is Labyrinth Resources Limited's functional and presentation currency.

Labyrinth Resources Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Suite 5, Level 1, 460 Roberts Road, Subiaco WA 6008

The Group is a gold development and exploration company, with a focus on sourcing, developing and managing stranded, high grade gold assets into production with projects in Western Australia and Canada.

The financial statements were authorised for issue, in accordance with a resolution of Directors, on 9 March 2023.

Note 2. Significant accounting policies

These general purpose financial statements for the interim half-year reporting period ended 31 December 2022 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2022 and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Going concern

The consolidated financial statements have been prepared on a going concern basis.

During the half year ended 31 December 2022, the Group has recorded a loss of \$1,543,705 (31 December 2021: \$1,851,062) and experience net cash outflow for operating and investing activities of \$2,585,677 (31 December 2021: \$3,997,905). At 31 December 2022, the Group had a net current liabilities of \$3,994,689 (30 June 2022: \$1,105,893). As at 31 December 2022, the cash balance was \$1,334,028 (30 June 2022: \$2,360,814).

The ability of the Group to continue as a going concern is dependent on securing additional equity funding to continue to fund its operational and exploration activities. These conditions indicate a material uncertainty that may cast a significant doubt about the Group's ability to continue as a going concern and, therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business.

The Directors believe there are sufficient funds to meet the entity's working capital requirements and as at the date of this report. The financial report has been prepared on the basis that the Group is a going concern, which contemplates the continuity of normal business activity, realisation of assets and settlement of liabilities in the normal course of business for the following reasons:

- The Directors have the ability to reduce expenditure in order to preserve cash if required; and
- The Group has historically demonstrated its ability to raise funds to satisfy its immediate cash requirements.



Note 2. Significant accounting policies (continued)

Should the Group not be able to continue as a going concern, it may be required to realise its assets and discharge its liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the financial report. This financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or liabilities that might be necessary should the Group not be able to continue as a going concern.

Note 3. Critical accounting judgements, estimates and assumptions

In preparing these consolidated financial statements, management has made judgements, estimates and assumptions that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively. Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the consolidated financial statements are included as follows:

Share-based payment transactions

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using either the Binomial or Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

Fair value measurement

Due to their short-term nature, the carrying amount of the current receivables, current payables and current borrowings are assumed to approximate their fair value. Loans and borrowings are recognised at the fair value of the consideration received, net of transaction costs.

Exploration and evaluation costs

Exploration and evaluation costs have been capitalised on the basis that the Group will commence commercial production in the future, from which time the costs will be amortised in proportion to the depletion of the mineral resources. Key judgements are applied in considering costs to be capitalised which includes determining expenditures directly related to these activities and allocating overheads between those that are expensed and capitalised. In addition, costs are only capitalised that are expected to be recovered either through successful development or sale of the relevant mining interest. Factors that could impact the future commercial production at the mine include the level of reserves and resources, future technology changes, which could impact the cost of mining, future legal changes and changes in commodity prices. To the extent that capitalised costs are determined not to be recoverable in the future, they will be written off in the period in which this determination is made.

Deferred consideration

Deferred consideration liability relates to the gold payable for the acquisition of the Canadian project that has been classified as financial liabilities at fair value through profit and loss. At each reporting date, the deferred consideration liability is reassessed against revised future gold prices, foreign exchange rate movements and any increase or decrease in the net present value of the liability will result in a corresponding gain or loss to profit or loss. The increase or decrease in liability resulting from the movement in future gold prices is recognised as gain or loss from financial instrument at fair value through profit or loss in profit and loss.



Note 4. Operating segments

Identification of reportable operating segments

The Group is organised into one operating segment being gold exploration and evaluation. The operating segment is based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources.

Reportable segments disclosed are based on aggregating leases where the evaluation and exploration interests are considered to form a single project. This is indicated by:

- having the same ownership structure;
- exploration being focused on gold; and
- exploration programs targeting the leases as a group, indicated by the use of the same exploration team, shared geological data and knowledge across the leases.

There have been no changes to the basis of segmentation or the measurement basis for the segment profit or loss during the half-year ended 31 December 2022.

Note 5. Other income

	31 Dec 2022 \$	31 Dec 2021 \$
Net gain on disposal of tenements*	1,096,112	-
Other income	140,453	-
Interest income - working capital facility**	-	1,591
Interest income - other	8,206	2,969
Other income	<u>1,244,771</u>	<u>4,560</u>

* Net gain on disposal of Penny's Find tenements (see note 9)

** The Company has earned interest on the working capital facility with Mineral Venture Pty Ltd ("Mineral Venture") to partially meet initial working capital costs for mining at Comet Vale. A variation to the facility was agreed on 29 October 2021 and no further interest will be paid on the remaining balance. On 2 September 2022, the working capital facility has been settled and no balance is outstanding as at 31 December 2022.

Note 6. Professional fees

	31 Dec 2022 \$	31 Dec 2021 \$
Accountancy and audit cost	92,090	79,195
Consultant fees	3,600	141,744
Directors remuneration	99,150	94,724
Legal fees	27,314	177,189
	<u>222,154</u>	<u>492,852</u>



Note 7. Loss from financial instrument at fair value through profit or loss

	31 Dec 2022 \$	31 Dec 2021 \$
Loss from revaluation of investment*	56,096	-
Loss from revaluation of deferred consideration**	1,652,253	207,554
	<u>1,708,349</u>	<u>207,554</u>

* Refer to note 12 for further details.

** Refer to note 14 for further details.

Note 8. Trade and other receivables

	31 Dec 2022 \$	30 June 2022 \$
<i>Current assets</i>		
Deposit	2,952	3,067
Loan to Mineral Ventures Pty Ltd*	-	360,000
Other receivables	151,449	417,634
	<u>154,401</u>	<u>780,701</u>
<i>Non-current assets</i>		
Loan to Mineral Ventures Pty Ltd*	-	16,060

* On 2 September 2022, Mineral Ventures and the Company agreed to settle the outstanding working capital facility, in which the Company allowed a 10% discount on the outstanding amount. A final payment of \$284,454 was received that day to fully extinguish the loan and \$31,606 of the loan has been written off to the profit and loss for the period.

Note 9. Non-current assets classified as held for sale

	31 Dec 2022 \$	30 June 2022 \$
<i>Current assets</i>		
Exploration and evaluation assets - Penny's Find	-	50,690

On 30 August 2022, the Company has completed the sale of the remaining 50% interest in Penny's Find gold project to Horizon Minerals Limited (Horizon). A pre-tax gain on disposal of \$1,096,112 has been recognised for the half year ended 31 December 2022. The key terms of the sale are as follows:

- \$526,800 cash at settlement
- 3,000,000 fully paid ordinary shares in Horizon escrowed for 6 months
- Horizon to assume future deferred payment obligations;
 - Mining start payment of \$200,000
 - First gold payment \$200,000
 - Contingent non-commencement of mining payment of \$100,000
- Net smelter royalty of 5% payable on the first 50,000 ounces produced from M27/156 and thereafter a 2.5% net smelter royalty.



Note 10. Property, plant and equipment

	31 Dec 2022 \$	30 June 2022 \$
<i>Non-current assets</i>		
Motor vehicles - at cost	107,216	111,395
Less: Accumulated depreciation	(49,114)	(22,950)
	<u>58,102</u>	<u>88,445</u>
Equipment - at cost	180,424	145,870
Less: Accumulated depreciation	(30,580)	(12,983)
	<u>149,844</u>	<u>132,887</u>
	<u>207,946</u>	<u>221,332</u>

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial half-year are set out below:

	Motor vehicle \$	Equipment \$	Total \$
Balance at 1 July 2022	88,445	132,887	221,332
Additions	-	41,425	41,425
Exchange differences	(2,374)	(5,752)	(8,126)
Depreciation expense	(27,969)	(18,716)	(46,685)
Balance at 31 December 2022	<u>58,102</u>	<u>149,844</u>	<u>207,946</u>

Note 11. Exploration and evaluation

	31 Dec 2022 \$	30 June 2022 \$
Exploration assets		
Opening balance	23,558,142	4,257,307
Acquisition of Labyrinth Canada and Denain Gold Projects	-	15,910,752
Exploration expenditure capitalised	1,515,090	4,472,583
Write off of capitalised exploration	(5,857)	(841,211)
Disposal of Penny's Find's tenements	(3,198)	-
Disposal of Golden Lode's tenements	-	(320,837)
Classified as held for sale	-	(50,690)
Exchange differences	(193,008)	130,238
Closing balance	<u>24,871,169</u>	<u>23,558,142</u>

Canadian Mining Tax Credits

The Company could be entitled to refundable credits on duties for losses under the Mining Tax Act. Those refundable credits on duties for losses are applicable on exploration costs incurred in the Province of Quebec. Furthermore, the Company could be entitled to refundable tax credits for resources for mining companies on qualified exploration expenditures incurred. The credits are recorded against the exploration costs incurred as stated in AASB 120, Government Assistance, when a notice of assessment is received due to the uncertainty around the timing and amount of any tax credits. As at 31 December 2022, the Company has submitted a return with a credit refundable position, however, the amount has not been recognised due to the uncertainty around the timing and amount of any credits that will be received.

Sale of Penny's Find gold project

On 30 August 2022, the Company completed the sale of the remaining 50% interest in Penny's Find gold project to Black Mountain Gold Limited ('Black Mountain'), a wholly owned subsidiary of Horizon Minerals Limited (ASX: HRZ) ('Horizon'). Refer to note 9 for further details.



Note 11. Exploration and evaluation (continued)

Sale of Golden Lode tenements

On 30 June 2022, the Group has completed the sale of Golden Lode tenements (P30/1100, P30/1102, P30/1103 and P30/1131) to Minstrel Resources Pty Ltd for a consideration of \$100,000 (GST included).

Note 12. Investments

	31 Dec 2022 \$	30 June 2022 \$
<i>Non-current assets</i>		
Shares held in Horizon Minerals Ltd*	183,000	-
Shares held in Richmond Vanadium Technology Ltd**	22,640	-
	<u>205,640</u>	<u>-</u>
<i>Reconciliation</i>		
Reconciliation of the fair values at the beginning and end of the current and previous financial half-year are set out below:		
Opening fair value	-	-
Additions	261,736	-
Fair value revaluation	(56,096)	-
	<u>205,640</u>	<u>-</u>

* The Group holds 3,000,000 fully paid ordinary shares in Horizon Minerals Limited at settlement at a deemed price based on the 10-day VWAP and escrowed for 6 months as part of the consideration on the sale of Penny's Find tenements. See note 9 for further details. The shares are classified as financial assets at fair value through profit or loss.

** On 5 December 2022, Horizon Minerals Limited spun out its Queensland rare earth interests into the newly minted Richmond Vanadium Technology Limited (RVT) that has successfully listed on the ASX. As shareholders of Horizon Minerals Limited, the Company has received RVT shares by way of capital reduction and in-specie distribution of 96,341 RVT shares. The shares are classified as financial assets at fair value through profit or loss.

Accounting policy for financial assets at fair value through profit or loss

Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Typically, such financial assets will be either: (i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit, or a derivative; or (ii) designated as such upon initial recognition where permitted. Fair value movements are recognised in profit or loss.

Note 13. Trade and other payables

	31 Dec 2022 \$	30 June 2022 \$
<i>Current liabilities</i>		
Trade payables	144,503	579,734
Accruals*	1,173,752	2,087,850
Provision for annual leave	53,488	38,838
Other payables	108,817	8,620
	<u>1,480,560</u>	<u>2,715,042</u>

*\$1,083,425 (CAD \$1,000,000) of the balance of accruals as at 31 December 2022 relates to deferred consideration payable for the acquisition of the Labyrinth and Denain Gold Projects. (30 June 2022: \$1,688,482 (CAD\$1,500,000)).



Note 14. Other liabilities

	31 Dec 2022 \$	30 June 2022 \$
<i>Current liabilities</i>		
Deferred consideration	<u>3,847,343</u>	<u>1,138,134</u>
<i>Non-current liabilities</i>		
Deferred consideration	<u>10,279,065</u>	<u>11,822,236</u>

Deferred consideration relates to 4,500oz gold payable to the vendor as part of the consideration payable for the Canadian Projects. The deferred consideration liability is recognised at fair value through profit or loss with changes in the fair value recognised in the consolidated statement of profit or loss. In the current period, a loss on fair value revaluation of \$1,652,253 has been recognised in the consolidated statement of profit or loss.

Note 15. Issued capital

	31 Dec 2022 Shares	30 June 2022 Shares	31 Dec 2022 \$	30 June 2022 \$
Share capital	<u>959,487,343</u>	<u>873,366,755</u>	<u>306,232,758</u>	<u>304,910,838</u>

Movements in ordinary share capital

Details	Date	Shares	Issue price	\$
Balance	1 July 2022	873,366,755		304,910,838
Share issued on performance rights exercised	9 December 2022	8,000,000	\$0.000	-
Share issued as remuneration (note 16)	9 December 2022	2,650,000	\$0.017	45,050
Share placement	23 December 2022	75,470,588	\$0.017	1,283,000
Share issue costs		<u>-</u>	<u>\$0.000</u>	<u>(6,130)</u>
Balance	31 December 2022	<u>959,487,343</u>		<u>306,232,758</u>

Note 16. Share-based payments

Shares

The following shares were issued as part of share based payments during the half year:

- On 9 December 2022, 250,000 shares at \$0.017 per shares have been issued under the Employee Incentive Scheme.
- On 9 December 2022, 2,400,000 shares at \$0.017 have been issued to Simon Lawson as part of his remuneration as Director of the Company.

Options

Set out below are summaries of options granted under the plan:

	Number of options 31 Dec 2022	Weighted average exercise price 31 Dec 2022	Number of options 31 Dec 2021	Weighted average exercise price 31 Dec 2021
Outstanding at the beginning of the financial half-year	36,500,000	\$0.045	-	\$0.000
Granted	<u>-</u>	<u>\$0.000</u>	<u>36,500,000</u>	<u>\$0.045</u>
Outstanding at the end of the financial half-year	<u>36,500,000</u>	<u>\$0.045</u>	<u>36,500,000</u>	<u>\$0.045</u>
Exercisable at the end of the financial half-year	<u>36,500,000</u>	<u>\$0.045</u>	<u>36,500,000</u>	<u>\$0.045</u>



Note 16. Share-based payments (continued)

31 Dec 2022

Grant date	Expiry date	Exercise price	Balance at the start of the half-year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the half-year
08/11/2021	07/11/2024	\$0.045	36,500,000	-	-	-	36,500,000
			36,500,000	-	-	-	36,500,000
Weighted average exercise price			\$0.045	\$0.000	\$0.000	\$0.000	\$0.045

Set out below are the options exercisable at the end of the financial half-year:

Grant date	Expiry date	31 Dec 2022 Number	31 Dec 2021 Number
08/11/2021	07/11/2024	36,500,000	36,500,000
		36,500,000	36,500,000

The weighted average remaining contractual life of options outstanding at the end of the financial half-year was 1.36 years (31 December 2021: 2.36 years).

Performance rights

Set out below are summaries of performance rights granted under the plan:

	Number of rights 31 Dec 2022	Weighted average exercise price 31 Dec 2022	Number of rights 31 Dec 2021	Weighted average exercise price 31 Dec 2021
Outstanding at the beginning of the financial half-year	32,800,000	\$0.000	12,800,000	\$0.000
Granted	3,600,000	\$0.000	-	\$0.000
Exercised	(8,000,000)	\$0.000	-	\$0.000
Outstanding at the end of the financial half-year	28,400,000	\$0.000	12,800,000	\$0.000

31 Dec 2022

Grant date	Expiry date	Exercise price	Balance at the start of the half-year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the half-year
18/06/2021	30/06/2025	\$0.000	7,680,000	-	-	-	7,680,000
18/06/2021	30/06/2025	\$0.000	2,560,000	-	-	-	2,560,000
18/06/2021	30/06/2025	\$0.000	2,560,000	-	-	-	2,560,000
04/04/2022	30/06/2024	\$0.000	8,000,000	-	(8,000,000)	-	-
04/04/2022	30/06/2024	\$0.000	8,000,000	-	-	-	8,000,000
04/04/2022	30/06/2024	\$0.000	4,000,000	-	-	-	4,000,000
09/12/2022	30/06/2024	\$0.000	-	2,400,000	-	-	2,400,000
09/12/2022	30/06/2024	\$0.000	-	1,200,000	-	-	1,200,000
			32,800,000	3,600,000	(8,000,000)	-	28,400,000

The weighted average remaining contractual life of performance rights outstanding at the end of the financial half-year was 1.95 years (31 December 2021: 1.53 years).



Note 16. Share-based payments (continued)

Performance Rights granted during the current financial half year are as follows:

- 2,400,000 Tranche 2 performance rights issued on 9 December 2022 and subject to vesting condition relating to the delivery of JORC 2012 compliant Mineral Resource Estimates during the period 22 November 2022 to 30 June 2024 for the Labyrinth and Denain Gold Projects in Quebec Canada that collectively total a minimum of 650,000oz gold. The cut-off grades used in generating the JORC 2012 Mineral Resource Estimates will be 3g/t and 1.5g/t for the Labyrinth and Denain Gold Projects respectively.
- 1,200,000 Tranche 3 Performance Rights issued on 9 December 2022 and subject to vesting condition relating to the achievement of an Australian Stock Exchange 30 day VWAP for Labyrinth Resources Limited Shares of 10 cents or greater during the period 22 November 2022 to 30 June 2024, which will be adjusted accordingly via a pro-rata calculation if a consolidation of shares takes place during the period.

For the performance rights granted during the current financial half-year, the valuation model inputs used to determine the fair value at the grant date, are as follows:

Grant date	Expiry date	Share price at grant date	Exercise price	Expected volatility	Dividend yield	Risk-free interest rate	Fair value at grant date
09/12/2022	30/06/2024	\$0.017	\$0.000	100.00%	-	3.03%	\$0.017
09/12/2022	30/06/2024	\$0.017	\$0.000	100.00%	-	3.03%	\$0.004

Note 17. Related party transactions

Parent entity

Labyrinth Resources Limited is the parent entity.

Subsidiaries

Interests in subsidiaries are set out in note 19.

Key management personnel

Disclosures relating to key management personnel are set out in note 18.

Transactions with related parties

Other than the transactions disclosed in note 18, there were no other transactions with related parties during the current and previous financial half-year.

Receivable from and payable to related parties

The following balances are outstanding at the reporting date in relation to transactions with related parties:

	31 Dec 2022	30 June 2022
	\$	\$
<i>Current payables:</i>		
Payables to key management personnel	51,957	153,904

Loans to/from related parties

The following balances are outstanding at the reporting date in relation to loans with related parties:

	31 Dec 2022	30 June 2022
	\$	\$
<i>Total receivables:</i>		
Working capital facility to Mineral Ventures Pty Ltd	-	360,000

- * On 2 September 2022, Mineral Ventures Pty Ltd (formerly GBF Mining Pty Ltd), a company which Mr Michael Foulds (director) and his alternate Mr Ross Graham (both resigned on 11 November 2011) are shareholders and directors have settled the outstanding working capital facility, in which the Company has allowed a 10% discount on the Outstanding amount. A final payment of \$284,454 was received that day to fully extinguish the loan and \$31,606 of the loan has been written off to the profit and loss for the period.



Note 17. Related party transactions (continued)

Terms and conditions

All transactions were made on normal commercial terms and conditions and at market rates.

Note 18. Key management personnel disclosures

Compensation

The aggregate compensation made to Directors and other members of key management personnel of the Group is set out below:

	31 Dec 2022	31 Dec 2021
	\$	\$
Short-term employee benefits	247,575	253,263
Post-employment benefits	17,325	42,835
Share-based payments	146,307	345,503
	<u>411,207</u>	<u>641,601</u>

Other than disclosed above and in note 17, there is no other material change in transactions with key management personnel since the last annual report.

Note 19. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 2:

Name	Principal place of business / Country of incorporation	Ownership interest	
		31 Dec 2022	30 June 2022
		%	%
Orminex West Pty Ltd	Australia	100%	100%
Golden Lode Pty Ltd	Australia	100%	100%
Orminex Happy Jack Pty Ltd*	Australia	-	100%
Orminex Penny's Find Pty Ltd	Australia	100%	100%
Orminex Cannon Mine Pty Ltd	Australia	100%	100%
Labyrinth Resources Canada Pty Ltd	Canada	100%	100%

*Orminex Happy Jack Pty Ltd has been deregistered during the half year period.

Note 20. Contingent liabilities

As part of the consideration and at the completion of the Penny's Find sale, the vendor has agreed to assume all future deferred payments, obligations and royalties inclusive of the net smelter royalty on Penny's Find Gold Mine that was previously contingent on the commencement of mining activities estimated at \$500,000 on 30 June 2022 (see note 9 for further details). There are no material contingent liabilities as at 31 December 2022.

Note 21. Events after the reporting period

No matter or circumstance has arisen since 31 December 2022 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.



In the Directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the Group's financial position as at 31 December 2022 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of Directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the Directors

Dean Hely
Non-Executive Chairman

16 March 2023
Perth

**INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF LABYRINTH RESOURCES LIMITED****Report on the Half-Year Financial Report****Conclusion**

We have reviewed the accompanying half-year financial report of Labyrinth Resources Limited (the Company) and its controlled entities (the consolidated entity or Group), which comprises the consolidated statement of financial position as at 31 December 2022, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity, the consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of the Company is not in accordance with the *Corporations Act 2001*, including:

- i. giving a true and fair view of the consolidated entity's financial position as at 31 December 2022 and of its performance for the half-year ended on that date; and
- ii. complying with Accounting Standard AASB 134: *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with Auditing Standards on Review Engagements ASRE 2410: *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Emphasis of Matter - Material Uncertainty related to Going Concern

We draw attention to Note 2 Going Concern in the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern. If the Group was not able to continue as a going concern then it may be unable to realise its assets and discharge its liabilities in the normal course of business. Our opinion is not modified in respect of this matter.

Responsibility of the Directors for the Half-Year Financial Report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

**INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF LABYRINTH RESOURCES LIMITED (CONTINUED)**

Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the financial report based on our review. ASRE 2410 requires us to conclude whether anything has come to our attention that causes us to believe that the financial report is not in accordance with the *Corporations Act 2001* including:

- a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2022 and its performance for the half-year ended on that date; and
- b) complying with Accounting Standard AASB 134: *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



NEIL PACE
PARTNER



MOORE AUSTRALIA AUDIT (WA)
CHARTERED ACCOUNTANTS

Signed at Perth this 16th day of March 2023.



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