



ANNUAL REPORT

30 June 2023

Labyrinth Resources Limited
ABN 45 008 740 672





CORPORATE DIRECTORY

DIRECTORS

Dean Hely
Simon Lawson
Matthew Nixon

CHIEF EXECUTIVE OFFICER

Jennifer Neild

COMPANY SECRETARY

Kelly Moore

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AUDITOR

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STOCK EXCHANGE LISTING

Australian Securities Exchange (ASX code: LRL)

WEBSITE

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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 year ended 30 June 2023.

Directors

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

Dean Hely (Non-Executive Chairman)
 Simon Lawson (Non-Executive Director)
 Matt Nixon (Non-Executive Director - appointed 1 July 2023)
 Mel Ashton (Former Non-Executive Director - resigned 30 June 2023)

Information on Directors

Name: Dean Hely
 Title: Independent Non-Executive Chairman - appointed 17 October 2019 (length of service 3 years, 11 months). Mr Hely transitioned from his role as Non-Executive Director to Non-Executive Chairman effective 9 June 2021.
 Experience and expertise: Mr Hely is the Managing Partner of the independent West Australian legal firm Lavan and a partner in the Corporate and Reconstruction group. Mr Hely has more than 27 years' experience working in corporate reconstruction, insolvency and commercial litigation. Mr Hely was admitted as a Partner of Lavan's predecessor firm, Phillips Fox Perth, in 1999, Deputy Managing Partner of that firm and then of Lavan from 2002 to 2013, and became Managing Partner of Lavan in 2013.

In 2016, Mr Hely and others established Quadrant Advisory, a debt advisory practice that assists clients ranging from mid-sized companies through to ASX listed companies with their debt requirements.

Other current directorships: None
 Former directorships (last 3 years): None
 Interests in shares: 16,250,001
 Interests in options: 5,000,000

Name: Matthew Nixon
 Title: Non-Executive Director - appointed 1 July 2023 (length of service 3 months).
 Experience and expertise: Mr Nixon is a qualified mining engineer with more than 13 years of experience in successful underground and open pit operations working for both mining contractor and mine owner companies across gold and other commodities. Mr Nixon is currently the General Manager of Leonora Operations for Genesis Minerals Limited and has worked as the Mining Manager at Northern Star Resources Limited flagship Jundee Operations. He has also held operational and senior positions with St Barbara Ltd and Redpath Australia.

Mr Nixon holds a Bachelor of Mining Engineering with Honours from the University of NSW and a WA First Class Mine Manager's Certificate.

Other current directorships: N/A
 Former directorships (last 3 years): N/A
 Interests in shares: 10,046,372



Name: Simon Lawson
Title: Technical Director - appointed 11 November 2021 (1 year and length of service 10 months)
Experience and expertise: Mr Lawson is a professional geoscientist with more than 15 years' experience spanning multiple commodities and jurisdictions and was a founding team member of Northern Star Resources Limited that transformed a small WA gold mine into a multi-billion dollar gold heavyweight. Currently Mr Lawson is the Managing Director of ASX-listed Spartan Resources Limited (formerly Gascoyne Resources Limited), a West-Australian gold-producer, and has personally visited and reviewed the acquired Canadian gold properties.
Other current directorships: Spartan Resources Limited
Former directorships (last 3 years): None
Interests in shares: 7,400,000

Name: Mel Ashton
Title: Former Independent Non-Executive Director - appointed 9 June 2021 and resigned 30 June 2023 (length of service 2 years and 1 month).
Experience and expertise: Mr Ashton holds a Bachelor of Commerce degree from the University of Western Australia, is a fellow of the Chartered Accountants Australia. Mr Ashton has over 35 years' of experience as a Chartered Accountant and leverages his strategic approach and business network in his role as a specialist in Corporate Restructuring and Finance and as a Professional Company Director.
Mr Ashton is the independent Chair of the Finance and Risk Committee at the Hawaiian Group, the Western Australian based property group.
Other current directorships: Aurora Labs Ltd (since January 2018)
Venture Minerals Ltd (since May 2006)
Former directorships (last 3 years): N/A
Interests in shares: 1,666,667
Interests in options: 4,000,000

'Other current directorships' quoted above are current directorships for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

'Former directorships (last 3 years)' quoted above are directorships held in the last 3 years for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

Company secretary

Ms Kelly Moore (appointed 13 February 2018)

Ms Moore is a qualified Chartered Accountant and Company Secretary with extensive experience in providing accounting and secretarial advice to public companies. Ms Moore holds a Bachelor of Commerce degree from the University of Western Australia, is a member of the Institute of Chartered Accountants Australia and New Zealand, is a graduate of the Australian institute of company directors and an associate member of the Governance Institute of Australia.

Meetings of Directors

The number of meetings of the Company's Board of Directors ('the Board') held during the year ended 30 June 2023, and the number of meetings attended by each Director were:

	Attended	Full Board Held
Dean Hely - appointed 17 Oct 19	10	10
Mel Ashton - appointed 9 June 21	7	10
Simon Lawson - appointed 11 Nov 21	10	10

Held: represents the number of meetings held during the time the Director held office.

Principal activities

The principal activity of 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 Canada and Western Australia and Canada.



Review of operations

In the 12 months to June 30, 2023, the Company implemented its strategy to establish a substantial North American gold inventory following the transformational acquisition of the Labyrinth and Denain gold projects in Quebec.



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 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 laminations and host sulphides associated with the mineralising event.

During the previous year, the Company safely and successfully completed the maiden 7,800m underground and surface diamond drilling program to facilitate the conversion of the Project's foreign estimate (NI 43-101 from 2010) into a Mineral Resource reported in accordance with the JORC Code (2012).

In July and August 2022, LRL shared assay results from 5 drillholes targeting deeper extensions of known mineralisation. The 5 drillholes totalled 3,135 m targeting ~700 m depth and across ~1.2 km of the currently defined 1.6km in strike and 4 of which intersected mineralisation and successfully showed the depth potential of Boucher, Talus, Front West and McDowell Lodes.



Highlight results delivered from the 3,135 m of drilling continued to demonstrate the high-grade nature of the Labyrinth deposit, including:

- 2.2 m @ 10.67 g/t from 143.5 m including 0.5 m @ 44.12 g/t as well as 1.0 m @ 7.43 g/t from 147.8 m. These results are 125 m below the currently modelled Front-West lode and importantly exist within a broader mineralised interval of 8.1 m @ 4.05 g/t from 143.5 m in LABS-22-01A
- 1.4 m @ 13.32 g/t from 652.3 m including 0.9 m @ 20.53 g/t in LABS-22-02 375 m down plunge of the currently modelled Boucher lode and
- 2.9 m @ 5.63 g/t from 600.1 m in LABS-22-04 including 0.9 m @ 7.9 g/t, extending the McDowell lode 390 m down-dip and 370 m along strike

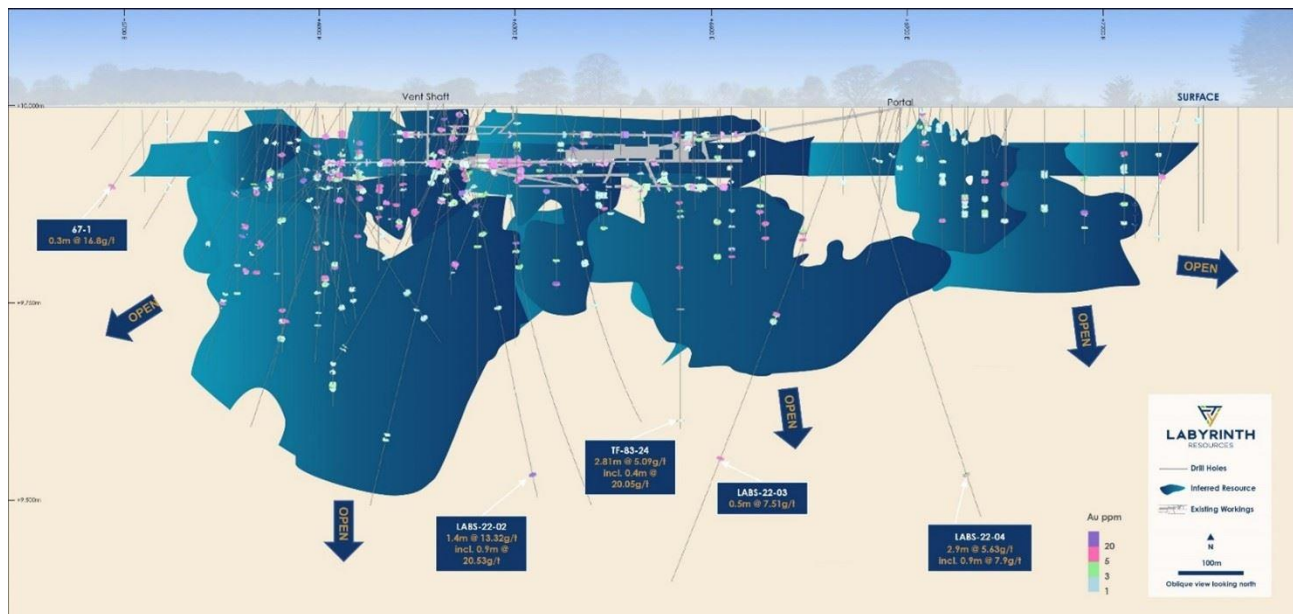


Figure 2 - Long section of Labyrinth Inferred Mineral Resource and drilling results



Figure 3 - Surface Diamond Drill Rig at Labyrinth Gold Project



The Labyrinth mineralisation remains open at depth and along strike, with exploration to date only targeting up to ~500 m below surface, whilst multiple neighbouring operations in the Abitibi Greenstone Belt demonstrate significant depth continuity and often with higher grades as depth increases.

During the period, Labyrinth engaged Rene Sterk Consulting ('RSC') to undertake the updated a Mineral Resource Estimation ('MRE') as seen in ASX announcement dated 27 September 2023. Prior to September 2022, the Project had an existing non-JORC compliant historic resources.

Labyrinth announced in September 2022, that a JORC-compliant inferred Mineral Resource of 3 Mt at 5.0 g/t for 500,000 oz was estimated at 3 g/t cut-off. There was a notable high-grade component of 150,000 oz at 10 g/t (above 6 g/t cut-off). 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 2).

	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.

Table 1. Labyrinth Minerals Resource Estimate Summary by Lode.

Earlier in the year, metallurgical study results were received that confirmed a favourable recovery of **95.2%** at the Labyrinth Gold Project using conventional gravity and flotation circuit (see ASX Announcement 24 November 2022). 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 the 2022 drill program to variability diamond core samples.

GETT Payment

As announced on 1 May 2023, Labyrinth is pleased to have revised the terms and conditions of the Project Acquisition Agreement (refer ASX Announcements 2 September 2021, 9 November 2022 and 3 April 2023) with G.E.T.T. Gold Inc ('GETT'). The revised terms have enabled the pathway to future production to be simplified and capital can be allocated to optimal value accretive activities. Key revised terms are:

- Delivery of Payable Gold to GETT over a 48-month period commencing 8 November 2021 will now only be triggered upon commencement of profitable Production Activities at the project in the future.
- Payment of the remaining acquisition cost previously due 31 March 2023, being CAD\$1 million, is deferred and divided into two equal payments of CAD\$500,000 (plus accrued interest at a simple rate of 7% per annum from 30 November 2023) on or before 30 April 2023 and 30 September 2023.
- Delivery of 450 oz of Payable Gold to GETT previously due 31 March 2023, is deferred until the earlier of 31 December 2023 or the date on which the Company publicly announces a mineral reserve estimate and can be delivered via the issuing of fully paid ordinary shares in Labyrinth of the cash equivalent of 450 oz.

Labyrinth is pleased to share that the Company is well placed to meet the payment due on 30 September 2023 and will enable the Company to obtain 100% ownership of the Labyrinth Project mining claims and 100% ownership of the Denain Project claims. This is a significant step forward for the Company and will allow for a more favourable strategic position in the region.



AUSTRALIAN ACTIVITIES

Comet Vale

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 (see Figure 4 for location details).

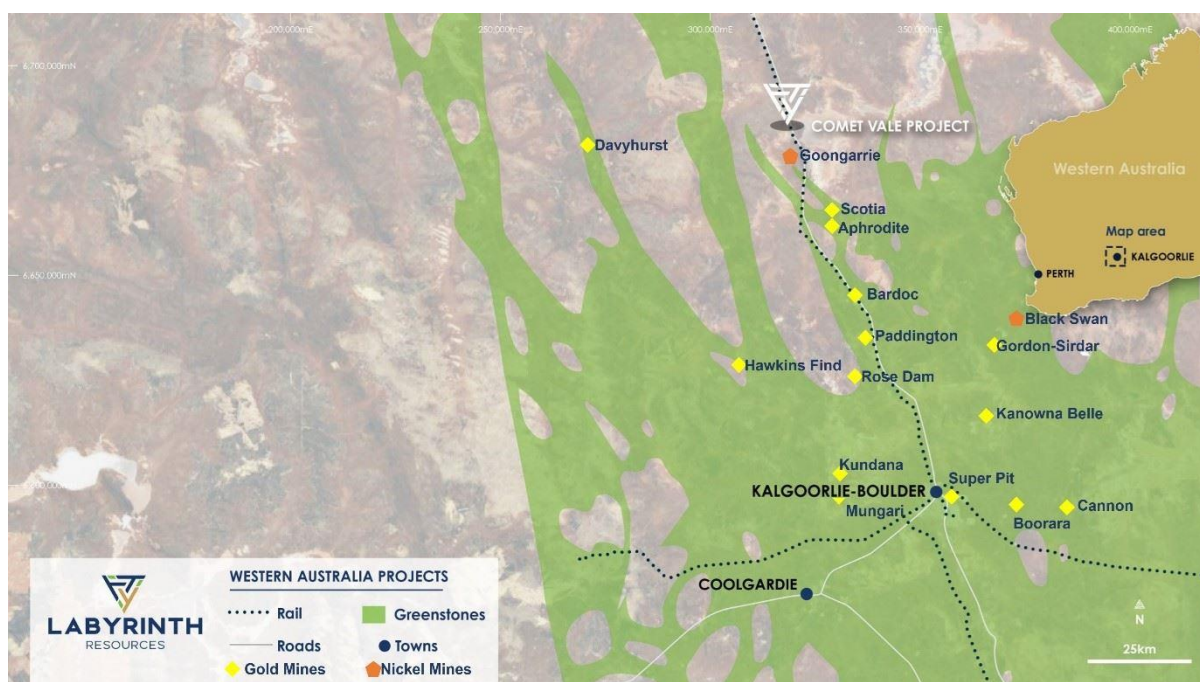


Figure 4 - Labyrinth Resources West Australian projects

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 44 m 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 (see Figure 5).

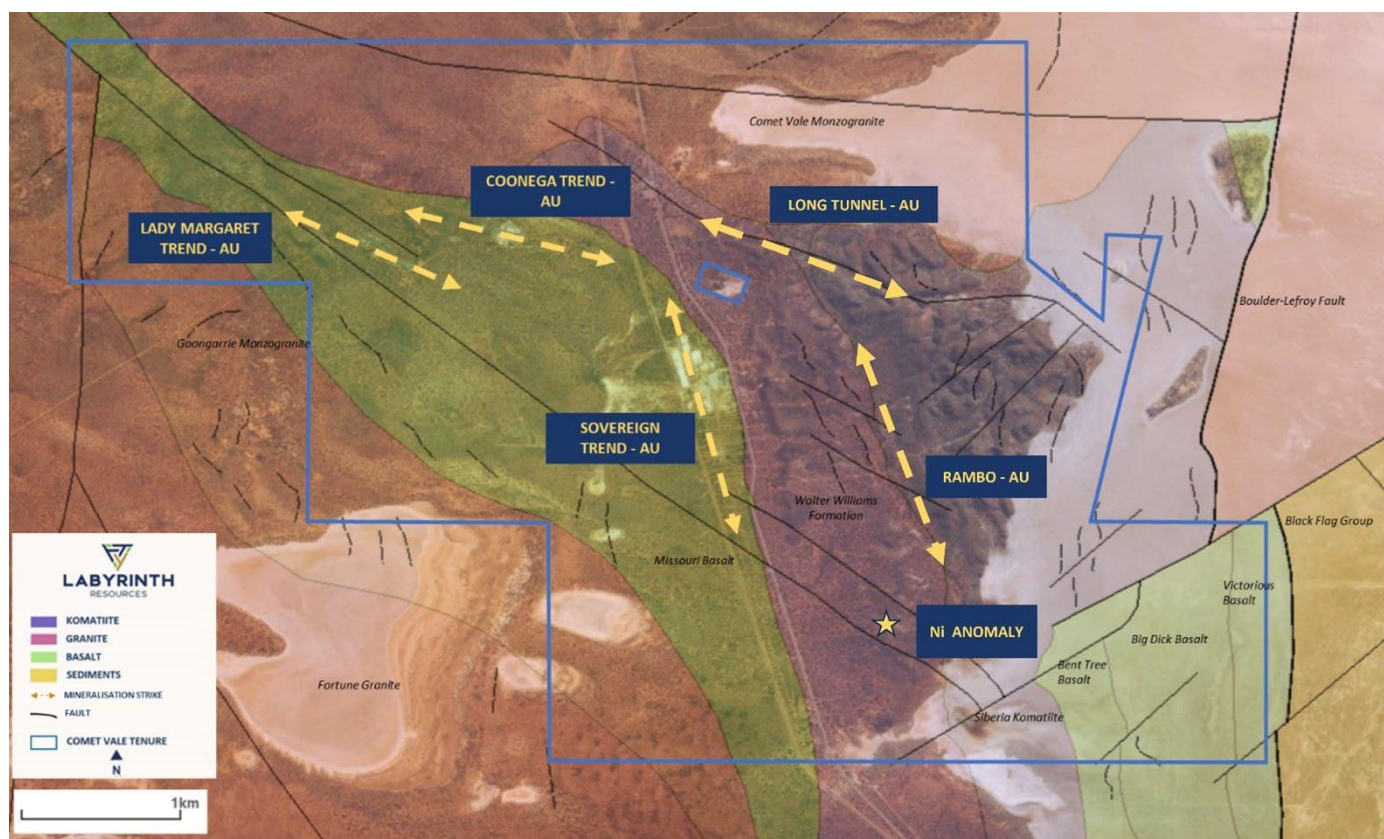


Figure 5 - Multiple mineralised trends on the Comet Vale tenure

During the year, the Company conducted a review of the tenements and the exploration potential of the recently mined Sovereign Trend. Initial ground work took place in order to confirm the results of the review. It was determined that there is still significant potential at Comet Vale's Sovereign Trend and an 18 RC drillhole exploration program was undertaken in March/April 2023. Prior to this, it was determined that the previous resource estimate needed an update to account for production that occurred during mining operations (see ASX announcement 11 April 2023).

The global indicated and inferred mineral resource has been reported at two cut-off values to support both open pit and underground operations. A reporting cut-off value of 0.5g/t has been utilised for open pit (100 m below surface) reporting while a reporting cut-off value of 2.5g/t has been utilised for underground. The combined reported Indicated and Inferred Mineral Resource is 620Kt at 4.81g/t for 96K oz of gold (Au).

- The global inferred mineral resource estimate for open pit, at a reporting cut-off value of 0.5 g/t:
- 369 Kt at 3.33 g/t for 39 Koz of Au (Table 2).
- The global indicated and inferred mineral resource estimate for underground, at a reporting at a cut-off value of 2.5 g/t:
- 250 Kt at 6.98 g/t for 56 Koz of Au (Table 3).

Comet Vale Depleted Resource, Au $\geq$ 0.5g/t (OP)

Category	Tonnage	Au Grade (g/t)	Au Ounces
Indicated	182,478	4.34	25,455
Inferred	186,482	2.34	14,022
	368,960	3.33	39,477

Table 2: Comet Vale March 2023 Depleted Open Pit Resource (Au $\geq$ 0.5 g/t OP)



Comet Vale Depleted Resource, Au $\geq$ 2.5g/t (UG)

Category	Tonnage	Au Grade (g/t)	Au Ounces
Indicated	128,390	7.41	30,572
Inferred	122,138	6.53	25,661
	250,528	6.98	56,233

Table 3: Comet Vale March 2023 Depleted Underground Resource (Au $\geq$ 2.5 g/t UG)

This Mineral Resource covers only the Sovereign Trend of lodes to a maximum depth of ~400 m below surface. With 7 other known mineralised gold trends as well as the potential for parallel systems to be discovered, there is significant growth potential across the Project which the Company intends to explore for future resource growth and to bring new discoveries into the pipeline.

The 18-hole RC program targeted the Sovereign Gold Trend, host to previous underground and open pit mining, and produced multiple significant high-grade results including:

- 5 m @ 15 g/t Au from 46 m, including 2 m @ 35.6 g/t Au from 49 m, in hole CVRC23_008 and 3 m at 11.41g/t Au from 46 m in hole CVRC23_007, with both results down-dip of the existing Princess Grace open pit
- 4 m at 8.02 g/t Au from 126 m including 2 m @ 15.53 g/t (with 1 m at 25.56 g/t) Au from 125 m in hole CVRC23_016, located outside of the current Resource and along strike from historical Sand Queen underground workings

There are 8 individual lodes that make up the Sand George and Princess Grace deposits that were mined in two open pits and from the underground workings. Both deposits are open at depth as demonstrated by this drill program and have the potential to host high grades over significant widths.

The mineralisation is hosted in a quartz vein that ranges from 1-5 m wide, with pyrite the key associated mineral to the gold. The quartz vein is hosted within the Missouri Basalt, a massive basalt unit also hosts the Sand Queen lodes. Of significant note is the lack of drilling down dip of the Sand George/Princess Grace in comparison to the Sand Queen lodes, highlighting a large footprint for potential Resource growth with further drilling.

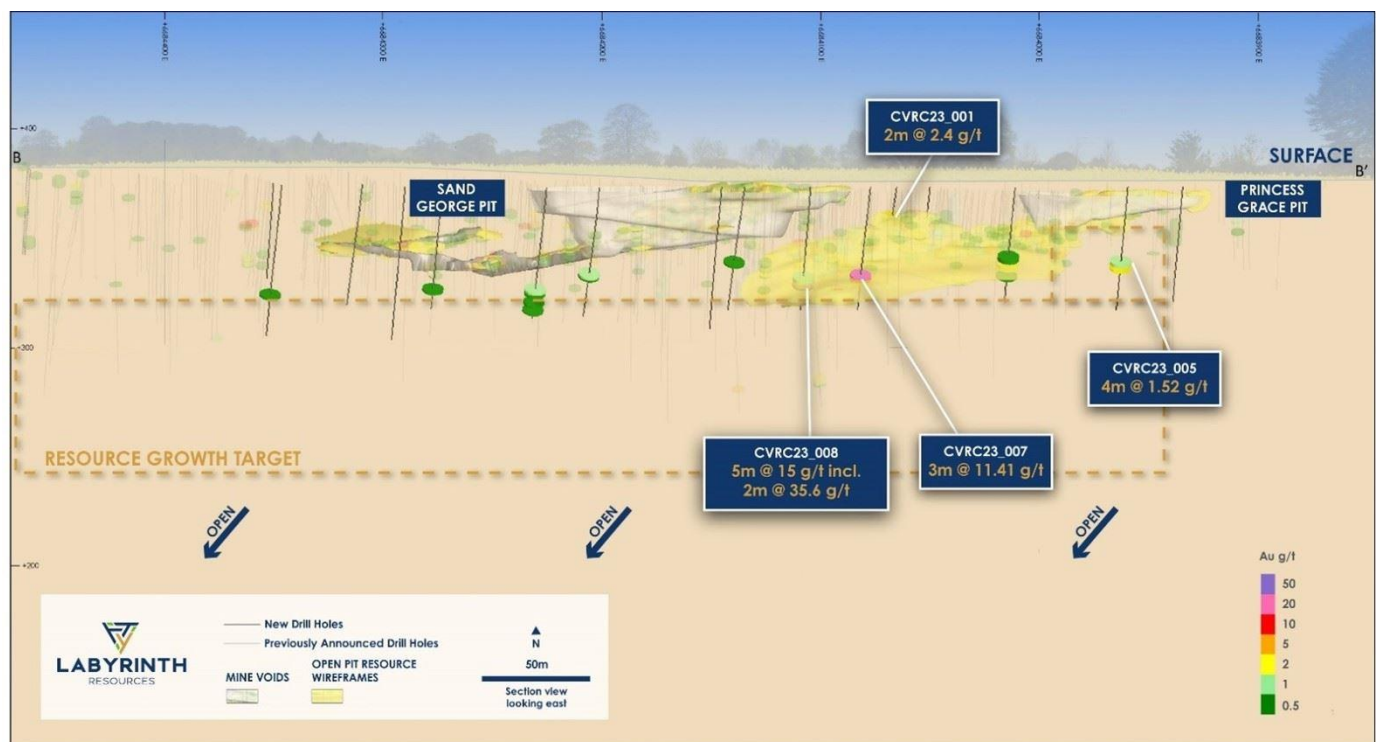


Figure 6 - Long section of Sand George and Princess Grace open pits with mineralisation (Resource wireframes) and drill hits above 0.5g/t



Figure 7 demonstrates the substantial Resource growth potential of the currently only shallowly defined Sand George mineralisation, with testing of the current Resource wireframe producing the very high-grade results in holes CVRC23_007 and 008 of 3 m @ 11.4 g/t and 5m @ 15 g/t (including 2 m @ 35.6 g/t) respectively.

Historic drilling has delineated strong intercepts and high-grades down-dip and outside of the current Resource classification, with future drilling of these areas to target further extensions and subsequent Resource growth, particularly when considering the demonstrated extents of the Sand Queen system.

Mineralisation is hosted in a steeply dipping set of quartz veins hosted within the Missouri Basalt, with visible gold common as well as being associated with pyrite, sphalerite and galena. The highest grades are correlated with the vein being in contact with porphyry intrusions creating linear down-plunge drill targets easily identifiable.

Historical records show that higher grades are associated when the quartz veining is in contact with a porphyry lithology. Mining of these lodes has been carried out to 250m vertical depth; drilling has confirmed mineralisation extends to greater than 400m.

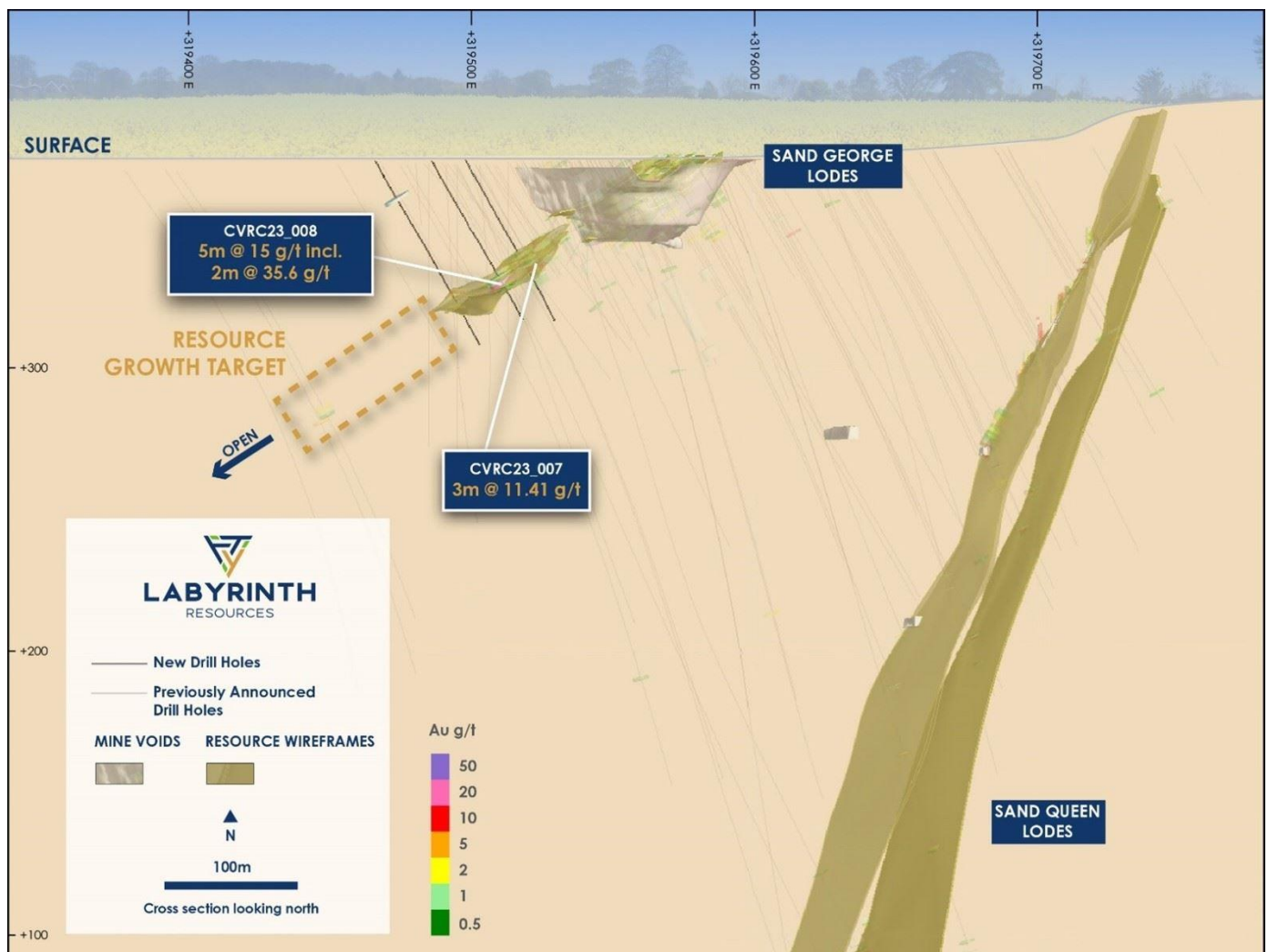


Figure 7 - Cross section showing lode geometry of Sand Queen and Sand George, mine voids and high-grade intercepts

More recent work post period end, continued to dig deeper on the compilation of historic data. Geophysical datasets, geochemical data and geological data has been acquired from the last 60 years of exploration. This is to help determine which lodes hold the most potential for depth and strike extension and delineation for high grade gold. A short reconnaissance field trip has also taken place to look into the REE and LCT (Lithium Caesium Tantalum) bearing pegmatite potential.



CORPORATE UPDATE

Capital Raising Activities

In December 2022, 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.

Post period end, in July 2023 Labyrinth announced that the Company received firm commitments for A\$1,015,500 in a private share placement to new strategic sophisticated investors and existing major shareholders at a price of 0.7c per share ('Placement'). Proceeds will support the growth and exploration of the Company's high-grade gold projects. In conjunction with the Placement, Labyrinth undertook a pro-rata non-renounceable entitlement issue ('Rights Issue') of one (1) new share for every four (4) existing shares held by eligible shareholders at an issue price of 0.7c each, representing an identical discount to the 5-day VWAP which is being applied for the calculation of the Placement price, to raise up to \$1,679,103. The resulting amount of additional uptake equated to \$560,894 as announced on 7 August 2023.

Board and Executive Change

During the year, substantial changes were made to the Corporate structure of the Company. These changes reflect the strategic direction of the Company to focus on exploration activities and resource extension of the Projects. In addition, a review of exploration potential of the current tenement package and its' surrounding tenure.

As part of the strategic Board and key management changes, Mel Ashton resigned from his role of Non-Executive Director, effective 30 June 2023.

Mr Matt Nixon resigned from the role of Chief Executive Officer and in recognition of his critical role in the business was appointed to the role of Non-Executive Director. The retention of Mr Nixon's expertise in the resources industry and knowledge of the Labyrinth business in a Director capacity ensures the Company remains well placed to deliver its strategic objectives and generate shareholder value.

To support the exploration and growth activities of Labyrinth, the Company appointed Ms Jennifer Neild to the role of Chief Executive Officer commencing in August 2023. Ms Neild has a wealth of knowledge on both West Australian and international exploration projects. Her strengths lying in the application of regional and near mine targeting for a variety of mineralisation models.

Financial results and condition

The loss for the Group after providing for income tax amounted to \$6,178,057 (2022: \$6,920,346).

The Group has a working capital deficit of \$1,750,766 (2022: surplus \$1,105,893) and net cash inflows of \$1,945,499 (2022: outflows \$2,237,297).

Summary of results

	2023 \$	2022 \$
Revenue from ordinary activities	-	-
Other income	1,304,253	7,151
	<u>1,304,253</u>	<u>7,151</u>
Loss before income tax	(6,042,951)	(6,939,689)
Income tax expense	(135,106)	19,343
Loss attributable to owners	<u>(6,178,057)</u>	<u>(6,920,346)</u>
Other comprehensive loss	(3,975)	(7,637)
Underlying loss per share (cents)	(0.68)	(0.91)
Shares on issue at reporting date	959,487,343	873,366,755
Weighted average number of shares	912,553,406	757,404,347



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.

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.

Competent Persons Statement

The information in this report that relates to exploration results for the Labyrinth Gold Project is based on information compiled by Mr Andrew Chirnside, who is a former employee of Labyrinth Resources Limited. Mr Chirnside is a professional geoscientist 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 report 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'. Mr. Sterk has consented to the inclusion of information pertaining to the Labyrinth Mineral Resource Estimation in this Annual Report.

The information in this report that relates to Comet Vale JORC 2012 Mineral Resource is based on information and supporting documentation compiled under the supervision of Ms Jacinta Blincow, a Competent Person, who is Member of the Australian Institute of Geoscientists (AIG). Ms Blincow is a Senior Resource Geologist at Right Solutions Australia Pty Ltd, independent resource development consultants. The full nature of the relationship between Ms Blincow and Labyrinth Resources Limited, including any issue that could be perceived by investors as a conflict of interest, has been disclosed. Ms Blincow has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity which she 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'. Ms. Blincow has consented to the inclusion of information pertaining to the Comet Vale Mineral Resource Update in this Annual Report.

The information has been reviewed and approved by Jennifer Neild, who is an employee of Labyrinth Resources Limited. Ms. Neild is a professional geoscientist and a Member of the Australian Institute of Geoscientists (AIG). Ms. Neild has sufficient experience relevant to the style of mineralisation and type of deposits under consideration, and to the activities which have 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. Ms. Neild consents to the inclusion in this announcement of the matters based on this information in the form and context in which it appears.

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
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
Labyrinth Gold Project Payment	9 November 2022
Excellent Metallurgical Results at Labyrinth Gold Project	24 November 2022
Labyrinth Embarks on Comet Vale Exploration Program	15 December 2022
Comet Vale Mineral Resource Estimate	11 April 2023
High grade gold results received at Comet Vale Project	2 May 2023
Gold, Lithium and Nickel Exploration at Comet Vale	20 September 2023

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.

Significant changes in the state of affairs

There were no other significant changes in the state of affairs of the Group during the financial year.

Dividends

There were no dividends paid, recommended or declared during the current or previous financial year.

Likely developments and expected results of operations

Likely developments in the operations of the Group are set out in the above review of operations in this annual report. Any future prospects are dependent upon the results of future exploration and evaluation.

Risk overview

The Company's activities have inherent risk and the Directors are unable to provide certainty of the expected results of these activities. The material business risks that the Company faces that could influence the Company's future prospects and how these are managed, are outlined below.

Exploration and operational

Mineral exploration and development is a speculative undertaking. There can be no assurance that the exploration on the Company's projects will result in the discovery of an economic mineral resource or that it can be economically exploited. In the event that exploration programmes prove to be unsuccessful this could lead to diminution in the value of the projects, a reduction in cash reserves and possible relinquishment of the mineral exploration licences associated with the projects.

The Company's future exploration activities may be affected by a range of factors including geological conditions, adverse weather and unanticipated operational or technical difficulties beyond the control of the Company. This is managed where possible by undertaking exploration activities when more favourable seasonal weather patterns are expected and extensive planning and completion of the work by experienced professionals.

Tenure

Applications

A number of the Company's tenements are under application. While the Company does not anticipate there to be any issue with the grant of these applications, there can be no assurance that the applications will be granted. While the risk is considered to be low, there is no assurance that when the tenement is granted it will be granted in its entirety.

Access

A number of the Western Australian tenements overlap certain pastoral, historical or general leases. The Company is not aware of any factors that would prevent the Company from undertaking its proposed activities on these tenements. Should the Company commence mining operations on these tenements the Company may need to consider entering into compensation or access agreements with the leaseholders to ensure the requirements of the *Mining Act 1978* (WA) are satisfied.

Capital

The development of the Company's projects may require additional funding. Previous capital raises have been well-supported, however there can be no assurance that additional capital or favourable financing options will be available. If the Company is unable to obtain additional funding as needed, it may be required to scale back its exploration programmes.



Government regulations

The future development of the Company's projects will be subject to obtaining approvals from relevant government authorities. Any material adverse changes in government policies or legislation in Western Australia and Australia that affect mining, processing, development and mineral exploration activities, income tax laws, royalty regulations, and environmental issues may affect the viability and profitability of any future development of the Company's projects. No assurance can be given that new regulations will not be enacted or that the existing rules and regulations will not be applied in a manner which could adversely impact the Company's mineral properties.

Global market and financial conditions

The mineral resource industry and other industries are impacted by global market and financial conditions. Some of the key impacts of market uncertainty caused by the COVID-19 pandemic, global geopolitical tensions and inflationary economic environments may result in contraction in credit markets resulting in widening of credit risk, devaluations and volatility in global equity, commodity, foreign exchange and precious metal markets. Due to the current nature of the Company's activities a slowdown in the financial markets or other economic conditions may adversely affect the Company's share price, growth potential and ability to finance its activities.

Climate risk

There are a number of climate-related factors that may affect the operations and proposed activities of the Company. The climate change risks particularly attributable to the Company include:

- the emergence of new or expanded regulations associated with the transition to a lower-carbon economy and market changes related to climate change mitigation. While the Company endeavours to manage these risks and limit any consequential impacts, there can be no guarantee that the Company will not be impacted by these occurrences; and
- climate change may cause certain physical and environmental risks that cannot be predicted by the Company, including events such as increased severity of weather patterns, extreme weather events and longer term physical risks such as shifting climate patterns. These risks may significantly change the industry in which the Company operates.

Matters subsequent to the end of the financial year

Post period end, in July 2023 Labyrinth announced that the Company received firm commitments for A\$1,015,500 in a private share placement to new strategic sophisticated investors and existing major shareholders at a price of 0.7c per share ('Placement'). Proceeds will support the growth and exploration of the Company's high-grade gold projects. In conjunction with the Placement, Labyrinth undertook a pro-rata non-renounceable entitlement issue ('Rights Issue') of one (1) new share for every four (4) existing shares held by eligible shareholders at an issue price of 0.7c each, representing an identical discount to the 5-day VWAP which is being applied for the calculation of the Placement price, to raise up to \$1,679,103. The resulting amount of additional uptake equated to \$560,894 as announced on 7 August 2023.

No matter or circumstance has arisen since 30 June 2023 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.

Environmental regulation

The Group is subject to environmental regulation in relation to its exploration activities. It aims to ensure that the highest standard of environmental care is achieved, and that it complies with all relevant environmental legislation. The Directors are not aware of any breaches during the period covered by this report.

Shares under option

Unissued ordinary shares of Labyrinth Resources Limited under option at the date of this report are as follows:

Grant date	Expiry date	Exercise price	Number under option
8 November 2021	7 November 2024	\$0.0450	36,500,000

No person entitled to exercise the options had or has any right by virtue of the option to participate in any share issue of the Company or of any other body corporate.

Indemnity and insurance of officers

The Company has indemnified the Directors and executives of the Company for costs incurred, in their capacity as a Director or executive, for which they may be held personally liable, except where there is a lack of good faith.



During the financial year, the Company paid an insurance premium to insure the directors and executives of the Company against a liability to the extent permitted by the Corporations Act 2001. The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of the Group, and any other payments arising from liabilities incurred by the officers in connection with such proceedings. This does not include such liabilities that arise from conduct involving a wilful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage for themselves or someone else or to cause detriment to the Group. It is not possible to apportion the premium between amounts relating to the insurance against legal costs and those relating to other liabilities.

The Group has agreed to indemnify each of the Directors and the Company Secretary of the Company and its controlled entity, against all liabilities to another person (other than the Company or a related body corporate) that may arise from their position as Directors and Company Secretary of the company and its controlled entities, except where the liability arises out of conduct involving a lack of good faith. The agreement stipulates that the Company will meet the full amount of any such liabilities, including costs and expenses. No agreements have been entered into to indemnify the Group's auditors against any claims by third parties arising from their report on the Annual Financial Statements.

Indemnity and insurance of auditor

The Company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by the auditor.

During the financial year, the Company has not paid a premium in respect of a contract to insure the auditor of the Company or any related entity.

Non-audit services

Details of the amounts paid or payable to the auditor for non-audit services provided during the financial year by the auditor are outlined in note 31 to the financial statements.

The Directors are satisfied that the provision of non-audit services during the financial year, by the auditor (or by another person or firm on the auditor's behalf), is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

The Directors are of the opinion that the services as disclosed in note 31 to the financial statements do not compromise the external auditor's independence requirements of the Corporations Act 2001 for the following reasons:

- all non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the Company, acting as advocate for the Company or jointly sharing economic risks and rewards.

Proceedings on behalf of the Company

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

Remuneration report (audited)

The remuneration report details the key management personnel remuneration arrangements for the Group, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including all Directors.

The remuneration report is set out under the following main headings:

- Principles used to determine the nature and amount of remuneration
- Details of remuneration
- Service contracts
- Share-based compensation
- Consequences of performance on shareholder wealth
- Additional disclosures relating to key management personnel



Principles used to determine the nature and amount of remuneration

Remuneration levels for key management personnel of the Group are set to attract, retain and motivate appropriately qualified and experienced Directors and Executives. As the Group's principal activities during the year were new ventures and exploration / evaluation, measurement of remuneration policies against financial performance is not considered relevant. The measurement of remuneration policies considered a range of factors including budget performance, delivery of results and timely completion of development programmes.

The objective of the Group's reward framework is to ensure that remuneration policies and structures are fair and competitive. The Board of directors ("the Board") ensures that remuneration satisfies the following criteria for reward:

- competitiveness and reasonableness
- transparency
- attracts and retains high calibre executives
- rewards capability and experience.

ASX listing rules require the aggregate non-executive directors' remuneration be determined periodically by a general meeting. The most recent determination was at the Annual General Meeting held on 24 November 2011, where the shareholders approved a maximum annual aggregate remuneration of \$500,000.

Director remuneration

The combination of these comprises the director's total remuneration.

Fixed remuneration

Fixed remuneration consists of base remuneration plus employer contributions to superannuation funds (unless otherwise stated). Remuneration levels are reviewed annually by the Board through a process that considers individual and overall performance of the Group and compares remuneration to ensure it is comparable and competitive within the market in which the Group operates.

Fixed remuneration is not "at risk" but is appropriately benchmarked and set with reference to role, responsibilities, skills and experience.

Performance-linked remuneration

Performance-linked remuneration can consist of both short-term and longer-term remuneration. Performance-linked remuneration is not based on specific financial indicators such as earnings or dividends as the Group is at the exploration and development stage. Vesting of long term incentives is based on the share price performance of the Group, which is considered an appropriate measure of the outcome of overall performance. There is no separate profit-share plan.

Long-term incentive

Long-term incentives ('LTI') can comprise share options and/or performance rights ('PR'), which are granted from time to time to encourage sustained performance in the realisation of strategic outcomes and growth in shareholder value. Options and rights are granted for no consideration and do not carry voting rights or dividend entitlements.

Employee Incentive Option Plan

The Company adopted an Employee Incentive Option Plan ('EIOP') effective 29 October 2021. Under the EIOP, the Company may grant options to Company eligible employees to motivate and reward their performance in their respective roles up to a maximum of 5% of the Company's total issued ordinary shares at the date of the grant. The fair value of share options granted is estimated using the Black-Scholes Simulation model. The Company has not awarded options to Directors and Consultants under the EIOP to date.

Performance Rights granted as remuneration

Performance rights have been granted to eligible executives and external consultants and are subject to vesting conditions related to achieving a matrix of performance targets measured over a three-year period. On vesting, each right automatically converts to one ordinary share. Prior to their conversion into ordinary shares, rights do not entitle the holder to any dividends.

On 30 June 2023, all performance rights in the Company were cancelled.



The terms and conditions of the Performance Rights affecting remuneration for the reporting period are set out below:

Details		Performance Rights 2021
Performance measurement period		1 July 2020 to 30 June 2023
Expiry date		2 years after vesting of performance conditions
Vesting Conditions:	Details	Value at Performance Right Grant Date
Performance Vesting Hurdle: CAGR Shareholder Return (60% weighting)	Requires an assessment of the Company's compound annual growth rate in the Company's total shareholder return (CAGR TSR).	\$0.036
Performance Vesting Hurdle: Relative Total Shareholder Return (TSR) (20% weighting)	Requires an assessment of how the Company's TSR compares to the TSR of selected peers during the Performance Period. TSR includes dividends paid to shareholders.	\$0.042
Performance Vesting Hurdle: Market Capitalisation (20% weighting)	Requires the achievement of a target ASX market capitalisation of \$100M	\$0.027
Details		Performance Rights 2022
Performance measurement period		1 July 2021 to 30 June 2024
Expiry Date		30 June 2026
Vesting conditions:	Details	Value of Performance Rights
Performance Vesting Hurdle Tranche 1	The Tranche 1 Rights will vest subject to the delivery of JORC 2012 compliant MRE during the performance period for the Company's Labyrinth and Denain Gold Projects in Quebec, Canada that collectively total a minimum of 500,000oz of gold. The cut-off grades used in generating the JORC 2012 MRE will be 3g/t and 1.5g/t for the Labyrinth and Denain Gold Projects respectively.	\$0.039
Performance Vesting Hurdle Tranche 2	The Tranche 2 Rights will vest subject to the delivery of JORC 2012 compliant MRE during the performance period for the Company's Labyrinth and Denain Gold Projects in Quebec, Canada that collectively total a minimum of 650,000oz of gold. The cut-off grades used in generating the JORC 2012 MRE will be 3g/t and 1.5g/t for the Labyrinth and Denain Gold Projects respectively.	\$0.039
Performance Vesting Hurdle Tranche 3	The Tranche 3 Rights will vest subject to the 30-day VWAP of the Company's shares being \$0.10 or greater during the performance period. If a consolidation of the Company's shares takes place at any time during the performance period, the target share price will be adjusted accordingly via a pro-rata calculation with respect to the consolidation.	\$0.026



The fair value at grant date stated in the table above is determined using a hybrid multiple barrier model, a hybrid employee share option pricing model and a trinomial model, depending on the relevant performance conditions attached to the award, and takes into consideration the following inputs:

Metric	Performance Rights 2021	Performance Rights 2022
Exercise price	Nil	Nil
Grant date	18 June 2021	4 April 2022
Share price at grant date	\$0.046	\$0.045
Expected volatility of the Company's shares	100%	100%
Expected dividend yield	Nil	Nil
Risk-free interest rate	0.06%	0.865%

As all performance rights were cancelled on 30 June 2023, the remaining balance of the performance rights value was expensed in 30 June 2023 rather than over the vesting period.

Details of remuneration

Amounts of remuneration

Details of the remuneration of key management personnel of the Group are set out in the following tables.

		Short-term benefits		Post-employment benefits	Long term benefits	Share-based payments		
	Director and consulting fees	Cash bonus	Non-monetary	Super-annuation	Long service leave	Performance rights	Options and shares	Total
2023	\$	\$	\$	\$	\$	\$	\$	\$
<i>Non-Executive Directors:</i>								
Dean Hely	60,000	-	-	6,300	-	-	-	66,300
Mel Ashton	60,000	-	-	-	-	-	-	60,000
Simon Lawson*	72,000	-	-	-	-	45,600	40,800	158,400
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
<i>Senior Executives:</i>								
Matthew Nixon*	303,635	75,000	-	27,627	-	379,547	-	785,809
	495,635	75,000	-	33,927	-	425,147	40,800	1,070,509

* Performance rights previously issued to executives were cancelled given the resignation of Mr Nixon effective 30 June 2023. As a result, the full value of the rights as at issue date was recognised in 30 June 2023 as a share based payment rather than being expensed over the remaining vesting period.



		Short-term benefits	Post-employment benefits	Long term benefits	Share-based payments			
	Director and consulting fees	Cash bonus	Non-monetary	Super-annuation	Long service leave	Performance rights	Options and shares	Total
2022	\$	\$	\$	\$	\$	\$	\$	\$
Non-Executive Directors:								
Dean Hely	60,000	-	-	6,000	-	-	91,946	157,946
Mel Ashton	60,000	-	-	-	-	-	73,557	133,557
Simon Lawson	66,000	-	-	-	-	-	-	66,000
Michael Foulds*	21,724	-	-	-	-	-	91,946	113,670
Ross Graham*	-	-	-	-	-	-	91,946	91,946
Senior Executives:								
Matthew Nixon**	311,538	75,000	-	27,692	-	266,880	36,000	717,110
	519,262	75,000	-	33,692	-	266,880	385,395	1,280,229

* Mr Michael Foulds and his alternate, Mr Ross Graham resigned on 11 November 2021.

** Mr Matthew Nixon's cash bonus of \$75,000 is unpaid and has been accrued as at 30 June 2022. The issue of \$36,000 of shares was in recognition for his promotion from Chief Operating Officer to Chief Executive Officer.

Consequences of performance on shareholder wealth

	2023	2022	2021	2020	2019
	\$	\$	\$	\$	\$
Loss after income tax, excluding asset write-offs*	(2,626,865)	(6,098,478)	(1,065,661)	(549,122)	(617,418)

The factors that are considered to affect total shareholders return ('TSR') are summarised below:

	2023	2022	2021	2020	2019
Share price at financial year end (\$)	0.01	0.02	0.04	0.04	0.16
Basic earnings per share, excluding asset write-offs* (cents per share)	(0.29)	(0.80)	(0.20)	(0.10)	(0.14)

*Excludes exploration and evaluation asset write-offs of \$5,857 for the year ended 30 June 2023 (2022: \$841,211) and receivables asset write offs of \$31,606 for the year ended 30 June 2023 (2022: \$nil).

During the financial years noted above, there were no dividends paid or other returns of capital made by the Company to shareholders. The Group's financial performance is impacted by a number of factors.

As the Group is still in the exploration and development phase of its operations, the share price and thus the Company's market capitalisation is the only indicator of the Group's overall performance.

Service contracts

On appointment to the Board, all Directors enter into a letter of appointment with the Company specifying their functions and duties as a Director.



Remuneration and other terms of employment for key management personnel are formalised in service agreements. The service agreements outline the components of remuneration paid to the Executives and key management personnel ('KMPs') but do not prescribe how remuneration levels are modified year by year. Remuneration levels are reviewed each year to take into account cost of living changes, any change in the scope of the role performance by KMPs and any changes required to meet the principles of the remuneration policy. Details of these agreements are as follows:

Name:	Matthew Nixon
Title:	Chief Executive Officer
Term of agreement:	Mr Nixon is entitled to participate in the Performance Incentive Plan. Any participation in a Performance Incentive Plan is subject to the necessary approvals. The remuneration package will be reviewed annually. Employment may be terminated by either himself or the Company by providing 12 weeks' notice in writing.
Details:	Base fee: \$300,000 p.a. plus superannuation

Mr Nixon's employment contract as Chief Executive Officer ended on 30 June 2023.

Share-based compensation

Issue of shares

Details of shares issued to Directors and other key management personnel as part of compensation during the year ended 30 June 2023 are set out below:

Options

There were no options over ordinary shares issued to Directors and other key management personnel as part of compensation that were outstanding as at 30 June 2023.

The number of options over ordinary shares granted to and vested by Directors and other key management personnel as part of compensation during the year ended 30 June 2023 are set out below:

Name	Number of options granted during the year 2023	Number of options granted during the year 2022	Number of options vested during the year 2023	Number of options vested during the year 2022
Dean Hely	-	5,000,000	-	5,000,000
Mel Ashton	-	4,000,000	-	4,000,000

Performance rights

There were no performance rights over ordinary shares issued to Directors and other key management personnel as part of compensation that were outstanding as at 30 June 2023.

As detailed above, no performance rights (2022: 10,000,000 performance rights) were issued to Mr Nixon, the Company's Chief Executive Officer, during the year ended 30 June 2023 under the Company's Employee Incentive Scheme.

During the year ended 30 June 2023, 4,000,000 of Mr Nixon's performance rights vested and were converted into fully paid ordinary shares. The remaining balance of 17,600,000 performance rights were cancelled.



Additional disclosures relating to key management personnel

Shareholding

The number of shares in the Company held during the financial year by each Director and other members of key management personnel of the Group, including their personally related parties, is set out below:

	Balance at the start of the year	Received as part of remuneration	Additions*	Disposals/ other**	Balance at the end of the year
<i>Ordinary shares</i>					
Dean Hely	13,000,000	-	-	-	13,000,000
Simon Lawson	5,000,000	2,400,000	-	-	7,400,000
Mel Ashton	1,666,667	-	-	(1,666,667)	-
	-	-	-	-	-
	-	-	-	-	-
<i>Senior Executives:</i>					
Matthew Nixon	4,843,076	-	4,203,296	-	9,046,372
	<u>24,509,743</u>	<u>2,400,000</u>	<u>4,203,296</u>	<u>(1,666,667)</u>	<u>29,446,372</u>

* Includes shares held at respective Director's or KMP's appointment date

** Shares held at respective Director's or KMP's resignation date

Option holding

The number of options over ordinary shares in the Company held during the financial year by each Director and other members of key management personnel of the Group, including their personally related parties, is set out below:

	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other*	Balance at the end of the year
<i>Options over ordinary shares</i>					
Dean Hely	5,000,000	-	-	-	5,000,000
Mel Ashton	4,000,000	-	-	(4,000,000)	-
	<u>9,000,000</u>	<u>-</u>	<u>-</u>	<u>(4,000,000)</u>	<u>5,000,000</u>

* Options held at respective Director's appointment date or resignation date

Performance rights holding

The number of performance rights over ordinary shares in the Company held during the financial year by each Director and other members of key management personnel of the Group, including their personally related parties, is set out below:

	Balance at the start of the year	Granted as part of remuneration	Vested	Expired/ forfeited/ other	Balance at the end of the year
<i>Performance rights over ordinary shares</i>					
Matthew Nixon	21,600,000	-	(4,000,000)	(17,600,000)	-
Simon Lawson	-	3,600,000	-	(3,600,000)	-
	<u>21,600,000</u>	<u>3,600,000</u>	<u>(4,000,000)</u>	<u>(21,200,000)</u>	<u>-</u>

Other transactions with key management personnel and their related parties

Details of other transactions with key management personnel are disclosed in note 24.

Loans to Directors and executives

There were no loans from Directors during the current financial year.

Shares under performance rights

There were no unissued ordinary shares of Labyrinth Resources Limited under performance rights outstanding at the date of this report.



Shares issued on the exercise of performance rights

The following ordinary shares of Labyrinth Resources Limited were issued during the year ended 30 June 2023 and up to the date of this report on the exercise of performance rights granted:

Date performance rights granted	Exercise price	Number of shares issued
9 December 2022	\$0.0000	8,000,000

Voting and comments at the Company's 2021/22 Annual General Meeting

The Company received 97.30% of "yes" votes on its remuneration report for the 30 June 2022 financial year. The Company did not receive any specific feedback at the annual general meeting or throughout the year on its remuneration practices.

This concludes the remuneration report, which has been audited.

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 298(2)(a) of the Corporations Act 2001.

On behalf of the Directors

A handwritten signature in black ink, appearing to read 'D. Hely', with a horizontal line underneath it.

Dean Hely
Non-Executive Chairman

29 September 2023
Perth

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

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2023, there have been:

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



NEIL PACE
PARTNER



MOORE AUSTRALIA AUDIT (WA)
CHARTERED ACCOUNTANTS

Signed at Perth this 29th day of September 2023.

Labyrinth Resources Limited
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2023



	Note	2023 \$	2022 \$
Revenue			
Other income	5	1,304,253	7,151
Expenses			
Professional fees	6	(465,203)	(847,935)
Foreign exchange gains/losses		(55,350)	(440,305)
Loss from financial instrument at fair value through profit or loss	7	(4,996,793)	(2,225,061)
Share based payments expense	23	(727,023)	(1,060,103)
Employee benefits expense		(353,436)	(552,829)
Write off of assets - receivables	12	(31,606)	-
Write off of assets - exploration and evaluation	15	(5,857)	(841,211)
Listed entity expenses		(63,575)	(76,318)
Travel expenses		(46,190)	(99,608)
Stamp duty		(8,488)	(44)
Royalties		-	(260,000)
Loss on disposal of tenements	15	-	(229,928)
Exploration expenditure		(290)	(1,342)
Other expenses		(491,734)	(297,738)
Finance costs		<u>(101,659)</u>	<u>(14,418)</u>
Loss before income tax (expense)/benefit		(6,042,951)	(6,939,689)
Income tax (expense)/benefit	8	<u>(135,106)</u>	<u>19,343</u>
Loss after income tax (expense)/benefit for the year attributable to the owners of Labyrinth Resources Limited		(6,178,057)	(6,920,346)
Other comprehensive loss			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation		<u>(3,975)</u>	<u>(7,637)</u>
Other comprehensive loss for the year, net of tax		<u>(3,975)</u>	<u>(7,637)</u>
Total comprehensive loss for the year attributable to the owners of Labyrinth Resources Limited		<u>(6,182,032)</u>	<u>(6,927,983)</u>
		Cents	Cents
Basic loss per share	9	(0.68)	(0.91)
Diluted loss per share	9	(0.68)	(0.91)

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



	Note	2023 \$	2022 \$
Assets			
Current assets			
Cash and cash equivalents	10	418,163	2,360,814
Trade and other receivables	12	242,531	780,701
Other		104,246	182,638
		<u>764,940</u>	<u>3,324,153</u>
Non-current assets classified as held for sale		-	50,690
Total current assets		<u>764,940</u>	<u>3,374,843</u>
Non-current assets			
Trade and other receivables	12	-	16,060
Investments	13	159,500	-
Property, plant and equipment	14	171,555	221,332
Exploration and evaluation	15	24,764,563	23,558,142
Total non-current assets		<u>25,095,618</u>	<u>23,795,534</u>
Total assets		<u>25,860,558</u>	<u>27,170,377</u>
Liabilities			
Current liabilities			
Trade and other payables	16	1,025,367	2,715,042
Income tax	17	160,066	227,560
Other liabilities	18	1,330,273	1,138,134
		<u>2,515,706</u>	<u>4,080,736</u>
Liabilities directly associated with assets classified as held for sale		-	400,000
Total current liabilities		<u>2,515,706</u>	<u>4,480,736</u>
Non-current liabilities			
Other liabilities	18	16,655,586	11,822,236
Total non-current liabilities		<u>16,655,586</u>	<u>11,822,236</u>
Total liabilities		<u>19,171,292</u>	<u>16,302,972</u>
Net assets		<u>6,689,266</u>	<u>10,867,405</u>
Equity			
Issued capital	19	306,232,758	304,910,838
Reserves	20	1,886,316	1,208,318
Accumulated losses		(301,429,808)	(295,251,751)
Total equity		<u>6,689,266</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 benefit for the year	-	-	(6,920,346)	-	(6,920,346)
Other comprehensive loss for the year, net of tax	-	(7,637)	-	-	(7,637)
Total comprehensive loss for the year	-	(7,637)	(6,920,346)	-	(6,927,983)
Contributions of equity, net of transaction costs (note 19)	8,668,165	-	-	321,812	8,989,977
Share-based payments (note 23)	317,000	-	-	743,103	1,060,103
Balance at 30 June 2022	304,910,838	(7,637)	(295,251,751)	1,215,955	10,867,405
	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 year	-	-	(6,178,057)	-	(6,178,057)
Other comprehensive loss for the year, net of tax	-	(3,975)	-	-	(3,975)
Total comprehensive loss for the year	-	(3,975)	(6,178,057)	-	(6,182,032)
Contributions of equity, net of transaction costs (note 19)	1,276,870	-	-	-	1,276,870
Share-based payments (note 23)	45,050	-	-	681,973	727,023
Balance at 30 June 2023	306,232,758	(11,612)	(301,429,808)	1,897,928	6,689,266

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



	Note	2023 \$	2022 \$
Cash flows from operating activities			
Payments to suppliers and employees (inclusive of GST)		(1,704,525)	(2,529,102)
Interest received		17,399	5,560
Interest and other finance costs paid		(64,379)	(6,157)
GST on proceeds from sale of tenements		-	9,091
Income taxes refunded		606,130	-
Income taxes paid		<u>(202,600)</u>	<u>(24,367)</u>
Net cash used in operating activities	11	<u>(1,347,975)</u>	<u>(2,544,975)</u>
Cash flows from investing activities			
Payments for property, plant and equipment	14	(40,990)	(248,971)
Payments for exploration and evaluation		(2,371,678)	(7,764,237)
Payments for acquisition of Canadian projects		(1,103,535)	-
Proceeds on sale of tenements		626,800	90,909
Repayment of Working capital facility		-	240,000
Proceeds from tax refunds		<u>774,641</u>	<u>-</u>
Net cash used in investing activities		<u>(2,114,762)</u>	<u>(7,682,299)</u>
Cash flows from financing activities			
Proceeds from issue of shares	19	1,283,000	8,500,000
Proceeds from borrowings		744,454	-
Share issue transaction costs		(6,130)	(510,023)
Payment of borrowings		<u>(504,086)</u>	<u>-</u>
Net cash from financing activities		<u>1,517,238</u>	<u>7,989,977</u>
Net decrease in cash and cash equivalents		(1,945,499)	(2,237,297)
Cash and cash equivalents at the beginning of the financial year		2,360,814	4,594,342
Effects of exchange rate changes on cash and cash equivalents		<u>2,848</u>	<u>3,769</u>
Cash and cash equivalents at the end of the financial year	10	<u>418,163</u>	<u>2,360,814</u>

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 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. During the year, the Company acquired the Labyrinth and Denain Gold Projects located in the Abitibi Greenstone Belt in Quebec, Canada.

The financial statements were authorised for issue, in accordance with a resolution of Directors, on 29 September 2023.

Note 2. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out either in the respective notes or below. These policies have been consistently applied to all the years presented, 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.

Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

Historical cost convention

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of financial assets and liabilities at fair value through profit or loss, financial assets at fair value through other comprehensive income, investment properties, certain classes of property, plant and equipment, share based payments and derivative financial instruments.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

Parent entity information

In accordance with the Corporations Act 2001, these financial statements present the results of the Group only. Supplementary information about the parent entity is disclosed in note 28.

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Labyrinth Resources Limited ('Company' or 'parent entity') as at 30 June 2023 and the results of all subsidiaries for the year then ended. Labyrinth Resources Limited and its subsidiaries together are referred to in these financial statements as the 'Group'.

Subsidiaries are all those entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.



Note 2. Significant accounting policies (continued)

Foreign currency translation

The financial statements are presented in Australian dollars, which is Labyrinth Resources Limited's functional and presentation currency.

Foreign currency transactions

Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign operations

The assets and liabilities of foreign operations are translated into Australian dollars using the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated into Australian dollars using the average exchange rates, which approximate the rates at the dates of the transactions, for the period. All resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency reserve in equity.

The foreign currency reserve is recognised in profit or loss when the foreign operation or net investment is disposed of.

Revenue recognition

The Group recognises revenue as follows:

Sale of goods

Revenue from the sale of goods is recognised at the point in time when the customer obtains control of the goods, which is generally at the time of delivery. Revenue is recognised at the amount to which the Group expects to be entitled. If the consideration promised includes a variable amount the Group estimates the amount of consideration to which it will be entitled.

Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

Income tax

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.



Note 2. Significant accounting policies (continued)

Derivative financial instruments

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

Derivatives are classified as current or non-current depending on the expected period of realisation.

Joint operations

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. The Group has recognised its share of jointly held assets, liabilities, revenues and expenses of joint operations. These have been incorporated in the financial statements under the appropriate classifications.

Investments and other financial assets

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

Financial assets at amortised cost

A financial asset is measured at amortised cost only if both of the following conditions are met: (i) it is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and (ii) the contractual terms of the financial asset represent contractual cash flows that are solely payments of principal and interest.

Investments

Investments includes non-derivative financial assets with fixed or determinable payments and fixed maturities where the Group has the positive intention and ability to hold the financial asset to maturity. This category excludes financial assets that are held for an undefined period. Investments are carried at amortised cost using the effective interest rate method adjusted for any principal repayments. Gains and losses are recognised in profit or loss when the asset is derecognised or impaired.

Impairment of financial assets

The Group recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the Group's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Impairment of non-financial assets

Non-financial assets, other than deferred tax assets ("DTAs") are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

An impairment loss is recognised if the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognised in profit or loss.



Note 2. Significant accounting policies (continued)

New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Group for the annual reporting period ended 30 June 2023. The Group has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

Going concern

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

During the year ended 30 June 2023, the Group has recorded a loss of \$6,178,057 (30 June 2022: \$6,920,346) and experience net cash outflow for operating and investing activities of \$3,462,737 (30 June 2022: \$10,227,274). At 30 June 2023, the Group had a net current assets of \$6,689,266 (30 June 2022: \$10,867,405). As at 30 June 2023, the cash balance was \$418,163 (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;
- the Company has raised approx. \$1.67 million cash via an issue of capital subsequent to 30 June 2023; and
- The Group has historically demonstrated its ability to raise funds to satisfy its immediate cash requirements.

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

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

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.

Allowance for expected credit losses

The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent sales experience and historical collection rates.



Note 3. Critical accounting judgements, estimates and assumptions (continued)

Income tax

The Group is subject to income taxes in the jurisdictions in which it operates. Significant judgement is required in determining the provision for income tax. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Group recognises liabilities for anticipated tax audit issues based on the Group's current understanding of the tax law. Where the final tax outcome of these matters is different from the carrying amounts, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

Recovery of deferred tax assets

Deferred tax assets are recognised for deductible temporary differences only if the Group considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred consideration

Deferred consideration liability relates to the gold and other amounts payable for the acquisition of the Labyrinth Gold Project in Canada that has been classified as financial liabilities at fair value through profit and loss. At each reporting date, the deferred consideration liability is reassessed using a net present value of expected future payments model ("NPV") using revised assumptions or inputs on which the liability calculation is based. These assumptions include estimated delivery dates/timing of instalments due, future gold prices, foreign exchange rate movements and discount rates. Any increase or decrease in the net present value of the liability will result in a corresponding gain or loss to profit or loss. Further details of the gain or loss are set out in note 7, whilst further details of the deferred consideration liability can be found in note 18.

Exploration and evaluation costs

Exploration and evaluation costs have been capitalised on the basis that either exploration and evaluation activities in the area of interest have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves or alternatively the Group has assessed that it will be able to commence commercial production in the future, from which it will be able to recoup those costs. 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. 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. Further details of capitalised exploration and evaluation costs are set out in note 15.

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 year ended 30 June 2023.

Accounting policy for operating segments

Unless otherwise stated, all amounts reported to the Board of Directors as the CODM with respect to operating segments, are determined in accordance with AASB 8 Operating Segments.



Note 5. Other income

	2023 \$	2022 \$
Net gain on disposal of tenements*	1,096,112	-
Other income	190,453	-
Interest income - working capital facility	-	1,591
Interest income - other	17,688	5,560
Other income	1,304,253	7,151

* During the year, the Company has completed the sale of the remaining 50% interest in Penny's Find (see note 15).

Accounting policy for other income

Other income is recognised when the amount can be reliably measured and control of the right to receive the income be passed to the Group.

Interest is recognised using the effective interest method.

Note 6. Professional fees

	2023 \$	2022 \$
Accountancy and audit cost	170,609	171,204
Consultant fees	46,897	213,187
Directors remuneration	198,300	213,724
Legal fees	49,397	249,820
	465,203	847,935

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

	2023 \$	2022 \$
Loss from revaluation of deferred consideration*	4,894,556	2,225,061
Loss from revaluation of investments**	102,237	-
	4,996,793	2,225,061

* Refer to note 18 for further details.

** Refer to note 13 for further details.



Note 8. Income tax expense/(benefit)

	2023 \$	2022 \$
<i>Income tax expense/(benefit)</i>		
Current tax expense	160,374	-
Adjustment recognised for prior periods	(25,268)	(19,343)
Aggregate income tax expense/(benefit)	135,106	(19,343)
<i>Numerical reconciliation of income tax expense/(benefit) and tax at the statutory rate</i>		
Loss before income tax (expense)/benefit	(6,042,951)	(6,939,689)
Tax at the statutory tax rate of 25%	(1,510,738)	(1,734,922)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Entertainment expenses	-	549
Impairment of assets	-	205,990
Share-based payments	181,756	220,026
Sundry items	(220)	-
	(1,329,202)	(1,308,357)
Adjustment recognised for prior periods	(25,268)	(19,343)
Prior year tax losses not recognised now recouped	(64,189)	(1,384)
Difference in tax rates	25,772	(3,439)
Temporary differences not recognised	1,527,993	1,313,180
Income tax expense/(benefit)	135,106	(19,343)
	2023 \$	2022 \$
<i>Tax losses not recognised</i>		
Unused tax losses for which no deferred tax asset has been recognised	7,912,257	6,277,541
Potential tax benefit @ 25%	1,978,064	1,569,385

These tax losses can only be utilised in the future if future assessable income is derived of a nature and of an amount sufficient to enable the benefit to be realised, the conditions for deductibility imposed by tax legalisation continue to be complied with, no changes in tax legislation adversely affect the Group in realising the benefit and, the continuity of ownership test is passed, or failing that, the same business test is passed.

The Group is not a tax consolidated group hence tax losses in one entity were not able to be offset with taxable income in another entity.

Note 9. Earnings per share

	2023 \$	2022 \$
Loss after income tax attributable to the owners of Labyrinth Resources Limited	(6,178,057)	(6,920,346)
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	912,553,406	757,404,347
Weighted average number of ordinary shares used in calculating diluted earnings per share	912,553,406	757,404,347



Note 9. Earnings per share (continued)

	Cents	Cents
Basic loss per share	(0.68)	(0.91)
Diluted loss per share	(0.68)	(0.91)

At 30 June 2023, 36,500,000 options (30 June 2022: 12,800,000 performance rights) were excluded from diluted weighted average number of ordinary shares calculation as their effect would have been anti-dilutive.

Accounting policy for earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to the owners of Labyrinth Resources Limited, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

Note 10. Cash and cash equivalents

	2023 \$	2022 \$
Current assets		
Cash at bank	418,163	2,360,814

Accounting policy for cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.



Note 11. Cash flow information

Reconciliation of loss after income tax to net cash used in operating activities

	2023 \$	2022 \$
Loss after income tax (expense)/benefit for the year	(6,178,057)	(6,920,346)
Adjustments for:		
Impairment of non-current assets	37,463	841,211
Share-based payments (note 23)	727,023	1,060,103
Gain on sale of tenements	(1,096,112)	229,928
Accrued interest receivable	-	(1,591)
GST on proceeds from sale of tenements	-	9,091
Loss on financial instruments on fair value through profit and loss	4,996,793	2,225,061
Foreign exchange loss	62,014	310,884
Other	(138,536)	1,345
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	323,072	(404,151)
Increase in other current assets	161,951	(93,730)
Increase/(decrease) in trade and other payables	(176,092)	232,668
Decrease in provision for income tax	(67,494)	(35,448)
Net cash used in operating activities	(1,347,975)	(2,544,975)

Note 12. Trade and other receivables

	2023 \$	2022 \$
<i>Current assets</i>		
Deposit	3,098	3,067
Loan to Mineral Ventures Pty Ltd*	-	360,000
Other receivables	239,433	417,634
	<u>242,531</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 have agreed to settle 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 year.

Under the general approach to impairment, the Group has assessed there was no impairment to the working capital facility for the year.

Accounting policy for trade and other receivables

The Group uses the general approach to impairment, as applicable under AASB 9: Financial Instruments. Under the general approach, at each reporting period, the Group assesses whether the financial instruments are credit-impaired, and if:

- the credit risk of the financial instrument has increased significantly since initial recognition, the Group measures the loss allowance of the financial instruments at an amount equal to the lifetime expected credit losses; or
- there is no significant increase in credit risk since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.



Note 13. Investments

	2023 \$	2022 \$
<i>Non-current assets</i>		
Shares held in Horizon Minerals Ltd*	120,000	-
Shares held in Richmond Vanadium Technology Ltd**	39,500	-
	<u>159,500</u>	<u>-</u>

Reconciliation

Reconciliation of the fair values at the beginning and end of the current and previous financial year are set out below:

Opening fair value	-	-
Additions	261,736	-
Fair value revaluation	(102,236)	-
	<u>159,500</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. 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.

Refer to note 22 for further information on fair value measurement.

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 14. Property, plant and equipment

	2023 \$	2022 \$
<i>Non-current assets</i>		
Motor vehicles - at cost	112,520	111,395
Less: Accumulated depreciation	(79,443)	(22,950)
	<u>33,077</u>	<u>88,445</u>
Equipment - at cost	189,350	145,870
Less: Accumulated depreciation	(50,872)	(12,983)
	<u>138,478</u>	<u>132,887</u>
	<u>171,555</u>	<u>221,332</u>



Note 14. Property, plant and equipment (continued)

Reconciliations

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

	Motor vehicles \$	Equipment \$	Total \$
Balance at 1 July 2021	-	-	-
Additions	107,804	141,167	248,971
Exchange differences	2,852	4,284	7,136
Depreciation expense	(22,211)	(12,564)	(34,775)
Balance at 30 June 2022	88,445	132,887	221,332
Additions	-	40,990	40,990
Exchange differences	(467)	1,445	978
Depreciation expense	(54,900)	(36,845)	(91,745)
Balance at 30 June 2023	33,078	138,477	171,555

Accounting policy for property, plant and equipment

Plant and equipment is stated at cost less accumulated depreciation and any accumulated impairment losses. The assets' residual values, useful lives and amortisation methods are reviewed, and adjusted if appropriate, at each financial year end.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives which for plant and equipment (including motor vehicles) is between 2 and 5 years depending on the type of asset.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the Group. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

Note 15. Exploration and evaluation

	2023 \$	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	1,935,103	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	74,212	130,238
Canadian mining tax credit	(793,839)	-
Closing balance	24,764,563	23,558,142

Disposal of Penny's Find

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

Disposal of Golden Lode

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). A pre-tax loss on disposal of \$229,928 has been recognised for the year ended 30 June 2022.



Note 15. Exploration and evaluation (continued)

Canadian Mining Tax Credits

During the period, the Company received 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 received 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.

Accounting policy for exploration and evaluation assets

Exploration and evaluation expenditure incurred by or on behalf of the Company is accumulated separately for each area of interest. Such expenditure comprises net direct costs and an appropriate portion of related overhead expenditure but does not include general overheads or administrative expenditure not having a specific nexus with a particular area of interest.

Each area of interest is limited to a size related to a known or probable mineral resource capable of supporting a mining operation.

Exploration and evaluation expenditure for each area of interest is carried forward as an asset provided that one of the following conditions is met:

- such costs are expected to be recouped through successful development and exploitation of the area of interest or, alternatively, by its sale; or
- exploration and evaluation activities in the area of interest have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and
- active and significant operations in relation to the area are continuing.

Expenditure which fails to meet the conditions outlined above is written off, furthermore, the directors regularly review the carrying value of exploration and evaluation expenditure and make write downs if the values are not expected to be recoverable.

Identifiable exploration assets acquired are recognised as assets at their cost of acquisition. Exploration assets acquired are reassessed on a regular basis and these costs are carried forward provided that at least one of the conditions referred to above is met.

Exploration and evaluation expenditure incurred subsequent to acquisition in respect of an exploration asset acquired, is accounted for in accordance with the policy outlined above for exploration expenditure incurred by or on behalf of the entity.

When an area of interest is abandoned, any expenditure carried forward in respect of that area is written off. Expenditure is not carried forward in respect of any area of interest unless the Group's right of tenure to that area of interest is current.

The ultimate recovery of the carrying values of the exploration and evaluation expenditure is dependent upon the successful development and commercial exploitation or, alternatively, sale of the interest in the tenements.

Note 16. Trade and other payables

	2023 \$	2022 \$
<i>Current liabilities</i>		
Trade payables	264,424	579,734
Accruals*	703,782	2,087,850
Provision for annual leave	25,380	38,838
Other payables	31,781	8,620
	<u>1,025,367</u>	<u>2,715,042</u>

* \$568,513 (CAD\$500,000) of the balance of accruals as at year end relates to second instalment of the initial acquisition cost of the Labyrinth Canada and Denain Gold Projects due by 29 September 2023.

Refer to note 21 for further information on financial risk management.



Note 16. Trade and other payables (continued)

Accounting policy for trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year and which are unpaid. Trade and other payables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method. The amounts are unsecured and are usually paid at the end of the month following date of recognition.

Note 17. Income tax

	2023 \$	2022 \$
<i>Current liabilities</i>		
Provision for income tax	160,066	227,560

Note 18. Other liabilities

	2023 \$	2022 \$
<i>Current liabilities</i>		
Deferred consideration	1,330,273	1,138,134
<i>Non-current liabilities</i>		
Deferred consideration	16,655,586	11,822,236

Deferred consideration relates to the acquisition of the Labyrinth Gold Project in Canada. The terms of payment were revised in May 2023 and comprise:

- delivery of 450oz of gold payable to the vendor expected to be paid by 31 December 2023. The Company has the option to settle this liability by an issue of fully paid ordinary shares;
- delivery of 4,050oz gold payable to the vendor over a 48 month period commencing from the date that profitable production activities commence at the Project. There is considerable uncertainty as to the timing of these gold payments and as a result the deferred consideration payable has been calculated on the basis of the Company's assessment of the earliest expected dates that payments will need to be made. The delivery dates used are as follows;
 - November 2026: 900oz gold
 - November 2027: 1,350oz gold
 - November 2028: 1,800oz gold.

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 \$4,894,556 has been recognised in the consolidated statement of profit or loss, which has resulted from the revision of assumptions or inputs on which the liability calculation is based.

Accounting policy for financial liabilities at fair value through profit or loss (FVTPL)

Financial liabilities at FVTPL are measured at fair value, with any gains or losses arising on changes in fair value recognised in profit or loss to the extent that they are not part of a designated hedging relationship. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the in profit or loss.

However, for financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. The remaining amount of change in the fair value of liability is recognised in profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognised in other comprehensive income are not subsequently reclassified to profit or loss; instead, they are transferred to retained earnings upon derecognition of the financial liability.



Note 19. Issued capital

	2023 Shares	2022 Shares	2023 \$	2022 \$
Share capital	959,487,343	873,366,755	306,232,758	304,910,838

Movements in ordinary share capital

Details	Date	Shares	Issue price	\$
Balance	1 July 2021	547,894,524		295,925,673
Issue of shares as consultant remuneration	25 October 2021	5,000,000	\$0.0360	180,000
Issue of shares on placement	25 October 2021	266,666,675	\$0.0300	8,000,000
Issue of shares under share purchase plan	9 November 2021	50,000,000	\$0.0300	1,500,000
Issue of shares as employee remuneration	4 February 2022	3,805,556	\$0.0360	137,000
Capital raising costs		-	\$0.0000	(831,835)
Balance	30 June 2022	873,366,755		304,910,838
Issue of shares under performance rights	9 December 2022	8,000,000	\$0.0000	-
Issue of shares as employee remuneration	9 December 2022	2,650,000	\$0.0170	45,050
Issue of shares under share placement	23 December 2022	75,470,588	\$0.0170	1,283,000
Capital raising costs		-	\$0.0000	(6,130)
Balance	30 June 2023	959,487,343		306,232,758

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Capital risk management

The Group's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group would look to raise capital when an opportunity to invest in a business or company was seen as value adding relative to the current Company's share price at the time of the investment.

The Group is not subject to any financing arrangements or covenants.

The capital risk management policy remains unchanged from the 30 June 2022 Annual Report.

Accounting policy for issued capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.



Note 20. Reserves

	2023 \$	2022 \$
Foreign currency reserve	(11,612)	(7,637)
Share-based payments reserve	1,897,928	1,215,955
	<u>1,886,316</u>	<u>1,208,318</u>

Foreign currency reserve

The reserve is used to recognise exchange differences arising from the translation of the financial statements of foreign operations to Australian dollars. It is also used to recognise gains and losses on hedges of the net investments in foreign operations.

Share-based payments reserve

The reserve is used to recognise the value of equity benefits provided to employees and Directors as part of their remuneration, and other parties as part of their compensation for services.

Note 21. Financial risk management

Financial risk management objectives

The Group's activities expose it to a variety of financial risks: market risk (including foreign currency risk, price risk and interest rate risk), credit risk and liquidity risk. The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Board is responsible for developing and monitoring the Group's risk management policies.

The Board oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group.

Market risk

Foreign currency risk

The Group's Statement of Financial Position and Statement of Profit or Loss and Other Comprehensive Income can be affected by movements in exchange rates. The Group's exposure to foreign currency risk throughout the year primarily arose from Company transactions and balances such as the deferred consideration that are denominated in Canadian Dollars ("CAD"). The Group's also has foreign currency risk arising on the translation of the net assets of Canadian subsidiary which is included in the consolidated results whose functional currency is CAD to Australian Dollars ("AUD"). In the Group accounts, the foreign currency gains or losses arising from this risk are recorded through the foreign currency translation reserve.

At the reporting date, the AUD equivalent of the Group's exposure to financial instruments denominated in CAD was:

	2023 \$	2022 \$
Cash and cash equivalents	187,003	116,903
Trade and other receivables (current and non-current)	204,948	433,219
Trade and other payables	(635,703)	(2,175,525)
Deferred consideration (current and non-current)	<u>(14,347,249)</u>	<u>(12,960,370)</u>
	<u>(14,591,001)</u>	<u>(14,585,773)</u>

Sensitivity to movements in the AUD/CAD exchange rate is shown below:



Note 21. Financial risk management (continued)

2023	% change	AUD strengthened		% change	AUD weakened	
		Effect on profit before tax	Effect on equity		Effect on profit before tax	Effect on equity
Canadian dollars	10%	1,630,024	1,630,024	(10%)	(1,333,656)	(1,333,656)

Price risk

The Group is not exposed to any significant price risk.

Interest rate risk

The Group only has interest rate risk relating to its funds on deposit with banking institutions. Accordingly, the Group does not hedge its interest rate risk exposure.

At the reporting date the Group hold variable rate financial assets and did not hold any variable rate financial liabilities.

Exposure to interest rate risk

As at the reporting date, the Group had the following variable rate financial assets as reported to management for the Group as follows

	2023 Balance \$	2022 Balance \$
Cash and cash equivalents	418,163	2,360,814
Net exposure to cash flow interest rate risk	418,163	2,360,814

Fair value sensitivity analysis for fixed rate instruments

The Group has a working capital facility with Mineral Ventures to partially meet initial working capital costs for mining at Comet Vale which incurred interest at 5% per annum up until 29 October 2021. No further interest will be accrued on the remaining working capital balance. Refer to note 12 for further details.

The Group does not account for any other fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

Cash flow sensitivity analysis for variable rate instruments

A change of basis points in interest rates at the reporting date would have increased / (decreased) profit and loss by the amounts shown below. This analysis assumes that all other variables remain constant. The analysis is performed on the same basis as for twelve months ended 30 June 2023.

2023	Basis points change	Basis points increase		Basis points change	Basis points decrease	
		Effect on profit before tax	Effect on equity		Effect on profit before tax	Effect on equity
Variable rate instruments	100	4,168	4,168	(100)	(4,168)	(4,168)

2022	Basis points change	Basis points increase		Basis points change	Basis points decrease	
		Effect on profit before tax	Effect on equity		Effect on profit before tax	Effect on equity
Variable rate instruments	100	23,533	23,533	(100)	(23,533)	(23,533)

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group and arises principally from the Group's receivables from customers and investments in debt securities. The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements.



Note 21. Financial risk management (continued)

Cash and cash equivalents

The Group held cash and cash equivalents of \$418,163 at 30 June 2023 (2022: \$2,360,814). The cash and cash equivalents are held with authorised banking institutions and only with counterparties that have an acceptable credit rating.

Other receivables

As the Group operates primarily in exploration activities, it does not have material trade receivables and therefore is not exposed to credit risk in relation to trade receivables.

Currently, the Group undertakes exploration and evaluation activities in Australia and Canada. There are no financial assets past due and there is no management of credit risk through performing an aging analysis; therefore, an aging analysis has not been disclosed.

By geographic regions, there was no exposure to credit risk for other receivables in Australia as at 30 June 2023 (2022: \$376,060).

Allowance for expected credit losses

The Group has not recognised a loss in profit or loss in respect of the expected credit losses for the year ended 30 June 2023. Refer to note 12 for detail. No allowances have been made for further expected credit losses.

Liquidity risk

Vigilant liquidity risk management requires the Group to maintain sufficient liquid assets (mainly cash and cash equivalents) and available borrowing facilities to be able to pay debts as and when they become due and payable.

The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group ensures that it has sufficient cash on demand to meet expected operational expenses. This excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

	Carrying Amount \$	Contractual Cash Flows \$	12 Months or Less \$
30 June 2023			
Non-derivative financial liabilities			
Trade and other payables	(1,025,367)	(1,025,367)	(1,025,367)
Cash and cash equivalents	418,163	418,163	418,163
Trade and other receivables	242,531	242,531	242,531
	<u>(364,673)</u>	<u>(364,673)</u>	<u>(364,673)</u>
30 June 2022			
Non-derivative financial liabilities			
Trade and other payables	(2,715,042)	(2,715,042)	(2,715,042)
Cash and cash equivalents	2,360,814	2,360,814	2,360,814
Trade and other receivables	796,761	796,761	780,701
	<u>442,533</u>	<u>442,533</u>	<u>426,473</u>



Note 21. Financial risk management (continued)

Remaining contractual maturities

The following tables detail the Group's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

	Weighted average interest rate	1 year or less	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Remaining contractual maturities
	%	\$	\$	\$	\$	\$

2023

Non-derivatives

Non-interest bearing

Trade payables	-	1,025,367	-	-	-	1,025,367
Deferred consideration	-	1,330,273	-	16,655,586	-	17,985,859
Total non-derivatives		2,355,640	-	16,655,586	-	19,011,226

	Weighted average interest rate	1 year or less	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Remaining contractual maturities
	%	\$	\$	\$	\$	\$

2022

Non-derivatives

Non-interest bearing

Trade payables	-	2,715,042	-	-	-	2,715,042
Deferred consideration	-	1,138,134	2,444,415	9,377,820	-	12,960,369
Total non-derivatives		3,853,176	2,444,415	9,377,820	-	15,675,411

Note 22. Fair value measurement

Fair value hierarchy

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and / or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of AASB 2 and measurements that have some similarities to fair value but are not fair value, such as net realisable value in AASB 2 or value in use in AASB 136.

Fair value hierarchy

The following tables detail the Group's assets and liabilities, measured or disclosed at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3: Unobservable inputs for the asset or liability

	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$

2023

Liabilities

Deferred consideration	17,985,859	-	-	17,985,859
Total liabilities	17,985,859	-	-	17,985,859



Note 22. Fair value measurement (continued)

There were no transfers between levels during the financial year.

Cash and cash equivalents, trade and other receivables, trade creditors, other creditors, accruals and employee entitlements have been excluded from the above analysis as their fair values are equal to the carrying values.

The fair value of the gold deferred consideration is estimated by discounting the remaining contractual maturities at the current market interest rate that is available for similar financial liabilities.

Note 23. Share-based payments

Share-based payments recognised during the financial year within the consolidated statement of profit or loss and other comprehensive income were as follows:

	2023	2022
Shares issued as employee remuneration	45,050	137,000
Shares issued as consultant fees	-	180,000
Options issued	-	349,396
Performance rights issued	681,973	393,707
	<u>727,023</u>	<u>1,060,103</u>

Employee Incentive Scheme

An Employee Incentive Scheme has been established by the Group and approved by shareholders at a general meeting, whereby the Group may, at the discretion of the Board, grant ordinary shares, options or performance rights over ordinary shares in the Company to employees and contractors of the Group. The securities are issued for nil consideration and are granted in accordance with performance guidelines established by the Board.

Shares issued

The following shares were issued as part of share based payments during the current and prior financial year:

- On 4 February 2022, 3,805,556 shares at \$0.036 per share have been issued as part of employee remuneration under the Employee Incentive Scheme. This includes the issue of 1,000,000 shares to Matt Nixon (Chief Executive Officer).
- On 26 October 2021, 5,000,000 shares at \$0.036 were issued to Simon Lawson (Non-Executive Director) for nil consideration as part of his remuneration as a consultant prior to his appointment as a Director.
- 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 issued

On 8 November 2021, 36,500,000 options were granted to Directors and corporate advisors, including the Lead Manager of the capital raising placement, at an issue price of \$0.045 expiring on 7 November 2024 and have a fair value of \$671,208 on issue. The options have been valued using the Black Scholes method with the following assumptions:

- Exercise price of \$0.045
- Volatility of 100%
- Implied life of 3 years
- Risk free rate of 0.85%
- Dividend yield of nil

Set out below are summaries of options granted:

	Number of options 2023	2022
Outstanding at the beginning of the financial year	36,500,000	-
Granted	<u>-</u>	<u>36,500,000</u>
Outstanding at the end of the financial year	<u>36,500,000</u>	<u>36,500,000</u>



Note 23. Share-based payments (continued)

2023							
Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
08/11/2021	07/11/2024	\$0.0000	36,500,000	-	-	-	36,500,000
			<u>36,500,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>36,500,000</u>
2022							
Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
08/11/2021	07/11/2024	\$0.0450	-	36,500,000	-	-	36,500,000
			<u>-</u>	<u>36,500,000</u>	<u>-</u>	<u>-</u>	<u>36,500,000</u>

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

Grant date	Expiry date	2023 Number	2022 Number
08/11/2021	07/11/2024	<u>36,500,000</u>	<u>36,500,000</u>
		<u>36,500,000</u>	<u>36,500,000</u>

The weighted average remaining contractual life of options outstanding at the end of the financial year was 1.36 years (2022: 2.36 years).

Performance Rights issued

Performance Rights granted during the 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.

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

	Number of rights 2023	Weighted average exercise price 2023	Number of rights 2022	Weighted average exercise price 2022
Outstanding at the beginning of the financial year	32,800,000	\$0.0000	12,800,000	\$0.0000
Granted	3,600,000	\$0.0000	23,000,000	\$0.0000
Cancelled	(28,400,000)	\$0.0000	-	\$0.0000
Exercised	(8,000,000)	\$0.0000	-	\$0.0000
Expired	<u>-</u>	<u>\$0.0000</u>	<u>(3,000,000)</u>	<u>\$0.0000</u>
Outstanding at the end of the financial year	<u>-</u>	<u>\$0.0000</u>	<u>32,800,000</u>	<u>\$0.0000</u>



Note 23. Share-based payments (continued)

2023						
Grant date	Expiry date	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
18/06/2021	30/06/2025	7,680,000	-	-	(7,680,000)	-
18/06/2021	30/06/2025	2,560,000	-	-	(2,560,000)	-
18/06/2021	30/06/2025	2,560,000	-	-	(2,560,000)	-
04/04/2022	30/06/2024	8,000,000	-	(8,000,000)	-	-
04/04/2022	30/06/2024	8,000,000	-	-	(8,000,000)	-
04/04/2022	30/06/2024	4,000,000	-	-	(4,000,000)	-
09/12/2022	30/06/2024	-	2,400,000	-	(2,400,000)	-
09/12/2022	30/06/2024	-	1,200,000	-	(1,200,000)	-
		<u>32,800,000</u>	<u>3,600,000</u>	<u>(8,000,000)</u>	<u>(28,400,000)</u>	<u>-</u>

2022						
Grant date	Expiry date	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
18/06/2021	30/06/2025	7,680,000	-	-	-	7,680,000
18/06/2021	30/06/2025	2,560,000	-	-	-	2,560,000
18/06/2021	30/06/2025	2,560,000	-	-	-	2,560,000
04/04/2022	30/06/2024	-	9,200,000	-	(1,200,000)	8,000,000
04/04/2022	30/06/2024	-	9,200,000	-	(1,200,000)	8,000,000
04/04/2022	30/06/2024	-	4,600,000	-	(600,000)	4,000,000
		<u>12,800,000</u>	<u>23,000,000</u>	<u>-</u>	<u>(3,000,000)</u>	<u>32,800,000</u>

The weighted average remaining contractual life of performance rights outstanding at the end of the financial year was nil (2022: 2.39 years).

The weighted average fair value at the end of the period was nil per right (2022: \$0.0354 per right).. The Performance Rights over ordinary shares are granted under the Employee Incentive Scheme for nil cash consideration. Further details of the Employee Incentive Scheme including terms of grants and performance hurdles are provided in the remuneration report.

For the performance rights granted during the current financial 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	\$0.0170	\$0.0000	100.00%	-	3.03%	\$0.017
09/12/2022	30/06/2024	\$0.0170	\$0.0000	100.00%	-	3.03%	\$0.004

Accounting policy for share-based payments

Equity-settled and cash-settled share-based compensation benefits are provided to employees.

Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services. Cash-settled transactions are awards of cash for the exchange of services, where the amount of cash is determined by reference to the share price.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using an option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the Group receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.



Note 23. Share-based payments (continued)

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

Market conditions are taken into consideration in determining fair value. Therefore any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the Group or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the Group or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

Note 24. Related party transactions

Parent entity

Labyrinth Resources Limited is the parent entity.

Subsidiaries

Interests in subsidiaries are set out in note 26.

Joint operations

Interests in joint operations are set out in note 27.

Key management personnel

Disclosures relating to key management personnel are set out in note 25 and the remuneration report included in the Directors' report.

Transactions with related parties

Other than the transactions disclosed in note 25, there were no other transactions with related parties during the current and previous financial year.

Receivable from and payable to related parties

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

	2023 \$	2022 \$
Current payables:		
Trade payables to key management personnel*	88,407	153,904

* This includes trade payable to entities where key management personnel have control or significant influence on.

Loans to/from related parties

There were no loans to or from related parties at the current and previous reporting date.

Terms and conditions

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



Note 25. 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:

	2023 \$	2022 \$
Short-term employee benefits	570,635	594,262
Post-employment benefits	33,927	33,692
Share-based payments	465,947	652,275
	<u>1,070,509</u>	<u>1,280,229</u>

Other key management personnel transactions

A number of these companies transacted with the Group during the year. The terms and conditions of these transactions were no more favourable than those available, or which might reasonably be expected to be available, in similar transactions to non-key management personnel related companies on an arm's length basis.

The aggregate value of transactions and outstanding balances relating to key management personnel and entities over which they have control or significant influence were as follows:

	2023 \$	2022 \$
Simon Lawson - technical consulting fees	-	50,000
Lavan Legal - legal fees	29,942	127,840
Carlowen Pty Ltd - rent	-	13,350
	<u>29,942</u>	<u>191,190</u>

Note 26. 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	
		2023 %	2022 %
Orminex West Pty Ltd	Australia	100%	100%
Golden Lode Pty Ltd	Australia	100%	100%
Orminex Penny's Find Pty Ltd	Australia	100%	100%
Labyrinth Resources Canada Pty Ltd	Canada	100%	100%
Orminex Cannon Mine Pty Ltd*	Australia	-	100%

* This subsidiary was deregistered during the year.



Note 27. Interests in joint operations

The Group has recognised its share of jointly held assets, liabilities, revenues and expenses of joint operations. These have been incorporated in the financial statements under the appropriate classifications. During August 2023, the Company disposed of its remaining 50% holding in the Penny's Find Project. Information relating to joint operations that are material to the Group are set out below:

Name	Principal place of business / Country of incorporation	Ownership interest	
		2023 %	2022 %
Penny's Find	Australia	-	50.00%

Significant judgement: classification of joint arrangements

Unanimous consent for all relevant activities is required from both Labyrinth and Black Mountain in relation to the Penny's Find Joint Venture. The two partners have direct rights to the assets of the partnership and are jointly and severally liable for the liabilities incurred by the partnership. This entity is therefore classified as a joint operation and the group recognises its direct right to the jointly held assets, liabilities, revenues and expenses.

Note 28. Parent entity information

Set out below is the supplementary information about the parent entity.

Statement of profit or loss and other comprehensive income

	2023 \$	Parent 2022 \$
Loss after income tax	(7,150,193)	(5,307,747)
Total comprehensive loss	(7,150,193)	(5,307,747)

Statement of financial position

	2023 \$	Parent 2022 \$
Total current assets	270,246	793,579
Total non-current assets	28,451,827	29,202,351
Total assets	28,722,073	29,995,930
Total current liabilities	2,237,617	3,198,525
Total non-current liabilities	16,655,586	11,822,236
Total liabilities	18,893,203	15,020,761
Equity		
Issued capital	306,232,757	304,910,837
Share-based payments reserve	1,897,928	1,215,955
Accumulated losses	(298,301,815)	(291,151,623)
Total equity	9,828,870	14,975,169



Note 29. Commitments

The Group has the following commitments principally relating to the minimum expenditure requirements for Golden Lode Project and Comet Vale Project tenements.

	2023 \$	2022 \$
<i>Exploration expenditure</i>		
Committed at the reporting date but not recognised as liabilities, payable:		
Within one year	173,298	346,596
One to five years	693,192	519,894
	<u>866,490</u>	<u>866,490</u>

Note 30. Contingent liabilities

There are no contingent liabilities as at 30 June 2023.

Note 31. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by Moore Australia Audit (WA), the auditor of the Company:

	2023 \$	2022 \$
<i>Audit services - Moore Australia Audit (WA)</i>		
Audit or review of the financial statements	<u>44,553</u>	<u>41,828</u>
<i>Other services - Moore Australia Audit (WA)</i>		
Preparation of the tax return	<u>4,698</u>	<u>8,600</u>
	<u>49,251</u>	<u>50,428</u>

Note 32. Events after the reporting period

Post period end, in July 2023 Labyrinth announced that the Company received firm commitments for A\$1,015,500 in a private share placement to new strategic sophisticated investors and existing major shareholders at a price of 0.7c per share ('Placement'). Proceeds will support the growth and exploration of the Company's high-grade gold projects. In conjunction with the Placement, Labyrinth undertook a pro-rata non-renounceable entitlement issue ('Rights Issue') of one (1) new share for every four (4) existing shares held by eligible shareholders at an issue price of 0.7c each, representing an identical discount to the 5-day VWAP which is being applied for the calculation of the Placement price, to raise up to \$1,679,103. The resulting amount of additional uptake equated to \$560,894 as announced on 7 August 2023.

No matter or circumstance has arisen since 30 June 2023 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, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 2 to the financial statements;
- the attached financial statements and notes give a true and fair view of the Group's financial position as at 30 June 2023 and of its performance for the financial 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.

The Directors have been given the declarations required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of Directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the Directors

Dean Hely
Non-Executive Chairman

29 September 2023
Perth

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF LABYRINTH RESOURCES LIMITED****REPORT ON THE AUDIT OF THE FINANCIAL REPORT****Opinion**

We have audited the financial report of Labyrinth Resources Limited (the Company) and its controlled entities (the "Group"), which comprises the consolidated statement of financial position as at 30 June 2023, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion:

- a) the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:
 - i. giving a true and fair view of the Group's financial position as at 30 June 2023 and of its financial performance for the year then ended; and
 - ii. complying with Australian Accounting Standards and the Corporations Regulations 2001.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and 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 financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 and therefore the Group 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.

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current year. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon.

Carrying value of capitalised exploration & evaluation assets & valuation of associated deferred consideration

Refer to Note 3 Critical accounting judgements, estimates and assumptions, Note 7 Loss from financial instrument at fair value through profit or loss, Note 15 Exploration & Evaluation Assets, Note 17 Other liabilities and Note 21 Fair Value Measurement

Capitalised exploration and evaluation assets of approximately \$24.7 million represents the Group's single largest asset. The Group's largest liability of \$17.98 million is associated with the deferred consideration payable for the Canadian assets acquired during the previous year.

Asset valuation is considered a key audit matter as the ability to recognise and to continue to defer exploration and evaluation assets under AASB 6: *Exploration for and Evaluation of Mineral Resource* is impacted by the Group's ability, and intention, to continue with the operating activities or its ability to realise this value through development or sale. We considered it necessary to assess whether facts and circumstances existed to suggest that the carrying value of these assets may exceed its recoverable amount.

In addition, we considered the appropriateness of the asset amount recognised for the Canadian tenements acquired (in the prior financial year) and subsequent fair value accounting adjustments in respect of the deferred consideration payable under the purchase agreement. As detailed in Notes 17 and 21, the deferred consideration comprises of physical gold payable to the vendor. This liability is recognised at fair value through profit or loss with changes in the fair value recognised in profit or loss.

The valuation of this liability is considered a key audit matter given this material balance is subject to the following significant judgements/estimations:

- estimated delivery/repayment dates
- estimated future gold prices
- estimated future FX rates
- discount rates

Our procedures included, amongst others:

- We addressed the Group's assessment of the ability to continue to defer the exploration and evaluation assets under AASB 6
- Ensuring that the Group has the ongoing right to explore in the relevant exploration areas of interests by performing a sample of tenement searches and discussions with management.
- Assessing the carrying value of these assets for any indicators of impairment through discussions with management, review of ASX announcements to-date on the Group's current activities and review of other documents.
- We substantiated a sample of exploration expenditures incurred during the year against supplier invoices or agreements
- Ensuring the Group is committed to continue exploration and evaluation activity in the relevant areas of interest including assessing their expenditures that have been planned or budgeted for.
- Considered the Group's market capitalisation at balance date for any further indicators of impairment – there were none.
- We reviewed the terms of the original signed purchase agreement of the Canadian assets and assessed the methodology and key assumptions adopted in the Group's valuation model for recording the initial acquisition cost.
- We reviewed the terms of the revised purchase agreement (revised in May 2023) in respect of the Canadian assets and assessed the revised measurement and related fair value adjustment of the deferred consideration liability. We also assessed the key assumptions/inputs adopted in the model for reasonableness to ensure the fair value loss of \$4.89 million reported in Note 7 was appropriately quantified.

We also assessed the appropriateness of the disclosures contained in the financial report.

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

Key Audit Matters (continued)

Valuation of Share-Based Payments	
Refer to Note 3 Critical accounting judgments, estimates and assumptions & Note 22 Share-based payments	
During the year ended 30 June 2023, the Group transacted with Key Management Personnel (KMPs) and other parties including: Awarded share-based payments (SBP) amounting to \$727,023, in the form of shares, options and performance rights SBP is a key audit matter due to it being a material transaction, the valuation of which involved several key assumptions and judgements adopted by both management and an independent valuer during the year.	Our procedures included, amongst others: - Enquiring and obtaining confirmations from KMPs regarding SBP transactions during the year - Reviewing minutes of meetings, ASX announcements, agreements, & considered other transactions undertaken during the year - Assessing the valuation methodology used by management & the independent valuer to estimate the fair value of equity instruments issued, including testing the integrity of the information provided, assessing the appropriateness of key assumptions input into the valuation model - Evaluation of the independent valuer and their objectivity, competency and capabilities - Assessing whether these payments have been appropriately disclosed and reported in the financial statements

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2023 but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon. In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

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

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located on the Auditing and Assurance Standards Board website at:

https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf. This description forms part of our auditor's report.

REPORT ON THE REMUNERATION REPORT

Opinion on the Remuneration Report

We have audited the Remuneration Report as included in the directors' report for the year ended 30 June 2023.

In our opinion, the Remuneration Report of Labyrinth Resources Limited, for the year ended 30 June 2023 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.



NEIL PACE
PARTNER



MOORE AUSTRALIA AUDIT (WA)
CHARTERED ACCOUNTANTS

Signed at Perth on the 29th day of September 2023

LABYRINTH RESOURCES LIMITED
ACN 008 740 672
(COMPANY)

CORPORATE GOVERNANCE STATEMENT

This Corporate Governance Statement is current as of 29 September 2023 and has been approved by the Board of the Company on that date.

This Corporate Governance Statement discloses the extent to which the Company follows the recommendations set by the ASX Corporate Governance Council in its publication "Corporate Governance Principles and Recommendations" 4th edition (**Recommendations**). The Recommendations are not mandatory, however, the Recommendations that will not be followed have been identified and reasons provided for not following them along with what (if any) alternative governance practices the Company intends to adopt in lieu of the recommendation.

The Company has adopted a Corporate Governance Plan that provides the written terms of reference for the Company's corporate governance duties that is available on the Company's website at www.labyrinthresources.com.

Due to the current size and nature of the existing Board, the Board has not established individual Board committees. Under the Board's Charter, the duties that would ordinarily be assigned to individual committees are currently carried out by the full Board under the written terms of reference for those committees.

RECOMMENDATIONS (4 TH EDITION)	COMPLY	EXPLANATION
Principle 1: Lay solid foundations for management and oversight		
Recommendation 1.1 A listed entity should have and disclose a board charter setting out: (a) the respective roles and responsibilities of its board and management; and (b) those matters expressly reserved to the board and those delegated to management.	YES	The Company has adopted a Board Charter that sets out the specific roles and responsibilities of the Board, the Chair and management and includes a description of those matters expressly reserved to the Board and those delegated to management. The Board Charter sets out the specific responsibility of the Board, requirements as to the Board's composition, the roles and responsibilities of the Chairman and Company Secretary, the establishment, operation and management of Board Committees, Directors' access to Company records and information, details of the Board's relationship with management, details of the Board's performance review and details of the Board's disclosure policy. A copy of the Company's Board Charter, which is part of the Company's Corporate Governance Plan, is available on the Company's website.
Recommendation 1.2 A listed entity should:	YES	(a) The Company has guidelines for the appointment and selection of the Board in its Corporate Governance Plan. The Company's Nomination Committee Charter (in the Company's Corporate Governance Plan) requires the Nomination Committee (or, in its

RECOMMENDATIONS (4 TH EDITION)	COMPLY	EXPLANATION
(a) undertake appropriate checks before appointing a director or senior executive or putting someone forward for election as a director; and (b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.		absence, the Board) to ensure appropriate checks (including checks in respect of character, experience, education, criminal record and bankruptcy history (as appropriate) are undertaken before appointing a person or putting forward to security holders a candidate for election, as a Director. (b) Under the Nomination Committee Charter, all material information relevant to a decision on whether or not to elect or re-elect a Director must be provided to security holders in the Notice of Meeting containing the resolution to elect or re-elect a Director.
Recommendation 1.3 A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	YES	The Company's Nomination Committee Charter requires the Nomination Committee (or, in its absence, the Board) to ensure that each Director and senior executive is a party to a written agreement with the Company which sets out the terms of that Director's or senior executive's appointment. The Company has written agreements with each of its Directors and senior executives.
Recommendation 1.4 The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.	YES	The Board Charter outlines the roles, responsibility and accountability of the Company Secretary. In accordance with this, the Company Secretary is accountable directly to the Board, through the Chair, on all matters to do with the proper functioning of the Board.
Recommendation 1.5 A listed entity should: (a) have and disclose a diversity policy; (b) through its board or a committee of the board set measurable objectives for achieving gender diversity in the composition of its board, senior executives and workforce generally; and (c) disclose in relation to each reporting period: 1) the measurable objectives set for that period to achieve gender diversity; 2) the entity's progress towards achieving those objectives; and 3) either: i. the respective proportions of men and women on the board, in senior executive	PARTIALLY	(a) The Company has adopted a Diversity Policy which provides a framework for the Company to establish and achieve measurable diversity objectives, including in respect of gender diversity. The Diversity Policy allows the Board to set measurable gender diversity objectives if considered appropriate and to assess annually both the objectives and the Company's progress in achieving them. (b) The Diversity Policy is available, as part of the Corporate Governance Plan, on the Company's website. (i) The Board does not presently intend to set measurable gender diversity objectives because, if it becomes necessary to appoint any new Directors or senior executives, the Board considered the application of a measurable gender diversity objective requiring a specified proportion of women on the Board and in senior executive roles will, given the small size of the Company and the Board, unduly limit the Company from applying the

RECOMMENDATIONS (4 TH EDITION)	COMPLY	EXPLANATION
positions and across the whole workforce (including how the entity has defined “senior executive” for these purposes); or ii. if the entity is a “relevant employer” under the Workplace Gender Equality Act, the entity’s most recent “Gender Equality Indicators”, as defined in and published under that Act. If the entity was in the S&P/ASX 300 Index at the commencement of the reporting period, the measurable objective for achieving gender diversity in the composition of its board should be to have not less than 30% of its directors of each gender within a specified period.		(ii) Diversity Policy as a whole and the Company's policy of appointing based on skills and merit; and the respective proportions of men and women at the date of this statement: No. female Board members: Nil (0%) No. female employees: 1 (50%) No. female employees in senior positions (Executive level): 1 (100%) No. female contractors: 1 (50%) No. female contractors in senior positions (Executive level): Nil (0%)
Recommendation 1.6 A listed entity should: (a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and (b) disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.	YES	(a) The Company's Nomination Committee (or, in its absence, the Board) is responsible for evaluating the performance of the Board, its committees, and individual Directors on an annual basis. It may do so with the aid of an independent advisor. The process for this is set out in the Company's Corporate Governance Plan, which is available on the Company's website. (b) The Company's Corporate Governance Plan requires the Company to disclose whether performance evaluations were conducted during the relevant reporting period. The Company intends to complete performance evaluations in respect of the Board, its committees (if any) and individual Directors for each financial year in accordance with the above process. Performance evaluations were not undertaken for FY2023 given change in key personnel at 30 June 2023 but will be completed in future periods.
Recommendation 1.7 A listed entity should: (a) have and disclose a process for evaluating the performance of its senior executives at least once every reporting period; and (b) disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.	YES	(a) The Company's Nomination Committee (or, in its absence, the Board) is responsible for evaluating the performance of the Company's senior executives on an annual basis. The Company's Remuneration Committee (or, in its absence, the Board) is responsible for evaluating the remuneration of the Company's senior executives on an annual basis. A senior executive, for these purposes, means key management personnel (as defined in the Corporations Act) other than a non-executive Director. The applicable processes for these evaluations can be found in the Company's Corporate Governance Plan, which is available on the Company's website.

RECOMMENDATIONS (4 TH EDITION)	COMPLY	EXPLANATION
		(b) The Company's Corporate Governance Plan requires the Company to disclose whether performance evaluations were conducted during the relevant reporting period. The Company intends to complete performance evaluations in respect of the senior executives (if any) for each financial year in accordance with the applicable processes. Performance evaluations were not undertaken for FY2023 given change in key personnel at 30 June 2023 but will be completed in future periods.
Principle 2: Structure the Board to add value		
Recommendation 2.1 The Board of a listed entity should: (a) have a nomination committee which: (i) has at least three members, a majority of whom are independent Directors; and (ii) is chaired by an independent Director, and disclose: (iii) the charter of the committee; (iv) the members of the committee; and (v) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.	PARTIALLY	(a) The Company does not have a Nomination Committee. The Company's Nomination Committee Charter provides for the creation of a Nomination Committee (if it is considered it will benefit the Company), with at least three members, a majority of whom are independent Directors, and which must be chaired by an independent Director. (b) The Company does not have a Nomination Committee as the Board considers the Company will not currently benefit from its establishment. In accordance with the Company's Board Charter, the Board carries out the duties that would ordinarily be carried out by the Nomination Committee under the Nomination Committee Charter, including the following processes to address succession issues and to ensure the Board has the appropriate balance of skills, experience, independence, and knowledge of the entity to enable it to discharge its duties and responsibilities effectively: (i) devoting time at least annually to discuss Board succession issues and updating the Company's Board skills matrix; and (ii) all Board members being involved in the Company's nomination process, to the maximum extent permitted under the Corporations Act and ASX Listing Rules.
Recommendation 2.2 A listed entity should have and disclose a board skills matrix setting out the mix of skills that the board currently has or is looking to achieve in its membership.	NO	Under the Nomination Committee Charter (in the Company's Corporate Governance Plan), the Nomination Committee (or, in its absence, the Board) is required to prepare a Board skill matrix setting out the mix of skills and diversity that the Board current has (or is looking to achieve) and to review this at least annually against the Company's Board skills matrix to ensure the appropriate mix of skills and expertise is present to facilitate successful strategic direction.

RECOMMENDATIONS (4 TH EDITION)	COMPLY	EXPLANATION
		The Company intends to develop a Board skill matrix setting out the mix of skills and diversity that the Board currently has or is looking to achieve in its membership. A copy will be made available on the Company's website. The Board Charter requires the disclosure of each Board member's qualifications and expertise. Full details as to each Director's relevant skills and experience are available in the Annual Report.
Recommendation 2.3 A listed entity should disclose: (a) the names of the Directors considered by the Board to be independent Directors; (b) if a director has an interest, position or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position or relationship in question and an explanation of why the board is of that opinion; and (c) the length of service of each Director	YES	(a) The Board Charter requires the disclosure of the names of Directors considered by the Board to be independent. The Company will disclose those Directors it considers to be independent in its Annual Report. The Board considers that none of the current Directors are independent. (b) There are no independent Directors who fall into this category. The Company will disclose in its Annual Report any instances where this applies and an explanation of the Board's opinion why the relevant Director is still considered to be independent. (c) The Company's Annual Report will disclose the length of service of each Director, as at the end of each financial year.
Recommendation 2.4 A majority of the Board of a listed entity should be independent Directors.	YES	The Board Charter requires that, where practical, the majority of the Board must be independent. The Board currently comprises three directors, of which one is independent.
Recommendation 2.5 The chair of the Board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.	YES	The Board Charter provides that, where practical, the Chair of the Board should be an independent Director and should not be the CEO/Managing Director. The Chair of the Board is an independent Director of the Company and not the same person as the CEO. The Board has taken the following steps to structure the Board to add value: (a) Board meetings are held with a flat structure allowing contribution from all Directors and senior management that allows for a diversity of views to be considered; (b) The Board has appointed a CEO who is not the same person as the Chair.

RECOMMENDATIONS (4 TH EDITION)	COMPLY	EXPLANATION
Recommendation 2.6 A listed entity should have a program for inducting new directors and for periodically reviewing whether there is a need for existing directors to undertake professional development to maintain the skills and knowledge needed to perform their role as directors effectively.	YES	In accordance with the Company's Board Charter, the Nominations Committee (or, in its absence, the Board) is responsible for the approval and review of induction and continuing professional development programs and procedures for Directors to ensure that they can effectively discharge their responsibilities. The Chair is responsible for facilitating inductions and professional development.
Principle 3: Act ethically and responsibly		
Recommendation 3.1 A listed entity should articulate and disclose its values.	YES	(a) The Company and its subsidiary companies (if any) are committed to conducting all business activities fairly, honestly with a high level of integrity, and in compliance with all applicable laws, rules and regulations. The Board, management and employees are dedicated to high ethical standards and recognise and support the Company's commitment to compliance with these standards. (b) The Company's values are set out in its Code of Conduct (which forms part of the Corporate Governance Plan) and are available on the Company's website. All employees and consultants are given appropriate training on the Company's values and senior executives will continually reference such values.
Recommendation 3.2 A listed entity should: (a) have a code of conduct for its Directors, senior executives and employees; and (b) disclose that code or a summary of it.	YES	(c) The Company's Corporate Code of Conduct applies to the Company's Directors, senior executives and employees. (d) The Company's Corporate Code of Conduct (which forms part of the Company's Corporate Governance Plan) is available on the Company's website.
Recommendation 3.3 A listed entity should: (a) have and disclose a whistleblower policy; and (b) ensure that the board or a committee of the board is informed of any material incidents reported under that policy.	YES	(a) The Company's Whistleblower policy (which forms part of the Company's Corporate Governance Plan) is available on the Company's website. (b) All matters reported to the Whistleblower Protection and Investigation Officer (WPIO) will be reported to the Board or the relevant sub-committee, as appropriate. Should a matter be reported directly to a Board member, the matter will be communicated to the other Board members at the next Board meeting.
Recommendation 3.4 A listed entity should:	YES	The Company's Anti-Bribery and Anti-Corruption Policy (which forms part of the Corporate Governance Plan) is available on the Company's

RECOMMENDATIONS (4 TH EDITION)	COMPLY	EXPLANATION
(a) have and disclose an anti-bribery and corruption policy; and (b) ensure that the board or a committee of the board is informed of any material breaches of that policy.		website. Any material breaches of the Anti-Bribery and Anti-Corruption Policy are to be reported to the Board or a committee of the Board.
Principle 4: Safeguard integrity in financial reporting		
Recommendation 4.1 The Board of a listed entity should: (a) have an audit committee which: (i) has at least three members, all of whom are nonexecutive directors and a majority of whom are independent directors; and (ii) is chaired by an independent director, who is not the chair of the board, and disclose: (iii) the charter of the committee; (iv) the relevant qualifications and experience of the members of the committee; and (v) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.	PARTIALLY	(a) The Company currently does not have an Audit and Risk Committee. The Company's Corporate Governance Plan contains an Audit and Risk Committee Charter that provides for the creation of an Audit and Risk Committee (if it is considered it will benefit the Company), with at least three members, all of whom must be independent Directors, and which must be chaired by an independent Director who is not the Chair. (b) The Company does not have an Audit and Risk Committee as the Board considers the Company will not currently benefit from its establishment. In accordance with the Company's Board Charter, the Board carries out the duties that would ordinarily be carried out by the Audit and Risk Committee under the Audit and Risk Committee Charter including the following processes to independently verify and safeguard the integrity of its financial reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner: (i) the Board devotes time at annual Board meetings to fulfilling the roles and responsibilities associated with maintaining the Company's internal audit function and arrangements with external auditors; and (ii) all members of the Board are involved in the Company's audit function to ensure the proper maintenance of the entity and the integrity of all financial reporting.
Recommendation 4.2 The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a	YES	These obligations of a Company's CFO or CEO (if any) are set out in the Company's Corporate Governance Plan. The Company's Audit and Risk Committee Charter requires the CEO and CFO (or, if none, the person(s) fulfilling those functions) to provide a sign off on these terms. The Company intends to obtain a sign off on these terms for each of its financial statements in each financial year.

RECOMMENDATIONS (4 TH EDITION)	COMPLY	EXPLANATION
sound system of risk management and internal control which is operating effectively.		
Recommendation 4.3 A listed entity should disclose its process to verify the integrity of any periodic corporate report it releases to the market that is not audited or reviewed by an external auditor.	YES	All financial reports are reviewed by the full Board. Where a report does not require an audit or review by an external auditor, the report is prepared by the CFO and then reviewed by the CEO. Once the CEO has reviewed and is comfortable with the report content, it is circulated to the full Board for comment and approval prior to lodging with the ASX.
Principle 5: Make timely and balanced disclosure		
Recommendation 5.1 A listed entity should have and disclose a written policy for complying with its continuous disclosure obligations under listing rule 3.1.	YES	The Board Charter provides details of the Company's disclosure policy. In addition, Corporate Governance Plan details the Company's disclosure requirements as required by the ASX Listing Rules and other relevant legislation. The Corporate Governance Plan is available on the Company website.
Recommendation 5.2 A listed entity should ensure that its board receives copies of all material market announcements promptly after they have been made.	YES	The Board Charter provides details of the Company's protocol in relation to the review and release of ASX announcements and media releases. The Corporate Governance Plan is available on the Company website.
Recommendation 5.3 A listed entity that gives a new and substantive investor or analyst presentation should release a copy of the presentation materials on the ASX Market Announcements Platform ahead of the presentation.	YES	All substantive investor or analyst presentations will be released on the ASX Markets Announcement Platform ahead of such presentations.
Principle 6: Respect the rights of security holders		
Recommendation 6.1 A listed entity should provide information about itself and its governance to investors via its website.	YES	Information about the Company and its governance is available in the Corporate Governance Plan which can be found on the Company's website.
Recommendation 6.2 A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.	YES	The Company has adopted a Shareholder Communications Strategy which aims to promote and facilitate effective two-way communication with investors. The Strategy outlines a range of ways in which information is communicated to shareholders and is available on the

RECOMMENDATIONS (4 TH EDITION)	COMPLY	EXPLANATION
		Company's website as part of the Company's Corporate Governance Plan.
Recommendation 6.3 A listed entity should disclose how it facilitates and encourages participation at meetings of security holders.	YES	Shareholders are encouraged to participate at all EGMs and AGMs of the Company. Upon the despatch of any notice of meeting to Shareholders, the Company Secretary shall send out material in that notice of meeting stating that all Shareholders are encouraged to participate at the meeting.
Recommendation 6.4 A listed entity should ensure that all substantive resolutions at a meeting of security holders are decided by a poll rather than by a show of hands.	YES	All substantive resolutions passed by the Company are decided by a poll, rather than a show of hands. Upon the despatch of any notice of meeting to Shareholders, the Company Secretary shall send out material in that notice of meeting stating that resolutions will be decided by a poll.
Recommendation 6.5 A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	YES	The Shareholder Communication Strategy states that, securityholders can register with the Company to receive email notifications of when an announcement is made by the Company to the ASX, including the release of the Annual Report, half yearly reports and quarterly reports. Links are made available to the Company's website on which all information provided to the ASX is immediately posted. Shareholders queries should be referred to the Company Secretary at first instance.
Principle 7: Recognise and manage risk		
Recommendation 7.1 The Board of a listed entity should: (a) have a committee or committees to oversee risk, each of which: (i) has at least three members, a majority of whom are independent Directors; and (ii) is chaired by an independent Director, and disclose: (iii) the charter of the committee; (iv) the members of the committee; and (v) as at the end of each reporting period, the number of times the committee met throughout the period and	PARTIALLY	(a) The Company does not have an Audit and Risk Committee. The Company's Corporate Governance Plan contains an Audit and Risk Committee Charter that provides for the creation of an Audit and Risk Committee (if it is considered it will benefit the Company). with at least three members, all of whom must be independent Directors, and which must be chaired by an independent Director. (b) The Company does not have an Audit and Risk Committee as the Board consider the Company will not currently benefit from its establishment. In accordance with the Company's Board Charter, the Board carries out the duties that would ordinarily be carried out by the Audit and Risk Committee under the Audit and Risk Committee Charter including the following processes to oversee the entity's risk management framework:

RECOMMENDATIONS (4 TH EDITION)	COMPLY	EXPLANATION
the individual attendances of the members at those meetings; or (b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.		(i) the Board devotes time at quarterly Board meetings to fulfilling the roles and responsibilities associated with overseeing risk and maintaining the entity's risk management framework and associated internal compliance and control procedures.
Recommendation 7.2 The Board or a committee of the Board should: (a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound and that the entity is operating with due regard to the risk appetite set by the board; and (b) disclose in relation to each reporting period, whether such a review has taken place.	YES	(a) The Audit and Risk Committee Charter requires that the Audit and Risk Committee (or, in its absence, the Board) should, at least annually, satisfy itself that the Company's risk management framework continues to be sound. (b) The Company's Corporate Governance Plan requires the Company to disclose at least annually whether such a review of the company's risk management framework has taken place.
Recommendation 7.3 A listed entity should disclose: (a) if it has an internal audit function, how the function is structured and what role it performs; or (b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its governance, risk management and internal control processes.	YES	(a) The Audit and Risk Committee Charter provides for the Audit and Risk Committee to monitor the need for an internal audit function. (b) The Company does not have an internal audit function. The Company is committed to understanding and managing risk and to establishing an organisational culture that ensures risk management is included in all activities, decision making and business processes. The Company does not have a formal internal audit function due to its size.
Recommendation 7.4 A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.	YES	The Environmental, Social and Governance (ESG) Committee Charter requires the ESG Committee (or, in its absence, the Board) to assist in monitoring and reviewing any matters pertaining to the management of activities to minimise adverse workforce, community or environmental impacts in accordance with the Company's ESG policy including how it manages or intends to manage those risks. The Company's Corporate Governance Plan requires the Company to disclose whether it has any material exposure to economic, environmental, and social sustainability risks and, if it does, how it manages or intends to manage those risks. The Company will disclose this information in its Annual Report and on its website as part of its continuous disclosure obligations.

RECOMMENDATIONS (4 TH EDITION)	COMPLY	EXPLANATION
Principle 8: Remunerate fairly and responsibly		
Recommendation 8.1 The Board of a listed entity should: (a) have a remuneration committee which: (i) has at least three members, a majority of whom are independent Directors; and (ii) is chaired by an independent Director, and disclose: (iii) the charter of the committee; (iv) the members of the committee; and (v) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.	PARTIALLY	(a) The Company does not have a Remuneration Committee. The Company's Corporate Governance Plan contains a Remuneration Committee Charter that provides for the creation of a Remuneration Committee (if it is considered it will benefit the Company). with at least three members, all of whom must be independent Directors, and which must be chaired by an independent Director. (b) The Company does not have a Remuneration Committee as the Board considers the Company will not currently benefit from its establishment. In accordance with the Company's Board Charter, the Board carries out the duties that would ordinarily be carried out by the Remuneration Committee under the Remuneration Committee Charter including the following processes to set the level and composition of remuneration for Directors and senior executives and ensuring that such remuneration is appropriate and not excessive: (i) the Board devotes time at the annual Board meeting to assess the level and composition of remuneration for Directors and senior executives
Recommendation 8.2 A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.	YES	The Company's Corporate Governance Plan requires the Board to disclose its policies and practices regarding the remuneration of non-executive, executive and other senior Directors which is disclosed on the Company's website.
Recommendation 8.3 A listed entity which has an equity-based remuneration scheme should: (a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and (b) disclose that policy or a summary of it.	YES	The Company has an equity based incentive remuneration scheme. The scheme includes a requirement that the holder does not enter into any transaction that will limit their economic exposure, whether by derivatives, swap, hedge or otherwise. A copy of the Company's incentive scheme is available on the Company's website.

RECOMMENDATIONS (4 TH EDITION)	COMPLY	EXPLANATION
<i>Additional recommendations that apply only in certain cases</i>		
Recommendation 9.1 A listed entity with a Director who does not speak the language in which Board or security holder meetings are held or key corporate documents are written should disclose the processes it has in place to ensure the Director understands and can contribute to the discussions at those meetings and understands and can discharge their obligations in relation to those documents.		Not applicable.
Recommendation 9.2 A listed entity established outside Australia should ensure that meetings of security holders are held at a reasonable place and time.		Not applicable.
Recommendation 9.3 A listed entity established outside Australia, and an externally managed listed entity that has an AGM, should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.		Not applicable.



The shareholder information set out below was applicable as at 22 September 2023:

Distribution of equitable securities

Analysis of number of equitable security holders by size of holding:

	Ordinary shares		Options over ordinary shares	
	Number of holders	% of total shares issued	Number of holders	% of total shares issued
1 to 1,000	85	-	-	-
1,001 to 5,000	64	0.02	-	-
5,001 to 10,000	67	0.05	-	-
10,001 to 100,000	789	2.92	-	-
100,001 and over	678	97.01	6	100.00
	1,683	100.00	6	100.00
Holding less than a marketable parcel	867	1.95	-	-

Equity security holders

Twenty largest quoted equity security holders

The names of the twenty largest security holders of quoted equity securities are listed below:

	Number held	Ordinary shares % of total shares issued
ROLEN PTY LTD ATF NO 2 A/C	93,421,723	7.87
KENSON INVESTMENTS WA PTY LTD ATF KENSON SUPERFUND A/C	84,666,987	7.13
MR GREGORY JOHN SHARPLESS & MRS JENNIFER LEE SHARPLESS ATF SHARPLESS INVESTMENT A/C	68,092,894	5.73
ROSS GRAHAM	61,856,629	5.21
PT AMMAN MINERAL INTERNASIONAL MENARA KARYA	33,333,334	2.81
SASHA SPASEVSKI	31,333,333	2.64
STEVE FORMICA	28,471,413	2.40
NETWEALTH INVESTMENTS LIMITED ATF WRAP SERVICES A/C	25,573,807	2.15
MR WAYNE MCGRATH	24,644,607	2.08
GENESIS MINERALS LIMITED	21,428,572	1.80
STERNSHIP ADVISERS PTY LTD	21,428,572	1.80
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	18,827,769	1.59
CITYLIGHT ASSET PTY LTD ATF GRAHAM SUPER FUND A/C	18,386,177	1.55
IAN SANDOVER & ASSOCIATES PTY LTD ATF SANDOVER SUPER A/C	14,600,000	1.23
DEAN PROSPER HELY & SANDRA MARIA HELY ATF THE HELY SUPERANNUATION FUND	14,166,667	1.19
SANDANA PTY LTD ATF ANASAND SUPER FUND A/C	13,750,000	1.16
CARLOWEN PTY LTD ATF CARLOWEN UNIT A/C	13,333,333	1.12
INDIAN COAST PTY LTD ATF DJW FAMILY A/C	12,000,000	1.01
WYLLIE GROUP PTY LTD	10,714,290	0.90
ROCK THE POLO PTY LTD ATF ROCK THE POLO A/C	10,500,000	0.88
	620,530,107	52.25



Unquoted equity securities

	Number on issue	Number of holders
Options	36,500,000	6

The following person holds 20% or more of unquoted equity securities:

Name	Class	Number held
CG NOMINEES (AUSTRALIA) PTY LTD	Options over ordinary shares exercisable at \$0.045	15,000,000

Substantial holders

Substantial holders in the Company are set out below:

	Number held	Ordinary shares % of total shares issued
ROSS GRAHAM	149,021,671	12.55
MICHAEL FOULDS	177,274,093	14.93

Voting rights

The voting rights attached to ordinary shares are set out below:

Ordinary shares

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll, every member present or by proxy shall have one vote for every share held.

On-Market Buy Back

There is no current on-market buy back.

Restricted securities

The Company has no restricted securities on issue.



INTERESTS IN MINING TENEMENTS

Project	Tenement/ Claim	Location	Ownership at beginning of the year	Ownership at the end of the year	Acquired during the year	Disposed during the year
Labyrinth*	BM869	Quebec	100%	100%	-	-
	CDC2477686					
	CDC2477687					
	CDC2477688					
	CDC2477689					
	CDC2477690					
	CDC2477691					
	CDC2477692					
	CDC2477693					
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	CDC2477715					
	CDC2477716					
	CDC2477717					
	CDC2477718					
	CDC2477719					
Labyrinth	CDC1916111 CDC1924377 CDC2776635 CDC2776636 CDC2786148 CDC2786149 CDC2786150 CDC2786151 CDC2786152 CDC2786153	Quebec	-	-	In Application	



Denain*	CDC2438660 CDC2438661 CDC2438662 CDC2438663 CDC2438664 CDC2438665 CDC2438666 CDC2438667 CDC2438668 CDC2438669 CDC2438670 CDC2438671 CDC2438672	Quebec	85%	85%	-	-
Penny's Find	M27/156 L27/90 L27/91 L27/92 L27/93 G27/1	Western Australia	50%	-	-	50%
Comet Vale	L29/67 M29/35 M29/52 M29/85 M29/185 M29/186 M29/197 M29/198 M29/199 M29/200 M29/201 M29/232 M29/233 M29/235 M29/270 M29/321	Western Australia	51%	51%	-	-

*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.



ANNUAL MINERAL RESOURCE STATEMENT

In accordance with ASX Listing Rule 5.21, the Company reviews and reports its Mineral Resources at least annually. The date of reporting is 30 June each year, to coincide with the Company's end of financial year balance date. If there are any material changes to its Mineral Resources over the course of the year, the Company is required to promptly report these changes.

LABYRINTH GOLD PROJECT

In September 2021, a historic, foreign Mineral Resource was first reported by the Company. During the previous year, over 8,000m of diamond drilling was completed at the Labyrinth Gold Project to add to the over 32km of historical drilling and facilitate the conversion of the foreign estimate to mineral resources in accordance with the JORC Code. Highly regarded independent consultants RSC Mining and Mineral Exploration were engaged by the Company to produce the JORC Mineral Resource Estimate which was released in the September quarter of 2022 and now supersedes the historic, foreign Mineral Resource.

The Company is not aware of any new information or data that materially affects the information included in the 27 September 2022 release. All material assumptions and technical parameters continue to apply and have not materially changed.

In completing the annual review for the year ended 30 June 2023, the Labyrinth Gold Project has not been converted to an active operation yet and hence no resource depletion has occurred for the review period.

	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.

Pursuant to ASX Listing Rule 5.14, the Company notes the following:

Material Changes and Resource Statement Comparison

There have been no material changes to the Mineral Resource during the review period from acquisition to 30 June 2023.

The Company is not aware of any new information or data that materially affects the information as previously released on 27 September 2022 and all material assumptions and technical parameters underpinning the estimates continue to apply and have not materially changed.

Competent Person's Statement

The information in this report 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'. Mr. Sterk has consented to the inclusion of information pertaining to the Labyrinth Mineral Resource Estimation in this Annual Report.



COMET VALE GOLD PROJECT

The previous Comet Vale Mineral Resource was reported in January 2018 under JORC 2012 Code and subsequently in the Company's Prospectus dated 13 February 2018. The resource for Sand Prince West and Princess Grace was subsequently mined prior to 2022 and it had been estimated that approximately 105,870 tonnes of material was mined by the Company with an average head grade of 4.1 g/t for 13,909 oz of contained gold.

An updated resource estimation was completed in March 2023 by Right Solutions Australia Pty Ltd to account for the depletion and to provide a framework for the April 2023 RC drilling program. The drilling has not been included in the current Mineral Estimate. The combined indicated and inferred open pit (OP) resource is estimated at 368,960 t for 39,477 oz at 3.33 g/t and the combined indicated and inferred underground (UG) resource is estimated at 250,528 t for 56,233 oz at 6.98 g/t.

THE MINERAL RESOURCE STATEMENT

The current Mineral Resource Statement for the Comet Vale Project is shown in the tables below;

Comet Vale March 2023 Depleted Resource as of 03/09/2020 (Au $\geq$ 0.5g/t OP and $\geq$ 2.5g/t UG)

Comet Vale Depleted Resource as of 03/09/2020, Au $\geq$ 0.5g/t (OP) and Au $\geq$ 2.5g/t (UG)			
Category	Tonnage	Au Grade (g/t)	Au Ounces
Indicated	310,868	5.61	56,027
Inferred	308,620	4.00	39,683
Total	619,489	4.81	95,710

Comet Vale March 2023 Depleted Resource as of 03/09/2020 (Au $\geq$ 0.5g/t OP)

Comet Vale Depleted Resource as of 03/09/2020, Au $\geq$ 0.5g/t (OP)			
Category	Tonnage	Au Grade (g/t)	Au Ounces
Indicated	182,478	4.34	25,455
Inferred	186,482	2.34	14,022
Total	368,960	3.33	39,477

Comet Vale March 2023 Depleted Resource as of 03/09/2020 (Au $\geq$ 2.5g/t UG)

Comet Vale Depleted Resource as of 03/09/2020, Au $\geq$ 2.5g/t (UG)			
Category	Tonnage	Au Grade (g/t)	Au Ounces
Indicated	128,390	7.41	30,572
Inferred	122,138	6.53	25,661
Total	250,528	6.98	56,233

MATERIAL CHANGES AND RESOURCE STATEMENT COMPARISON

A parcel of 61,158 tonnes of material was mined from the Sand Prince West and Princess Grace open pit since the estimate was prepared. This yielded 3,949 ounces of gold (2.17 g/t reconciled head grade). the amount of material in tonnes and grade that were subsequently mined and to ascribe the quantities to either the Sand Queen or Princess Grace Deposit or whether it came from Indicated or Inferred category (or possibly elsewhere).

A parcel of 105,870 tonnes of material was mined by the Company prior to 2022, the average head grade was 4.1 g/t for 13,909 oz of contained gold.

The depleted resource estimation completed in March 2023 and reported 11 April 2023 has significantly altered the previous estimate. This is the result of the depletion but also the more conservatively modelled ore domains.



The Company is not aware of any new information or data that materially affects the information as previously released and all material assumptions and technical parameters underpinning the estimates continue to apply and have not materially changed.

COMPETENT PERSON'S STATEMENT

The information in this report that relates to Comet Vale JORC 2012 Mineral Resource is based on information and supporting documentation compiled under the supervision of Ms Jacinta Blincow, a Competent Person, who is Member of the Australian Institute of Geoscientists (AIG). Ms Blincow is a Senior Resource Geologist at Right Solutions Australia Pty Ltd, independent resource development consultants. The full nature of the relationship between Ms Blincow and Labyrinth Resources Limited, including any issue that could be perceived by investors as a conflict of interest, has been disclosed. Ms Blincow has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity which she 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'. Ms. Blincow has consented to the inclusion of information pertaining to the Comet Vale Mineral Resource Update in this Annual Report.

Governance Arrangements and Internal Controls

The Company has ensured that the Mineral Resources quoted are subject to good governance arrangements and internal controls. The Mineral Resources reported have been generated by an independent external consultant who is experienced in best practices in modelling and estimation methods. The consultant has also undertaken reviews of the quality and suitability of the underlying information used to determine the resource estimate. In addition, the Company management carry out regular reviews and audits of internal processes and external contractors that have been engaged by the Company or its joint venture partners.



Labyrinth Resources Limited

www.labyrinthresources.com



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