



LABYRINTH
RESOURCES

**ANNUAL
REPORT 2022**

Labyrinth Resources Limited
ABN 45 008 740 672

Corporate Directory

DIRECTORS

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

CHIEF EXECUTIVE OFFICER

Matthew Nixon

COMPANY SECRETARY

Kelly Moore

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SOLICITORS

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Dear Shareholders

I am delighted to present you with the 2022 Annual Report for Labyrinth Resources. It has been a truly transformational 12 months, highlighted by the successful acquisition of the Labyrinth and Denain Gold Projects in Quebec, Canada, heavily supported \$9.5m capital raise and accompanying name change approval in November 2022.

Securing these projects in the highly-sought Abitibi Belt facilitated the re-establishment of our strategy as a genuine multi-jurisdictional exploration and mining Company possessing assets with significant growth potential.

Within weeks of taking operational control, we were able to commence the first of three safe, successful diamond drilling exploration campaigns executed during the year that totalled almost 12,000m and delivered numerous high-grade gold results. These excellent results have paved the way for an important maiden JORC 2021 Mineral Resource Estimate for the flagship Labyrinth Gold Project in H1 of FY23, as well as providing confirmation of mineralisation continuity at depth and along strike across all known lodes.

With the Resource remaining open in all directions and a pipeline of both near-mine and regional targets, Labyrinth is presenting significant upside potential and we remain excited by the prospectivity and resource growth to be unlocked with further exploration campaigns.

The Labyrinth team has performed admirably this year, working relentlessly in both Australia and Canada to drive our growth strategy in the midst of recent global economic turmoil. I am proud of the constant determination to generate sustainable value accretion for our Shareholders displayed by our small but extremely motivated team, who possess a demonstrated mining operational skill-set that provides a clear point of difference when considering our exploration peers.

Whilst we have only just started our new journey, I believe that the significant turnaround delivered for your Company in just 12 short months indicates we are well and truly on track to create real shareholder value through leveraging off of our core technical and operational skills and strong, consolidated project base.

I thank you for your support of Labyrinth Resources and look forward to updating you as we continue to implement the Company strategy.

Sincerely

Dean Hely
Non-Executive Chairman
Labyrinth Resources Limited



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 2022.

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)
 Mel Ashton (Non-Executive Director)
 Simon Lawson (Technical Director - appointed 11 November 2021)
 Michael Foulds (Non-Executive Director - resigned 11 November 2021)

Information on Directors

Name:	Dean Hely
Title:	Independent Non-Executive Chairman - appointed 17 October 2019 (length of service 2 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. Mr Hely is the chair and board member of the not for profit organisation Youth Focus.
Other current directorships:	None
Former directorships (last 3 years):	None
Interests in shares:	13,000,000
Interests in options:	5,000,000
Name:	Mel Ashton
Title:	Independent Non-Executive Director - appointed 9 June 2021 (length of service 1 year 3 months).
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.
Other current directorships:	Aurora Labs Ltd (since January 2018) Venture Minerals Ltd (since May 2006) Bellavista Resources Ltd (since May 2022)
Former directorships (last 3 years):	Donaco International Limited (December 2019 to September 2020) Credit Intelligence Limited (May 2018 to February 2020)
Interests in shares:	1,666,667
Interests in options:	4,000,000



Name: Simon Lawson
 Title: Technical Director - appointed 11 November 2021 (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 (ASX: NST) that transformed a small WA gold mine into a multi-billion dollar gold heavyweight. Currently Mr Lawson is the Managing Director of ASX-listed Gascoyne Resources Limited (ASX: GCY), a West-Australian gold-producer, and has personally visited and reviewed the acquired Canadian gold properties.
 Other current directorships: Gascoyne Resources Limited (since November 2021)
 Firetail Resources Ltd (since June 2021)
 Former directorships (last 3 years): Firefly Resources Limited (May 2018 to November 2021)
 Interests in shares: 5,000,000
 Interests in options: -

Name: Michael Foulds
 Title: Former Non-Executive Director - resigned on 11 November 2021 (length of service 2 years 3 months). Mr Foulds had appointed Mr Ross Graham as his alternate director from 9 August 2019 to 11 November 2021.
 Experience and expertise: Mr Foulds holds a Bachelor of Engineering in Mining Engineering, First Class Mine Managers Certificates in both Western Australia and the Republic of Fiji and is a Member of the Australian Institute of Company Directors. Mr Foulds worked as a Mining Engineer and Mine Manager at various operations between 1985 and 1995 following which he became both a major shareholder and Company Director in a number of private enterprises, including Mineral Ventures Pty Ltd.
 Other current directorships: None
 Former directorships (last 3 years): None
 Interests in shares: 107,689,224
 Interests in options: 5,000,000

'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 2022, and the number of meetings attended by each Director were:

	Attended	Full Board Held
Dean Hely - appointed 17 Oct 19	11	11
Mel Ashton - appointed 9 June 21	10	11
Simon Lawson - appointed 11 Nov 21	5	5
Michael Foulds* - resigned 11 Nov 21	6	6

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

* Michael Foulds' alternate, Ross Graham, attended 6 Board meetings as his alternate.



Principal activities

The principal activity of the Group is gold development and exploration, with a focus on sourcing, developing and managing high grade gold assets into production with projects in Canada and Western Australia. During the year, the Company acquired the Labyrinth and Denain Gold Projects located in the Abitibi Greenstone Belt in Quebec, Canada.

Review of operations

In the 12 months to June 30, 2022, 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.

Full operational control of the projects was secured from G.E.T.T. Gold Inc. (TSX-V:GETT) ('G.E.T.T.') (formerly Nippon Dragon Resources Inc.) during the year following the satisfaction of all conditions precedent and the payment of the initial consideration of CAD\$2 million to G.E.T.T. (refer ASX announcement 9 November 2021).



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

CANADIAN ACTIVITIES

LABYRINTH GOLD PROJECT

The high-grade Labyrinth gold project is located in the prolific Abitibi Greenstone Belt and was last mined in the early 1980s, when production stopped amid the depressed gold price. Very limited exploration has been conducted on the project since. However, the underground mine remains dry, ventilated and accessible and includes five main levels of ore drive development to a depth of approximately 130m below surface, giving the Company a genuine point of difference compared to its gold exploration peers.



The host rocks exist within a 600m thick differentiated sill that grades from gabbro through to granodiorite with the mineralisation predominantly hosted in the diorite/andesite. The mineralisation at Labyrinth is hosted within east-west trending quartz veins that can be traced for at least 1.6km along strike and run parallel with the trend of the lithology. The quartz veins show lamination and host sulphides associated with the mineralising event.

The Labyrinth Gold Project has an existing non-JORC-compliant historic NI43-101 resource of 2.1Mt at 7.1g/t for 479,000oz of gold.

Refer to ASX announcement 2 September 2021 (Initial Market Announcement) for foreign estimate information, JORC 2012 tables and competent person statement. The Company is not aware of any new information or data that materially affects the information included in the 2 September release. All material assumptions and technical parameters continue to apply and have not materially changed.

Cautionary Statement: the estimates of mineralisation in respect to the Labyrinth gold project reported in this announcement are "foreign estimates" for the purposes of the ASX Listing Rules, and accordingly:

- the estimates are not reported in accordance with the JORC Code;
- a competent person has not done sufficient work to classify the foreign estimates as mineral resources or ore reserves in accordance with the JORC Code; and
- it is uncertain that following evaluation and/or further exploration work that the foreign estimates will be able to be reported as mineral resources or ore reserves in accordance with the JORC Code.

	Classification	Tonnage	Au g/t	Ounces
Total	Measured	124 800	6.95	27 900
	Indicated	445 400	6.40	91 600
	Total	570 300	6.52	119 500
	Inferred	1 512 400	7.40	359 600

Table 1 2010 Foreign (NI43-101) Mineral Resource Estimate at 3g/t cut off for Labyrinth Gold Project

During the year, the Company safely and successfully completed the maiden 4,687m underground diamond drilling program, with 17 holes drilled to support the conversion of the existing NI43-101 resource to JORC classification.

The drilling focussed mainly on high-grade historical intersections of the significantly prospective Boucher lode that is located into the footwall of the existing historical underground mine and exist within the Labyrinth fault system, as well as further defining and expanding the known mineralisation of the McDowell, Talus, Shaft and Front-West lodes.

During the year, results were received for holes LABU-22-01 through to LABU-22-14, with assays for LABU-22-15 through to LABU-22-17 received subsequently (refer to ASX Announcement 26 April 2022 for results of LABU-22-01 to LABU-22-07 and ASX Announcement 7 June 2022 for results of LABU-22-08 to LABU-22-14). The results continued to support the presence of high-grade gold in discrete veins existing with broader intervals of pervasive mineralisation across a significant strike of 1.6km. Importantly, results aligned with, or improved on, the grade distribution indicated by historical data that was used to generate the foreign resource estimate.

Drilling targeting McDowell and Front-West confirmed evident strike extension of these veins and provide readily accessible ore drive expansions from the existing underground mine, whilst LABU-22-09 also intercepted Boucher to the north-east outside of the currently modelled lode. High-grade results returned from multiple lodes included:

- 7.5m @ 7.01g/t from 213m (Boucher) in hole LABU-22-06 including 0.5m @ 62.51g/t and 1.45m @ 8.46g/t
- 3.65m @ 5.41g/t from 30m (Talus) in hole LABU-22-09 including 0.3m @ 43.06g/t
- 3.7m @ 4.75g/t from 23m (Talus) in hole LABU-22-07 including 0.35m @ 21.78g/t
- 2.75m @ 7.25g/t from 239m (Boucher) in hole LABU-22-08 including 1.0m @ 18.43g/t

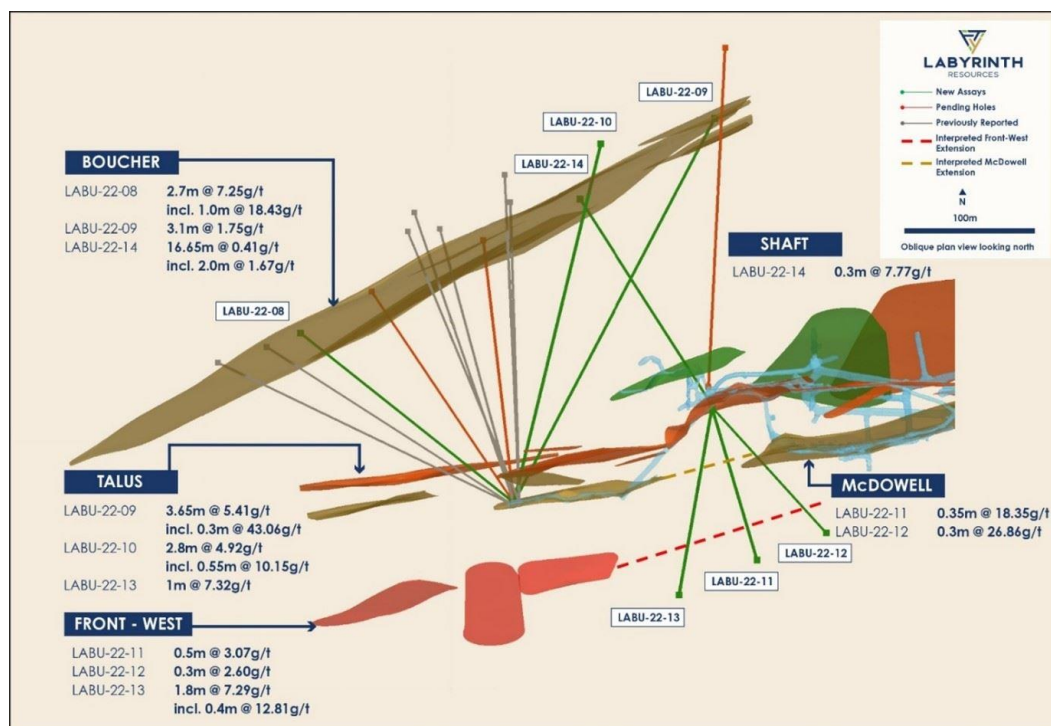


Figure 2 - Significant intercepts of LABU-22-08 to LABU-22-14 collared in the MCD_90 and 90W ore drives

The maiden surface diamond drilling program at Labyrinth Gold Project commenced in late June 2022 and consisted of 3,135m across 5 holes targeting extension of the known resource mineralisation to depths of up to ~700m across ~1.2km of the currently defined 1.6km in strike.



Figure 3 Surface Diamond Drill Rig at Labyrinth Gold Project

The drilling successfully intersected visual Labyrinth-style mineralisation at down-dip projections of the currently modelled Boucher, Talus, McDowell and Front-West lodges, with the deepest hole drilled at the project to date (LABS-22-03) confirming mineralisation continuity to 791m down-hole and pleasingly also delivering an intercept in a previously unmodelled zone of 2m @ 2.21g/t including 0.5m @ 7.51g/t for future follow-up drill targeting.



Results received subsequent to the end of the year continued to demonstrate the high-grade nature of the Labyrinth deposit. These included:

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

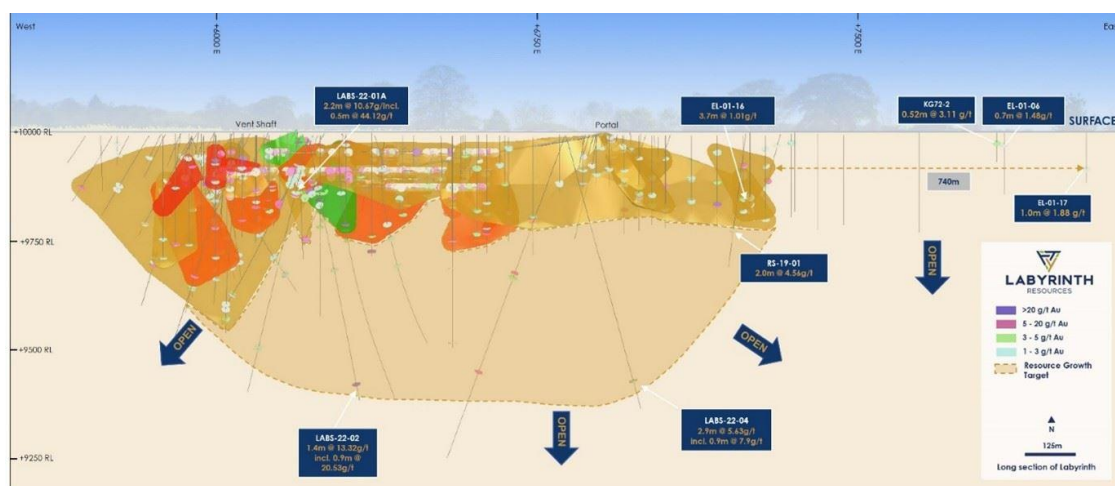


Figure 4 Surface drilling results received post year-end, with additional historical results identified that indicate strike potential over 2.3km

Historical drilling assays and development face sample results combined with outcomes received from Labyrinth's maiden underground and surface drilling programs confirm strong high-grade continuity of the primary mine-sequence lodes to be quantified in the maiden JORC mineral resource estimate in the September quarter 2022. The Labyrinth mineralisation remains open at depth and along strike, with exploration to date only targeting up to ~500m below surface, whilst multiple neighbouring operations in the Abitibi Greenstone Belt demonstrate significant depth continuity and often with higher grades as depth increases.

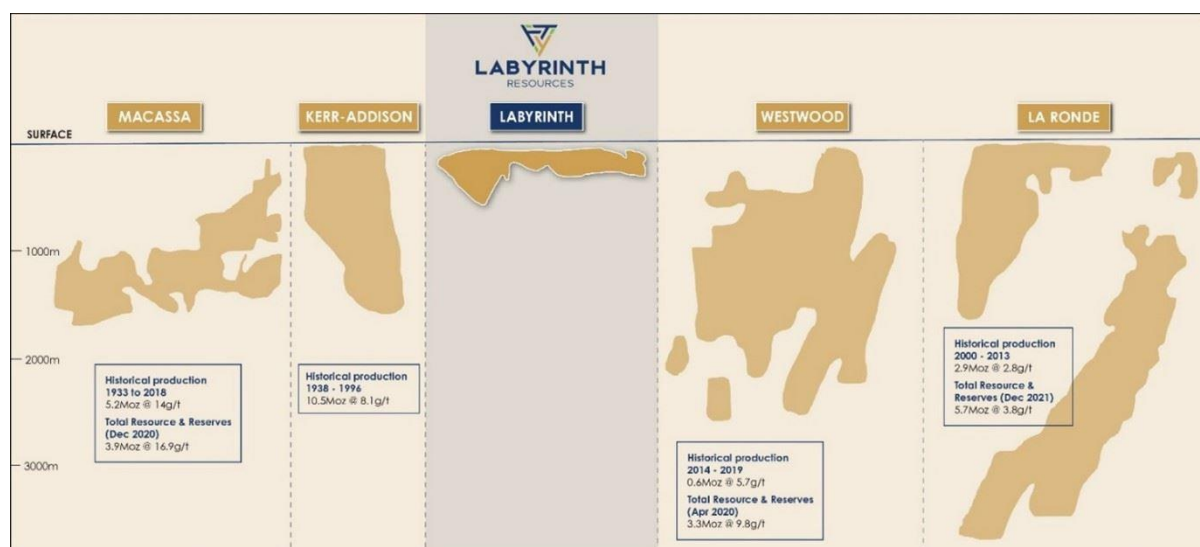


Figure 5 - Significant Gold Projects within 100km radius of Labyrinth¹

¹ Production, Resource and Reserve data sourced from relevant Company websites, publicly available NI43-101 Reports and the publication "Archean base and precious metal deposits, southern Abitibi Greenstone Belt, Canada" in Economic Geology, Volume 19; Published by Society of Economic Geologists 2017, available at www.segweb.org.



DENAIN GOLD PROJECT

The Denain Project is located 60km east of the town of Val d'Or and comprises 13 Claims across a tenure area of 360ha at the eastern abutment of the renowned Cadillac-Larder Lake Fault, which also hosts the current largest Canadian gold mine in Canadian Malarctic.

Almost immediately after Labyrinth took operational control of the project in November 2021, the initial phase of diamond drilling exploration was commenced (refer ASX announcement 8 November 2021). The maiden surface diamond drilling program comprised a 4,018m campaign across 22 holes that ensured Labyrinth importantly delivered the agreed exploration expenditure of CAD \$1.085 million to satisfy the flow-through commitment incurred by previous owners G.E.T.T. Satisfying this exploration commitment enables title for the Labyrinth and Denain tenements to be legally transferred to the Company once remaining tranche payments are paid in 2022.

This drilling returned multiple intervals of prominent shearing and quartz veining. These were supported by the return of a significant 33.2g/t Au result from a 4.45kg rock chip sample collected from the North Vein by a Goldminds Geoservices geologist as part of preparatory field work (refer ASX announcement 10 November 2021 for details on the rock chip sample result and including relevant JORC tables, no material changes since the date of this report).

Results confirmed the presence of prospective high-grade, shallow gold mineralisation commencing at surface outcrops as well as indication of elevated copper in South Vein intercepts. Highlights include:

- 1.0m @ 17.91g/t Au and 0.51% Cu from 200m in hole 22-14 (South Vein)
- 1.0m @ 9.73g/t Au and 0.28% Cu from 45m in hole 21-07 (South Vein)
- 0.8m @ 10.55g/t Au from 313m in hole 21-02 (North Vein)

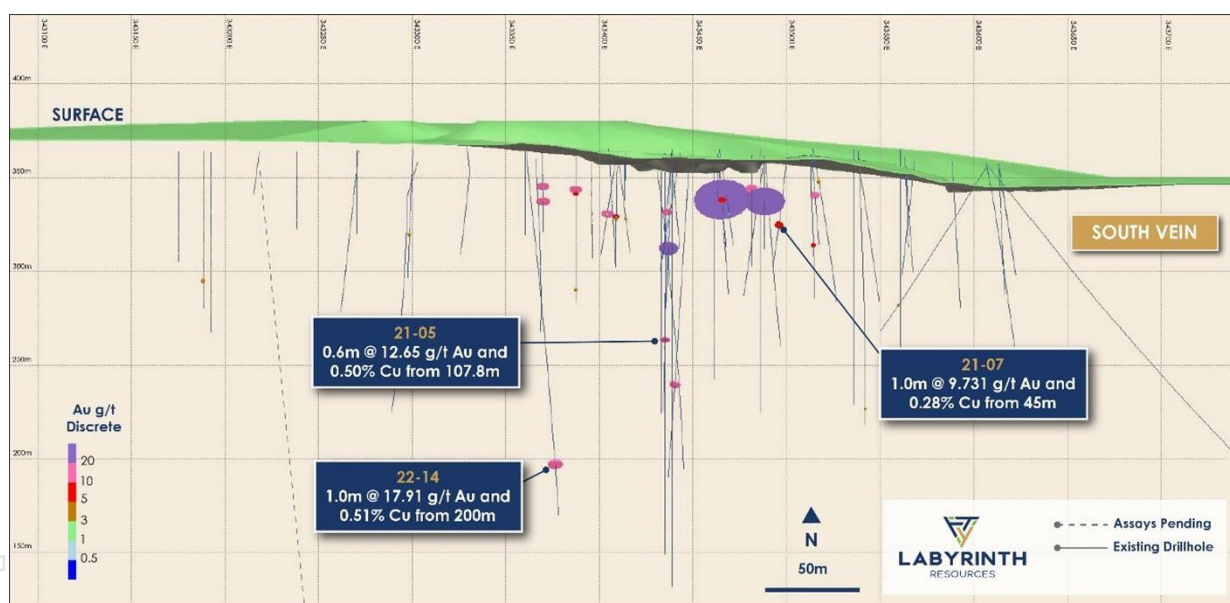


Figure 6 Significant South Vein intercepts

The Company is now able to conduct a full technical assessment of the presenting complex mineralogical system, likely attributable to the influence of late-stage faulting associated with the Grenville Front. Mineralisation appears to occur in all rock types at the prospect with the Quartz Porphyry/Agglomerate contact seeming most favourable. As this contact is irregular in nature it requires further work to identify the areas that are most conducive to hosting high grade gold and this will drive subsequent strategy on further exploration.



AUSTRALIAN ACTIVITIES



Figure 7 Labyrinth Resources West Australian projects

COMET VALE

The Comet Vale project is centred on the old mining town of Comet Vale, 100 km north-northwest of Kalgoorlie, Western Australia. The Goldfields Highway passes through the centre of the project area and is alongside the Sand Queen main shaft (55 meters from the centerline of the highway).

The project is underlain by mafic-ultramafic volcanic rocks of the Ora Banda Domain and granitic rocks of the Goongarrie Monzogranite to the west and the Comet Vale Monzogranite to the north. The Ora Banda Domain is one of six tectono-stratigraphic domains that make up the Kalgoorlie Terrane and is host to several large gold deposits, including the Ora Banda and Mt Pleasant gold camps.

This arm of the Ora Banda Sequence, known as the Menzies Greenstone Belt, is bound to the west by the Goongarrie Monzogranite and to the east by the regional scale Bardoc-Menzies Tectonic Zone.

The Comet Vale Project holds a number of historic gold workings that have been sporadically explored and mined in the period from the 1880's to the current day. The largest deposits currently known are the Sand Queen and Sand George mines that recorded historic production of 181,000 ounces at 23g/t². In addition to these deposits, workings were also carried out to the north-west on the Coonega and Lady Margaret mines as well as over 1km of strike of workings on the Lake View mines. The overall strike of the NNW trending lodes are in excess of 5km with anomalous grades that have had limited follow drilling, with only rock chip samples taken in the Lake View area. In addition to the very high-grade Sand Queen and Sand George mines, there is an interpreted additional line of mineralisation to the east hosted in the Siberia Komatiite based on rock chip samples.

The project area also contains a significant areal extent of the Walter Williams Formation that has the potential to host nickel mineralisation. The model for nickel mineralisation at Comet Vale is essentially that for other goethite-hosted nickel laterite mineralisation in the Eastern Goldfields

² Refer to Reed Resources Limited (ASX: RDR) announcement 'Underground Operations Commence at Comet Vale' dated 14 December 2005.

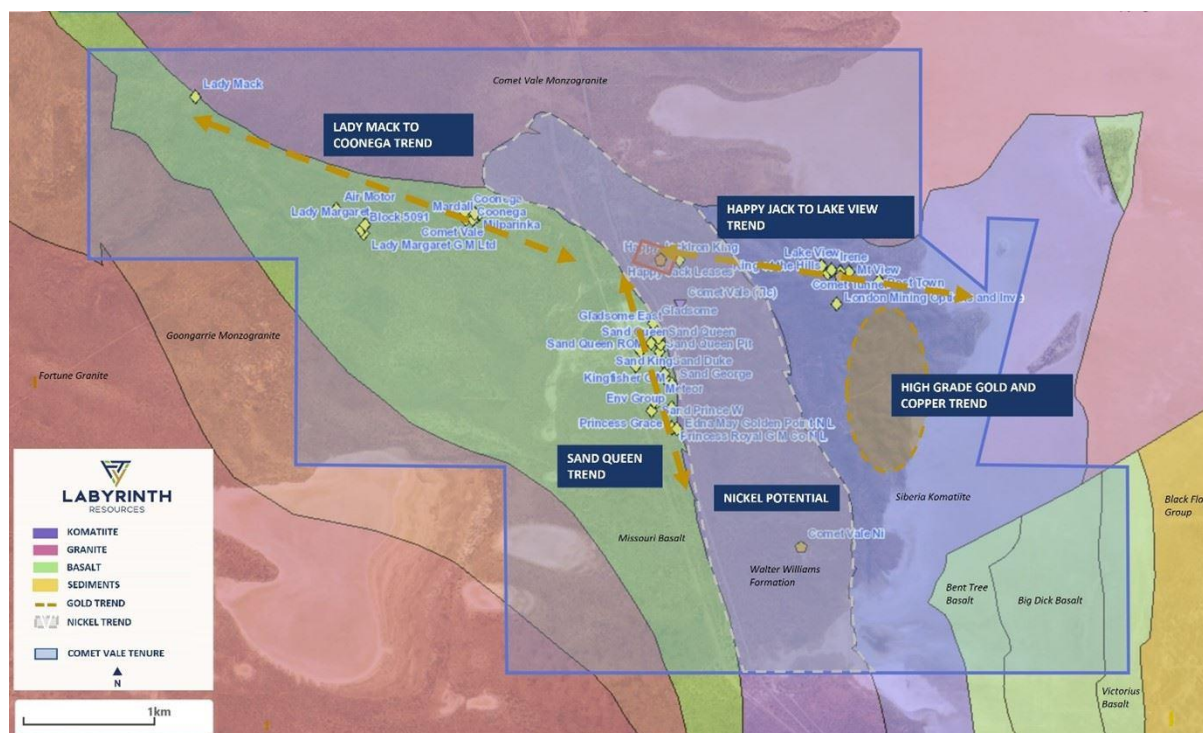


Figure 8 Multiple mineralised trends on the Comet Vale tenure

During the year, the Company submitted a Program of Work request to DMIRS for potential exploration outside the existing gold resource of approximately 750,000 tonnes at 8.4g/t for 203,100 ounces of gold on tenement M29/52³, which was subsequently approved post year-end. Following notification of objections brought against expenditure exemption submissions for some of the non-core periphery tenements that form the Comet Vale combined reporting group (C3/1999) relating to the 2020-21 reporting year, the Company has sought legal assistance to dispute the objections.

PENNY'S FIND

In December, Labyrinth entered into a binding agreement to sell its remaining 50% interest in Penny's Find to joint venture partner Horizon Minerals (ASX:HRZ) ('**Horizon**') (through Horizon's wholly owned subsidiary Black Mountain Gold Pty Ltd) for a total commitment of \$1.25 million (refer ASX announcement 21 December 2021).

Post year-end on 30 August 2022, the Company announced the completion of the sale following resolution of legacy access and compensation agreements.

On completion, the Company received cash consideration of \$527,000 and 3,000,000 fully paid ordinary shares in Horizon (subject to 6 months escrow), the shares in Horizon allowing the Company continued exposure to the Penny's Find Gold Project.

Cash proceeds will be allocated to advancing exploration activities at both Labyrinth's flagship gold project in Quebec and the multi-commodity tenure that forms the Comet Vale Project in Western Australia.

³Refer to Annual Mineral Resource Statement in this Annual Report for further details on the Comet Vale JORC 2012 Resource estimate.



GOLDEN LODGE

The Golden Lode Project comprises prospecting tenements located 110km NW of Kalgoorlie and the deposit forms part of the broader Davyhurst area, which produced approximately 523.8koz of gold between 1986 and 1999. A well-defined vertical to steeply west dipping lithological contact extends north through the Golden Lode Project area. To the west is a sequence of metasediments and to the east mafic to ultramafic schists.

A soil sampling program was completed during the year comprising 226 sites situated on licenses P30/1102, P30/1104 and P30/1131, providing a new dataset that indicated a strongly anomalous gold concentration situated south of the known Golden Lode trend.

Aligned with Labyrinth's strategic project portfolio management, Labyrinth divested the Golden Lode prospecting tenements to a private buyer for a cash sum of \$100,000 in June 2022. Intended allocation of funds will be to ongoing exploration activities at the Labyrinth Gold Project, with official transfer of the four tenements to occur in the September quarter.

Three of the tenements (P30/1100, P30/1102, P30/1103) were scheduled to reach their 8-year anniversary period in February 2023 at which point the Company's ownership would lapse unless an application to convert to a mining lease was submitted and approved by the Department of Mining, Industry Regulation and Safety ('DMIRS') prior. Annual expenditure liabilities for the Company at Golden Lode amounted to a minimum of \$28,740.

CORPORATE AND OTHER

CAPITAL RAISING ACTIVITIES

During the year, the Company finalised a Placement and share purchase plan ('SPP') to raise \$9.5 million (before costs), which was heavily over-subscribed and supported by Canaccord Genuity (Australia) Limited acting as Lead Manager to the Placement (refer ASX announcement 2 September 2021). Labyrinth issued a total of 316,666,667 new shares and the proceeds from the Placement and SPP were used to fund the acquisition of the Canadian gold projects and for exploration, development and working capital focussed on the growth of Labyrinth and Denain.

CHANGE OF NAME

To reflect the Company's revised direction, the decision was taken to change the name from Orminex Limited to Labyrinth Resources Limited during the year.

DIRECTOR AND PERSONNEL CHANGES

During the year, the Company appointed Mr. Simon Lawson to the Board in the position of Technical Director (refer to ASX announcement 11 November 2021).

Mr. Michael Foulds resigned from his position of Non-Executive Director and Mr. Ross Graham resigned from his position of Alternate Non-Executive Director on 11 November 2021.

Mr. Matt Nixon was promoted to the role of Chief Executive Officer on 29 October 2021 in recognition of his critical role in business optimisation and strategic drive.

To support the exploration and growth activities of Labyrinth, the Company appointed Andrew Chirnside as Chief Geologist, commencing in January 2022. Following completion of the Canadian acquisitions, Sylvain Plante was as General Manager of Operations for Labyrinth Resources Canada Pty Ltd.

FINANCIAL RESULTS AND CONDITION

The loss for the Group after providing for income tax amounted to \$6,920,346 (2021: \$4,071,442).

The Group has a working capital deficit of \$1,105,893 (2021: surplus \$3,488,001) and net cash outflows of \$2,237,297 (2021: inflows \$3,157,313).

Since the start of 2022 to the date of this report, the outstanding amount of the Working Capital Facility ('Facility') has been reduced by \$524,454 following repayments to Labyrinth by Mineral Ventures Pty Ltd.



Summary of results

	2022 \$	2021 \$
Revenue from ordinary activities	-	-
Other income	7,151	511,063
	<u>7,151</u>	<u>511,063</u>
Loss before income tax	(6,939,689)	(3,808,434)
Income tax benefit/(expense)	19,343	(263,008)
Loss attributable to owners	<u>(6,920,346)</u>	<u>(4,071,442)</u>
Other comprehensive loss	<u>(7,637)</u>	<u>-</u>
Underlying loss per share (cents)	(0.91)	(0.75)
Shares on issue at reporting date	873,366,755	547,894,524
Weighted average number of shares	757,404,347	541,285,236
Performance rights on issue at reporting date	32,800,000	12,800,000
Options on issue at reporting date	36,500,000	-

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 an 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.

Significant changes in the state of affairs

As noted above, subsequent to the completion of the acquisition of Labyrinth and Denain Gold Project, the Company name and ASX code has been changed from Orminex Limited (ASX: ONX) to Labyrinth Resources Limited (ASX: LRL). In addition to its Australian operation, the business operation has expanded to gold development and exploration in Canada.

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.

Matters subsequent to the end of the financial year

On 30 August 2022, the Company completed the sale of the remaining 50% interest in the Penny's Find Gold Project to Black Mountain Gold limited, a wholly owned subsidiary of Horizon Minerals Limited. Consideration of \$527,000 and 3,000,000 fully paid ordinary shares have been received on the sale of Penny's Find Gold Project.

On 2 September 2022, Mineral Ventures and the Company have agreed to settle the outstanding working capital facility with the Company receiving \$284,454 in cash having agreed to allow a 10% discount for early settlement of the outstanding amount.

No other matter or circumstance has arisen since 30 June 2022 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

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

There were 36,500,000 unissued ordinary shares of Labyrinth Resources Limited under option outstanding at the date of this report. No options were exercised during the year.

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.

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 32 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 32 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 Scheme

The Company adopted an Employee Incentive Scheme ('EIS') effective 4 June 2021. Under the EIS, 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 EIS to date.

Options granted as remuneration

Options have been granted to eligible, employees, executives and external consultants as remuneration. For the year ended 30 June 2022, 19,000,000 options were granted to Directors as remuneration, at an issue price of \$0.045 expiring on 7 November 2024. The fair value is allocated as a share-based payment expense.

The remuneration options have a fair value of \$349,396 and 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

Prior to their conversion into ordinary shares, options do not entitle the holder to any dividends.

Performance Rights granted as remuneration

Performance rights have been granted to eligible Directors, employees, executives and external consultants and are subject to vesting conditions related to achieving a matrix of performance targets measured over a three-year period. For the year ended 30 June 2022, 10,000,000 Performance Rights (June 2021: 11,600,000 Performance rights) were issued to Mr Nixon under the Company's Employee Incentive Scheme with a fair value at grant date of \$364,000 (2021: \$410,640). The fair value is allocated as a share-based payment expense to each reporting period evenly over the performance measurement 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.



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.	\$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.	\$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.	\$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 February 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%

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
2022	\$	\$	\$	\$	\$	\$	\$	\$
<i>Non-Executive Directors:</i>								
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
<i>Senior Executives:</i>								
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.



	Short-term benefits		Post-employment benefits	Long term benefits	Share-based payments			Total
	Director and consulting fees	Cash bonus	Non-monetary	Super-annuation	Long service leave	Performance Rights	Options	
2021	\$	\$	\$	\$	\$	\$	\$	\$
<i>Non-Executive Directors:</i>								
Dean Hely	60,000	-	-	5,700	-	-	-	65,700
Mel Ashton	5,000	-	-	-	-	-	-	5,000
Michael Foulds	60,000	-	-	-	-	-	-	60,000
<i>Senior Executives:</i>								
Matthew Nixon	124,171	62,500	-	10,962	-	136,880	-	334,513
	249,171	62,500	-	16,662	-	136,880	-	465,213

CONSEQUENCES OF PERFORMANCE ON SHAREHOLDER WEALTH

	2022	2021	2020	2019	2018
	\$	\$	\$	\$	\$
Loss after income tax, excluding asset write-offs*	(6,043,062)	(1,065,661)	(549,122)	(736,481)	(1,770,838)

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

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

*Excludes exploration and evaluation asset write-offs of \$841,211 for the year ended 30 June 2022 (2021: \$3,005,781).

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

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 2022 are set out below:

Name	Date	Shares	Issue price	\$
Matt Nixon	4 February 2022	1,000,000	\$0.0360	36,000

The share issue to Matt Nixon was in recognition of his promotion from Chief Operating Officer to Chief Executive Officer.

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 2022.

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 2022 are set out below:

Name	Number of options granted during the year 2022	Number of options granted during the year 2021	Number of options vested during the year 2022	Number of options vested during the year 2021
Dean Hely	5,000,000	-	5,000,000	-
Mel Ashton	4,000,000	-	4,000,000	-
Michael Foulds	5,000,000	-	5,000,000	-
Ross Graham	5,000,000	-	5,000,000	-

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 2022.

As detailed above, 10,000,000 performance rights (2021: 11,600,000 performance rights) were issued to Mr Nixon, the Company's Chief Operating Officer, during the year ended 30 June 2022 under the Company's Employee Incentive Scheme.



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	8,000,000	-	5,000,000	-	13,000,000
Michael Foulds	107,689,224	-	-	(107,689,224)	-
Mel Ashton	-	-	1,666,667	-	1,666,667
Simon Lawson	-	-	5,000,000	-	5,000,000
	-	-	-	-	-
<i>Senior Executives:</i>					
Matthew Nixon	3,509,743	1,000,000	333,333	-	4,843,076
	119,198,967	1,000,000	12,000,000	(107,689,224)	24,509,743

* 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
Michael Foulds	-	5,000,000	-	(5,000,000)	-
Mel Ashton	-	4,000,000	-	-	4,000,000
	-	14,000,000	-	(5,000,000)	9,000,000

* 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	11,600,000	10,000,000	-	-	21,600,000
	11,600,000	10,000,000	-	-	21,600,000

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

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

Grant date	Expiry date	Exercise price	Number under rights
18 June 2021	30 June 2025	\$0.0000	12,800,000
4 February 2022	30 June 2026	\$0.0000	20,000,000

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

Shares issued on the exercise of performance rights

There were no ordinary shares of Labyrinth Resources Limited issued on the exercise of performance rights during the year ended 30 June 2022 and up to the date of this report.

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 2021 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

Dean Hely
Non-Executive Chairman

23 September 2022
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 2022, 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.



SUAN-LEE TAN
PARTNER



MOORE AUSTRALIA AUDIT (WA)
CHARTERED ACCOUNTANTS

Signed at Perth this 23rd day of September 2022.

Labyrinth Resources Limited
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2022



	Note	2022 \$	2021 \$
Revenue			
Other income	5	7,151	511,063
Expenses			
Professional fees	6	(847,935)	(458,035)
Foreign exchange losses		(440,305)	-
Loss from financial instrument at fair value through profit or loss	7	(2,225,061)	-
Employee benefits expense		(552,829)	(252,194)
Amortisation - right of use asset		-	(7,300)
Loss on disposal of assets		-	(26,598)
Write off of assets - exploration and evaluation	14	(841,211)	(3,005,781)
Listed entity expenses		(76,318)	(62,573)
Travel expenses		(99,608)	(2,016)
Stamp duty		(44)	(16)
Royalties		(260,000)	(200,000)
Loss on disposal of tenements	14	(229,928)	-
Exploration expenditure		(1,342)	(2,153)
Share based payment expense	24	(1,060,103)	(152,040)
Other expenses		(297,738)	(145,314)
Finance costs		(14,418)	(5,477)
Loss before income tax benefit / (expense)		(6,939,689)	(3,808,434)
Income tax benefit / (expense)	8	19,343	(263,008)
Loss after income tax benefit / (expense) for the year attributable to the owners of Labyrinth Resources Limited		(6,920,346)	(4,071,442)
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation		(7,637)	-
Other comprehensive income for the year, net of tax		(7,637)	-
Total comprehensive income for the year attributable to the owners of Labyrinth Resources Limited		(6,927,983)	(4,071,442)
		Cents	Cents
Basic loss per share	9	(0.91)	(0.75)
Diluted loss per share	9	(0.91)	(0.75)

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



	Note	2022 \$	2021 \$
Assets			
Current assets			
Cash and cash equivalents	10	2,360,814	4,594,342
Trade and other receivables	12	780,701	926,171
Income tax refund due		-	3,153
Other		182,638	86,187
		<u>3,324,153</u>	<u>5,609,853</u>
Non-current assets classified as held for sale	15	50,690	-
Total current assets		<u>3,374,843</u>	<u>5,609,853</u>
Non-current assets			
Trade and other receivables	12	16,060	-
Property, plant and equipment	13	221,332	-
Exploration and evaluation	14	23,558,142	4,257,307
Total non-current assets		<u>23,795,534</u>	<u>4,257,307</u>
Total assets		<u>27,170,377</u>	<u>9,867,160</u>
Liabilities			
Current liabilities			
Trade and other payables	16	2,715,042	858,844
Income tax	8	227,560	263,008
Other liabilities	17	1,138,134	1,000,000
		<u>4,080,736</u>	<u>2,121,852</u>
Liabilities directly associated with assets classified as held for sale	18	400,000	-
Total current liabilities		<u>4,480,736</u>	<u>2,121,852</u>
Non-current liabilities			
Other liabilities	17	11,822,236	-
Total non-current liabilities		<u>11,822,236</u>	<u>-</u>
Total liabilities		<u>16,302,972</u>	<u>2,121,852</u>
Net assets		<u>10,867,405</u>	<u>7,745,308</u>
Equity			
Issued capital	19	304,910,838	295,925,673
Reserves	20	1,208,318	151,040
Accumulated losses		<u>(295,251,751)</u>	<u>(288,331,405)</u>
Total equity		<u>10,867,405</u>	<u>7,745,308</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 2020	295,661,554	-	(284,259,963)	-	11,401,591
Loss after income tax expense for the year	-	-	(4,071,442)	-	(4,071,442)
Other comprehensive income for the year, net of tax	-	-	-	-	-
Total comprehensive income for the year	-	-	(4,071,442)	-	(4,071,442)
Share-based payments (note 24)	1,000	-	-	151,040	152,040
Issue of shares (note 19)	263,119	-	-	-	263,119
Balance at 30 June 2021	295,925,673	-	(288,331,405)	151,040	7,745,308
	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 income for the year, net of tax	-	(7,637)	-	-	(7,637)
Total comprehensive income 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 24)	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

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



	Note	2022 \$	2021 \$
Cash flows from operating activities			
Payments to suppliers and employees (inclusive of GST)		(2,529,102)	(1,209,679)
Interest received		5,560	4,181
Other revenue		-	40,448
Interest and other finance costs paid		(6,157)	-
GST on proceeds from sale of tenements		9,091	150,000
Income taxes refunded for prior periods		-	11,944
Income taxes paid		(24,367)	(58,329)
Net cash used in operating activities	11	(2,544,975)	(1,061,435)
Cash flows from investing activities			
Payments for property, plant and equipment	13	(248,971)	-
Payments for exploration and evaluation	14	(7,764,237)	(590,603)
AMI Deposit	17	-	1,000,000
Asset due diligence deposit		-	(160,953)
Proceeds on sale of tenements	14	90,909	1,500,000
Repayment of Working Capital Facility		240,000	2,223,789
Net cash (used in)/from investing activities		(7,682,299)	3,972,233
Cash flows from financing activities			
Proceeds from issue of shares	19	8,500,000	263,118
Share issue transaction costs		(510,023)	-
Repayment of lease liabilities		-	(16,603)
Net cash from financing activities		7,989,977	246,515
Net (decrease)/increase in cash and cash equivalents		(2,237,297)	3,157,313
Cash and cash equivalents at the beginning of the financial year		4,594,342	1,437,029
Effects of exchange rate changes on cash and cash equivalents		3,769	-
Cash and cash equivalents at the end of the financial year	10	2,360,814	4,594,342

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 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 23 September 2022.

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.

Going concern

The financial report has been prepared on the going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and settlement of liabilities in the normal course of business.



Note 2. Significant accounting policies (continued)

For the year ended 30 June 2022, the Group recorded a loss of \$6,920,346 (2021: \$4,071,442), and experienced net cash outflows from operating and investing activities of \$10,227,274 (2021: inflow \$2,910,798). At 30 June 2022, the Group had net current liabilities of \$1,105,893 (2021: net current assets \$3,448,001). At 30 June 2022, the cash balance was \$2,360,814 (2021: \$4,594,342).

The Directors have prepared an estimated cash flow forecast for the period to September 2023 to determine if the Company may require additional funding during this period. The cash flow forecast includes a number of assumptions regarding exploration activity and funding requirements which have not yet been finalised. This results in a material uncertainty that may cast a significant doubt about the Company's ability to continue as a going concern.

The ability of the Group to continue as a going concern is dependent on the 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;
- Proceeds from the completion of the sale of the remaining interest in Penny's Find; 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.

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 29.

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 2022 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.

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.



Note 2. Significant accounting policies (continued)

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.

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.

Non-current assets or disposal groups classified as held for sale

Non-current assets and assets of disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continued use. They are measured at the lower of their carrying amount and fair value less costs of disposal. For non-current assets or assets of disposal groups to be classified as held for sale, they must be available for immediate sale in their present condition and their sale must be highly probable.

An impairment loss is recognised for any initial or subsequent write down of the non-current assets and assets of disposal groups to fair value less costs of disposal. A gain is recognised for any subsequent increases in fair value less costs of disposal of a non-current assets and assets of disposal groups, but not in excess of any cumulative impairment loss previously recognised.

Non-current assets are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of assets held for sale continue to be recognised.

Non-current assets classified as held for sale and the assets of disposal groups classified as held for sale are presented separately on the face of the statement of financial position, in current assets. The liabilities of disposal groups classified as held for sale are presented separately on the face of the statement of financial position, in current liabilities.



Note 2. Significant accounting policies (continued)

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.

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.

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 2022. The Group has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.



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.

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

Exploration and evaluation costs

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



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 2022.

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

	2022 \$	2021 \$
Net gain on disposal of Penny's Find*	-	392,574
Other income	-	5,475
Interest income - working capital facility**	1,591	73,860
Interest income - other	5,560	4,181
Rental income	-	5,127
Reimbursements	-	15,250
Government stimulus package	-	14,596
Other income	7,151	511,063

* During the year, the Company announced the sale of the remaining 50% interest in Penny's Find (see note 15). Completion of sale only occurred on 30 August 2022.

** The Company has earned interest on the working capital facility with Mineral Venture Pty Ltd ("Mineral Venture") to partially meet initial working capital costs for mining at Comet Vale. For further details refer to note 12.

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

	2022 \$	2021 \$
Accountancy and audit cost	213,204	108,070
Consultant fees	171,187	122,986
Directors' remuneration	213,724	130,700
Legal fees	249,820	96,279
	<u>847,935</u>	<u>458,035</u>

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

	2022 \$	2021 \$
Loss from financial instrument at fair value through profit or loss*	<u>2,225,061</u>	<u>-</u>

* Refer to note 17 for further details.

Note 8. Income tax

	2022 \$	2021 \$
Income tax (benefit)/expense		
Current tax expense	-	263,008
Adjustment recognised for prior periods	(19,343)	(21,658)
Non-recognition of temporary differences	-	21,658
Aggregate income tax (benefit)/expense	<u>(19,343)</u>	<u>263,008</u>
Numerical reconciliation of income tax (benefit)/expense and tax at the statutory rate		
Loss before income tax (benefit)/expense	<u>(6,939,689)</u>	<u>(3,808,434)</u>
Tax at the statutory tax rate of 25% (2021: 26%)	(1,734,922)	(990,193)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Entertainment expenses	549	-
Impairment of assets	205,990	781,503
Share-based payments	<u>220,026</u>	<u>39,530</u>
	(1,308,357)	(169,160)
Adjustment recognised for prior periods	(19,343)	(21,658)
Prior year tax losses not recognised now recouped	(1,384)	-
Difference in overseas tax rates	(3,439)	-
Temporary differences not recognised	<u>1,313,180</u>	<u>453,826</u>
Income tax (benefit)/expense	<u>(19,343)</u>	<u>263,008</u>



Note 8. Income tax (continued)

	2022 \$	2021 \$
Tax losses not recognised		
Unused tax losses for which no deferred tax asset has been recognised	6,277,541	3,790,389
Potential tax benefit @ 25%	1,569,385	947,597

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.

	2022 \$	2021 \$
Income tax refund due	-	3,153
Provision for income tax	227,560	263,008

Accounting policy for 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 9. Earnings per share

	2022 \$	2021 \$
Loss after income tax attributable to the owners of Labyrinth Resources Limited	(6,920,346)	(4,071,442)
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	757,404,347	541,285,236
Weighted average number of ordinary shares used in calculating diluted earnings per share	757,404,347	541,285,236
	Cents	Cents
Basic loss per share	(0.91)	(0.75)
Diluted loss per share	(0.91)	(0.75)

At 30 June 2022, 32,800,000 performance rights and 36,500,000 options (30 June 2021: 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

	2022 \$	2021 \$
Current assets		
Cash in hand	24	24
Cash at bank	2,360,790	4,594,318
	<u>2,360,814</u>	<u>4,594,342</u>

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

	2022 \$	2021 \$
Loss after income tax (expense)/benefit for the year	(6,920,346)	(4,071,442)
Adjustments for:		
Depreciation and amortisation	-	7,300
Impairment of non-current assets	841,211	3,005,781
Share-based payments (note 24)	1,060,103	152,040
Gain on sale of tenements	229,928	(392,574)
Accrued interest receivable	(1,591)	(73,860)
GST on proceeds from sale of tenements	9,091	150,000
Loss on financial instruments on fair value through profit and loss	2,225,061	-
Foreign exchange loss	310,884	-
Other	1,345	4,574
Change in operating assets and liabilities:		
(Increase)/decrease in trade and other receivables	(404,151)	75,387
Increase in other current assets	(93,730)	(1,008)
Increase/(decrease) in trade and other payables	232,668	(122,312)
(Decrease)/increase in provision for income tax	(35,448)	204,679
Net cash used in operating activities	(2,544,975)	(1,061,435)

Note 12. Trade and other receivables

	2022 \$	2021 \$
<i>Current assets</i>		
Asset due diligence deposit	3,067	160,953
Loan to Mineral Ventures Pty Ltd	360,000	751,194
Other receivables	417,634	14,024
	780,701	926,171
<i>Non-current assets</i>		
Loan to Mineral Ventures Pty Ltd	16,060	-

The Company maintains a \$3 million working capital facility with Mineral Ventures Pty Ltd ('Mineral Ventures') (formerly GBF Mining Pty Ltd) to partially meet initial working capital costs for mining at Comet Vale. The facility was initially unsecured until the Company announced a variation to the facility on 28 July 2020 whereby the facility was secured up to \$1,500,000. The facility was incurring interest at 5% per annum however in October 2021 it was agreed to cease interest charges. Pursuant to the mine management agreement ('MMA') with Mineral Ventures, net proceeds from the Comet Vale gold sales are used to repay the \$3 million loan, in a pro rata arrangement with any return on working capital to Mineral Ventures, less amounts reserved by Mineral Ventures to meet future working capital needs. Facility was closed post year end, refer to subsequent events note for further detail.



Note 12. Trade and other receivables (continued)

During FY20, the Company commissioned separate independent technical and engineering reports on the Comet Vale project. As announced by the Company on 13 March 2020, these reports concluded, amongst other matters, that there remains a risk that the mining operations will not generate sufficient revenue to recover working capital costs that may be incurred to complete the current mine plan, in the absence of cost reductions and improvements in grade. In light of the above conclusions and the Company's current working capital position, there is an increased risk of potentially not fully recovering the loan, as it remains subject to the future performance of the project and whose cashflows are currently difficult to forecast.

On 28 July 2020, the Company announced a variation to the working capital facility held with Mineral Ventures. Key terms included the repayment of a minimum of \$200,000 each month to the Company, the facility being secured up to \$1,500,000 (relating to two commercial properties in Subiaco WA) with interest accruing at 5% pa. During FY21, the Company has received a total of \$2,224,000 in accordance with the variation deed.

On 29 October 2021, the Company announced a variation to the working capital facility with monthly repayments of \$30,000 to be made until a zero balance is reached, expected no later than June 2023. No further interest will be accrued on the remaining interest balance outstanding. During the year, Mineral Ventures Pty Ltd repaid a total of \$376,724 (2021: \$1,150,000) under the Working Capital Facility Agreement, including \$240,000 cash repayments and \$136,724 in respect of unpaid director fees incurred by Michael Foulds and Ross Graham (as his alternate) that have been offset against the outstanding balance. Interest income of \$1,591 (2021: \$51,329) has been recognised during the year in relation to the facility.

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 was received that day to fully extinguish the loan.

Under the general approach to impairment, the Group has assessed there was no impairment to the working capital facility for the year and did not adjust the year-end balances as a result.

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. Property, plant and equipment

	2022 \$	2021 \$
<i>Non-current assets</i>		
Motor vehicles - at cost	111,395	-
Less: Accumulated depreciation	(22,950)	-
	<u>88,445</u>	<u>-</u>
Equipment - at cost	145,870	-
Less: Accumulated depreciation	(12,983)	-
	<u>132,887</u>	<u>-</u>
	<u>221,332</u>	<u>-</u>

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 2020	-	-	-
Balance at 30 June 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	<u>88,445</u>	<u>132,887</u>	<u>221,332</u>

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 14. Exploration and evaluation

	2022 \$	2021 \$
Exploration assets		
Opening balance	4,257,307	8,158,418
Acquisition of Labyrinth Canada and Denain Gold Projects* (note 21)	15,910,752	-
Exploration expenditure capitalised*	4,472,583	212,096
Write off of capitalised exploration	(841,211)	(3,005,781)
Disposal of Penny's Find's tenements	-	(1,107,426)
Disposal of Golden Lode's tenements	(320,837)	-
Classified as held for sale (note 15)	(50,690)	-
Exchange differences	130,238	-
Closing balance	23,558,142	4,257,307

* \$7,764,237 of Exploration and Evaluation has been paid in cash throughout the year.

Disposal of Penny's Find

On 30 November 2020, the Company announced the execution of a binding joint venture term sheet ('JVTS') for the sale of 50% of the Penny's Find Gold Mine (M27/156) ('Penny's Find') to Black Mountain Gold Limited ('Black Mountain'), a wholly owned subsidiary of Horizon Minerals Limited (ASX: HRZ) ('Horizon'). On 22 March 2021, all conditions precedent had been met and the transaction completed. A pre-tax gain on disposal of \$392,574 has been recognised for the prior period. On 20 December 2021, the Company announced an agreement has been reached with Horizon to acquire the remaining 50% interest in the Penny's Find gold project (refer to note 15) which has been classified as held for sale. On 30 August 2022, the sale of Penny's Find was completed.

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.

Write-off of capitalised exploration

Comet Vale Project

In prior year, the Company's strategic alliance partner, Minerals Ventures Pty Ltd, made the decision to suspend operations at the Comet Vale Project (as announced 3 September 2020). The Company then undertook a thorough review process to ascertain the optimal approach to advance the project and realise its value. As part of the review the Company obtained an independent mineral valuation which indicated that the carrying amount of the capitalised exploration asset was in excess of its recoverable value.

The Company adopted a recoverable value of \$3,310,000 for the Comet Vale Project as at 30 June 2021, being the market value of the project at that time. The revised recoverable value was taken as the mid-point valuation obtained from the independent expert engaged by the Company. This resulted in a pre-tax capitalised exploration asset write-down of \$2,964,453 being recognised for the year ended 30 June 2021. The valuation is classified as Level 2 on the fair value hierarchy as market information for similar projects is available.

Relinquished tenements

In July 2021 the Company relinquished two Golden Lode tenements, P30/1101 and P30/1104, resulting in a total write-down for the Golden Lode project of \$41,328. Both tenements had reached their 8th year - meaning they can no longer be renewed as exploration tenements and need to be converted into Mining Leases in order to be retained.

For the year ended 30 June 2022, the Company relinquished the remaining Golden Lode tenement that has not been sold (P30/1105) and retains P30/1158 and P30/1159, resulting in a total write-down for the Golden Lode project of \$640,462.



Note 14. Exploration and evaluation (continued)

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 15. Non-current assets classified as held for sale

	2022 \$	2021 \$
<i>Current assets</i>		
Exploration and evaluation assets - Penny's Find	50,690	-

On 20 December 2021, the Company announced an agreement had been reached with Horizon Minerals Limited (Horizons) to acquire the remaining 50% interest in the Penny's Find gold project. The key terms of the agreement are as follows:



Note 15. Non-current assets classified as held for sale (continued)

- \$500,000 cash at settlement
- \$250,000 in fully paid ordinary shares in Horizon at settlement at a deemed price based on the 10-day VWAP and escrowed for 6 months
- Horizon to assume future deferred payment obligations;
 - Mining start payment of \$200,000
 - First gold payment \$200,000
 - Contingent non-commencement of mining payment of \$100,000

The completion of the transaction is subject to standard conditions precedent for a transaction of this nature including Ministerial consent, any third-party assignments and provision of mining information.

Accounting policy for non-current assets classified as held for sale

Non-current assets held for sale are measured at the lower of carrying amount and fair value less costs to sell. Non-current assets are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition. Management must be committed to the sale which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Note 16. Trade and other payables

	2022 \$	2021 \$
<i>Current liabilities</i>		
Trade payables	579,734	50,099
Accruals*	2,087,850	719,594
Provision for annual leave	38,838	13,567
Other payables	8,620	75,584
	<u>2,715,042</u>	<u>858,844</u>

* \$1,688,482 (CAD\$1,500,000) of the balance of accruals as at year end relates to deferred cash consideration payable for the acquisition of the Labyrinth Canada and Denain Gold Projects.

Refer to note 22 for further information on financial risk management.

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. Other liabilities

	2022 \$	2021 \$
<i>Current liabilities</i>		
AMI Transaction Deposit*	-	1,000,000
Deferred consideration**	1,138,134	-
	<u>1,138,134</u>	<u>1,000,000</u>
<i>Non-current liabilities</i>		
Deferred consideration	11,822,236	-

* In FY2021, the Company executed a binding framework letter with PT Amman Mineral Internasional (AMI) in respect of progressing a transaction for the acquisition of economic interests in all or a substantial part of a significant epithermal gold project asset in Indonesia. AMI paid the Company a deposit of \$1 million which was refundable if the transaction didn't proceed. As per the Company's announcement on 29th July 2021, the Company allowed the conditions of the binding framework letter to lapse with the expiry of the exclusivity period on 30 July 2021. The deposit paid by AMI was converted into ordinary shares through participation in the Placement associated with the acquisition of Romec and Denain.

** Deferred consideration relates to 4,500oz gold payable to the vendor as part of the consideration payable for the Canadian Projects (see note 21). 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 year, a loss of \$2,225,061 has been recognised in the consolidated statement of profit or loss (see note 7).

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 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 18. Liabilities directly associated with assets classified as held for sale

	2022 \$	2021 \$
<i>Current liabilities</i>		
Accruals	400,000	-

The accruals relate to the consideration payable on acquisition of Penny's Find consisting of a second payment of \$200,000 on commencement of mining from M27/156; and third payment of \$200,000 on first gold pour from M27/156, which will be assumed by Horizon upon completion of the sale of Penny's Find (see note 15 for further details).



Note 19. Issued capital

	2022 Shares	2021 Shares	2022 \$	2021 \$
Share capital	873,366,755	547,894,524	304,910,838	295,925,673

Movements in ordinary share capital

Details	Date	Shares	Issue price	\$
Balance	1 July 2020	539,102,168		295,661,554
Issue of shares on option conversion		8,770,617	\$0.0300	263,119
Issue of shares as employee remuneration		21,739	\$0.0400	1,000
Balance	30 June 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

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 2021 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

	2022 \$	2021 \$
Foreign currency reserve	(7,637)	-
Share-based payments reserve	1,215,955	151,040
	<u>1,208,318</u>	<u>151,040</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. Acquisition of Labyrinth Canada and Denain Projects

During the period, the Company acquired an 100% interest in the Labyrinth and Denain Gold Projects with all conditions precedent to the project acquisition agreement with G.E.T.T being satisfied.

Consideration payable to G.E.T.T is as follows:

- Cash consideration in 3 tranches
 - Initial amount of CAD\$2 million (AUD\$2,283,419) cash paid in November 2021
 - Second instalment of CAD\$1.5 million (AUD\$1,664,286) cash paid in May 2022
 - Third instalment of CAD\$1.5 million cash payable due on 7 November 2022
- 4,500 oz of gold within 48 months of Commencement Date, which may be satisfied from gold extracted from the projects, physical gold obtained from another source (for example, from purchase on the open market), or by cash equivalent (calculated by reference to the prevailing 28-day moving average gold price published by the London Bullion Market Association).

The total consideration has been capitalised as exploration and evaluation assets under AASB 6 Exploration for and Evaluation of Mineral Resource. An amount of \$12,960,370 has been recognised as deferred consideration as at 30 June 2022 relating to the provision of gold to G.E.T.T. Refer to note 17 for further details.

In order to satisfy Canadian-law expenditure requirements, the Company has fulfilled its commitment to spending CAD\$1,085,000 (AUD\$1,180,000) to be employed at the Company's discretion for exploratory drilling on the projects prior to 31 December 2022.

Note 22. 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.



Note 22. Financial risk management (continued)

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:

	2022 \$	2021 \$
Cash and cash equivalents	116,903	-
Trade and other receivables (current and non-current)	433,219	-
Trade and other payables	(2,175,525)	-
Deferred consideration (current and non-current)	(12,960,370)	-
	<u>(14,585,773)</u>	<u>-</u>

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

2022	% 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%	<u>1,440,041</u>	<u>1,440,041</u>	(10%)	<u>(1,178,215)</u>	<u>(1,178,215)</u>

Price risk

The Group is exposed to gold price arises from the deferred consideration payable on the acquisition of the Canadian Projects (see note 17 and note 21). The Group has not entered into any hedging contracts and hence is exposed to the fluctuation in the price of gold. If the future price of gold for the financial year had increased/decreased by 10% the change in the profit before income tax for the consolidated group would have been an increase /decrease of \$1,254,252 (2021: \$nil).

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.



Note 22. Financial risk management (continued)

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

	2022 Balance \$	2021 Balance \$
Cash and cash equivalents	2,360,814	4,594,342
Net exposure to cash flow interest rate risk	2,360,814	4,594,342

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 2022.

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)

2021	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	10,405	10,405	(100)	(10,405)	(10,405)

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.

The Company is exposed to significant credit risk arising from the working capital facility loan from Mineral Ventures Pty Ltd. Credit risk has been reduced following the variation deed agreed with Mineral Ventures Pty Ltd. See note 12 for further details.

Cash and cash equivalents

The Group held cash and cash equivalents of \$2,360,814 at 30 June 2022 (2021: \$4,594,342). The cash and cash equivalents are held with authorised banking institutions and only with counterparties that have an acceptable credit rating.



Note 22. Financial risk management (continued)

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, the maximum exposure to credit risk for other receivables in Australia as at 30 June 2022 was \$316,060 (2021: \$751,194).

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 2022. 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 2022			
Non-derivative financial liabilities			
Trade and other payables	(2,715,042)	(2,715,042)	2,715,042
	-	-	-
Financial assets - cash flow receivables	-	-	-
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>5,856,557</u>
30 June 2021			
Non-derivative financial liabilities			
Trade and other payables	(858,844)	(858,844)	(858,844)
	-	-	-
Financial assets - cash flow receivables	-	-	-
Cash and cash equivalents	4,594,342	4,594,342	4,594,342
Trade and other receivables	926,171	926,171	926,171
	<u>4,661,669</u>	<u>4,661,669</u>	<u>4,661,669</u>



Note 22. 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
	%	\$	\$	\$	\$	\$
2022						
Non-derivatives						
<i>Non-interest bearing</i>						
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	2,244,415	9,377,820	-	15,675,411
	Weighted average interest rate	1 year or less	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Remaining contractual maturities
	%	\$	\$	\$	\$	\$
2021						
Non-derivatives						
<i>Non-interest bearing</i>						
Trade payables	-	858,844	-	-	-	858,844
Total non-derivatives		858,844	-	-	-	858,844

Note 23. 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 measurable 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.



Note 23. Fair value measurement (continued)

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 \$
2022				
<i>Liabilities</i>				
Deferred consideration	12,960,370	-	-	12,960,370
Total liabilities	12,960,370	-	-	12,960,370

Assets and liabilities held for sale are measured at fair value on a non-recurring basis.

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 24. 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:

	2022	2021
Shares issued as employee remuneration	137,000	1,000
Shares issued as consultant fees	180,000	-
Options issued	349,396	-
Performance rights issued	393,707	151,040
	<u>1,060,103</u>	<u>152,040</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 options are issued for nil consideration and are granted in accordance with performance guidelines established by the Board.

Shares issued

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.



Note 24. Share-based payments (continued)

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 (\$349,397 issued as remuneration recognised in profit and loss and \$321,811 recognised as capital raising expenses) 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:

	2022	2021
Outstanding at the beginning of the financial year	-	9,452,055
Granted	36,500,000	-
Exercised	-	(8,770,617)
Expired	-	(681,438)
Outstanding at the end of the financial year	36,500,000	-

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

2021		Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
Grant date	Expiry date						
01/01/2015	15/04/2021	\$0.0300	9,452,055	-	(8,770,617)	(681,438)	-
			9,452,055	-	(8,770,617)	(681,438)	-

The weighted average remaining contractual life of options outstanding at the end of the financial year was 2.36 years (2021: nil).

Performance Rights issued

On 4 February 2022, the Company has issued performance rights under its Employee Incentive Scheme for nil consideration as follows:



Note 24. Share-based payments (continued)

- 9,200,000 Tranche 1 Performance Rights - subject to vesting condition relating to the delivery of JORC 2012 compliant Mineral Resource Estimates during the period 1 July 2021 to 30 June 2024 for the Labyrinth and Denain Gold Projects in Quebec Canada that collectively total a minimum of 500,000oz gold.
- 9,200,000 Tranche 2 Performance Rights - subject to vesting condition relating to the delivery of JORC 2012 compliant Mineral Resource Estimates during the period 1 July 2021 to 30 June 2024 for the Labyrinth and Denain Gold Projects in Quebec Canada that collectively total a minimum of 650,000oz gold.
- 4,600,000 Tranche 3 Performance Rights - subject to vesting condition relating to the achievement of an Australian Stock Exchange 30 day VWAP for Labyrinth Resources Limited Shares of 10c or greater during the period 1 July 2021 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 2022	Weighted average exercise price 2022	Number of rights 2021	Weighted average exercise price 2021
Outstanding at the beginning of the financial year	12,800,000	\$0.0000	-	\$0.0000
Granted	23,000,000	\$0.0000	12,800,000	\$0.0000
Expired	(3,000,000)	\$0.0000	-	\$0.0000
Outstanding at the end of the financial year	<u>32,800,000</u>	<u>\$0.0000</u>	<u>12,800,000</u>	<u>\$0.0000</u>

2022		Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
Grant date	Expiry date					
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>

2021		Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
Grant date	Expiry date						
18/06/2021	30/06/2025	\$0.0000	-	7,680,000	-	-	7,680,000
18/06/2021	30/06/2025	\$0.0000	-	2,560,000	-	-	2,560,000
18/06/2021	30/06/2025	\$0.0000	-	2,560,000	-	-	2,560,000
			<u>-</u>	<u>12,800,000</u>	<u>-</u>	<u>-</u>	<u>12,800,000</u>

The weighted average remaining contractual life of performance rights outstanding at the end of the financial year was 2.39 years (2021: 2.03 years).

The weighted average fair value at the end of the period was \$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.



Note 24. Share-based payments (continued)

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.

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 25. Related party transactions

Parent entity

Labyrinth Resources Limited is the parent entity.

Subsidiaries

Interests in subsidiaries are set out in note 27.

Joint operations

Interests in joint operations are set out in note 28.

Key management personnel

Disclosures relating to key management personnel are set out in note 26 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.



Note 25. Related party transactions (continued)

Receivable from and payable to related parties

There is no outstanding balance due from Mineral Ventures Pty Ltd, an entity associated with Mr Michael Foulds and Mr Ross Graham as at 30 June 2022 (2021: \$33,072) for works performed in relation to Penny's Find Gold Mine.

Other than the balances disclosed in Note 26, there were no other trade receivables from or trade payables to related parties at the current and previous reporting date.

Loans to/from related parties

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

	2022 \$	2021 \$
Total receivables:		
Working capital facility to Mineral Ventures Pty Ltd	360,000	751,194

* Mineral Ventures Pty Ltd (formerly GBF Mining Pty Ltd) is company of which Mr Ross Graham and Mr Michael Foulds are shareholders and directors. Refer to note 12 for further details. During the year, Mineral Ventures Pty Ltd repaid the Group \$240,000 (2021: \$2,224,000) under the Working Capital Facility Agreement. Interest income of \$1,591 (2021: \$73,860) has been recognised during the year in relation to the facility.

Terms and conditions

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

Note 26. 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:

	2022 \$	2021 \$
Short-term employee benefits	594,262	311,671
Post-employment benefits	33,692	16,662
Share-based payments	652,275	136,880
	<u>1,280,229</u>	<u>465,213</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.



Note 26. Key management personnel disclosures (continued)

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:

- Michael Foulds, was a director (resigned 11 November 2021), charged director fees totalling \$21,724 (2021: \$60,000) and no balance is outstanding (2021: \$60,000) at year end. During the year, Mr Foulds and his alternate director, Mr Ross Graham was issued 5,000,000 options each, refer to note 19 for further details.
- Dean Hely, a director, charged director fees totalling \$66,000 (2021: \$60,000). A balance of \$7,088 (2021: \$40,000) was outstanding at year end. During the year, Mr Hely was issued 5,000,000 options, refer to note 19 for further details.
- Mel Ashton, a director, charged director fees totalling \$60,000 (2021: \$5,000) and \$5,500 balance is outstanding (2021: \$5,000) at year end. During the year, Mr Hely was issued 4,000,000 options, refer to note 19 for further details.
- Simon Lawson, a director, charged director fees totalling \$66,000 (2021: nil) and \$50,000 technical consulting fees. \$66,000 is outstanding (2021: nil) at year end. During the year, Mr Lawson was issued 5,000,000 ordinary shares in the Company as consideration for consulting services prior to his appointment as director, refer to note 19 for further details.
- Matt Nixon has received salary and superannuation of \$339,231 and bonus of \$75,000 for his role as CEO. During the year, Mr Nixon has been issued 1,000,000 shares and 10,000,000 performance rights, refer to note 19 for further details. As at year end, \$75,000 is outstanding.
- Lavan Legal, of which Dean Hely is the Managing Partner, charged legal fees of \$127,840 (2021: \$87,852). A balance of \$316 (2021: \$31,675) was outstanding at year end.
- Mineral Ventures Pty Ltd (formerly GBF Mining Pty Ltd), a company of which Mr Ross Graham and Mr Michael Foulds are shareholders and directors, repaid the Company \$240,000 (2021: \$2,224,000) during the year under the Working Capital Facility Agreement.
- The Company paid rent of \$13,350 (2021: \$9,450) to Carlowen Pty Ltd, a company of which Mr Michael Foulds is a shareholder and director. No balance (2021: Nil) was outstanding at year end.

Note 27. 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	
		2022 %	2021 %
Orminex West Pty Ltd	Australia	100%	100%
Golden Lode Pty Ltd	Australia	100%	100%
Orminex Happy Jack Pty Ltd*	Australia	-	100%
Orminex Penny's Find Pty Ltd	Australia	100%	100%
Orminex Cannon Mine Pty Ltd	Australia	100%	100%
Labyrinth Resources Canada Pty Ltd	Canada	100%	100%

*Orminex Happy Jack Pty Ltd was deregistered during the year as it was dormant.



Note 28. 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. 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	
		2022 %	2021 %
Penny's Find	Australia	50.00%	50.00%

Subsequent to 30 June 2022, the Company has completed the sale of the 50% interest in Penny's Find (see note 33).

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 29. Parent entity information

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

Statement of profit or loss and other comprehensive income

	2022 \$	Parent 2021 \$
Loss after income tax	(5,307,747)	(1,013,524)
Total comprehensive income	(5,307,747)	(1,013,524)

Statement of financial position

	2022 \$	Parent 2021 \$
Total current assets	793,579	1,385,889
Total non-current assets	29,202,351	10,278,794
Total assets	29,995,930	11,664,683
Total current liabilities	3,198,525	1,431,847
Total non-current liabilities	11,822,236	-
Total liabilities	15,020,761	1,431,847
Equity		
Issued capital	304,910,837	295,925,672
Share-based payments reserve	1,215,955	151,040
Accumulated losses	(291,151,623)	(285,843,876)
Total equity	14,975,169	10,232,836



Note 30. Commitments

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

	2022 \$	2021 \$
Exploration expenditure		
Committed at the reporting date but not recognised as liabilities, payable:		
Within one year	346,596	439,656
One to five years	519,894	1,307,631
	<u>866,490</u>	<u>1,747,287</u>

Note 31. Contingent liabilities

The Group has consideration payables, such as net smelter royalty on Penny's Find Gold Mine being contingent on the commencement of mining activities. As part of the consideration and at the completion of the Penny's Find sale, the vendor has agreed to assume all future deferred payments, obligations and royalties inclusive of the deferred payments due to Empire Resources Ltd currently estimated at \$500,000.

There are no other contingent liabilities as at 30 June 2022 (no change since 30 June 2021).

Note 32. 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:

	2022 \$	2021 \$
Audit services - Moore Australia Audit (WA)		
Audit or review of the financial statements	41,828	33,245
Other services - Moore Australia Audit (WA)		
Preparation of the tax return	8,600	8,250
	<u>50,428</u>	<u>41,495</u>

Note 33. Events after the reporting period

On 30 August 2022, the Company completed the sale of the remaining 50% interest in the Penny's Find Gold Project to Black Mountain Gold limited, a wholly owned subsidiary of Horizon Minerals Limited. Consideration of \$527,000 and 3,000,000 fully paid ordinary shares have been received on the sale of Penny's Find Gold Project.

On 2 September 2022, Mineral Ventures and the Company have agreed to settle the outstanding working capital facility with the Company receiving \$284,454 in cash having agreed to allow a 10% discount for early settlement of the outstanding amount.

No other matter or circumstance has arisen since 30 June 2022 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.



In the Directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, 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 2022 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

23 September 2022
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 2022, 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 2022 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* (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.

Moore Australia Audit (WA) – ABN 16 874 357 907.

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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, and we do not provide a separate opinion on these matters.

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 14 Exploration & Evaluation Assets, Note 17 Other liabilities and Note 21 Acquisition of Labyrinth & Denain Gold Projects (Canadian assets)

Capitalised exploration and evaluation assets of approximately \$23.5 million represents the Group's single largest asset. The Group's largest liability of \$12.96 million is associated with the deferred consideration payable for the Canadian assets acquisition during the 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 and 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 comprised 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 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 signed purchase agreement of the Canadian assets and assessed the methodology and key assumptions adopted in the Group's valuation model. We consulted with our National Head of Technical Accounting and internal corporate finance specialist in respect of the initial measurement and subsequent fair value adjustment of the deferred consideration liability. Our corporate finance team also assessed the key assumptions/inputs adopted in the model for reasonableness to ensure the fair value loss of \$2.23 million reported in Note 7 was appropriately quantified.
- We compared the group's deferred consideration liability against the gold receivable valuation reported in the vendor's 30 June 2022 interim financial results, filed with the Toronto Stock Exchange on 29 August 2022, for reasonableness.

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 Loan Receivable from Mineral Ventures Pty Ltd ("Mineral Ventures")	
Refer to Note 12 & Note 33 Events After the Reporting Period	
<p>Valuation of the loan receivable from Mineral Venture is a key audit matter. It is due to the size of the account balance and the judgement required in determining the recoverability of the loan's carrying value that is a key area of audit focus.</p> <p>The loan is a working capital facility to Mineral Ventures as set out in Note 12, amounting to approximately \$0.36 million (2021: \$0.75 million) at balance date.</p> <p>Whist the current loan balance has reduced following payments received during the year, it remains material to the Group.</p>	<p>Our procedures included, amongst others:</p> <ul style="list-style-type: none"> • Obtained direct confirmation from Mineral Ventures Pty Ltd of the year-end loan balance • Agreed repayments made during the financial year to bank statements and agreed offset adjustments as described in Note 12. • Reviewing the underlying working capital agreement and the subsequent Deeds of Variation to ensure the loan has been accounted for and presented in accordance with the revised terms and conditions under the Deeds of Variation. • Checked that the loan has been fully extinguished in accordance with the events described in Note 33 to subsequent bank statements and ensuring the unadjusted discount is not material to the Group at balance date. <p>We also assessed the appropriateness of the disclosures contained in the financial report.</p>
Valuation of Share-Based Payments	
Refer to Note 3 Critical accounting judgments, estimates and assumptions & Note 24 Share-based payments	
<p>During the year ended 30 June 2022, the Group transacted with Key Management Personnel (KMPs) and other parties including:</p> <ul style="list-style-type: none"> • Awarded share-based payments (SBP) amounting to approximately \$1 million, in the form of shares, options and performance rights <p>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.</p>	<p>Our procedures included, amongst others:</p> <ul style="list-style-type: none"> • 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

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

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 2022 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.

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 at 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 audit report.

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

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 2022.

In our opinion, the Remuneration Report of Labyrinth Resources Limited, for the year ended 30 June 2022 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.



SL TAN
PARTNER

MOORE AUSTRALIA

MOORE AUSTRALIA AUDIT (WA)
CHARTERED ACCOUNTANTS

Signed at Perth on the 23rd day of September 2022



LABYRINTH RESOURCES LIMITED
ACN 008 740 672
(COMPANY)

CORPORATE GOVERNANCE STATEMENT

This Corporate Governance Statement is current as of 23 September 2022 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: <ul style="list-style-type: none"> (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	<p>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.</p> <p>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.</p> <p>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.</p>



RECOMMENDATIONS (4 TH EDITION)	COMPLY	EXPLANATION
Recommendation 1.2 A listed entity should: <ul style="list-style-type: none"> (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. 	YES	<ul style="list-style-type: none"> (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 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	<p>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.</p> <p>The Company has written agreements with each of its Directors and senior executives.</p>
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	<p>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.</p>
Recommendation 1.5 A listed entity should: <ul style="list-style-type: none"> (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 	PARTIALLY	<ul style="list-style-type: none"> (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.



RECOMMENDATIONS (4 TH EDITION)	COMPLY	EXPLANATION
<p>(c) disclose in relation to each reporting period:</p> <ol style="list-style-type: none"> 1) the measurable objectives set for that period to achieve gender diversity; 2) the entity's progress towards achieving those objectives; and 3) either: <ol style="list-style-type: none"> i. the respective proportions of men and women on the board, in senior executive 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. <p>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.</p>		<p>(b) The Diversity Policy is available, as part of the Corporate Governance Plan, on the Company's website.</p> <ol style="list-style-type: none"> (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 Diversity Policy as a whole and the Company's policy of appointing based on skills and merit; and (ii) the respective proportions of men and women at the date of this statement: <p>No. female Board members: Nil (0%)</p> <p>No. female employees: 1 (33%)</p> <p>No. female employees in senior positions (Executive level): Nil (0%)</p> <p>No. female contractors: 1 (50%)</p> <p>No. female contractors in senior positions (Executive level): Nil (0%)</p>
<p>Recommendation 1.6</p> <p>A listed entity should:</p> <ol style="list-style-type: none"> (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	<ol style="list-style-type: none"> (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



RECOMMENDATIONS (4 TH EDITION)	COMPLY	EXPLANATION
		with the above process. Performance evaluations were not undertaken for FY2022 but will be completed in future periods.
Recommendation 1.7 A listed entity should: <ul style="list-style-type: none"> (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	<p>(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.</p> <p>The applicable processes for these evaluations can be found in the Company's Corporate Governance Plan, which is available on the Company's website.</p> <p>(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 of senior executives were undertaken for FY2022.</p>
Principle 2: Structure the Board to add value		
Recommendation 2.1 The Board of a listed entity should: <ul style="list-style-type: none"> (a) have a nomination committee which: <ul style="list-style-type: none"> (i) has at least three members, a majority of whom are independent Directors; and (ii) is chaired by an independent Director, and disclose: <ul style="list-style-type: none"> (iii) the charter of the committee; (iv) the members of the committee; and 	PARTIALLY	<p>(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.</p> <p>(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</p>



RECOMMENDATIONS (4 TH EDITION)	COMPLY	EXPLANATION
<p>(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</p> <p>(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.</p>		<p>Board has the appropriate balance of skills, experience, independence, and knowledge of the entity to enable it to discharge its duties and responsibilities effectively:</p> <p>(i) devoting time at least annually to discuss Board succession issues and updating the Company's Board skills matrix; and</p> <p>(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.</p>
<p>Recommendation 2.2</p> <p>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.</p>	NO	<p>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.</p> <p>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.</p> <p>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.</p>
<p>Recommendation 2.3</p> <p>A listed entity should disclose:</p> <p>(a) the names of the Directors considered by the Board to be independent Directors;</p> <p>(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</p> <p>(c) the length of service of each Director</p>	YES	<p>(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.</p> <p>(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.</p> <p>(c) The Company's Annual Report will disclose the length of service of each Director, as at the end of each financial year.</p>



RECOMMENDATIONS (4 TH EDITION)	COMPLY	EXPLANATION
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 two are 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.
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.



RECOMMENDATIONS (4 TH EDITION)	COMPLY	EXPLANATION
		(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 whistle blower 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 Whistle blower policy (which forms part of the Company's Corporate Governance Plan) is available on the Company's website. (b) All matters reported to the whistle-blower Protection and Investigation Officer (WPJO) 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: (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.	YES	The Company's Anti-Bribery and Anti-Corruption Policy (which forms part of the Corporate Governance Plan) is available on the Company's 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:	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



RECOMMENDATIONS (4 TH EDITION)	COMPLY	EXPLANATION
<p>(a) have an audit committee which:</p> <ul style="list-style-type: none"> (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, <p>and disclose:</p> <ul style="list-style-type: none"> (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 <p>(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.</p>		<p>which must be chaired by an independent Director who is not the Chair.</p> <p>(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:</p> <ul style="list-style-type: none"> (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.
<p>Recommendation 4.2</p> <p>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 sound system of risk management and internal control which is operating effectively.</p>	YES	<p>These obligations of a Company's CFO or CEO (if any) are set out in the Company's Corporate Governance Plan.</p> <p>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.</p> <p>The Company intends to obtain a sign off on these terms for each of its financial statements in each financial year.</p>
<p>Recommendation 4.3</p>		<p>All financial reports are reviewed by the full Board.</p>



RECOMMENDATIONS (4 TH EDITION)	COMPLY	EXPLANATION
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	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 Company's website as part of the Company's Corporate Governance Plan.



RECOMMENDATIONS (4 TH EDITION)	COMPLY	EXPLANATION
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	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
<p>(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</p> <p>(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.</p>		<p>(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.</p>
<p>Recommendation 7.2</p> <p>The Board or a committee of the Board should:</p> <p>(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</p> <p>(b) disclose in relation to each reporting period, whether such a review has taken place.</p>	YES	<p>(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.</p> <p>(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.</p>
<p>Recommendation 7.3</p> <p>A listed entity should disclose:</p> <p>(a) if it has an internal audit function, how the function is structured and what role it performs; or</p> <p>(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.</p>	YES	<p>(a) The Audit and Risk Committee Charter provides for the Audit and Risk Committee to monitor the need for an internal audit function.</p> <p>(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.</p>
<p>Recommendation 7.4</p> <p>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.</p>	YES	<p>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.</p>



RECOMMENDATIONS (4 TH EDITION)	COMPLY	EXPLANATION
		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.
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.



RECOMMENDATIONS (4 TH EDITION)	COMPLY	EXPLANATION
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.
Additional recommendations that apply only in certain cases		
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 21 September 2022:

Distribution of equitable securities

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

	Ordinary Shares		Unlisted Options		Performance Rights	
	Number of holders	% of total shares issued	Number of holders	% of total options issued	Number of holders	% of total rights issued
1 to 1,000	78	-	-	-	-	-
1,001 to 5,000	65	0.03	-	-	-	-
5,001 to 10,000	76	0.07	-	-	-	-
10,001 to 100,000	861	4.23	-	-	-	-
100,001 and over	688	95.68	6	100.00	6	100.00
	1,768	100.00	6	100.00	6	100.00
Holding less than a marketable parcel	415	0.42	-	-	-	-

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	79,509,958	9.10
MERRYSOUL PTY LTD ATF FOULDS FAMILY A/C	41,974,963	4.81
PT AMMAN MINERAL INTERNASIONAL MENARA KARYA	33,333,334	3.82
NETWEALTH INVESTMENTS LIMITED ATF WRAP SERVICES A/C	26,573,807	3.04
STEVESAND INVESTMENTS PTY LTD ATF STEVEN FORMICA FAMILY A/C	25,054,795	2.87
MR GREGORY JOHN SHARPLESS & MRS JENNIFER LEE SHARPLESS ATF SHARPLESS INVESTMENT A/C	22,815,582	2.61
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	19,336,007	2.21
ROLEN PTY LTD ATF LR A/C	19,174,974	2.20
CITYLIGHT ASSET PTY LTD ATF GRAHAM SUPER FUND A/C	18,386,177	2.11
SPASEVSKI HOLDINGS PTY LTD ATF SPASEVSKI HOLDINGS NO 2 A/C	14,616,667	1.67
MR WAYNE MCGRATH	13,333,334	1.53
CARLOWEN PTY LTD ATF CARLOWEN UNIT A/C	13,333,333	1.53
DEAN PROSPER HELY & SANDRA MARIA HELY ATF THE HELY SUPERANNUATION FUND	11,333,333	1.30
FCAT INVESTMENTS PTY LTD ATF FCAT SUPER A/C	10,050,000	1.15
SANDANA PTY LTD ATF ANASAND SUPER FUND A/C	8,300,000	0.95
CE & JE HARRIS PTY LTD ATF CE & JE HARRIS SF A/C	8,000,000	0.92
IAN SANDOVER & ASSOCIATES PTY LTD ATF SANDOVER SUPER A/C	7,650,000	0.88
INDIAN COAST PTY LTD ATF DJW FAMILY A/C	7,500,000	0.86
BROOKSIDE INVESTMENTS PTY LTD ATF THE PECOTICH FAMILY A/C	7,494,000	0.86
MRS CASEY SUSANNAH MICHAEL & MR MATTHEW PAUL MICHAEL ATF MICHAEL FAMILY A/C	7,431,021	0.85
	395,201,285	45.25



Unquoted equity securities

	Number on issue	Number of holders
Performance rights	32,800,000	6
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
Michael Foulds and Ross Graham	177,274,093	20.30

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.

Performance rights

No voting rights.

On-Market Buy Back

There is no current on-market buy back.

Restricted securities

The Company has no restricted securities on issue.



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

THE MINERAL RESOURCE STATEMENT

The Mineral Resource was first reported by the Company on 2 September 2021 (Initial Market Announcement). The Company is not aware of any new information or data that materially affects the information included in the 2 September 2021 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 2022, the historical resource factors were reviewed and found to be relevant and current. The Labyrinth Gold Project has not been converted to an active operation yet and hence no resource depletion has occurred for the review period.

Cautionary Statement: the estimates of mineralisation in respect to the Labyrinth gold project reported in this announcement are "foreign estimates" for the purposes of the ASX Listing Rules, and accordingly:

- the estimates are not reported in accordance with the JORC Code;
- a competent person has not done sufficient work to classify the foreign estimates as mineral resources or ore reserves in accordance with the JORC Code; and
- it is uncertain that following evaluation and/or further exploration work that the foreign estimates will be able to be reported as mineral resources or ore reserves in accordance with the JORC Code.

	Classification	Tonnage	Au g/t	Ounces
Total	Measured	124 800	6.95	27 900
	Indicated	445 400	6.40	91 600
	Total	570 300	6.52	119 500
	Inferred	1 512 400	7.40	359 600

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

During the 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 will be released in the September quarter of 2022.

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 2022. The Company is not aware of any new information or data that materially affects the information as previously released on 2 September 2021 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 announcement that relates to exploration results for the Labyrinth and Denain Gold Projects is based on information compiled by Mr Andrew Chirnside, who is an 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.



COMET VALE GOLD PROJECT

The Comet Vale Project is recorded as hosting a combined JORC 2012 compliant Indicated and Inferred Mineral Resource of approximately 0.75 million tonnes at 8.4g/t for 203,100 ounces of gold. The Sand George deposit is predominantly an underground resource. The Mineral Resource was first reported under the JORC 2012 Code in January 2018 and subsequently in the Company's Prospectus dated 13 February 2018. Refer to announcements 'Prospectus' dated 16 February 2018 and 'Mining Commences at Comet Vale' dated 15 May 2018 for full JORC Code detail.

THE MINERAL RESOURCE STATEMENT

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

	Cut off Grade (g/t)	INDICATED		INFERRED		TOTAL		
		Tonnes	Gold (g/t)	Tonnes	Gold (g/t)	Tonnes	Gold (g/t)	Gold Ounces (oz)
Sand George	5	238,000	10.8	296,000	10.9	534,000	10.9	186,000
Sand Prince	1	90,000	2.4	19,000	1.5	109,000	2.2	7,900
Prince Grace	1	92,000	2.9	13,000	1.6	105,000	2.7	9,200
Total Comet Vale		420,000	7.3	328,000	10.0	748,000	8.5	203,100

Note: Figures have been rounded to the nearest 1,000t, 0.1g/t Au grade and 100oz. Differences may occur due to rounding

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 Mineral Resource statement above has not been recalculated to allow for this reduction as there is insufficient evidence available to estimate 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 during the past two years. The average head grade was 4.1 g/t for 13,909 oz of contained gold. After taking into consideration the above, the estimate mineral resource at Comet Vale is estimated at 185,200 oz.

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



PENNY'S FIND PROJECT

As announced by the Company on 26 July 2021, an updated independent Mineral Resource estimate was compiled delivering 250,000t @ 5.22g/t gold for 42,000oz. As set out in the table below, over 83% of the resource is now in the Indicated category (188,000t @ 5.71g/t gold).

Mineral resource statement is as at 30 June 2022. Remaining 50% of Penny's Find project held by the Company was disposed of post year-end.

THE MINERAL RESOURCE STATEMENT

The current Mineral Resource Statement for Penny's Find Underground Project is shown in the table below;

	Cut off Grade (g/t)	INDICATED		INFERRED		TOTAL		
		Tonnes	Gold (g/t)	Tonnes	Gold (g/t)	Tonnes	Gold (g/t)	Gold Ounces (oz)
Penny's Find	1.5	188,000	5.71	62,000	3.74	250,000	5.22	42,000

Note: Figures have been rounded to the nearest 1,000t, 0.1g/t Au grade and 100oz. Differences may occur due to rounding

Material Changes and Resource Statement Comparison

The Company is not aware of any new information or data that materially affects the information as previously released by Horizon Minerals on 14 July 2021 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 the report to which this statement is attached that relates to the Estimation and Reporting of Underground Gold Mineral Resources at the Penny's Find deposit is based on information compiled by Ms Jill Irvin BSc, a Competent Person who is a current Member of the Australian Institute of Geoscientists. Ms Irvin, Principal Geologist at Entech Pty Ltd, is an independent consultant to Horizon Minerals with sufficient experience relevant to the style of mineralisation and deposit type under consideration and to the activities being undertaken 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' (JORC Code 2012). Ms Irvin consents to the inclusion in this report of matters based on her information in the form and context in which they appear.

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 independent external consultants who are experienced in best practices in modelling and estimation methods. The consultants have also undertaken reviews of the quality and suitability of the underlying information used to determine the resource estimates. In addition, the Company management carry out regular reviews and audits of internal processes of external contractors that have been engaged by the Company or its joint venture partners.



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 CDC2477686 CDC2477687 CDC2477688 CDC2477689 CDC2477690 CDC2477691 CDC2477692 CDC2477693 CDC2477694 CDC2477695 CDC2477696 CDC2477697 CDC2477698 CDC2477699 CDC2477700 CDC2477701 CDC2477702 CDC2477703 CDC2477704 CDC2477705 CDC2477706 CDC2477707 CDC2477708 CDC2477709 CDC2477710 CDC2477711 CDC2477712 CDC2477713 CDC2477714 CDC2477715 CDC2477716 CDC2477717 CDC2477718 CDC2477719	Quebec	-	100%	100%	-
Denain*	CDC2438660 CDC2438661 CDC2438662 CDC2438663 CDC2438664 CDC2438665 CDC2438666 CDC2438667 CDC2438668 CDC2438669 CDC2438670 CDC2438671 CDC2438672	Quebec	-	85%	85%	-



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
Penny's Find**	M27/156 L27/90 L27/91 L27/92 L27/93 G27/1	Western Australia	50%	50%	-	-
Golden Lode	P30/1100 P30/1101 P30/1102 P30/1103 P30/1104 P30/1105 P30/1131	Western Australia	100%	-	-	100%
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.

** Penny's Find tenements were disposed post-year end.

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