



ASX ANNOUNCEMENT

3 July 2023



New chief executive and capital raising to drive next chapter of growth through exploration

Firm commitments for \$1m placement plus \$1.7m rights issue; Experienced executive and geologist Jennifer Neild to lead exploration drive at Labyrinth and Comet Vale projects

Labyrinth Resources Limited (ASX: LRL) (**'Labyrinth'** or **'the Company'**) is pleased to announce the appointment of Ms. Jennifer Neild as Chief Executive Officer.

Ms. Neild is a resources executive with more than 18 years' experience in exploration across a broad range of commodities in various jurisdictions. She was most recently Chief Executive Officer of Peak Minerals Limited (ASX: PUA).

Ms. Neild holds a Bachelors Degree in Geology (Hons) from Laurentian University in Sudbury, Ontario and a Masters Degree in Geophysics from Curtin University in Perth, Western Australia. She has previously held senior positions in exploration, resource geology and production geology in both Australia and Canada with Newmont Australia and Falconbridge Ltd, as well as General Manager - Interpretation for expert geophysics group HiSeis Pty Ltd.

Ms. Neild's geological and geophysics expertise in both Western Australia and Canada, combined with her corporate and executive experience in the resources industry, means she is ideally placed to drive the next round of exploration at the Company's Labyrinth and Comet Vale projects.

Current Chief Mr. Executive Matt Nixon will transition to the Board in a Non-Executive Director role, effective 1 July 2023. This follows a tenure of over two years initially as Chief Operating Officer from February 2021 and then Chief Executive Officer since November 2021. In this role, he led Labyrinth through a transformational period of portfolio evaluation, administrative rectification, project acquisition, Company rebranding and strategic reset.

The retention of Mr. Nixon's expertise in the resources industry and knowledge of the Labyrinth business in a Director capacity ensures the Company remains well placed to deliver its strategic objectives and generate shareholder value.

Mr. Nixon will provide Chief Executive services on a consultancy basis to ensure a smooth transition to the commencement of Ms. Neild.

Capital Raising

Labyrinth has received firm commitments for A\$1,015,500 in a private share placement to new strategic sophisticated investors and existing major shareholders at a price of 0.7c per share (**'Placement'**). Proceeds will support the growth and exploration of the Company's high-grade gold projects.

The Placement price represents a 25% discount to the 5-day volume weighted average price (VWAP) of the Company's shares.

The Placement will result in the issuing of 145,071,429 new shares with settlement anticipated on 17 July 2023. The new shares will rank equally with existing shares on issue and will be issued using the Company's existing placement capacity under ASX Listing Rule 7.1 (57,131,295 shares) and 7.1A (88,401,676 shares), accordingly shareholder approval is not required.



Entitlement Offer

In conjunction with the Placement, Labyrinth will undertake a pro-rata non-renounceable entitlement issue ('**Rights Issue**') of one (1) new share for every four (4) existing shares held by eligible shareholders at an issue price of 0.7c each, representing an identical discount to the 5-day VWAP which is being applied for the calculation of the Placement price, to raise up to \$1,679,103.

The Rights Issue will be made to all shareholders of Labyrinth Resources named on the Company's share register at 5:00pm WST on 13 July 2023. A maximum total of 239,871,836 shares will be issued pursuant to the Rights Issue. The Company will retain the right, at the discretion of the Board of Directors, to place any shortfall on identical terms following completion of the Entitlement Offer. The Board presently intends to allocate shortfall shares as follows:

- a) to Eligible Shareholders who apply for an excess of their full entitlement, provided that the issue of the shortfall shares would not take their voting power in excess of 19.99%; and then
- b) to other parties identified by the Directors, which may include parties who are not currently shareholders

Use Of Funds

Proceeds of the Placement and Rights Issue will be used towards:

- Exploration work at the Company's high-grade gold projects Labyrinth and Comet Vale
- Generating strategic growth and strengthening of the Company's asset portfolio
- Completing the final CAD\$500,000 payment (plus interest) to G.E.T.T Gold Inc related to the acquisition of the Company's Quebec projects (refer ASX Announcement 1 May 2023); and
- General working capital

Timetable

Event	Date
Announcement of Rights Issue and lodgement of Appendix 3B and section 708AA(2)(f) notice with ASX	3 July 2023
Ex date	12 July 2023
Record date for eligibility to participate in Rights Issue	13 July 2023
Dispatch Offer Document and Entitlement Offer open date	17 July 2023
Closing date of Entitlement Offer	31 July 2023
New shares from Rights Issue quoted on a deferred settlement basis	1 August 2023
Announcement of results of the Rights Issue, shortfall (if any), last day for issue of New Shares under Rights Issue & lodge Appendix 2A	7 August 2023
Commencement of trading for New Shares on a normal basis	8 August 2023



Resignation of Mel Ashton as Non-Executive Director

Labyrinth advises that as part of the strategic Board and key management changes, Mel Ashton will resign from his role of Non-Executive Director, effective 30 June 2023. Mr. Ashton provided his expertise to the Company throughout the transformational acquisition and establishment of operations in Canada over the past two years.

The Company thanks him for his strong contribution and guidance and wishes him all the best in his future endeavours.

Labyrinth Non-Executive Chairman Dean Hely said: "The appointment of Jennifer as chief executive, Matt's appointment to the Board and the capital raising mean the Company is very well positioned to take full advantage of the opportunities at its two projects.

"We believe these assets have outstanding potential to create shareholder value through exploration, we have the team to unlock this value and the funds for them to pursue the next leg of this strategy.

"On behalf of the Board, I welcome Jennifer to the Company and Matt to the Board. I would also like to thank Mel for the valuable contribution he has made to Labyrinth and wish him all the best for the future".

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

Investor Enquiries

admin@labyrinthresources.com

Media Enquiries

Paul Armstrong

Read Corporate

info@readcorporate.com.au

Director Consultancy Agreement

In accordance with ASX Listing Rule 3.16.4, the Company advises the key terms of Mr. Nixon's consultancy agreement for the provision of Chief Executive services during the transition to Ms. Neild's commencement:

- \$150 per hour of service provision
- No fixed term
- No termination notice period by either Mr. Nixon or the Company

Chief Executive Remuneration

In accordance with ASX Listing Rule 3.16.4, the Company advises the following key terms of Ms. Neild's Employment Agreement:

Terms of Agreement

The appointment will take effect in August 2023 and has no fixed term.

Salary

Total fixed remuneration of \$225,000 per annum exclusive of superannuation.



Under the Employment Agreement, Ms. Neild will be entitled to participate in the Company's Employee Incentive Scheme for up to 15,000,000 Rights subject to performance and tenure related performance hurdles to be agreed between the Company and Ms. Neild.

The remuneration package will be reviewed annually.

Termination

Ms. Neild's employment may be terminated by either herself or the Company by providing 12 weeks' notice in writing. The Company, at its absolute discretion, may elect to make payment in lieu of any period of notice.

Trading Halt

This announcement lifts the trading halt requested by the Company on 29 June 2023, the Company is not aware of any reason why the ASX should not allow trading to re-commence immediately.