

OPTION TO ACQUIRE RESIDUAL 49% OF COMET VALE AND ACQUISITION OF VIVIEN GOLD PROJECT

- Labyrinth Resources Limited ("**Labyrinth**" or "**the Company**") has signed:
 - a binding option agreement with Sand Queen Gold Mines Pty Ltd ("**Sand Queen**") whereby Labyrinth has been granted a 12-month option (commencing on completion of the Distilled Acquisition) to acquire Sand Queen's 49% interest in Comet Vale for \$3m in cash ("**Comet Vale Option**"); and
 - a binding share sale agreement to acquire 100% of Distilled Analytics Pty Ltd ("**Distilled**") which owns the Vivien Gold Project ("**Vivien**") located 6km from the Agnew Gold Mine ("**Distilled Acquisition**"),together, ("**the Transactions**").
- The Transactions are consistent with the Company's strategy to consolidate and grow underexplored high grade gold mines across the Menzies, Leonora and Leinster corridor that are close to infrastructure.
- Exercise of the Comet Vale Option will allow the Company to increase its existing controlling interest in Comet Vale from 51% to 100%.
- The Company's Comet Vale gold project (on granted mining leases) is located 32km south of Menzies next to the Goldfields highway. The Company released an updated Mineral Resource of 96koz at 4.8g/t Au (100% basis) on 11 April 2023.¹
- Vivien, previously owned and operated by Ramelius Resources Limited (ASX: RMS) ("**Ramelius**"), will provide Labyrinth a near-term opportunity to define a JORC mineral resource across the Vivien Main Pit and Vivien Gem Prospect from the existing project drill database.
- The Vendors of Distilled amongst others include Alex Hewlett and Kelvin Flynn. Alex and Kelvin have a strong track record, with one or both being involved in driving value creation at Red Dirt Metals Limited (now Delta Lithium), Spectrum Metals Limited, Mineral Resources Limited, Silver Lake Resources Limited and Wildcat Resources Limited.
 - Following completion of the Transactions and Equity Raising at full participation, Mr Hewlett and Mr Flynn are expected to emerge with voting power in Labyrinth of approximately 12.3% and 10.2% respectively.
- Firm commitments received via a two tranche placement to raise \$2.0 million in support of the Transactions and to fund high priority work programs.
- Existing Labyrinth shareholders will have the opportunity to participate in a 1-for-1.9813 non-renounceable Entitlement Offer raising up to an additional ~\$2.0m.
- The proceeds of the two tranche placement ("**Placement**") and entitlement offer ("**Entitlement Offer**") (together, the "**Equity Raising**") will be used to advance exploration

¹ Refer to Labyrinth's ASX announcement on 11 April 2023 titled "Comet Vale Mineral Resource Estimate".



at both Comet Vale and Vivien with the aim of growing a significant and high-grade resource inventory.

- Following completion of the Transactions and Equity Raising at full participation, Labyrinth will emerge with a pro-forma undiluted market capitalisation of ~\$13.7m and pro-forma cash holdings of approximately \$4.0m (before transaction costs and the exercise of the Comet Vale Option).
- Post the Transactions, the Company will re-assess strategic options (including a potential sale) for its 100% owned Labyrinth Project in Canada which currently contains a JORC compliant resource of 3Mt @ 5g/t Au for 500koz². This will include leveraging the geological skill set of the Company to further evaluate the prospectivity of the deposit at depth and along strike.
- The Company has obtained in-principle confirmation from the ASX that Listing Rules 11.1.2 and 11.1.3 do not apply to the Transactions.

Overview

The Comet Vale Option and Distilled Acquisition align with the Company's strategy to consolidate and grow underexplored high grade gold mines across the Menzies, Leonora and Leinster corridor that are close to infrastructure.

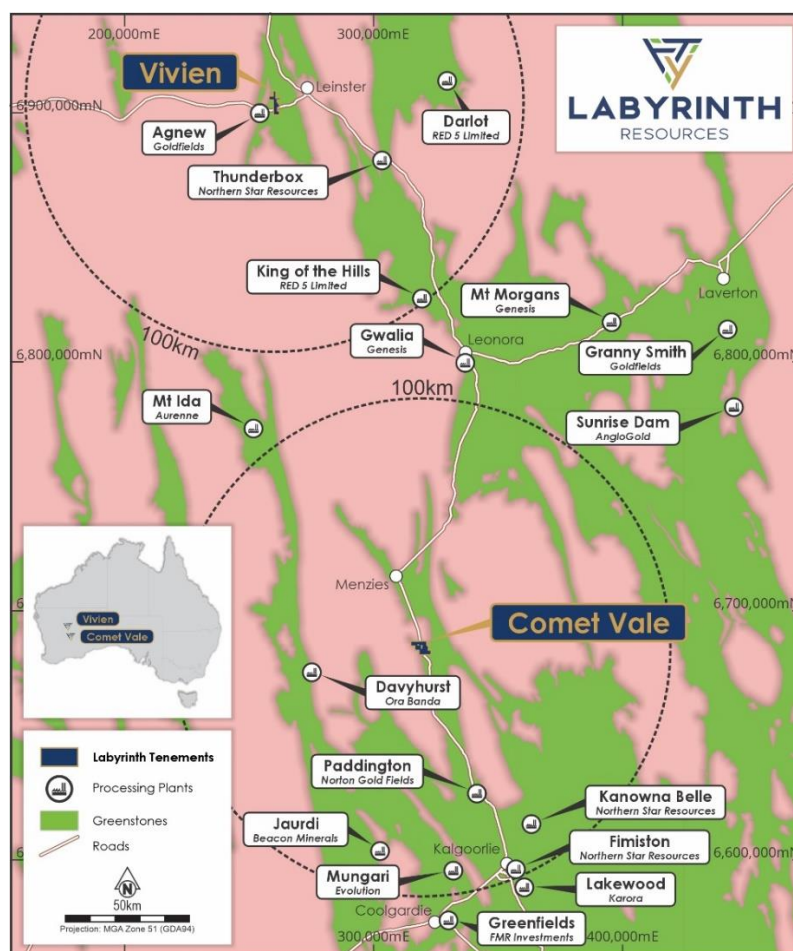


Figure 1: Regional location of Comet Vale and Vivien.

² Refer to Labyrinth's ASX announcement on 27 September 2022 titled "Labyrinth Maiden Mineral Resource Estimate".



Settlement of the Distilled Acquisition is subject to shareholder approvals, along with the satisfaction of other conditions precedent common in transactions of this nature.

The Vendors of Distilled, amongst others, include Alex Hewlett and Kelvin Flynn. Alex and Kelvin have a strong track record, with one or both being involved in driving value creation at Red Dirt Metals Limited (now known as Delta Lithium Limited (ASX: DLI)) via the purchase of Mt Ida from Ora Banda for \$11m (with a market cap now of ~\$180m), Spectrum Metals Limited via the \$1m acquisition and resource development of Penny West (Spectrum sold to Ramelius for \$231m), and Wildcat Resources Limited (ASX: WC8) via the acquisition of Tabba Tabba from GAM (owned by RCF) for circa \$7.5m (with a market cap now of ~\$355m). Kelvin has served as a director of RED 5 Limited (ASX: RED) (formerly Silver Lake Resources Limited (ASX: SLR)) for over 8 years.

To ensure sufficient funding is in place to undertake significant near-term exploration programs at Comet Vale and Vivien, the Company has received firm commitments for a two tranche placement to institutional, sophisticated and professional investors to raise \$2.0 million at \$0.0030 per share. In addition, existing Labyrinth shareholders will have the opportunity to participate in a 1-for-1.9813 non-renounceable Entitlement Offer at \$0.0030 per share raising up to an additional ~\$2.0m.

Further detail on the Comet Vale Option, the Distilled Acquisition, the Equity Raising and next steps is provided below.

Vivien

Vivien is a historical operating underground gold mine located near the Agnew Gold Mine, 15km west of the town of Leinster in Western Australia. The Vendors acquired Vivien from the previous operator, Ramelius in April 2024.

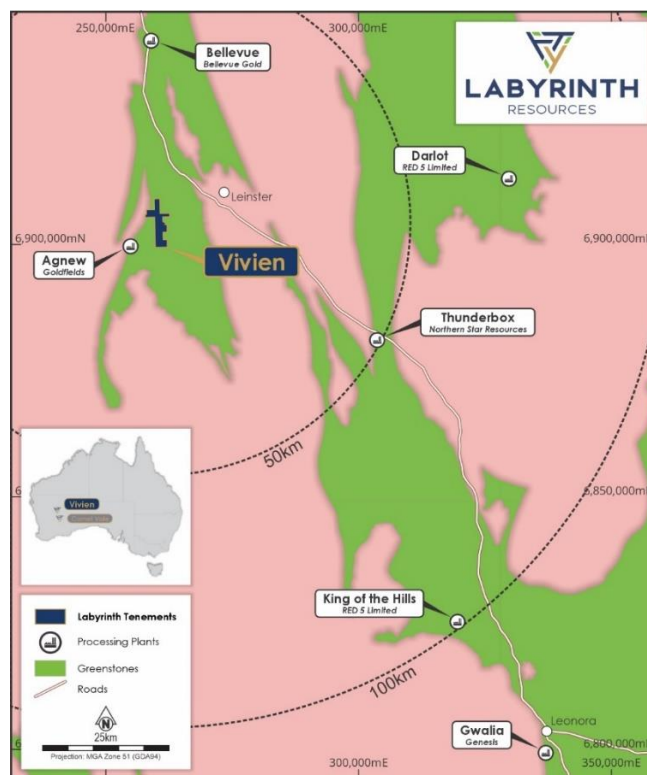


Figure 2: Regional location of Vivien.



Historical underground production from the Vivien leases between 1902 and 1911 totalled 76,000oz at an average grade of 12.4 g/t Au. The Vivien open pit was mined between 1997 and 1998 and produced 410,000 tonnes at 2.70 g/t Au for 35,600oz.³

Ramelius ceased mining at Vivien in early 2023, with the last ore load coming to surface on 11 January 2023. Gold production for Vivien over the period of Ramelius' operatorship (2015-2023) was 1.5Mt at 5.68g/t Au for 260koz⁴ processed through its Mt Magnet Mill situated 296km west of Vivien. Vivien was acquired by Ramelius in 2013 from Gold Fields at a cost of \$10 million and, over its life, generated net cash flows of \$130 million for Ramelius.⁵

Vivien comprises five Mining Licences (M36/111, M36/292, M36/34, M36/61 and M36/64) and one Prospecting Licence (P36/1890) with an area of 20.4km².

The wider Vivien project provides a commercially compelling brownfield gold exploration opportunity with six (6) priority drill targets based on historical gold intercepts that were not prioritised by Ramelius as part of its mining focussed activities at Vivien.

Vivien provides Labyrinth a near-term opportunity to define a JORC mineral resource across the Vivien Main Pit and Vivien Gem Prospect from the existing project drill database. There are also five (5) separate gold processing mills within 100km of Vivien that potentially provide a lower commercial threshold to profitable gold production.

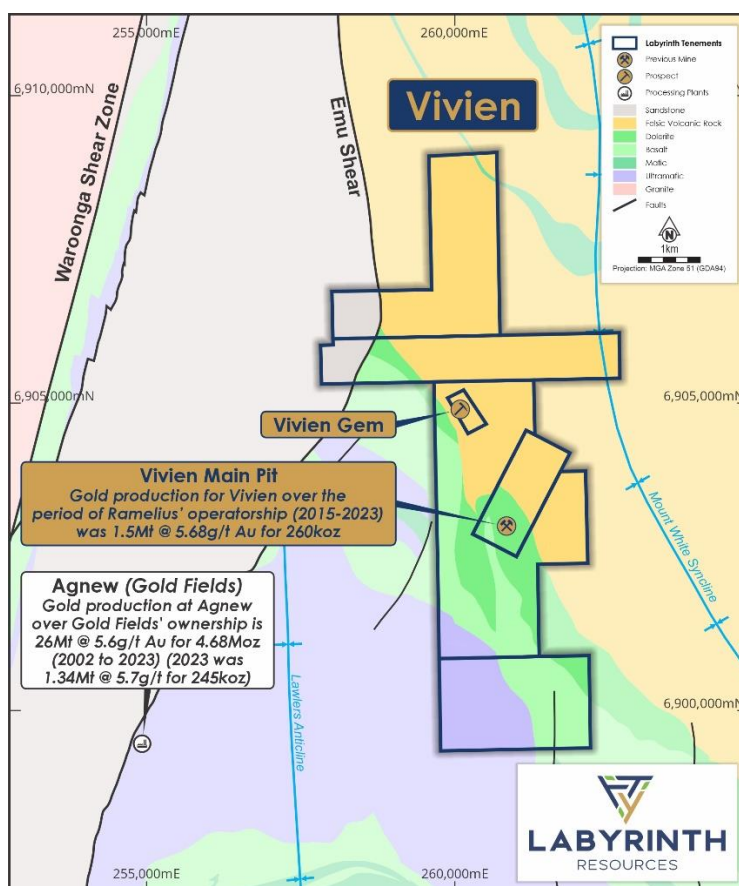


Figure 3: Geology of Vivien area.

³ As per Ramelius Resources website (<https://www.rameliusresources.com.au/vivien-gold-mine/>)

⁴ As per Ramelius Resources Ltd 2023 Annual Report released on 20 October 2023.

⁵ As per Ramelius Resources Ltd 2023 Annual Report released on 20 October 2023.



Distilled also holds tenement E59/2874, which is located 36km south of Yalgoo and is prospective region for gold, lithium and rare earths.

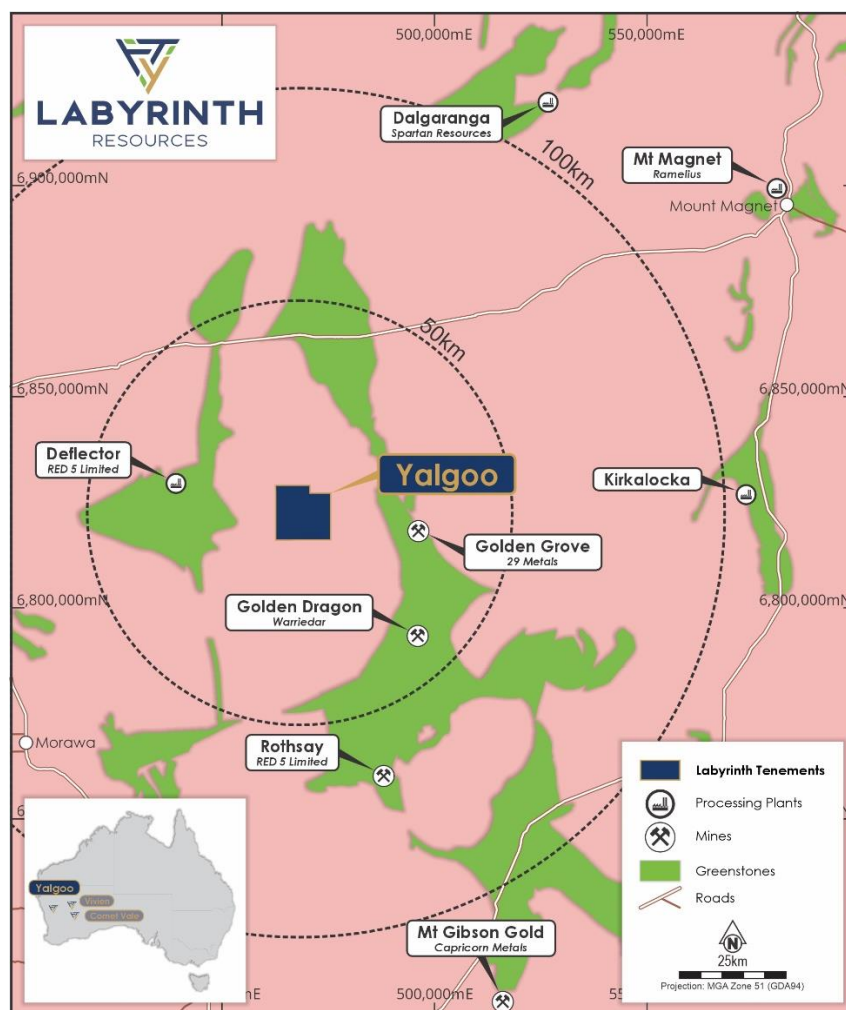


Figure 4: Regional location of Yalgoo.

Distilled Acquisition Terms

Labyrinth has entered into an Agreement to acquire 100% of Distilled from its shareholders ("Vendors") on the terms and conditions set out below.

Under the proposed acquisition, subject to shareholder approval, Labyrinth will issue approximately 1,816.7 million ordinary shares and 220.0 million Vendor Performance Rights to the Vendors, pro-rata to their existing holding in Distilled.

The 220 million Vendor Performance Rights will be split across the following three tranches:

- 1) **Tranche 1:** 73,333,333 (1/3) performance rights vesting on or before 36 months from the date of issue upon the approval by the Minister of a programme of work for a drilling programme on any of the Vivien tenements and the Labyrinth share price exceeding a 20-day VWAP of \$0.00375 per share
- 2) **Tranche 2:** 73,333,333 (1/3) performance rights vesting on or before 48 months from the date of issue upon the completion of the first drilling program on any of the Vivien



tenements and the Labyrinth share price exceeding a 20-day VWAP of \$0.00575 per share; and

- 3) **Tranche 3:** 73,333,334 (1/3) performance rights vesting on or before 60 months from the date of issue upon the announcement by the Company to the ASX of a maiden JORC compliant gold resource at a minimum cut-off grade of 0.2g/t on any of the Vivien tenements and the Labyrinth share price exceeding a 20-day VWAP of \$0.00840 per share

The ordinary shares to be issued to the Vendors will be voluntarily escrowed for a period of 12-months from the date of issue.

The Vivien Vendors will be entitled to a 1.0% royalty with respect to the sale of all minerals extracted from each of P36/1890 (Vivien Gem) and E59/2874. The Company will have the right to buy-back 50% of the royalty on P36/1890 (i.e 0.5%) from the Vendors for \$1m in cash.

Comet Vale Option

Labyrinth has signed a binding option agreement with Sand Queen whereby Labyrinth has, subject to shareholder approval and completion of the Distilled Acquisition, been granted a 12-month option to acquire Sand Queen's 49% interest in Comet Vale for \$3m in cash.

An option fee is payable to Sand Queen of \$200k and is payable in cash or shares or a combination of both, at the election of Sand Queen. If the option fee is satisfied in full by shares, subject to shareholder approval and completion of the Distilled Acquisition, the Company will issue ~66.7 million shares.

Comet Vale update

The Company's Comet Vale gold project (on granted mining leases) is located 32km south of Menzies next to the Goldfields highway. The Company released an updated Mineral Resource of 96koz at 4.8g/t⁶ (100% basis) on 11 April 2023.

⁶ Refer to Labyrinth's ASX announcement on 11 April 2023 titled "Comet Vale Mineral Resource Estimate".

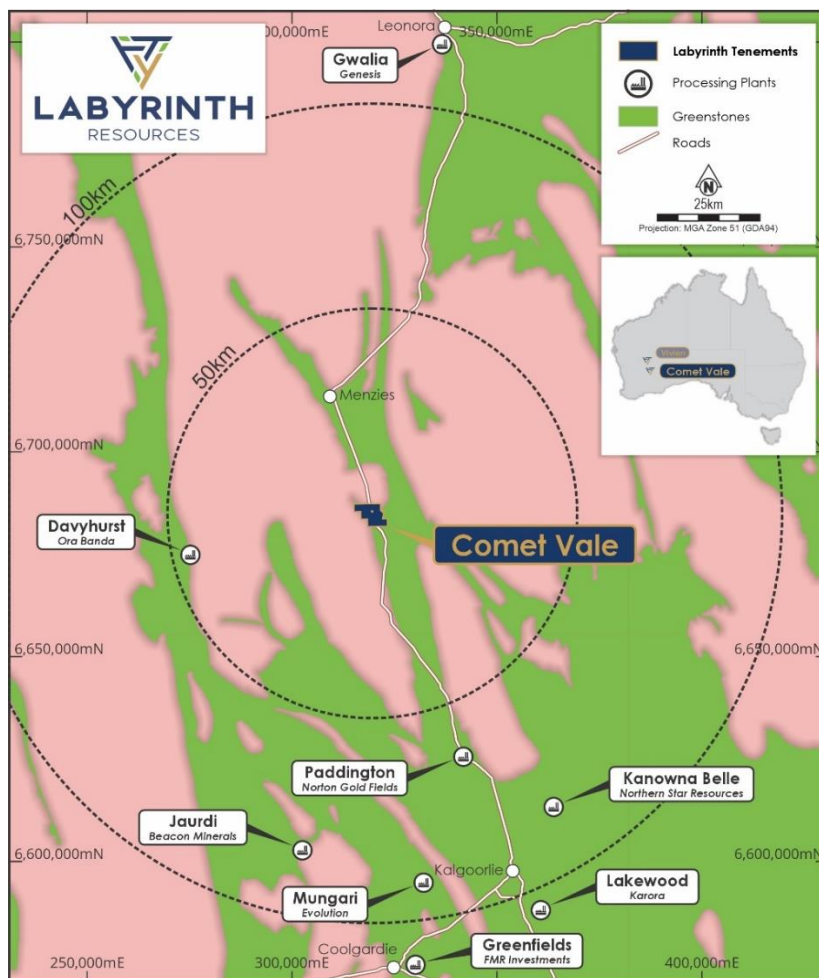


Figure 5: Regional location of Comet Vale.

Limited exploration has occurred at Comet Vale in recent times given the Company's previous focus on divesting its Canadian projects and access to capital. The transaction would see a renewed focus on Comet Vale which remains open at depth with kilometres of untested strike potential on multiple orientations.

There are also multiple separate gold processing mills within 100km of Comet Vale, which may influence any future production decision.

Update on Labyrinth Gold Project

As announced to the ASX in May 2024, the Company terminated the agreement for the sale of its Labyrinth Gold Project in Quebec, Canada as the purchaser failed to comply with its obligations. Labyrinth retained the non-refundable US\$175,000 deposit provided by the purchaser.

The Labyrinth Gold Project boasts a JORC mineral resource of 500,000oz at 5g/t⁷ with significant growth potential. The Labyrinth Gold Project sits within the prolific Abitibi Greenstone Belt in proximity to multi-million ounce deposits which further showcase its potential.

The Company is continuing to explore opportunities to maximise the value of the project for Labyrinth shareholders, including through a sale or divestment.

⁷ Refer to Labyrinth's ASX announcement on 27 September 2022 titled "Labyrinth Maiden Mineral Resource Estimate".



Equity Raising

The Equity Raising will be structured as follows:

1. Tranche 1 Placement to raise \$0.40 million at \$0.0030 by the issue of approximately 133.3 million new shares utilising the Company's existing placement capacity under ASX Listing Rule 7.1 ("**Tranche 1 Placement**");
2. Tranche 2 Placement to raise \$1.60 million at \$0.0030 by the issue of approximately 533.3 million new shares, subject to shareholder approval ("**Tranche 2 Placement**"); and
3. A 1 for 1.9813 Entitlement Offer to raise up to approximately \$2.0 million at \$0.0030 by the issue of approximately 666.7 million new shares.

The issue price for the Equity Raising of \$0.0030 per share represents:

- A 40% discount to the last traded price of Labyrinth shares; and
- A 33% discount to the 20-day volume weighted average market price of Labyrinth shares.

The Proceeds from the Equity Raising are intended to be used to fund:

- Exploration at Labyrinth's Comet Vale gold project in WA;
- Exploration at the to be acquired Vivien gold project in WA;
- Tenement and holding costs at the Labyrinth Gold Project in Quebec, Canada; and
- Corporate and general working capital.

Non-Renounceable Entitlement Offer

Labyrinth is also offering eligible shareholders the opportunity to participate in a non-renounceable pro-rata entitlement offer to raise up to approximately \$2.0 million (before costs) on the basis of one (1) new share for every 1.9813 Shares held at the record date, at an issue price of \$0.0030 per new share.

Only shareholders with a registered address in Australia and New Zealand will be eligible to participate in the Entitlement Offer ("**Eligible Shareholders**").

The Entitlement Offer will be made to Eligible Shareholders registered at 5:00pm (Perth time) on the proposed record date ("**Record Date**") of 9 September 2024 (see "Indicative Timetable" below).

Assuming no options are exercised and no performance rights are converted before the Record Date, up to ~666.7 million new shares will be issued under the Entitlement Offer.

The Entitlement Offer will be non-renounceable. This means that rights cannot be traded on the ASX and are not otherwise transferable. New shares will rank equally with Labyrinth's existing shares.

Details of the Entitlement Offer will be contained in the offer booklet. Eligible Shareholders should consider the offer booklet carefully before deciding whether to participate in the Entitlement Offer and consult with their professional advisors if they have any queries.



The offer booklet will be available in due course on Labyrinth's ASX website at www.asx.com.au.

Consolidation

The Company also intends to seek shareholder approval to consolidate its issued capital at a ratio of 10:1. The purpose of the consolidation is to reduce the Company's issued capital to a more appropriate and effective capital structure to facilitate continued growth and investor interest.

If the consolidation is approved, then in accordance with Listing Rules 7.21 and 7.22.1, all options and performance rights on issue will be consolidated in the same ratio as the shares and the exercise price of the options will be amended in the inverse proportion to that ratio.

Where the consolidation results on a fractional entitlement to a Share, performance right or option, that fractional entitlement will be rounded up.

The consolidation is expected to be carried out following the issue of securities under the Transactions and Equity Raising.

Capital structure on completion of the Transactions

Subject to shareholder approval and completion of the Transactions, Labyrinth's indicative capital structure is set out below, subject to rounding and reconciliation of entitlements:

In millions, rounded to 1 dp	Number of Shares	Number of Options	Number of Performance Rights
Balance at the date of this announcement	1,187.5	36.5	2.5 ⁸
Distilled Vendor consideration	1,816.7	-	220.0
Tranche 1 Placement	133.3	-	-
Tranche 2 Placement	533.3	-	-
Entitlement Offer ⁹	666.7	-	-
Comet Vale Option fee ¹⁰	66.7	-	-
CEO shares in lieu of granted but unissued Performance Rights ¹¹	12.5	-	-
Shares in lieu of outstanding Director fees	27.5	-	-
Adviser fees	133.3	90.0	-
Balance after Transactions	4,577.5	126.5	222.5

⁸ Fully vested and expected to be converted into ordinary shares by the end of July 2024.

⁹ Assuming 100% take-up of the Entitlement Offer.

¹⁰ Assuming Sand Queen elects 100% share consideration for their option fee.

¹¹ In recognition of her significant efforts to the Company, the Board has agreed to award Ms Jennifer Neild 12.5m fully paid ordinary shares in the Company under Labyrinth's Employee Incentive Plan. The new shares will be allotted upon final settlement of the Distilled transaction and completion of the Equity Raising.



Indicative timetable

The indicative timetable for the Transactions and Equity Raisings is as follows:

Indicative timetable	Date
Announcement of the Transactions, Appendix 3B and s708AA(2)(f) notice	17 July
Settlement – Tranche 1 Placement	24 July
Allotment and Normal Trading of Tranche 1 Placement shares	25 July
Notice of Meeting sent to shareholders	Early August
Shareholder meeting	3 September
Entitlement Offer Ex Date	6 September
Entitlement Offer Record Date (5:00pm AWST)	9 September
Settlement of Tranche 2 Placement	Mid-September
Settlement of Distilled Transaction	Mid-September
Issue shares to Sand Queen for Comet Vale Option	Mid-September
Offer Document and Entitlement and Acceptance Form dispatched to Eligible Shareholders	12 September
Entitlement Offer Opening Date	12 September
Last day to extend Closing Date	8 October
Entitlement Offer Closing Date (5:00pm AWST)	11 October
Shares quoted on a deferred settlement basis from market open	14 October
Announcement of results of Entitlement Offer, shortfall (if any), last day for issue of new shares under Entitlement Offer and Appendix 2A	18 October
Deferred settlement trading ends at market close	
Commencement of normal (T+2) trading	21 October
Settlement of on-market trades conducted on a deferred settlement basis and the first settlement of trades conducted on a T+2 basis	23 October

The above timetable is indicative only and all dates are subject to change. The Directors reserve the right to extend the Closing Date for the Entitlement Offer at their discretion. Should this occur, the extension will have a consequential effect on the anticipated date of issue for the new shares under the Entitlement Offer.

Board Recommendation

The Board of Labyrinth unanimously recommends the transactions as set out in this announcement to Labyrinth shareholders as at the date of this announcement and that shareholders vote in favour of the resolutions set out below, in the absence of a superior proposal.



Shareholder Approvals

Shareholders will, in due course, receive a Notice of Meeting and Explanatory Memorandum in relation to the Transactions which will provide further details about the Transactions and impact on shareholders.

Shareholders will be asked to consider and, if thought fit, approve the following resolutions at the shareholder meeting.

Inter-conditional resolutions will include:

- Approval to issue Tranche 2 Placement
- Approval to issue Vendor share consideration
- Approval to issue Vendor performance rights

Other resolutions to be put to shareholders at the meeting will include:

- Approval to issue shares to Sand Queen for the Comet Vale Option fee
- Approval to issue shares to the Adviser
- Approval to issue options to the Adviser
- Approval to consolidate the Company's issued capital
- Approval to issue shares to Directors in lieu of outstanding Directors' fees

The Company's two largest shareholders, Ross Graham and Michael Foulds, have committed to vote all shares they own at the time of the vote for all the resolutions they are eligible to vote on.

Advisers

Sternship Advisers acted as financial adviser to the Company and Lavan acted as legal adviser to the Company.

ENDS

This announcement has been prepared for publication in Australia and may not be released to US wire services or distributed in the United States. This announcement does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States or any other jurisdiction. Any securities described in this announcement have not been, and will not be, registered under the US Securities Act of 1933 and may not be offered or sold in the United States except in transactions exempt from, or not subject to, the registration of the US Securities Act and applicable US state securities laws.

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

Investor Enquiries

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The Company confirms that it is not aware of any information or data that materially affects the information included in the said original announcements and the form and context in which the Competent Persons' findings are presented have not materially modified from the original market announcements.

Comet Vale March 2023 Depleted Open Pit Resource (Au>=0.5g/t OP)

Comet Vale Depleted Resource, Au>=0.5g/t (OP)			
Category	Tonnes (Mt)	Au Grade (g/t)	Au Ounces
Indicated	0.18	4.3	25,500
Inferred	0.19	2.3	14,000
Total	0.37	3.3	39,500

Comet Vale March 2023 Depleted Underground Resource (Au>=2.5g/t UG)

Comet Vale Depleted Resource, Au>=2.5g/t (UG)			
Category	Tonnes (Mt)	Au Grade (g/t)	Au Ounces
Indicated	0.13	7.4	30,600
Inferred	0.12	6.5	25,600
Total	0.25	7.0	56,200

Labyrinth Minerals Resource Estimate Summary by Lode

Inferred			
Lode	Tonnes (Mt)	Au Grade (g/t)	Au Ounces
Boucher	1	5.7	190,000
McDowell	1	4.5	150,000
Talus	0.7	5.3	110,000
Front West	0.2	2.7	20,000
Shaft	0.1	5.5	30,000
Total	3	5.0	500,000

Forward-Looking Information:

This announcement contains forward-looking information about the Company and its operations. In certain cases, forward-looking information may be identified by such terms as "anticipates", "believes", "should", "could", "estimates", "target", "likely", "plan", "expects", "may", "intend", "shall", "will", or "would". These statements are based on information currently available to the Company and the Company provides no assurance that actual results will meet management's expectations. Forward-looking statements are subject to risk factors associated with the Company's business, many of which are beyond the control of the Company. It is believed that the expectations reflected in these statements are reasonable but they may be affected by a variety of variables and changes in

underlying assumptions which could cause actual results or trends to differ materially from those expressed or implied in such statements. There can be no assurance that actual outcomes will not differ materially from these statements.

Competent Person's Statement:

The information in this announcement relates to exploration results for the Comet Vale Gold Project which Ms. Jennifer Neild has reviewed and approves. Ms. Neild, who is an employee of Labyrinth Resources Limited, a professional geoscientist and a Member of the Australian Institute of Geoscientists. Ms. Neild has sufficient experience relevant to the style of mineralisation and type of deposits under consideration, and to the activities which have been undertaken to qualify as a Competent Person as defined in the 2012 Edition of the Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration results, Mineral Resources and Ore Reserves. Ms. Neild consents to the inclusion in this announcement of the matters based on this information in the form and context in which it appears.

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