Labrador Gold to Issue Shares for Debt

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Vancouver, May 4, 2018 - Labrador Gold Corp. (TSXV: LAB) ("Labrador Gold" or the "Company") announces that it has arranged a shares for debt settlement (the "Shares for Debt Settlement") with GroundTruth Exploration Inc. of Dawson, YT ("GroundTruth"), an arm's length party to the Company, in respect of exploration work that GroundTruth provided to the Company on the Company's Labrador Projects from August to October, 2018.

Pursuant to the Shares for Debt Settlement, the Company is to issue to GroundTruth an aggregate of 578,328 common shares (the "Debt Shares") at a deemed price of $0.30 per Debt Share in settlement of the indebtedness to GroundTruth in the amount of $173,498.28.

The issuance of the Debt Shares will not result in the creation of any new control person and is subject to regulatory approval. The Debt Shares will be subject to a four month hold period.

About Labrador Gold:

Labrador Gold is a Canadian based mineral exploration company focused on the acquisition and exploration of prospective gold projects in the Americas. In 2017 Labrador Gold signed a Letter of Intent under which the Company has the option to acquire 100% of the 896 square kilometre (km^2) Ashuanipi property in northwest Labrador and the Nain (503 km^2) and Hopedale (458 km^2) properties in eastern Labrador.

The Hopedale greenstone properties cover much of the Hunt River and Florence Lake greenstone belts that stretch over 80 km. The belts are typical of greenstone belts around the world, but have been underexplored by comparison. Historical exploration did result in a gold showing of up to 7.5 g/t Au (Source: Cornerstone Resources Inc. 2003, Eastern Analytical Limited Assay certificate) but no significant gold exploration has been undertaken since the discovery.

The Ashuanipi gold project is located just 35 km from the historical iron ore mining community of Schefferville, which is linked by rail to the port of Sept Iles, Quebec in the south. The claim blocks cover large lake sediment gold anomalies that, with the exception of local prospecting, have not seen a systematic modern day exploration program. Recent regional geological mapping in the area by the Newfoundland and Labrador Geological Survey has highlighted the gold potential of the region and historical work 30 km north on the Quebec side led to gold intersections of up to 2.23 grams per tonne (g/t) Au over 19.55 metres (not true width) (Source: IOS Services Geoscientifiques, 2012, Exploration and geological reconnaissance work in the Goodwood River Area, Sheffor Project, Summer Field Season 2011). Gold in both areas appears to be associated with metamorphosed iron formation.

The Nain gold project comprises three claim blocks, two of which lie along the Nain-Churchill terrane boundary. One of the claim blocks, Sneegamook, has the largest and most intense gold in lake sediment anomaly in Labrador, but no known gold exploration has taken place in the area.

The Company has 37,154,225 common shares issued and outstanding and trades on the TSX Venture Exchange under the symbol LAB.

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