Labrador Gold Corp. Closes Private Placement Financing

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VANCOUVER, British Columbia, July 25, 2018 -- Labrador Gold Corp. (TSX-V:LAB) (“LAB” or the “Company”) is pleased to announce that it has closed its previously announced non-brokered private placement offering (the “Private Placement”) (See news release dated July 9, 2018).

The Company raised a total of $3,000,100 through the sale of 10,498,000 units at $0.25 comprised of one common share (“Share”) and one-half share purchase warrant ("Warrant") of the company for proceeds of $2,624,500. Each whole warrant entitles the holder thereof to purchase one additional Share at a price of $0.35 for a period of 24 months from closing. A further $375,600 was raised through the sale of 1,252,000 flow through units (“FT Unit”) at $0.30 comprised of one flow through common share ("FT Share") and one-half non-flow through share purchase Warrant of the Company. Each whole Warrant entitles the holder thereof to purchase one additional Share at a price of $0.40 for a period of 24 months from closing.

Evanachan Limited, a company owned by Mr. Rob McEwen, Chairman and Chief Owner of McEwen Mining Inc., Ms. Cathy Wood, of RyanWood Exploration Inc. and insiders of the Company subscribed for a total of $1,078,000 of the private placement.

Finders Fees comprised of $180,127 in cash and 780,500 broker units were paid to arms length parties on a portion of the private placement in accordance with the policies of the TSXV.

The net proceeds from the Private Placement will primarily be used to fund exploration on the Labrador properties under option and for general working capital purposes. All securities issued in connection with the Private Placement are subject to a hold period of four months plus one day from the date of closing.

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 property covers 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. Initial work by Labrador Gold during 2017 show gold anomalies in soils and lake sediments over a 3 kilometre section of the northern portion of the Florence Lake greenstone belt in the vicinity of the known Thurber Dog gold showing where grab samples assayed up to 7.8g/t gold. In addition, anomalous gold in soil and lake sediment samples occur over approximately 40 kilometres along the southern section of the greenstone belt (see news release dated January 25th 2018 for more details).

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. Results of the 2017 reconnaissance exploration program following up the lake sediment anomalies show gold anomalies in soils and lake sediments over a 15 kilometre long by 2 to 6 kilometre wide north-south trend and over a 14 kilometre long by 2 to 4 kilometre wide east-west trend. The anomalies appear to be broadly associated with magnetic highs and do not show any correlation with specific rock types on a regional scale (see news release dated January 18th 2018). This suggests a possible structural control on the localization of the gold anomalies. 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 similar rock types.

Roger Moss, PhD., P.Geo., is the qualified person responsible for all technical information in this release.

The Company has 50,742,552 common shares issued and outstanding and trades on the TSX Venture Exchange under the symbol LAB.

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