

Labrador Gold Closes \$15 Million Financing Backed by Eric Sprott and New Found Gold to Accelerate Exploration at Kingsway

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TORONTO, May 19, 2021 - [Labrador Gold Corp.](#) (TSX.V:LAB | OTCQX:NKOSF | FNR: 2N6) ("LabGold" or the "Company") is pleased to announce that it has closed a non-brokered private placement of 16,666,667 working capital units (the "WC units") at a price of \$0.90 per unit (the "WC Offering") for gross proceeds to LabGold of \$15 million. [New Found Gold Corp.](#) (as to 5,555,556 WC units) and Mr. Eric Sprott (as to 11,111,111 WC units) purchased the WC units with each WC unit consisting of one common share and one half a share purchase warrant, with each full warrant exercisable to acquire a Common Share at \$1.05 until May 18, 2023.

"I am very pleased that Mr. Sprott and New Found Gold have decided to increase their positions in LabGold. Their participation in this financing at a premium to market tells me they are very bullish on the potential of our Kingsway Project and like what our technical team is doing," said Roger Moss, President and CEO of the Company. "I certainly appreciate their commitment to funding our exploration efforts which I expect to pay off soon. We continue to aggressively drill Big Vein guided by the initial results announced last week and will deploy additional funds to drilling as we aim to make the next discovery in the Gander gold district."

The proceeds of the WC Offering will be primarily used to fund the Company's exploration program at its Kingsway project in Newfoundland. The securities issued are subject to a statutory hold period expiring on September 19, 2021.

Mr. Eric Sprott, through 2176423 Ontario Ltd., a corporation which is beneficially owned by him, acquired 11,111,111 WC units under the WC Offering for total consideration of \$9,999,999.90. Prior to the WC Offering, Mr. Sprott beneficially owned or controlled 7,000,000 Common Shares and 3,500,000 Warrants of the Company. As a result of the WC Offering, Mr. Sprott beneficially owns and controls 18,111,111 Common Shares of the Company and 9,055,555 Warrants representing approximately 12.4% of the issued and outstanding Common Shares of the Company on a non-diluted basis and approximately 17.5% on a fully diluted basis assuming exercise of the Warrants.

The WC units were acquired by Mr. Sprott for investment purposes. Mr. Sprott has a long-term view of the investment and may acquire additional securities of the Company including on the open market or through private acquisitions or sell securities of the Company including on the open market or through private dispositions in the future depending on market conditions, reformulation of plans and/or other factors that Mr. Sprott considers relevant from time to time.

A copy of Mr. Sprott's early warning report will appear on Labrador Gold's profile on SEDAR and may also be obtained by calling Mr. Sprott's office at (416) 945-3294 (200 Bay Street, Suite 2600, Royal Bank Plaza, South Tower, Toronto, Ontario M5J 2J1).

New Found Gold acquired 5,555,556 WC units under the WC Offering for total consideration of \$5,000,000.40. Prior to the WC Offering, New Found beneficially owned or controlled 7,000,000 Common Shares and 3,500,000 Warrants of the Company. As a result of the WC Offering, New Found owns and controls 12,555,556 Common Shares of the Company and 6,277,778 Warrants representing approximately 8.6% of the issued and outstanding Common Shares of the Company on a non-diluted basis and approximately 12.3% on a partially-diluted basis assuming exercise of the Warrants.

The WC units were acquired by New Found for investment purposes. New Found has a long-term view of the investment and may acquire additional securities of the Company including on the open market or through private acquisitions or sell securities of the Company including on the open market or through private

dispositions in the future depending on market conditions, reformulation of plans and/or other factors that New Found considers relevant from time to time.

Big Vein Target

The Big Vein target is an auriferous quartz vein exposed at surface that has been traced over 400 metres to date. Gold mineralization observed at Big Vein includes six occurrences of visible gold, assays of samples from which range from 1.87g/t to 1,065g/t gold. The visible gold is typically hosted in annealed and vuggy gray quartz, that is locally stylolitic with vugs often containing euhedral quartz infilling features characteristic of epizonal gold deposits. A 20,000 metre drill program currently in progress is off to an encouraging start with the first two holes intersecting gold mineralization in two zones of significant quartz veining and sulphide mineralization including arsenopyrite, pyrite and possible boulangerite noted along vein margins and as strong disseminations in the surrounding wall rocks.

Roger Moss, PhD., P.Geo., President and CEO of LabGold, a Qualified Person in accordance with Canadian regulatory requirements as set out in NI 43-101, has read and approved the scientific and technical information that forms the basis for the disclosure contained in this release.

The Company gratefully acknowledges the Newfoundland and Labrador Ministry of Natural Resources' Junior Exploration Assistance (JEA) Program for its financial support for exploration of the Kingsway property.

About Labrador Gold

Labrador Gold is a Canadian based mineral exploration company focused on the acquisition and exploration of prospective gold projects in Eastern Canada.

In early March 2020, Labrador Gold acquired the option to earn a 100% interest in the Kingsway project in the Gander area of Newfoundland. The three licenses comprising the Kingsway project cover approximately 16km of the Appleton fault zone which is associated with gold occurrences in the region, including the New Found Gold discovery. Infrastructure in the area is excellent located just 18km from the town of Gander with road access to the project, nearby electricity and abundant local water. LabGold recently began a 10,000 metre diamond drill program targeting high grade gold mineralization associated with the visible gold showing at Big Vein. Following the closing of the Financing the Company has approximately \$20 million in working capital.

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). Labrador Gold now controls approximately 57km strike length of the Florence Lake Greenstone Belt.

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.

The Company has 146,384,921 common shares issued and outstanding and trades on the TSX Venture

Exchange under the symbol LAB.

For more information please contact:

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Or visit our website at: www.labradorgold.com

Twitter: @LabGoldCorp

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Forward-Looking Statements: This news release contains forward-looking statements that involve risks and uncertainties, which may cause actual results to differ materially from the statements made. When used in this document, the words "may", "would", "could", "will", "intend", "plan", "anticipate", "believe", "estimate", "expect" and similar expressions are intended to identify forward-looking statements. Such statements reflect our current views with respect to future events and are subject to risks and uncertainties. Many factors could cause our actual results to differ materially from the statements made, including those factors discussed in filings made by us with the Canadian securities regulatory authorities. Should one or more of these risks and uncertainties, such as actual results of current exploration programs, the general risks associated with the mining industry, the price of gold and other metals, currency and interest rate fluctuations, increased competition and general economic and market factors, occur or should assumptions underlying the forward looking statements prove incorrect, actual results may vary materially from those described herein as intended, planned, anticipated, or expected. We do not intend and do not assume any obligation to update these forward-looking statements, except as required by law. Shareholders are cautioned not to put undue reliance on such forward-looking statements.

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