



Quarterly Activities Report

Quarter Ended 31 December 2021

Highlights

Greenfield Exploration

Diamond drilling extended high-grade gold mineralisation 75 metres along strike to the south-west at the Window Glass Hill Granite (**WGHG**) Margin Target. Two standout holes reported thick zones of gold mineralisation:

CRD277:

- 32 metres at 2.6 g/t Au from 14 metres (incl. 2 metres at 28.9 g/t Au); and

CRD279:

- 18 metres at 1.2 g/t Au from 146 metres (incl. 2 metres at 5.4 g/t Au).

Brownfields Exploration

Drilling in proximity to the Window Glass Hill (**WGH**) Mineral Resource (located within the 3-kilometre-long granite-hosted WGHG Mineral System) continued to intersect gold mineralisation. Infill drilling within the current WGH Mineral Resource reported:

CRD222:

- 3 metres at 3.1 g/t Au from 38 metres (incl. 1 metre at 6.9 g/t Au);
- 5 metres at 1.6 g/t Au from 56 metres (incl. 1 metre at 3.7 g/t Au);
- 4 metres at 4.0 g/t Au from 109 metres (incl. 1 metre at 13.5 g/t Au); and
- 2 metres at 3.1 g/t Au from 139 metres (incl. 1 metre at 3.1 g/t Au).

CRD224:

- 17 metres at 1.4 g/t Au from 24 metres (incl. 1 metre at 8.8 g/t Au);
- 7 metres at 1.0 g/t Au from 51 metres (incl. 1 metre at 4.2 g/t Au); and
- 8 metres at 3.0 g/t Au from 97 metres (incl. 1 metre at 6.9 g/t Au).

CRD226:

- 9 metres at 1.1 g/t Au from 17 metres (incl. 1 metre at 3.1 g/t Au) and a high-grade interval of
- 1 metre at 12.8 g/t Au from 106 metres.

Winter Drilling

Matador is on track for the start of its inaugural winter season drilling program, weather permitting, which will comprise approximately 30 diamond drill holes for between 3,000 - 4,500 metres.

Environmental, Social and Governance (ESG)

The Company initiated an ESG development plan with the intention of establishing systems and processes to define, collect and report the necessary data to enable formal ESG assessment ratings in the future. Work on finalising the Environmental Impact Statement (**EIS**) Report continues. The EIS is a critical step in the Company's activities as it moves into its next development stage.

As part of the continued engagement with the local communities and other Project stakeholders, Matador held a series of Open House meetings with the communities in Isle aux Morts and Port aux Basques, and with members of the Qalipu First Nation in Stephenville.

Voted Prospector of the Year

In December 2021 Matador was recognised by the Newfoundland and Labrador Branch of the Canadian Institute of Mining, Metallurgy and Petroleum as **Prospector/Explorer of the Year** for ‘continuous advancement and outstanding results’ at the Cape Ray Gold Project.



Figure 1: Location map of Matador tenements in south-west Newfoundland

Matador Mining Limited (ASX: MZZ; OTCQX: MZZMF; FSE: MA3) (“Matador” or the “Company”) is pleased to provide its Quarterly Activities Report for the Quarter ended 31 December 2021. All dollar amounts are A\$ unless stated otherwise.

Matador is exploring and developing its 100% owned Cape Ray Gold Project (“Cape Ray Gold Project” or the “Project”) in Newfoundland, Canada, located across 120 kilometres of continuous strike in a proven, yet under-explored multi-million ounce regional-scale gold structure.

December 2021 Quarter concluded the largest ever annual exploration program at Cape Ray, as momentum continues with proposed winter drilling program

During the 2021 calendar year, the Company completed the largest exploration program in the history of the Cape Ray Gold Project. The key objectives of this program were to expand the known deposits (current Mineral Resource of 837,000 ounces at 2g/t Au¹) and test and define new greenfield exploration targets across the Company’s large but under-explored landholding within the highly prospective Cape Ray Shear Zone (Figure 2). The exploration program progressed well through the December 2021 Quarter and after a short hiatus, exploration is expected to resume as the inaugural winter drill program starts in February 2022.

¹ Refer ASX Announcement 6 May 2000

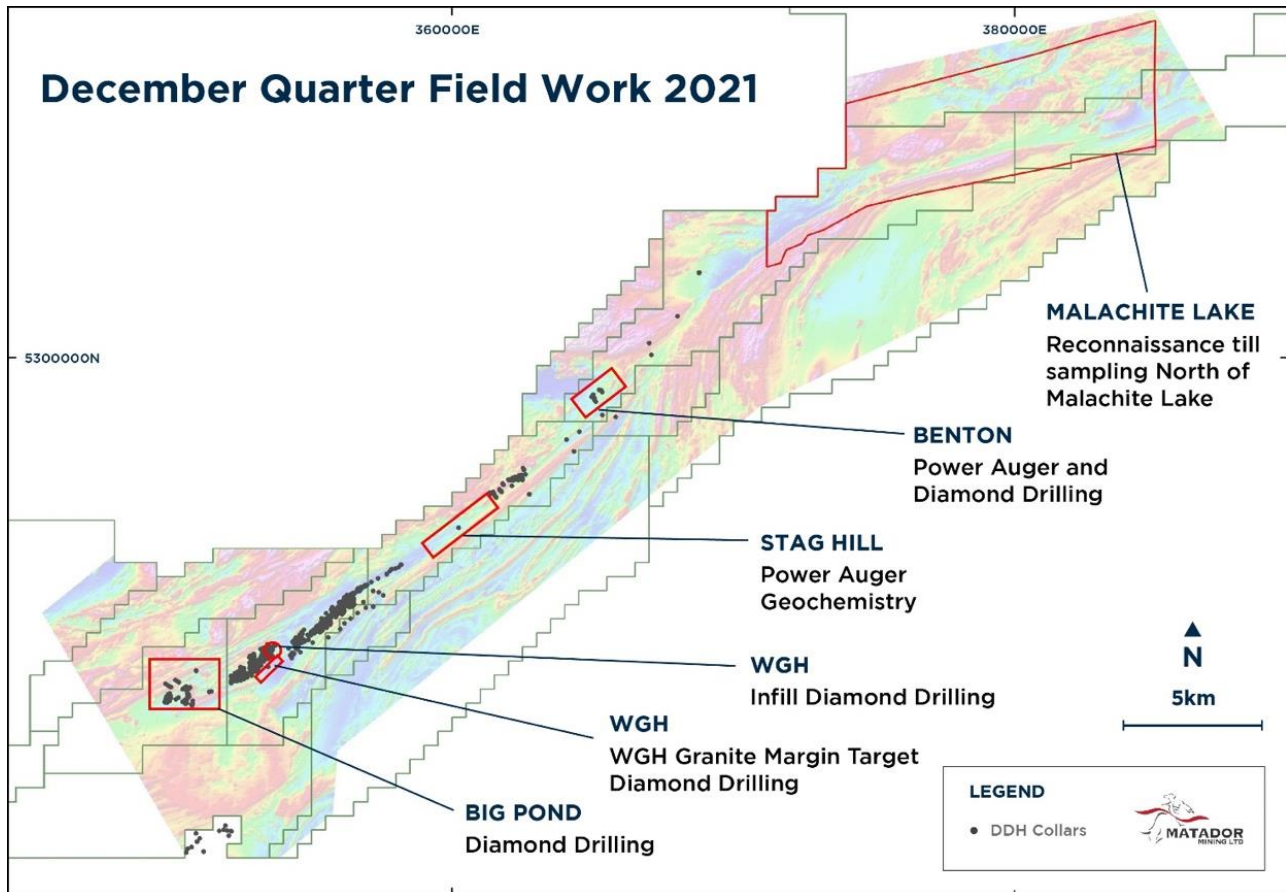


Figure 2: Priority target areas worked during the December 2021 Quarter, within phase one heli-mag area

Greenfields Exploration

WGHG Mineral System

During the December 2021 Quarter assay results were received for 11 holes of an 18-hole diamond core program drilled to test strike extensions of the high-grade gold discovery at the Granite Margin Target, within the WGHG Mineral System south of the WGH Mineral Resource (Figure 3).

Two standout holes intersected thick zones of gold mineralisation:

CRD277:

- **32 metres at 2.6 g/t Au** from 14 metres (incl. 2 metres at 28.9 g/t Au)²

CRD279:

- **18 metres at 1.2 g/t Au** from 146 metres (incl. 2 metres at 5.4 g/t Au)²

This drilling successfully extended the high-grade WGHG Margin Target mineralisation by at least 40 metres west and 75 metres south-west of the discovery holes (CRD214: 19 metres at 4.2 g/t Au³ and CRD212: 8 metres at 5.1 g/t Au and 22 metres at 1.2 g/t Au⁴).

² ASX announcement 30 November 2021

³ ASX announcement 21 September 2021

⁴ ASX announcement 26 August 2021

Other significant intercepts from the WGHG Margin drilling program include:

CRD271:

- 1 metre at 3.3 g/t Au from 5 metres and 1 metre at 6.3 g/t Au from 33 metres²

CRD275:

- 1 metre at 6.6 g/t Au from 4 metres²

CRD287:

- Near surface high-grade intercept of 1 metre at 11.0 g/t Au from 12 metres⁵

CRD289:

- 1.2 metres at 6.7 g/t Au from 185.5 metres⁵

CRD291:

- 4.22 metres at 2.1 g/t Au from 22 metres and 2 metres at 2.3 g/t Au from 50 metres⁵

An additional seven holes have been completed (assays pending) to test the along strike potential of the WGHG Margin target up to 500 metres north-east along the granite contact.

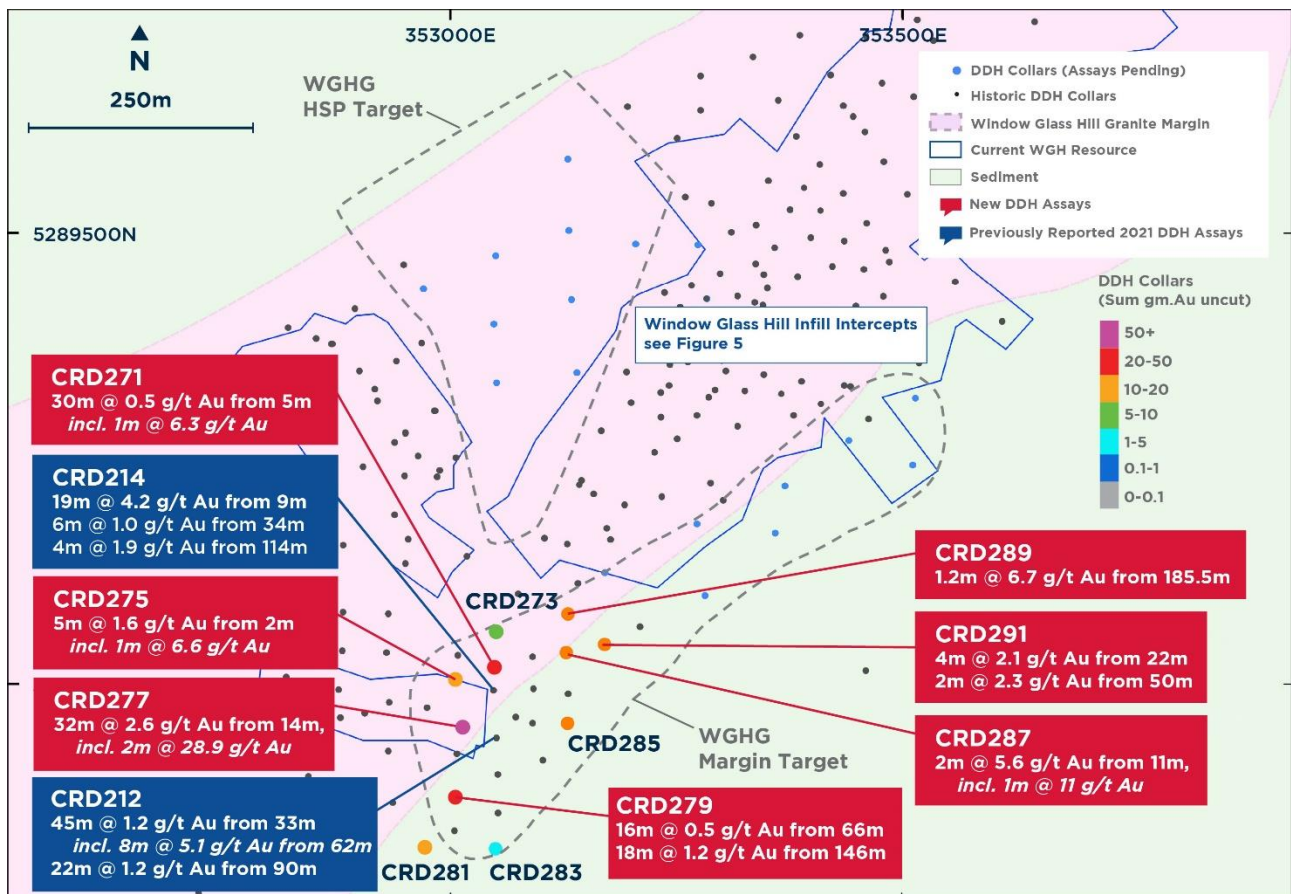


Figure 3: WGHG Margin Target - December Quarter 2021 drilling and significant intercepts

⁵ ASX announcement 14 December 2021

Big Pond

First pass diamond drilling of three out of six high priority anomalies at Big Pond, concurrent with the systematic power auger basement core sampling program, was completed this Quarter. While several diamond holes drilled late in the program were targeted based on new bottom of hole (auger geochemistry) assays, the majority were drilled into targets generated from historic surface geochemistry only, and structural targets interpreted from the new detailed magnetics.

Significantly, two of the first-pass greenfield diamond holes (CRD288 and CRD296) intersected notable gold mineralisation associated with the structural target interpreted from the magnetics data, and will be prioritised for follow up. Most of the broad-spaced first pass-drill results failed to explain the significant surface geochemical anomalies, with drilling only partially testing three of the six high priority targets. Results are pending for the final three drill holes from the inaugural 28-hole greenfield drilling program and three targets remain to be drill tested at Big Pond in 2022 (Figure 4). Best gold results received to date from this first pass drilling include:

CRD288:

- 1 metre at 2.3 g/t Au from 39 metres;
- 3 metres at 2.1 g/t Au from 55 metres (incl. 1 metre at 4.0 g/t Au); and
- 3 metres at 2.8 g/t Au from 64 metres (incl. 1 metre at 4.3 g/t Au).

CRD296:

- 1 metre at 1.9 g/t Au from 26 metres; and
- 1 metre at 6.7 g/t Au from 34 metres.

CRD258:

- 1.1 metre at 1.3 g/t Au from 69.3 metres.

CRD264:

- 1 metre at 1.2 g/t Au from 35 metres.

CRD242:

- 1 metre at 0.5 g/t Au from 18 metres.

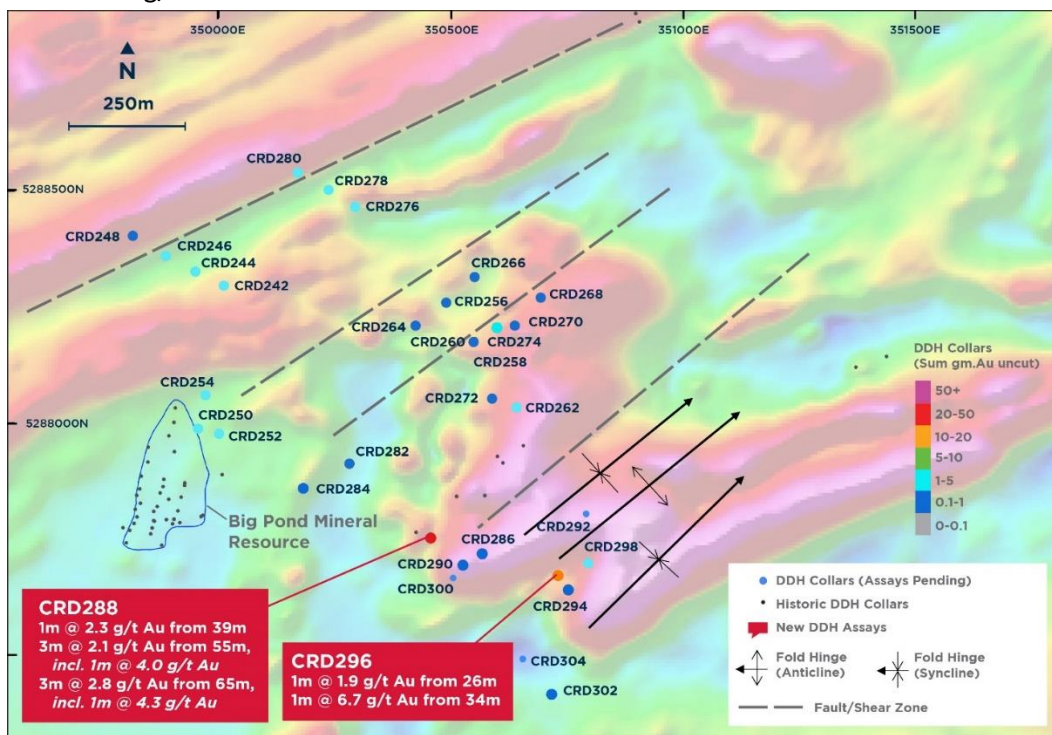


Figure 4: December 2021 Quarter Big Pond Area drilling

The fold hinge drill target was one of several prioritised targets generated using the 2021 detailed magnetics⁶ and power auger geochemistry⁷ that was carried out across the Big Pond Area (BPA). The mineralisation appears to be associated with chlorite-rich hydrothermal breccias within a complex fold hinge in the sediments surrounding the Window Glass Hill Granite.

This structural location is approximately coincident with a “pressure shadow” at the south-western end of the granite intrusion. This is a favoured conceptual target in structurally controlled orogenic gold systems, where the more competent granite focuses deformation, dilation and mineralising fluids in key structural traps in the weaker surrounding sediments.

Drilling at the BPA has been completed for the 2021 season, however, assays remain pending for three reconnaissance diamond drill holes located in the favourable fold hinge target zone area. Multiple additional targets are still to be tested across the BPA in the 2022 season.

Stag Hill

The two power-auger (ATV Winkie Drill) crews were deployed to Stag Hill during the Quarter. This area is between two to four kilometres north-east along strike from the Central Zone Mineral Resources on the main mineralised trend and has never been tested by diamond drilling (Figure 2). Past surface geochemistry sampling (soils and tills) in this area is considered ineffective as the prospective structure is buried beneath two to eight metres of transported glacial till cover and the basement rocks have never been sampled. Power auger assay results are pending for Stag Hill.

Malachite Lake

Matador’s three backpack drill sampling crews were assigned to complete a broad first-pass 1,200 sample surface till sampling program covering a large (44km²) area of previously unexplored ground north of the Malachite Lake Target area (Figure 2). This new structural target area was identified following preliminary interpretation of the detailed aeromagnetism dataset acquired earlier in 2021 and is located within the new claims pegged earlier this year⁸.

Results from this broad first pass till sampling program are anticipated in time to design follow-up work during the June 2022 Quarter. Extended turnaround times for these data are likely given the requirement for expert heavy mineral separation, gold grain and indicator mineral analysis of the till samples, a specialist service which is currently in high demand across Canada.

Benton

The first systematic exploration of the Benton target area (seven kilometres by two kilometres) by Matador commenced with the completion of an initial power auger basement sampling program covering approximately 35% of the target area (Figure 2). This program successfully outlined multiple gold and pathfinder geochemical anomalies with several coincident high-priority structural targets identified in the detailed magnetism which require follow-up diamond drill testing⁸. Five preliminary reconnaissance diamond drill holes were also designed and drilled to test historic till boulder gold anomalies⁸, prior to receipt of the power auger assay results. This limited drill program did not return any significant intercepts, with the large area of high-grade rock chip samples yet to be explained and systematically drill tested. Additionally, multiple new high-grade gold rock chip samples (up to 25.4 g/t Au) have also been returned for Benton confirming the presence of high tenor gold mineralisation identified in historic sampling. This is the first step in exploring

⁶ ASX announcement 11 August 2021

⁷ ASX announcements 14 April 2021, 13 May 2021, 11 August 2021, 7 September 2021 and 12 November 2021

⁸ ASX announcement 18 November 2021

this large target area that has historically yielded multiple high-grade rock chips (up to 191 g/t Au)⁹ associated with numerous large, highly altered, veined and gold-mineralised boulders on surface.

The untested 65% of the Benton target area remains a priority power auger drilling target for the 2022 summer season.

Brownfields Exploration

During the Quarter, WGH Mineral Resource infill drilling continued to deliver gold intercepts. The WGH Mineral Resource is located at the north-eastern end of the 3-kilometre-long granite-hosted WGHG Mineral System.

WGH Mineral Resource Infill Drilling

The WGH Mineral Resource (currently 232,000 oz Au at 1.6 g/t Au) is one of the cornerstones of the Cape Ray Gold Project. The infill drilling confirms the presence of strong gold mineralisation from surface, with multiple stacked lodes within 120 vertical metres of surface delivering on the aim to improve the resource classification confidence and inventory.

Significant intercepts¹⁰ from WGH Mineral Resource infill drilling include:

CRD222:

- 3 metres at 3.1 g/t Au from 38 metres (incl. 1 metre at 6.9 g/t Au);
- 5 metres at 1.6 g/t Au from 56 metres (incl. 1 metre at 3.7 g/t Au);
- 4 metres at 4.0 g/t Au from 109 metres (incl. 1 metre at 13.5 g/t Au); and
- 2 metres at 3.1 g/t Au from 139 metres (incl. 1 metre at 3.1 g/t Au).

CRD224:

- 17 metres at 1.4 g/t Au from 24 metres (incl. 1 metre at 8.8 g/t Au);
- 7 metres at 1.0 g/t Au from 51 metres (incl. 1 metre at 4.2 g/t Au); and
- 8 metres at 3.0 g/t Au from 97 metres (incl. 1 metre at 6.9 g/t Au).

CRD226:

- 9 metres at 1.1 g/t Au from 17 metres (incl. 1 metre at 3.1 g/t Au); and
- 1 metre at 12.8 g/t Au from 106 metres.

CRD232:

- 4 metres at 2.0 g/t Au from 27 metres (incl. 1 metre at 4.6 g/t Au).

CRD234B:

- 14 metres at 1.0 g/t Au from 16 metres (incl. 1 metre at 2.8 g/t Au); and
- 2 metres at 8.0 g/t Au from 75 metres (incl. 1 metre at 11.1 g/t Au).

CRD236:

- 8.2 metres at 1.9 g/t Au from 3.8 metres (incl. 1 metre at 7.9 g/t Au).

CRD249:

- 2 metres at 2.0 g/t Au from 30 metres (incl. 1 metre at 3.2 g/t Au).

CRD251:

- 1 metre at 6.9 g/t Au from 12 metres.

⁹ ASX announcement 29 October 2020

¹⁰ ASX announcements 12 October 2021 and 14 December 2021

Drilling was completed for 28 holes out of the 46-hole program designed to infill the broad-spaced WGH Mineral Resource drill pattern down to 40 metres x 40 metres (or closer) with the aim of upgrading a portion of the JORC Mineral Resource classification from Inferred to Indicated (Figure 5). The remaining 18 holes will be drilled during the 2022 summer drilling season. The grades and widths of significant intercepts so far reported are consistent with the existing wider-spaced drilling. This, combined with comparable vein orientations obtained from the orientated diamond core, reinforces our confidence in the geological model and the interpreted gold lode geometries, grade and continuity.

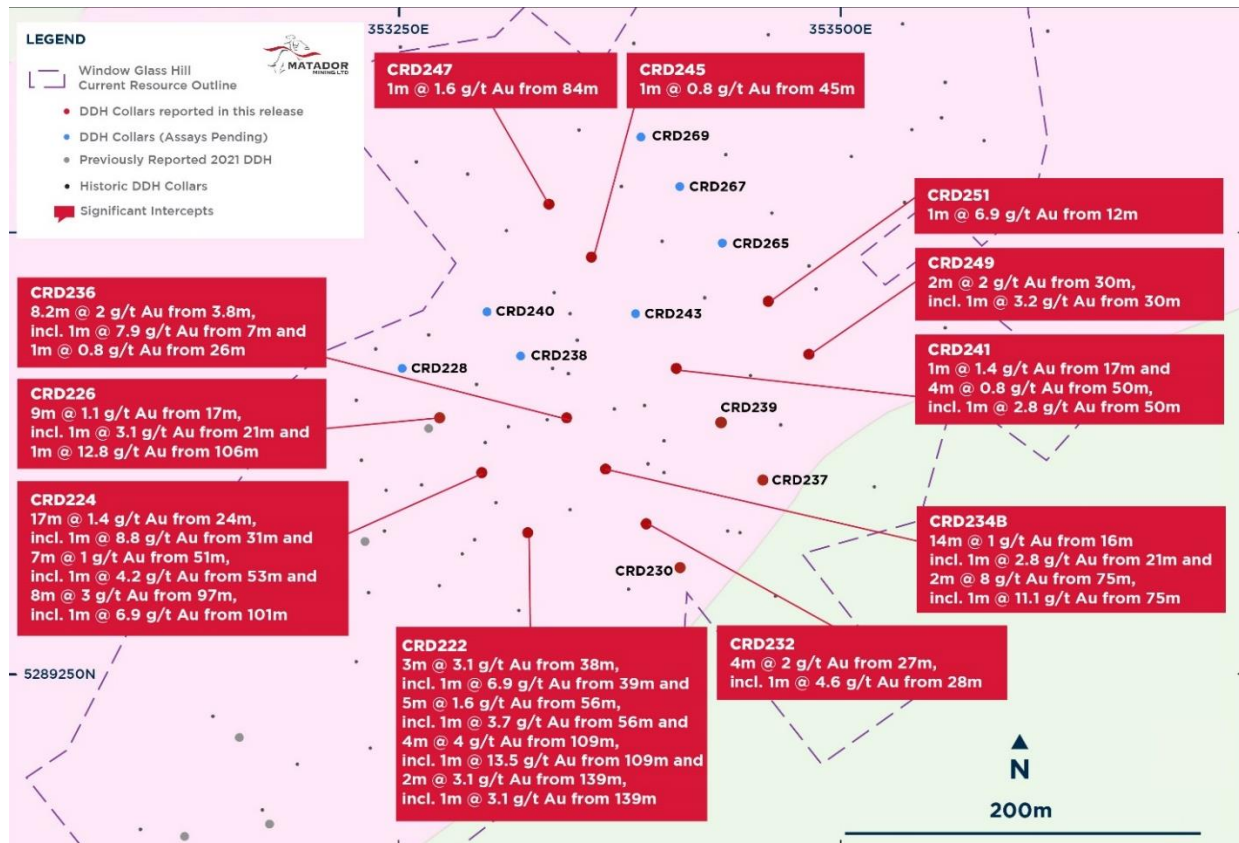


Figure 5: Significant intercepts and pending assays from December Quarter 2021 WGH infill drilling

Assays Outstanding

An additional 31 diamond holes have been completed (with assays pending) across four separate target areas with drill core at varying stages of logging, sampling and assaying. These include:

- 10 greenfield diamond drill holes assessing the WGHG Heart-Shaped Pond (HSP) target area (see Figure 3). This area, just west of the main WGH Mineral Resource, has never been drilled, however, new Power Auger geochemistry delivered multi-gram bottom-of-hole gold intercepts prompting a reassessment of the area's prospectivity;
- 7 greenfield diamond drill holes testing for along-strike extensions of the WGHG Margin mineralisation to the north-east (Figure 3);
- 3 greenfield diamond drill holes from the Big Pond Area (Figure 4); and
- 11 infill drill holes within the WGH Mineral Resource.

Results are also pending for the 1,200 conventional till samples from the Malachite Lake greenfield reconnaissance program and the remainder of the Stag Hill power auger sampling program (referred to above).

These remaining assay results are expected to be released over the next two quarters.

Winter Drill Program

Matador is on track for the start of its inaugural winter season drilling program, which, if the weather and permitting allows, will comprise approximately 30 diamond drill holes for between 3,000 - 4,500 metres. This program will focus on a corridor encompassing the PW East, Stag Hill West, Isle aux Morts and Benton prospects (see Figure 6).

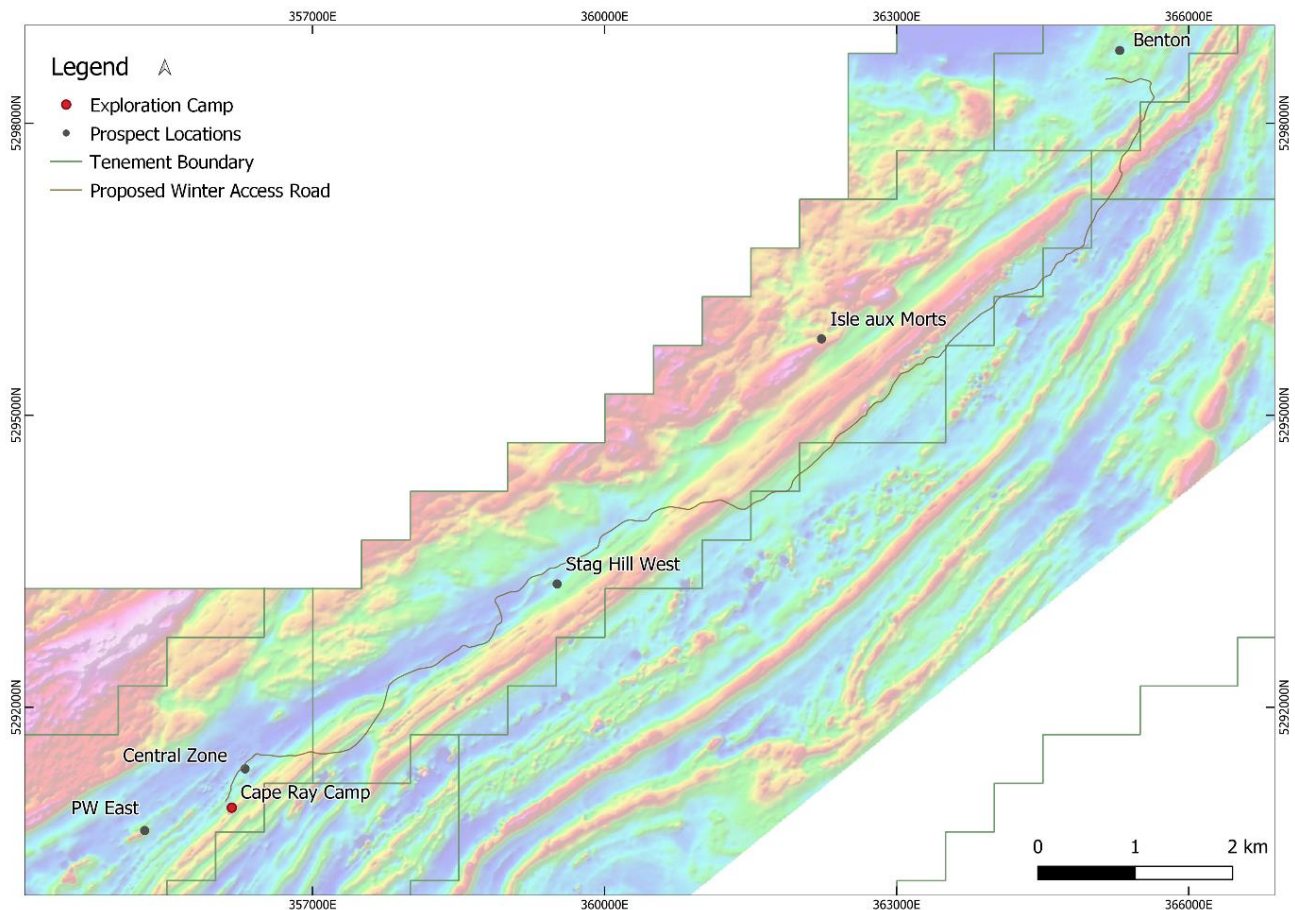


Figure 6: Winter Drill Program Locations

The winter drilling program has been designed to:

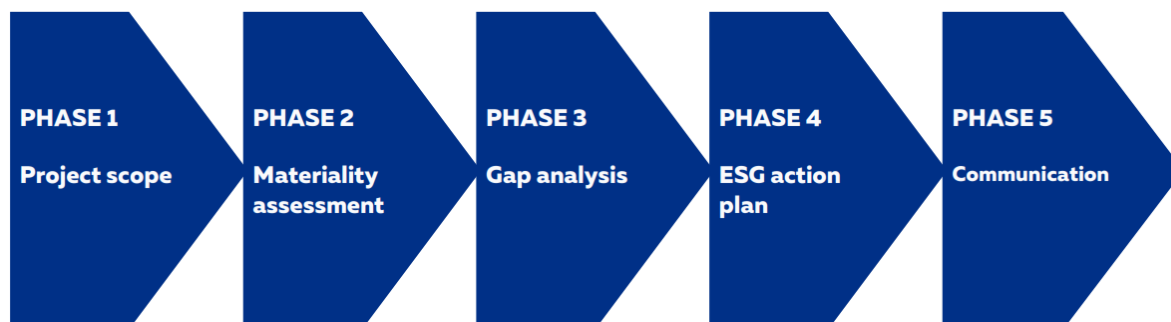
- Investigate the surficial geochemistry and magnetic anomalies between PW and the Central Zone (PW East) Mineral Resource area;
- Follow up on results of the surficial and auger geochemistry and magnetic anomalies at Stag Hill;
- Drill test the identified brownfield and greenfield targets proximal to the Isle aux Morts deposit; and
- Follow up on results of the auger drilling, diamond drilling, surficial geochemistry, and magnetic anomalies at Benton.

To prepare for this program, the exploration camp has undergone a thorough ‘winterisation’ upgrade and safety preparation to ensure safe and efficient operation through the winter drilling program.

Environmental, Social and Governance (ESG)

The Company initiated an ESG development plan with the intention of establishing systems and processes to define, collect and report the necessary data to enable formal ESG assessment ratings in the future. The planned program will review relevant reporting standards to identify a framework that is most appropriate for the Company at its stage of development.

A generic program sequence for an ESG development plan is shown below.



The first step in this process has commenced with an ESG Workshop conducted in October 2021.

The Board is currently reviewing of the Materiality assessment under the guidance of the newly formed ESG Committee. The Charter for this ESG Committee is currently being prepared.

Environmental and Stakeholder Engagement

Environmental Assessment

The team continues to work on a number of fronts to ensure the environmental assessment and the Environmental Impact Statement (EIS) Report are completed in line with the revised time frame of mid-2022.

Baseline studies are near complete with only geochemical characterisation of waste still ongoing. The focus is now on the desktop assessments and write-ups of the various chapters.

First Nations Groups

The Traditional Knowledge and Land Use (TKLU) Study Report has been received from the Qalipu First Nation (QFN) group, one of the Indigenous groups that are located on the island of Newfoundland. Their study was based on the responses of 34 participants and identified some activities including harvesting and trapping that occur within a 5-kilometre radius of the project. When the footprint is extended to within a 20-kilometre zone of the project some references to habitation activities were also identified. This report is currently being assessed in detail as part of the Indigenous Peoples section of the EIS work.

The project team also held an Open House with QFN community based in Stephenville on 8 November 2021. The dialogue was well received as this is the first time the Company has had an opportunity to speak directly with this group, as all previous communication with QFN has been at their main offices in Cornerbrook, Newfoundland. Engagement with the wider group will be included in the next round of consultation.

The Miawpukek First Nation (MFN) group's TKLU study is progressing well with the proposed delivery date for the information and final report in the March 2022 Quarter. An initial presentation of the results will be presented to the Matador team in January 2022.

Open houses are now being planned in Newfoundland spring to provide both QFN and MFN with feedback on the results of the Valued Components assessments and the impact on their areas.

Local Communities

Open house meetings were held with the communities of Isle aux Mort (**IAM**) and Port aux Basques (**PAB**) on 3 and 4 November 2021.

At the IAM Community meeting there were ~20 attendees – mainly cabin owners, plus a local journalist and Salmon industry body representative. No contentious issues were raised. At the PAB community meeting there were ~15 attendees, again with no contentious issues raised.

Executive Chairman Ian Murray also took the opportunity to meet up with the new Mayor of Port aux Basque to update him on the progress of the project and presented him with an Australian Aboriginal artwork (see Figure 7).

A Stakeholder Engagement Framework document is being developed by our consultants in conjunction with the Matador team. This framework outlines the various stages of consultation from the current early-stage information distribution, through permitting, construction, operation and closure. Based on this framework targeted engagement activities are being prepared for individual groups including cabin owners, outfitter and recreational use persons.



Figure 7: Port aux Basques: From left to right Ian Murray, Executive Chair, Matador Mining, Mayor Brian Button and Councillor Todd Strickland

During the Quarter, Matador was recognised by the Newfoundland and Labrador Branch of the Canadian Institute of Mining, Metallurgy and Petroleum as **Prospector/Explorer of the Year** for ‘continuous advancement and outstanding results’ at the Cape Ray Gold Project. Jamie Powell, Chairman and President of the CIM NL said:

“Matador continues to expand mineralisation and generate new targets within the Window Glass Hill Granite (WGHG) – during September 2021 the company announced a 19 metre intercept of 4.2g/t gold which is described as the best intercept drilled in the WGHG and which is outside the existing WGH mineral resource, highlighting the potential for additional high-grade gold domains across the granite body.

Moreover, Matador is currently undertaking the largest exploration program ever carried out at Cape Ray, including brownfield expansion and systematic greenfields explorations on a 120 kilometre strike length of the Cape Ray Fault, with upwards of 45,000m of diamond drilling being completed in this program during 2021/2022.

The Company is well positioned to continue its objective to expand its gold resource and make new discoveries across the broader Cape Ray project. Based on its achievements, Matador Mining Limited is a deserving winner of the 2021 CIM Newfoundland and Labrador Explorer of the Year Award.”



Corporate

Cash

As at 31 December 2021, the Company had a cash balance of approximately \$11.4 million. Refer to the attached Appendix 5B for further information.

Share Capital

As at 31 December 2021, the Company had 215,978,521 ordinary fully paid shares on issue.

During the Quarter, 550,000 unlisted options, exercisable at \$0.23 with an expiry date of 2 July 2022, were exercised for proceeds of \$126,500. As at 1 January 2022 the Company had 11.9 million of these options unexercised with six months until expiry.

Payments to Related Parties

During the Quarter, the Company made payments to related parties of \$112,000, which related entirely to payments for directors' fees and the salary of the Executive Chairman.

Tenement Interests

There was no change to the Company's tenement interests during the Quarter. Table 1 below shows the Company's tenement interests as at 31 December 2021.

Table 1. Tenement interests as at 31 December 2021

| Licence | Holder | Location |
|---------|-------------------------|------------------------------|
| 025560M | Cape Ray Mining Limited | Isle Aux Morts, Southern NL |
| 025855M | Cape Ray Mining Limited | Cape Ray, Southern NL |
| 025856M | Cape Ray Mining Limited | Cape Ray, Southern NL |
| 025857M | Cape Ray Mining Limited | Cape Ray, Southern NL |
| 025858M | Cape Ray Mining Limited | Cape Ray, Southern NL |
| 026125M | Cape Ray Mining Limited | Garia Brook, Southern NL |
| 030881M | Cape Ray Mining Limited | La Poile River, Southern NL |
| 030884M | Cape Ray Mining Limited | La Poile River, Southern NL |
| 030889M | Cape Ray Mining Limited | La Poile River, Southern NL |
| 030890M | Cape Ray Mining Limited | La Poile River, Southern NL |
| 030893M | Cape Ray Mining Limited | La Poile River, Southern NL |
| 030996M | Cape Ray Mining Limited | Grand Bay River, Southern NL |
| 030997M | Cape Ray Mining Limited | Grand Bay River, Southern NL |
| 031557M | Cape Ray Mining Limited | Isle Aux Morts, Southern NL |
| 031558M | Cape Ray Mining Limited | Isle Aux Morts, Southern NL |
| 031559M | Cape Ray Mining Limited | Isle Aux Morts, Southern NL |
| 031562M | Cape Ray Mining Limited | Isle Aux Morts, Southern NL |
| 032060M | Cape Ray Mining Limited | Isle Aux Morts, Southern NL |
| 032061M | Cape Ray Mining Limited | Isle Aux Morts, Southern NL |
| 032062M | Cape Ray Mining Limited | Isle Aux Morts, Southern NL |
| 032764M | Matador Canada Pty Ltd. | Hermitage, Southern NL |
| 032770M | Matador Canada Pty Ltd. | Hermitage, Southern NL |
| 032818M | Matador Canada Pty Ltd. | Hermitage, Southern NL |
| 032940M | Matador Canada Pty Ltd. | Isle Aux Morts, Southern NL |
| 032941M | Matador Canada Pty Ltd. | Isle Aux Morts, Southern NL |
| 033080M | Matador Canada Pty Ltd. | La Poile River, Southern NL |
| 033083M | Matador Canada Pty Ltd. | Isle Aux Morts, Southern NL |
| 033085M | Matador Canada Pty Ltd. | Isle Aux Morts, Southern NL |
| 033110M | Matador Canada Pty Ltd. | Hermitage, Southern NL |

Table 2. Mineral Resource Estimate – May 2020

| Cape Ray Gold Project Summary Mineral Resource | | | | | | | | | | | | | | | | | |
|--|--------------|---------|-------------|-------------|----------|--------------------|--------------------|-------------|-------------|----------|--------------------|--------------------|-------------|-------------|----------|--------------------|--------------------|
| Deposit | Cut-off | RL | Indicated | | | | | Inferred | | | | | Total | | | | |
| | | | Tonnes (Mt) | Au (g/t) | Ag (g/t) | Contained Au (Koz) | Contained Ag (Koz) | Tonnes (Mt) | Au (g/t) | Ag (g/t) | Contained Au (Koz) | Contained Ag (Koz) | Tonnes (Mt) | Au (g/t) | Ag (g/t) | Contained Au (Koz) | Contained Ag (Koz) |
| Z4/41 | 0.5 | >100mRL | 2.1 | 2.83 | 8 | 191 | 545 | 1.3 | 1.48 | 6 | 61 | 236 | 3.4 | 2.32 | 7 | 252 | 781 |
| | 2 | <100mRL | 0.2 | 3.10 | 11 | 23 | 77 | 0.2 | 2.90 | 9 | 17 | 56 | 0.4 | 3.01 | 10 | 40 | 133 |
| Z51 | 0.5 | >200mRL | 0.8 | 4.25 | 9 | 103 | 211 | 0.0 | 1.43 | 5 | 1 | 3 | 0.8 | 4.18 | 9 | 104 | 214 |
| | 2 | <200mRL | 0.2 | 4.41 | 11 | 32 | 77 | 0.1 | 2.59 | 3 | 12 | 15 | 0.4 | 3.71 | 8 | 43 | 92 |
| HZ | 0.5 | All | 0.2 | 1.11 | 1 | 8 | 8 | 0.0 | 0.90 | 1 | 0 | 0 | 0.2 | 1.11 | 1 | 8 | 8 |
| PW | 0.25 | All | - | - | - | - | - | 2.2 | 1.12 | 4 | 80 | 257 | 2.2 | 1.12 | 4 | 80 | 257 |
| IAM | 0.5 | All | - | - | - | - | - | 0.8 | 2.39 | 2 | 60 | 60 | 0.8 | 2.39 | 2 | 60 | 60 |
| Big Pond | 0.5 | All | - | - | - | - | - | 0.1 | 5.30 | 3 | 19 | 12 | 0.1 | 5.30 | 3 | 19 | 12 |
| WGH | 0.25 | All | - | - | - | - | - | 4.7 | 1.55 | 10 | 232 | 1,455 | 4.7 | 1.55 | 10 | 232 | 1,455 |
| | Total | | 3.5 | 3.15 | 8 | 356 | 918 | 9.4 | 1.60 | 7 | 481 | 2,094 | 12.9 | 2.02 | 7 | 837 | 3,012 |

Note: Figures have been rounded and rounding errors may apply. Contained metal figures do not take metallurgical recovery into account. Reported cut-offs from Zones 51, 4/41 cover both open-pit resources scenario (0.5g/t Au cut off) and underground scenario (2g/t Au cut off). 2020 resource updates for Zones 4/41, 51, WGH and PW use 2.8t/m³ density.

- All Mineral Resources are completed in accordance with the JORC Code 2012 Edition.
- All figures are rounded to reflect appropriate levels of confidence. Apparent differences may occur due to rounding.
- Cut-off grade assumptions approximately reflect a US \$1,550 per ounce gold price as per the Cape Ray Scoping Study.
- Open Pit Mineral Resources are reported at various cut-off grades to reflect assumed Reasonable Prospects of Eventual Economic Extraction as derived from the Cape Ray Scoping Study: Z4/41 - 0.50 g/t Au cut-off above 100mRL; Z51 – 0.5 g/t Au cut-off above 200mRL; HZ, IAM and WGH all reported at 0.5 g/t Au cut-off with no constraint; Big Pond and PW reported at 0.25 g/t Au cut-off with no constraint.
- Underground Mineral Resources are reported at a 2.0 g/t Au cut-off grade to reflect assumed Reasonable Prospects of Eventual Economic Extraction as derived from the Cape Ray Scoping Study: Z4/41 – 2.0 g/t Au cut-off below 100mRL; Z51 – 2.0 g/t Au cut-off below 200mRL.

This Quarterly Activities Report has been authorised for release by the Company's Board of Directors.

To learn more about the Company, please visit www.matadormining.com.au, or contact:

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Reference to Previous ASX Announcements

In relation to the exploration results included in this announcement, the dates of which are referenced, the Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements.

In relation to the Mineral Resource estimate announced on 6 May 2020 (see Table 2), Matador confirms that it is not aware of any new information or data that materially affects the information included in that announcement and that all material assumptions and technical parameters underpinning the Mineral Resource estimate in the announcement of 6 May 2020 continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

In relation to the results of the Scoping Study which were announced on 6 May 2020, Matador confirms that all material assumptions underpinning the production target and forecast financial information included in that announcement continue to apply and have not materially changed.

About the Company

Matador Mining Limited (ASX: MZZ; OTCQX: MZZMF; FSE: MA3) is a gold exploration company with tenure covering 120 kilometres of continuous strike along the highly prospective, yet largely under-explored Cape Ray Shear in Newfoundland, Canada. The Company released a Scoping Study which outlined an initial potential seven-year mine life, with a forecast strong IRR (51% post Tax), rapid payback (1.75 year) and LOM AISC of US\$776/oz Au (ASX announcement 6 May 2020). The Company is currently undertaking the largest exploration program carried out at Cape Ray, with upwards of 45,000 metres of diamond drilling planned, targeting brownfield expansion and greenfields exploration. Matador acknowledges the financial support of the Junior Exploration Assistance Program, Department of Industry, Energy and Technology, Provincial Government of Newfoundland and Labrador, Canada.

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

| |
|-------------------------------|
| Matador Mining Limited |
|-------------------------------|

ABN

| |
|----------------|
| 45 612 912 393 |
|----------------|

Quarter ended ("current quarter")

| |
|-------------------------|
| 31 December 2021 |
|-------------------------|

| Consolidated statement of cash flows | Current quarter \$A'000 | Year to date (6 months) \$A'000 |
|--|------------------------------------|--|
| 1. Cash flows from operating activities | | |
| 1.1 Receipts from customers | | |
| 1.2 Payments for | | |
| (a) exploration & evaluation | - | - |
| (b) development | - | - |
| (c) production | - | - |
| (d) staff costs | (153) | (287) |
| (e) administration and corporate costs | (515) | (1,118) |
| 1.3 Dividends received (see note 3) | | |
| 1.4 Interest received | - | 1 |
| 1.5 Interest and other costs of finance paid | - | - |
| 1.6 Income taxes paid | - | - |
| 1.7 Government grants and tax incentives | - | - |
| 1.8 Other Business development activities) | (44) | (78) |
| 1.9 Net cash used in operating activities | (712) | (1,482) |
| 2. Cash flows from investing activities | | |
| 2.1 Payments to acquire or for: | | |
| (a) entities | | |
| (b) tenements | 25 | (17) |
| (c) property, plant and equipment | (215) | (234) |
| (d) exploration & evaluation | (4,722) | (8,612) |
| (e) investments | - | - |
| (f) other non-current assets | - | - |

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

| Consolidated statement of cash flows | | Current quarter \$A'000 | Year to date (6 months) \$A'000 |
|--------------------------------------|--|----------------------------|---------------------------------------|
| 2.2 | Proceeds from the disposal of: | | |
| | (a) entities | - | - |
| | (b) tenements | - | - |
| | (c) property, plant and equipment | - | - |
| | (d) investments | - | - |
| | (e) other non-current assets | - | - |
| 2.3 | Cash flows from loans to other entities | - | - |
| 2.4 | Dividends received (see note 3) | - | - |
| 2.5 | Other (provide details if material) | - | - |
| 2.6 | Net cash used in investing activities | (4,912) | (8,863) |

| | | | |
|-------------|---|-----------|------------|
| 3. | Cash flows from financing activities | | |
| 3.1 | Proceeds from issues of equity securities (excluding convertible debt securities) | | |
| 3.2 | Proceeds from issue of convertible debt securities | - | - |
| 3.3 | Proceeds from exercise of options | 126 | 852 |
| 3.4 | Transaction costs related to issues of equity securities or convertible debt securities | (103) | (861) |
| 3.5 | Proceeds from borrowings | - | - |
| 3.6 | Repayment of borrowings | - | - |
| 3.7 | Transaction costs related to loans and borrowings | - | - |
| 3.8 | Dividends paid | - | - |
| 3.9 | Other (provide details if material) | - | - |
| 3.10 | Net cash from / (used in) financing activities | 23 | (9) |

| | | | |
|-----------|--|---------|---------|
| 4. | Net increase / (decrease) in cash and cash equivalents for the period | | |
| 4.1 | Cash and cash equivalents at beginning of period | 17,169 | 22,016 |
| 4.2 | Net cash used in operating activities (item 1.9 above) | (712) | (1,482) |
| 4.3 | Net cash investing activities (item 2.6 above) | (4,912) | (8,863) |
| 4.4 | Net cash from (used in) financing activities (item 3.10 above) | 23 | (9) |

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

| Consolidated statement of cash flows | | Current quarter \$A'000 | Year to date (6 months) \$A'000 |
|---|---|------------------------------------|--|
| 4.5 | Effect of movement in exchange rates on cash held | (126) | (220) |
| 4.6 | Cash and cash equivalents at end of period | 11,442 | 11,442 |

| 5. | Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts | Current quarter \$A'000 | Previous quarter \$A'000 |
|------------|---|------------------------------------|-------------------------------------|
| 5.1 | Bank balances | 11,442 | 17,169 |
| 5.2 | Call deposits | - | - |
| 5.3 | Bank overdrafts | - | - |
| 5.4 | Other (provide details) | - | - |
| 5.5 | Cash and cash equivalents at end of quarter (should equal item 4.6 above) | 11,442 | 17,169 |

| 6. | Payments to related parties of the entity and their associates | Current quarter \$A'000 |
|---|---|------------------------------------|
| 6.1 | Aggregate amount of payments to related parties and their associates included in item 1 | 112 |
| 6.2 | Aggregate amount of payments to related parties and their associates included in item 2 | - |
| <i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i> | | |

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

| 7. Financing facilities | Total facility amount at quarter end \$A'000 | Amount drawn at quarter end \$A'000 |
|---|---|--|
| <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i> | | |
| 7.1 Loan facilities | - | - |
| 7.2 Credit standby arrangements | - | - |
| 7.3 Other (please specify) | - | - |
| 7.4 Total financing facilities | - | - |
| 7.5 Unused financing facilities available at quarter end | [] | |
| 7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well. | [] | |

| 8. Estimated cash available for future operating activities | \$A'000 |
|---|----------------|
| 8.1 Net cash from / (used in) operating activities (item 1.9) | (712) |
| 8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d)) | (4,722) |
| 8.3 Total relevant outgoings (item 8.1 + item 8.2) | (5,434) |
| 8.4 Cash and cash equivalents at quarter end (item 4.6) | 11,441 |
| 8.5 Unused finance facilities available at quarter end (item 7.5) | - |
| 8.6 Total available funding (item 8.4 + item 8.5) | 11,441 |
| 8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3) | 2.1 |
| <i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i> | |
| 8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions: | |
| 8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not? | |
| Answer: | [] |
| 8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful? | |
| Answer: | [] |
| 8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis? | |
| Answer: | [] |
| <i>Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.</i> | |

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 31 January 2022

Authorised by: **By the Board**

(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.