



Scoping Study Results Provide Solid Platform for Future Growth at Cape Ray

Matador Mining Limited (ASX: MZZ, MZZO) ("**Matador**" or the "**Company**") is pleased to announce the results of a Scoping Study ("**Study**") for the Company's Cape Ray Gold Project ("**Cape Ray**" or the "**Project**") in Newfoundland, Canada, with key outcomes highlighting the potential of the Project to support a viable standalone gold mining and processing operation.

The Scoping Study referred to in this announcement is a preliminary technical and economic study of the potential viability of developing the Cape Ray Project by developing a mine and constructing a processing facility onsite. The Scoping Study referred to in this announcement is based on lower-level technical and preliminary economic assessments and is insufficient to support estimation of Ore Reserves or to provide assurance of an economic development case at this stage, or certainty that the conclusions of the Scoping Study will be realised.

Approximately 57% of the Life-of-Mine production is in the Indicated Mineral Resource category and 43% is in the Inferred Mineral Resource category. The Company has concluded it has reasonable grounds for disclosing a Production Target, given that the Scoping Study assumes that in the first two years of operation, 72% of the production is from the Indicated Resource category. Indicated material processed during the first four years of production accounts for 68% of gold produced.

There is a low level of geological confidence associated with Inferred Mineral Resources and there is no certainty that further exploration work will result in the determination of further Measured or Indicated Mineral Resources or that the Production Target or preliminary economic assessment will be realised.

The Scoping Study is based on the material assumptions outlined elsewhere in this announcement. These include assumptions about the availability of funding. While the Company considers all the material assumptions to be based on reasonable grounds, there is no certainty that they will prove to be correct or that the range of outcomes indicated by the Scoping Study will be achieved.

To achieve the potential mine development outcomes indicated in the Scoping Study, funding in the order of A\$170 million will likely be required. Investors should note that there is no certainty that the Company will be able to raise funding when needed, however the Company has concluded it has a reasonable basis for providing the forward-looking statements included in this announcement and believes that it has a "reasonable basis" to expect it will be able to fund the development of the Project.

It is also possible that such funding may only be available on terms that may be dilutive to, or otherwise affect the value of the Company's existing shares. It is also possible that the Company could pursue other strategies to provide alternative funding options including project finance.

Given the uncertainties involved, investors should not make any investment decisions based solely on the results of the Scoping Study.

Scoping Study Results Provide Solid Platform for Future Growth at Cape Ray

Highlights

- **A Scoping Study for Matador's 100% owned Cape Ray Gold Project in Newfoundland, Canada confirms the viability of a standalone gold operation assuming an initial 7-year mine life.**
 - **After-tax IRR of 51% and NPV₈ of A\$194M based on a US\$1,550/oz gold price.**
 - This increases to an IRR of 65% and NPV₈ of A\$259M at the current spot price (~US\$1,700/oz gold).
 - **Rapid after-tax payback of 1.75 years decreasing to 1.50 years at the current spot gold price.**
 - Indicated material processed during the payback period accounts for 72% of gold produced.
 - **7-year life of mine with total gold mined 504,000 oz, averaging 88,000 oz production per year during the first four years.**
 - Life of mine silver production is 863,000oz averaging 124,000oz per year.
 - **LOM average Total Cash Costs of US\$709/oz and All-In Sustaining Costs of US\$776/oz.**
 - **Initial total capital costs of US\$102M (including US\$6M mine development).**
 - **Processing facility throughput of 1.2Mtpa with average head grade of 2.0g/t Au (LOM), and 2.56 g/t Au during the first 4 years of production.**
 - Processing facility is a three-stage crush / ball mill circuit with average LOM Au recovery of 96%.
 - **Environmental studies are well progressed with remaining baseline studies to be completed this year**
 - Environmental Impact Statement planned submission date is Q4 2020
 - Local communities, including First Nations groups, have shown strong support for project development
 - **The long-term exploration strategy is being finalised with a focus on extending the mine life whilst replacing low-grade stockpile material with higher grade ore earlier in the Project's life.**
 - Exploration strategy is a combination of brownfield expansion and greenfield exploration work to identify new deposits.
-

Executive Director Keith Bowes commented:

"The results of the Scoping Study were an excellent achievement for the Company and exceeded our expectations in many regards.

The most important outputs we believe for any resource project is a strong IRR (post tax - 51%;), rapid payback (1.75yrs) as well as low operating costs (US\$776/oz). With excellent outcomes in each of these areas, which strengthen further when the current spot gold price is applied, we believe the Cape Ray Project is well on track to become a gold operation in the future.

The key driver for these robust returns is the exceptional high-grade open pit ore that is mined and processed during the first two years (2.72g/t Au) and first four years (2.5g/t au) of production, meaning the Cape Ray Project ranks as one of the highest grade open pit operations.

Following the Scoping Study, the board has approved the advancement of the Project towards a Pre-Feasibility Study, with a number of key areas already identified that have the potential to further improve the Project's economics.

Whilst the Scoping Study has provided a strong underlying platform, we believe the exploration potential at Cape Ray remains the long-term driver for the Company. With 80km of strike, making the Company the largest continuous land holder in this under explored gold region, the Company is close to finalising an exploration strategy, that will outline the pathway towards increasing the mine life."

Executive Summary

Based on a proposed 1.2 Mtpa standalone mining and processing operation, the Scoping Study has demonstrated potentially strong financial metrics for the Cape Ray Gold Project (Table 1).

The preliminary economics indicate the Project has positive financial metrics over an initial mine life of 7 years with capital payback during the first 1.75 years of the Project's life. This decreases to 1.5 years based on the current gold spot price of US\$1,700. The first year of production includes a 6-month ramp up to full throughput capacity.

The Scoping Study was completed to an overall +/- 35% accuracy (Class 5) using the key parameters and assumptions set out in Table 1 and as further outlined in the Appendix 1. The Material Assumptions that underly the Study are provided in Appendix 2.

The Scoping Study has been completed with the assistance of a highly experienced and reputable group of independent consultants, based in Australia and Canada, including:

- DRA Global – Process and Infrastructure Design, CAPEX and OPEX
- Various – Geology and Resources,
- Orelogy Mining Consultants – Open Pit Optimisation and Mine Planning
- SRK – Tailings Management Facilities
- Environmental Applications Group (EAG) – Environmental and Permitting

TABLE 1: BASE CASE – SUMMARY OF PROJECT'S ECONOMICS (estimated)

Post-Tax Financial output	LOM total / Avg.
NPV (8%) (A\$ m)	194
NPV (8%) (C\$ m)	168
IRR (%)	51
Payback (Years)	1.75
Undiscounted Cumulative Cashflow (C\$ m)	253
Pre-Tax Financial output	LOM total / Avg.
NPV (8%) (A\$ m)	295
NPV (8%) (C\$ m)	256
IRR (%)	61
Undiscounted Cumulative Cashflow (C\$ m)	583
Financial Inputs	LOM total / Avg.
Gold Price (US\$/ oz)	\$1,550

Silver Price (US\$/ oz)	\$18
Exchange rate (US\$: C\$)	0.70
Exchange rate (C\$: A\$)	0.87
General	LOM total / Avg.
Mine Life (Yrs)	7
Ramp up period (Yrs)	0.5
Processing Facility Throughput (Mt)	1.2
Total Ore Mined (Mt)	7.8
Total Material Mined (Mt)	92.7
Strip Ratio (Operational)	9.6
Total Gold Mined (Au koz)	504
Production	LOM total / Avg.
Mill Head Grade (Au g/t)	2.0
Au Mill Recovery (%)	96%
Mill Head Grade (Ag g/t)	6.13
Ag Mill Recovery (%)	56%
Av. Annual Production (1-4) (Au koz)	88
LOM Production (Au koz)	483
Operating costs	LOM total / Avg.
Mining Costs - OP (C\$ / t mined)	2.80
Mining Costs - UG (C\$ / t mined)	90
Processing Costs (C\$ / t processed)	21.35
G&A Costs (C\$ / t processed)	4.94
Royalty rate (%)	1.9
C1 Cash costs (C\$ / oz)	1,013
C1 Cash costs (US\$ / oz)	709
AISC (C\$ / oz)	1,108
AISC (US\$ / oz)	776
Capital costs	LOM total / Avg.
Initial Capital (exc. Mine Development) (C\$ m)	136.7
Mine Development (Initial) (C\$ m)	8.7
Mine Development – OP (Sustaining) (C\$ m)	28.2
Mine Development – UG (C\$ m)	12.2
Other Sustaining Capital (C\$ m)	6.9

Table 2 below provides an indication of the sensitivities on the Project's economics highlighting the NPV and IRR.

TABLE 2: NPV AND IRR VALUATIONS

Scoping Study - 100% equity – Pre-tax	NPV (C\$)	NPV (A\$)	NPV (US\$)	IRR
5%	\$300	\$344	\$210	61%
8%	\$256	\$295	\$180	
10%	\$231	\$266	\$162	
Scoping Study - 100% equity - Post tax	NPV (C\$)	NPV (A\$)	NPV (US\$)	IRR
5%	\$196	\$226	\$137	51%
8%	\$168	\$194	\$118	
10%	\$152	\$174	\$106	

IMAGE 1: NPV SENSITIVITY ANALYSIS (NPV₈ POST-TAX)

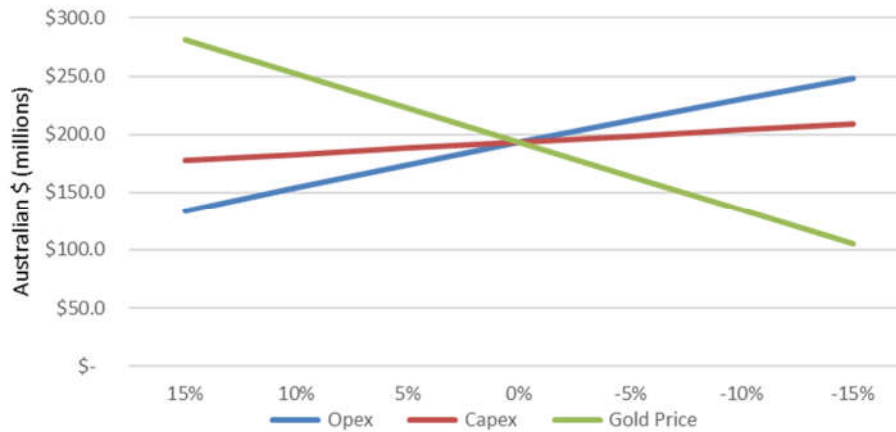
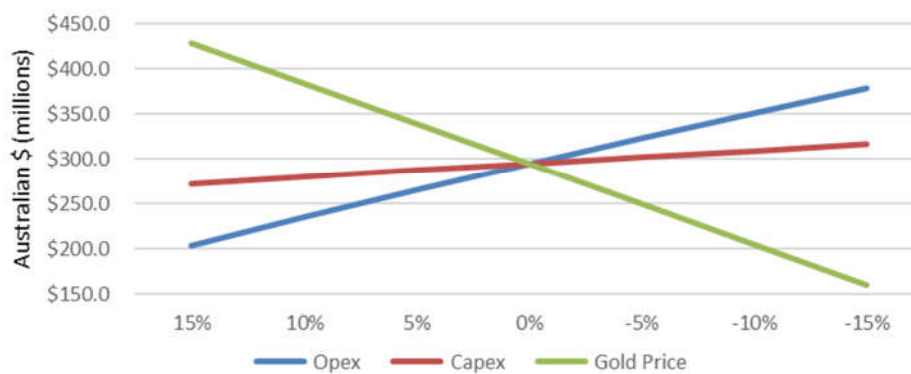


IMAGE 2: NPV SENSITIVITY ANALYSIS (NPV₈ PRE-TAX)



Next Steps

The primary objective for the Company is to expand the resource base to extend the LOM, with a focus on shallow open pit deposits that support the overall objective of being one of the highest-grade open cut operations in the world.

The next field season is expected to include:

- Extensional drilling around the current deposits (specifically Window Glass Hill and Isle aux Mort) to expand the know resources (brownfield)
- Infill drilling to upgrade the Inferred Resources to Measured and Indicated status
- Greenfield target development utilising ground magnetic surveys, soil sampling, mapping and trenching
- Assuming successful greenfield targets are identified, drilling will be undertaken

From the Study, the Company has also identified a number of areas that have the potential to further improve the Project's economics through cost reductions and efficiencies. Work programs to be undertaken to assess such opportunities include:

- Additional metallurgical testing
- Geochemical studies
- Site water balance and hydrogeological studies
- Water treatment assessments
- Tailings dam option studies
- Use the Scoping Study mining outputs to gauge interest from local mining contractors and obtain cost estimates
- Power studies with Newfoundland Power (including any licencing / permitting requirements)

For the Environmental Assessment the following activities are planned

- Completion of outstanding baseline studies
- Environmental Impact Statement (EIS) write-up
- Stakeholder engagement activities (meetings with First Nations, open-houses, regulator meeting)
- Submission of EIS document to Federal and Provincial regulators
- Manage request for supplemental information and obtain release from further environmental assessments

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

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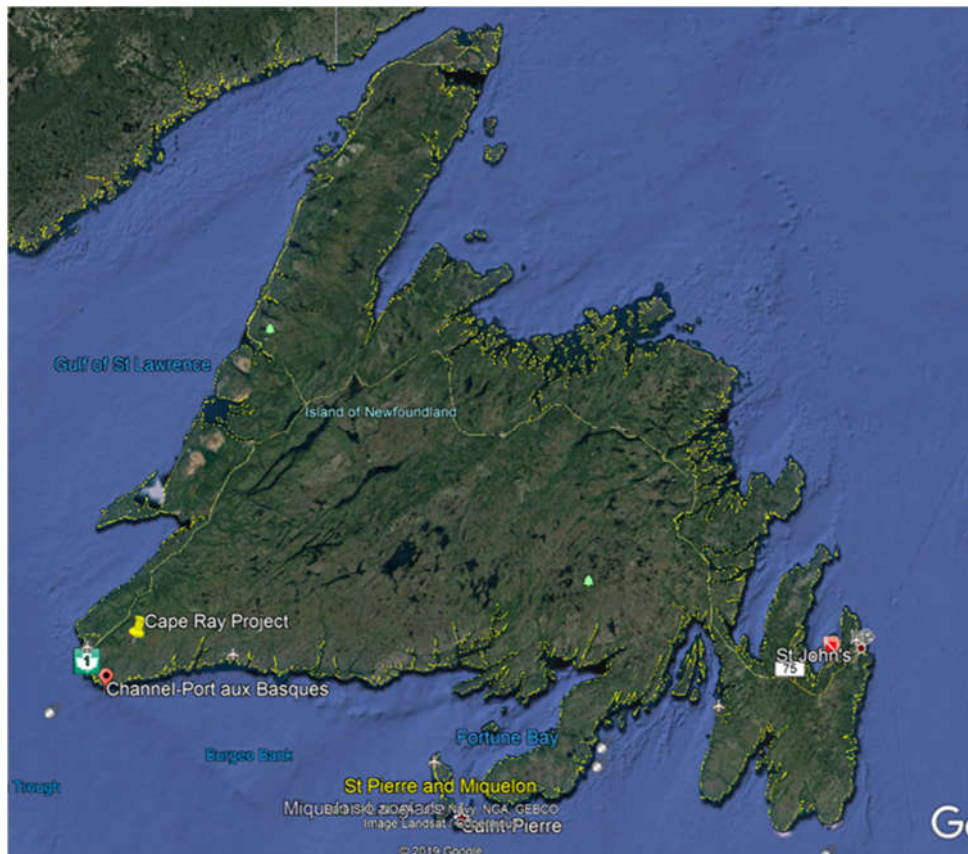
Adam Kiley – Executive Director (Corporate) +61 8 6117 0478

Appendix 1 - Scoping Study Detailed Summary

Introduction

The Project is in the south-western area of Newfoundland, Canada. The Project is about 25 km northeast of the coastal town of Port aux Basques (Image A1-1) and is located on the Cape Ray shear, one of the most prospective, yet under explored gold regions in North America.

IMAGE A1-1: PROJECT LOCATION (NEWFOUNDLAND, CANADA)



The Study was based on a revised Mineral Resource Estimate that incorporated multiple cut-off grades to facilitate the open pit and underground mining studies, results from the 2019 metallurgical test work program carried out at SGS and the results of the environmental studies undertaken to support the EA process. The cost estimates were completed to an overall +/- 35% accuracy using the key parameters and assumptions set out below.

Mineral Resource and Geology

The Cape Ray Shear Zone forms a structural boundary between the Late Precambrian-Early Palaeozoic Dunnage and Gander tectonostratigraphic zones that define the geology of western Newfoundland.

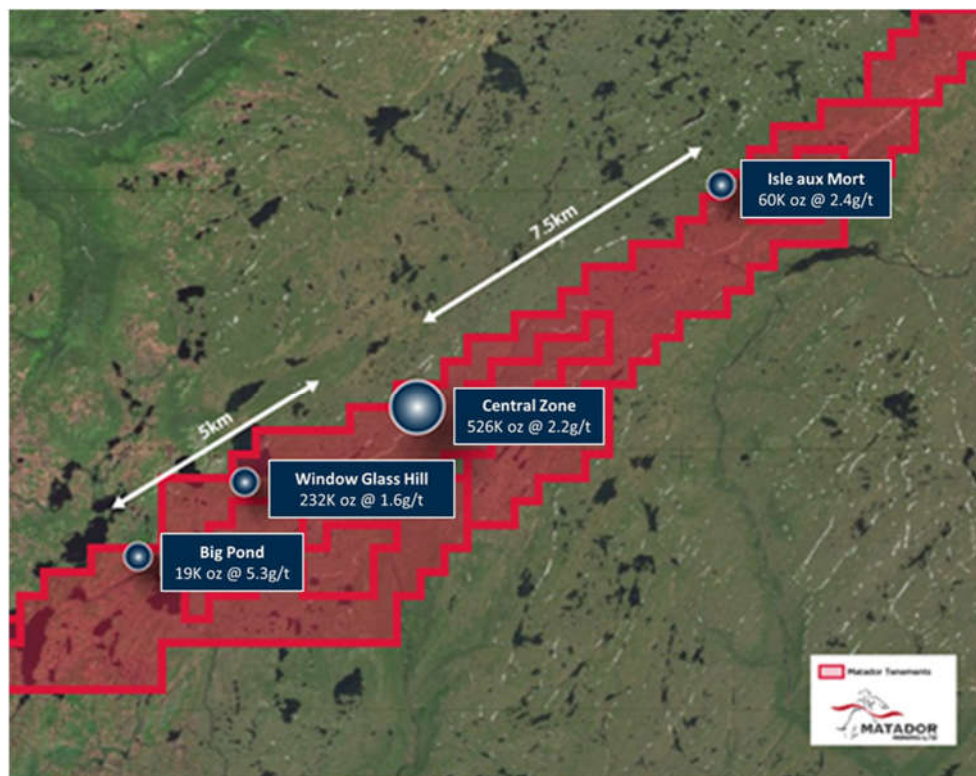
Mineralisation in the main drilled portion of the Project area occurs as quartz veins and vein arrays either along or as splays off the main Cape Ray Shear Zone. The gold bearing quartz veins, which are typically tabular, locally stacked and dip steeply towards the south-east, typically develop within

sediments at or near the contact with footwall graphitic schist or granitoids. Mineralisation extends to the surface with little or no overburden present in what is essentially a glacial-stripped terrain. At Window Glass Hill, gold-mineralisation is present in flat-lying sheets that are developed within a large altered granitic intrusive known as the Window Glass Hill Granite.

Key rock types identified by geological mapping together with logging and multi-element geochemistry allowed the creation of a geological interpretation of the mineralised domains that were used for resource estimation. The interpretation is consistent with other shear-hosted and granite-hosted gold deposits elsewhere in the world.

The Cape Ray Project covers four main deposits along a trend of approximately 14 km (Image A1-2). These areas consist of the Central Zone (PW, 51, 04/41 and H deposits), Window Glass Hill, Big Pond and Isle Aux Mort.

IMAGE A1-2: SHOWING LOCATION OF DEPOSITS (Z4/41, PW AND Z51 ARE AT CENTRAL ZONE)



As part of the Scoping Study, Matador reviewed and subsequently updated the Mineral Resource estimate for 04 and 41 deposits (part of the Central Zone). This was done as the Company focuses on the future development of these deposits, therefore significantly tighter constraints have been applied. The changes made to each of the deposits is highlighted below.

- Tighter controls on mineralisation interpretation for Zones 04 and 41 to better reflect interpreted geological and grade controls (previous interpretation was based upon a broader leapfrog-derived model). This also brings modelling and estimation style in-line with that used for Zone 51.
- Zones 04 and 41 were converted to the current NAD83 Zone 21 coordinate system. This included updating the drill hole database based upon a detailed review of the historical

drilling and assay records. Drill hole drill azimuths were also updated to correctly reflect the UTM azimuths (taking into account magnetic declination to the UTM coordinate system).

- Updated density values and utilising detailed drone topographic controls for Zones 04 and 41, to match those used for Zone 51, PW and WGH.
- Use of Ordinary Kriging for all estimates as opposed to previous use of ID²
- A more practical classification scheme suitable for use in the Scoping Study based upon analysis of the 2019 database QAQC review, results of the topographical survey and the revised drill hole azimuths

In addition to these changes, a higher cut-off grade (2g/t Au) has been applied to mineralisation below the current pit optimisations depths where underground mining potential has been identified. This has been applied to the Zones 51, 04 and 41 deposits whereas the previous models were reported at a 0.5g/t lower cut-off only. Technical details of the resource estimation and detailed tables are outlined in Appendix C. The updated May Scoping Study 2020 Mineral Resource Estimate is summarised in Table A1-1.

TABLE A1-1: CAPE RAY GOLD PROJECT, SCOPING STUDY JORC 2012 CLASSIFIED RESOURCE SUMMARY – GOLD RESOURCE ONLY³

Applied Cut-off Grade (g/t)	Deposit	Indicated			Inferred			Total		
		Mt	Au (g/t)	Koz (Au)	Mt	Au (g/t)	Koz (Au)	Mt	Au (g/t)	Koz (Au)
Open Pit 0.25¹ / 0.5² g/t Au	Central	3.1	3.1	302	3.5	1.3	141	6.6	2.1	443
	Isle Aux Mort	-	-	-	0.8	2.4	60	0.8	2.4	60
	Big Pond	-	-	-	0.1	5.3	19	0.1	5.3	19
	WGH	-	-	-	4.7	1.6	232	4.7	1.6	232
	Total	3.1	3.1	302	9.1	1.55	452	12.1	1.93	754
Underground 2.0g/t Au	Central	0.5	3.8	54	0.3	2.8	29	0.8	3.3	83
	Isle Aux Mort	-	-	-	-	-	-	-	-	-
	Big Pond	-	-	-	-	-	-	-	-	-
	WGH	-	-	-	-	-	-	-	-	-
	Total	0.45	3.75	54	0.32	2.77	29	0.77	3.34	83
Total Combined 0.5 / 2.0 g/t Au	Central	3.5	3.2	356	3.8	1.4	170	7.4	2.2	526
	Isle Aux Mort	-	-	-	0.8	2.4	60	0.8	2.4	60
	Big Pond	-	-	-	0.1	5.3	19	0.1	5.3	19
	WGH	-	-	-	4.7	1.6	232	4.7	1.6	232
	Total	3.5	3.15	356	9.4	1.60	481	12.9	2.02	837

1. Window Glass Hill and PW Zone
2. Central Zone deposits 04/41, 51 and Isle aux Mort and Big Pond
3. Figures have been rounded

Mining

Orelogy Consulting Pty Ltd (Orelogy) conducted the mining portion of the Scoping Study for the Cape Ray Project. The Study looked at maximising the potential open pit recoverable resource, before conducting an underground assessment of the resources remaining below the open pits. The final phase of the Scoping Study was to complete a combined mine schedule with the intent of maximising the Project value by applying an optimised cut-off grade policy.

The Resource block model was converted to a mining block model for open pit optimisation by applying a waste dilution skin halo surrounding the orebody. The waste halo applied to the ore zone contained a low background Au grade and resulted in a slight increase in contained metal.

The diluted mining models were coded with mining costs and exported to Whittle 4X for optimisation. The input parameters summarised in Table A1-2 were applied to the optimisation to generate the optimal pit shells. All dollars are in US dollars unless otherwise specified.

TABLE A1-2: OPTIMISATION PARAMETERS

Parameter	Units	Value
Mining – Open Pit		
Pit Slopes	Deg	50
Reference Mining Cost	US\$/t	2.01
Incremental Mining Cost	US\$/bcm/m	0.018
Ore Mining Premium	US\$/t ore	0.365
Overhaul Costs	US\$/t/km	0.12
Processing		
Au Recovery	%	96
Ag Recovery	%	56
Processing Rate	Mtpa	1.20
Variable Processing Cost	US\$/t ore	16.50
G&A	US\$ M/yr	4.6
Total Processing Cost	US\$/t ore	20.31
Initial Capital	US\$ M	115
Au Price	US\$/oz	1,550
Ag Price	US\$/oz	17
Vendor Royalty	%	3% for 04/41 & IAM 1% for WGH, PW & 51
Treatment Costs	US\$/ oz Au	5.0
Exchange Rate	C\$:US\$	0.77
Discount Rate		10%

Pit Design

Table A1-3 presents the total resource contained within the pit designs. On a production basis this Indicated category which represents 57% of total gold produced.

TABLE A1-3: OPEN PIT MINING TONNES

Deposit	Total							Indicated			Inferred		
	Total Rock (kt)	Waste Tonnes (kt)	S/R	Ore Tonnes (kt)	Au (g/t)	Ag (g/t)	Cont Au kOz	Ore Tonnes (kt)	Au (g/t)	Ag (g/t)	Ore Tonnes (kt)	Au (g/t)	Ag (g/t)
IAM	3,120	2,537	4.35	583	2.31	2.60	43				583	2.31	2.60
PW	5,753	4,915	5.87	837	1.03	2.05	28	660	0.95	1.93	178	1.35	2.48
WGH	24,192	21,207	7.11	2,985	1.49	8.23	143				2,985	1.49	8.23
Zone 51	13,076	12,245	14.74	831	3.30	6.15	88	823	3.31	6.15	8	1.75	6.03
Zone 04 41	46,655	44,337	19.13	2,317	2.30	6.31	171	1,858	2.55	6.63	459	1.28	5.01
Total	92,795	85,242	11.29	7,553	1.95	6.29	473	3,341	2.42	5.58	4,212	1.58	6.85

The open pit design completed for Cape Ray is shown in Table A1-3 above and contains the following features:

Zone 04

- Reaches a maximum depth of ~210m below surface.
- Contains a single 14m wide spiral ramp system to reach the base of the pit at 115mRL.
- Is approximately 500m long and 400 m wide at the surface.

Zone 41

- Reaches a maximum depth of ~120m below surface.
- Contains a single 14 m wide ramp system located on the footwall to reach the base of the pit at 205mRL.
- Is approximately 410m long and 225m wide at the surface.

Zone 51

- Reaches a maximum depth of ~125m below surface.
- Contains a single 14m wide ramp system located on the footwall to reach the base of the pit at 210mRL.
- Is approximately 750m long and 200m wide at the surface.
- Has three distinct pods, with the central pod being the deepest.

PW

- Reaches a maximum depth of ~100m below surface.
- Contains a single 14m wide ramp system to reach the base of the pit at 120mRL.
- Is approximately 300m long and 200m wide at the surface

IMAGE A1-3: ZONE 04/41 PIT DESIGN

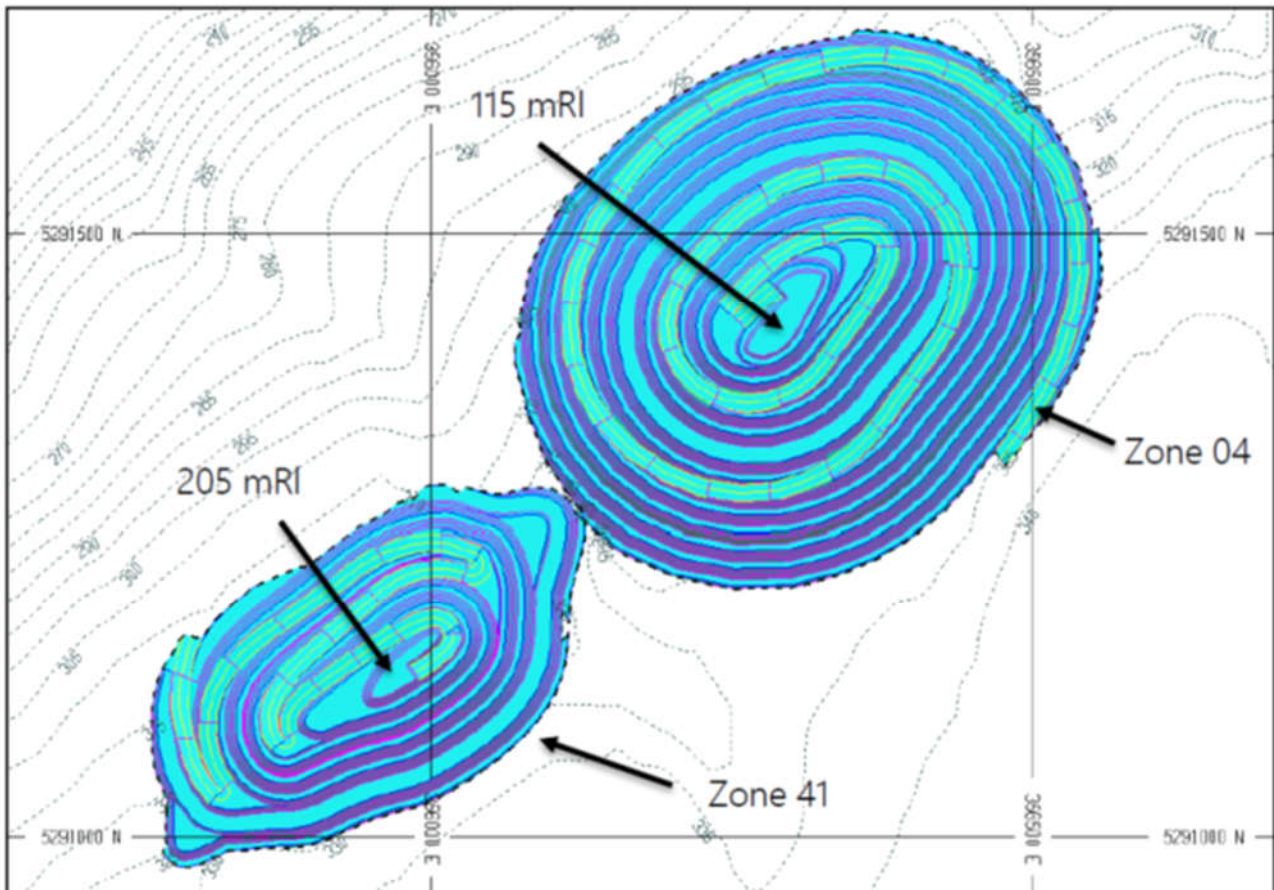
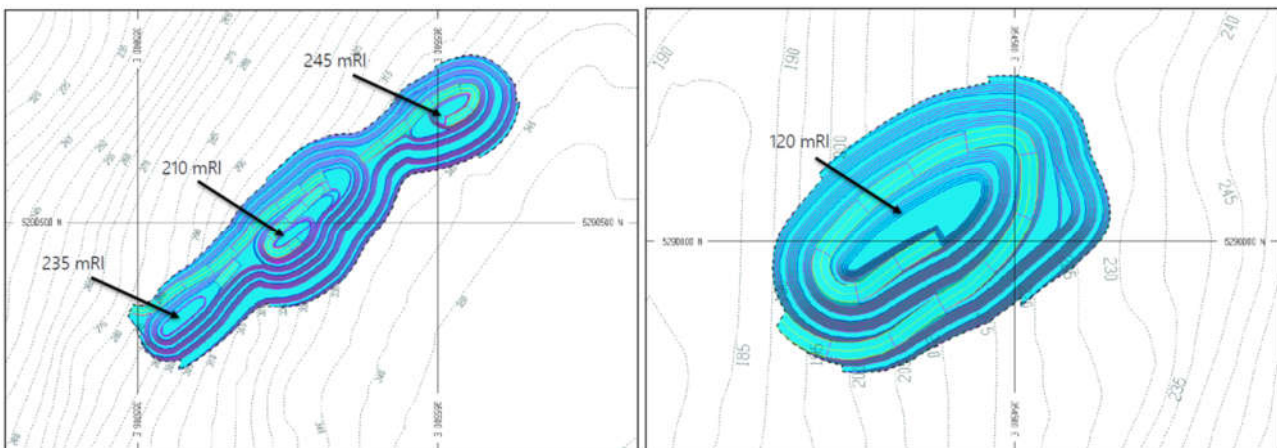


IMAGE A1-4: ZONE 51(LHS) AND PW (RHS) PIT DESIGN



WGH

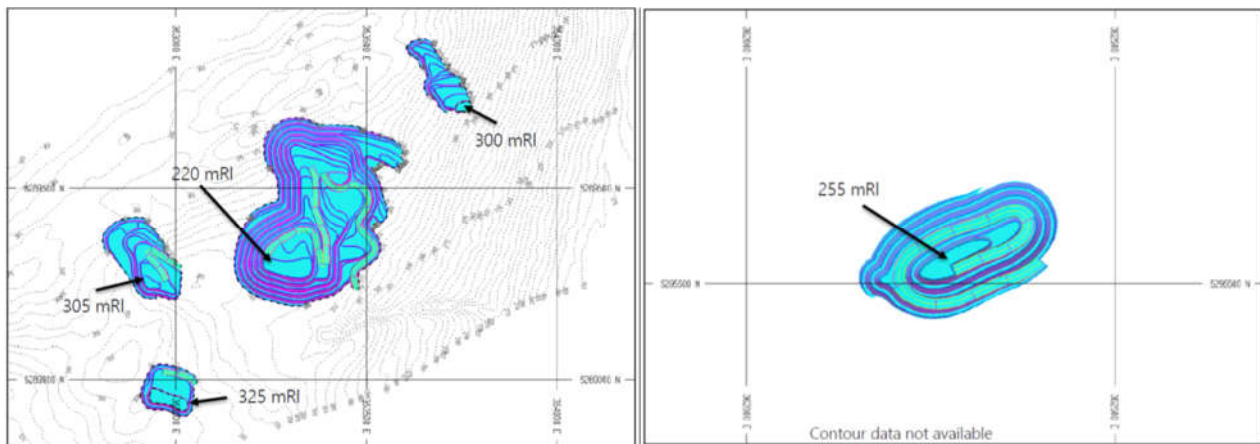
- Contains a main pit stage, with three smaller satellite stages.
- The main pit:
 - Reaches a maximum depth of ~125m below surface.

- Contains a complex ramp system design to access the base of the pit using internal walls where possible to minimise waste mining on the external walls.
- Is approximately 500m long and 400 m wide at the surface.
- The satellite stages:
 - A relatively small in size, and average 200m long, 100m wide and 20m deep.
 - Require minimal final ramps as the material will be mined off the natural surface contours.

IAM

- Reaches a maximum depth of ~90m below surface.
- Contains a single 14m wide ramp system to reach the base of the pit at 255mRI.
- Is approximately 250m long and 150m wide at the surface.

IMAGE A1-5: WGH(LHS) AND IAM (RHS) PIT DESIGN



Underground Optimisation

As part of the Study, an underground analysis was completed for the remaining resources below the base of the open pits at Zone 04/41/51. The assessment was completed using the MSO stope optimisation software to generate the minable stope shapes and then evaluation within a high-level cost model to evaluate the economic potential of the underground. Summarised in Table A1-4 are the results of the evaluation with the 2.0 g/t cut-off selected and included within the final mine schedule produced.

As the potential size of the underground operations are relatively small in comparison to the open pit, no further analysis or designs were completed for the underground component of the Study.

TABLE A1-3: UNDERGROUND STOPE OPTIMISATION (ZONES 04/41 & 51)

Cut-off (g/t)	Deposit	Au Price (US\$/oz)	Ore Tonnes (kt)	Feed Grade (g/t)	Recovered Au koz
1.0	Zone 04/41	1,550	186.6	2.00	12
1.5	Zone 04/41	1,550	256.0	2.46	19
2.0	Zone 04/41	1,550	145.6	3.00	13
2.5	Zone 04/41	1,550	91.6	3.47	10
1.0	Zone 51	1,550	188.5	3.13	18
1.5	Zone 51	1,550	154.8	3.61	17
2.0	Zone 51	1,550	127.3	4.06	16
2.5	Zone 51	1,550	107.4	4.45	15

Mine Production Schedule

The mine scheduling component of the Study was completed using the Maptek Evolution™ software. Initially a series of high-level annual schedules were produced to determine the value differential when modifying the stage release strategy and the maximum mining capacity of the open pit fleet. The primary outcome of the analysis was in order to maximise value and minimise payback period, the IAM deposit needs to commence in Year 1, and a mining capacity of 25 Mtpa appears to be the appropriate fleet size.

The mining schedule on a quarterly basis is shown graphically below.

IMAGE A1-6: FINAL SCHEDULE – MATERIAL BY SOURCE

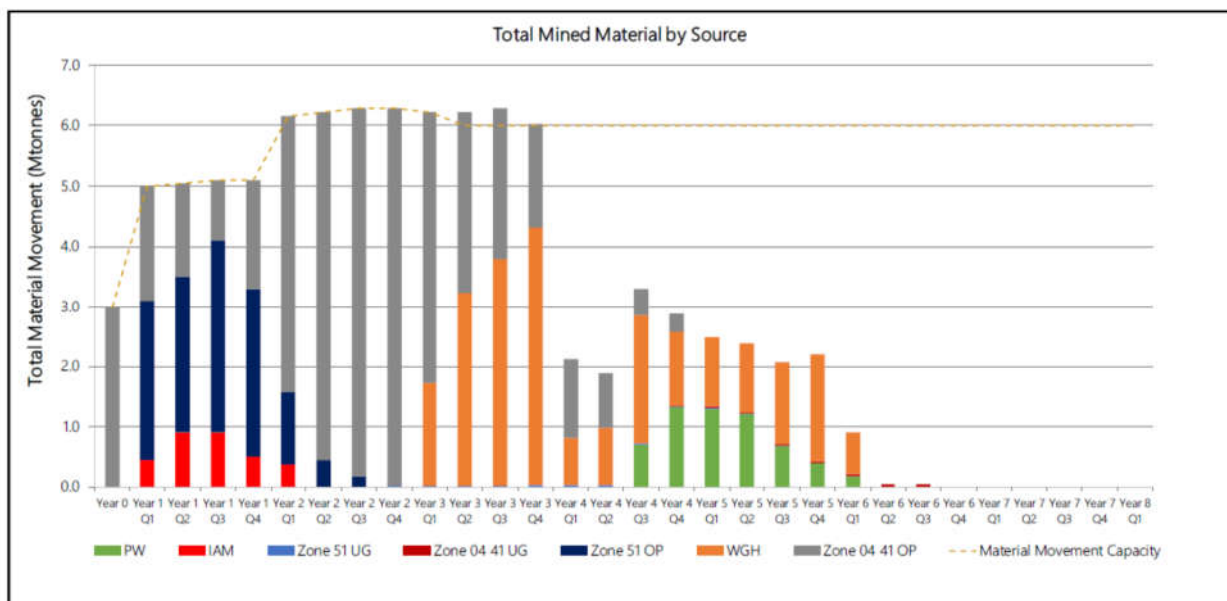


IMAGE A1-7: FINAL SCHEDULE – PLANT FEED

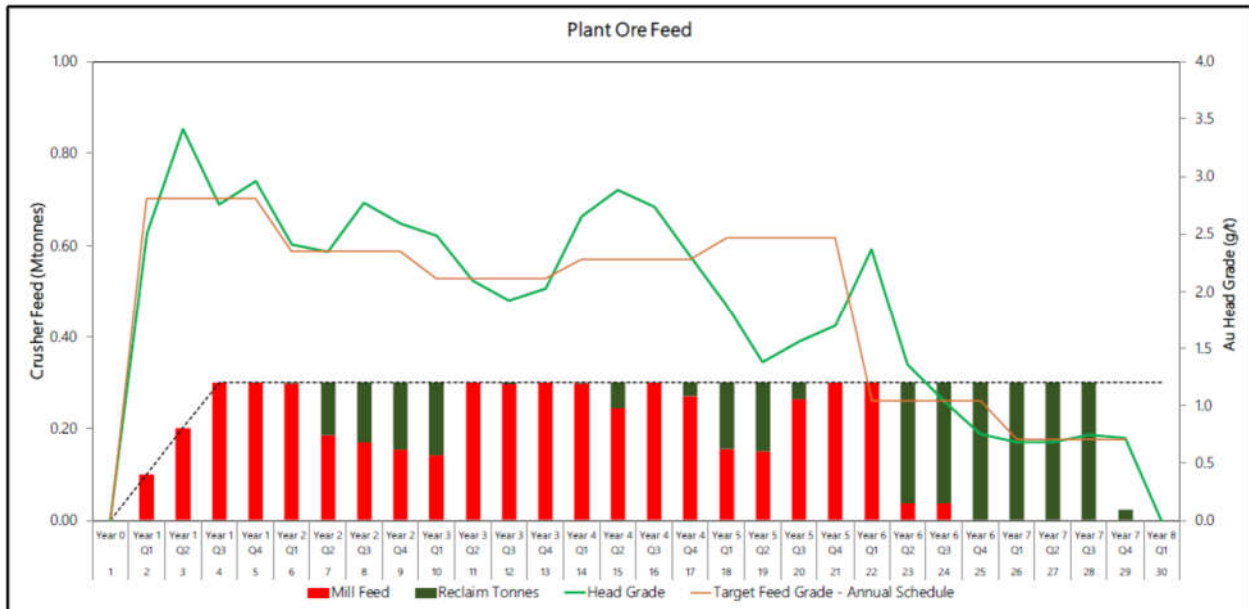
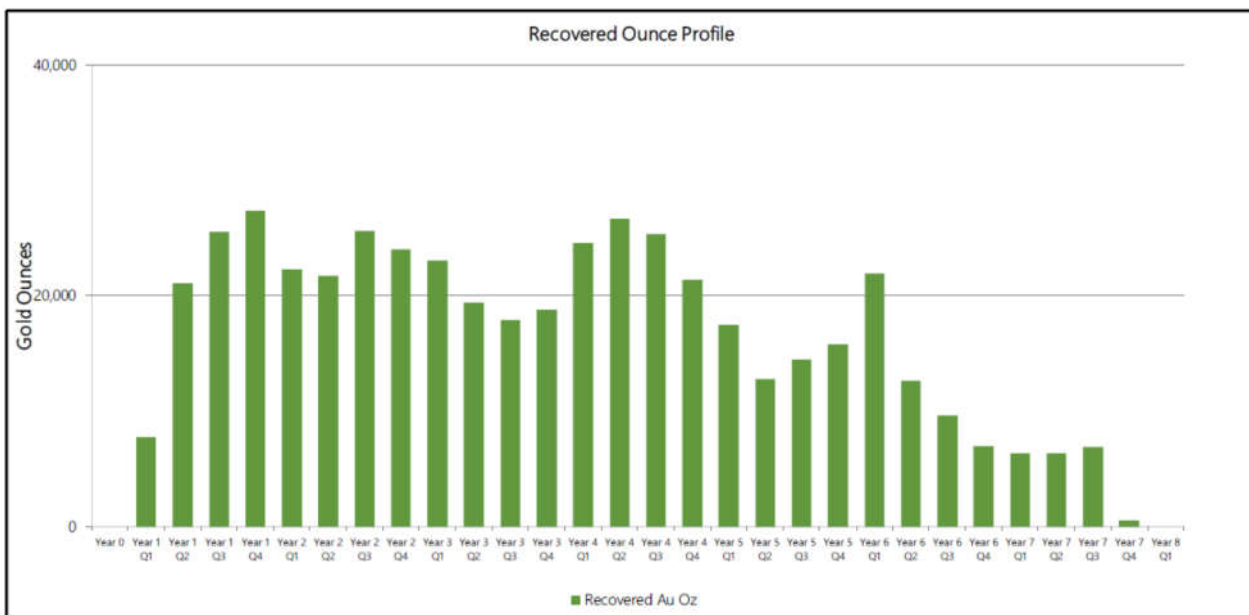


IMAGE A1-8: FINAL SCHEDULE – GOLD PRODUCTION



Metallurgy

DRA reviewed the metallurgical test work reports provided by Matador. These included a report covering test work undertaken by the previous owners of the project (Benton / Nordmin) and a report on a program of work carried out for the Company by SGS Canada.

The combined programs tested 13 samples from Central Zone (51 & 04/41), Window Glass Hill and Isle aux Mort. Gold grade ranged from a low of 1.3g/t to a high of 16.9g/t. The test work programs investigated gravity concentration, cyanidation, flotation and generated some comminution data.

Comminution

Comminution results are available from the ALS report only, these include AI, BWI, and CWI values, summarised below in Table A1-5.

TABLE A1-4: COMMINATION TESTWORK DATA

Lab	Sample description	CWI (kWh/t)	AI (g)	BWI @ 106 µm (kWh/t)
ALS	41 2-3	8.4	0.026	14.1
ALS	Index 51	7.1	0.185	14.6
ALS	HG composite	-	-	14.5
ALS	Composite 41SP	-	-	15.0
ALS	Composite 51	-	-	14.9
SGS	None	-	-	-

Gravity Concentration

The ALS gravity concentration tests used 30 kg samples with concentration in three stages at progressively finer grinds. The SGS gravity concentration tests used 1 kg samples with single stage concentration at a relatively coarse grind (average 122 µm). The Knelson gravity concentrate was upgraded using a shaking table and as a result, the concentrate mass pull is similar to a real plant.

The gravity concentration test results are summarised below. The average gold recovery of the SGS tests is 27.8% which indicates that gravity gold recovery should be included in the flowsheet.

TABLE A1-5: GRAVITY CONCENTRATION TESTWORK DATA

Lab	Sample description	Head (Au g/t)	Mass (%)	Grade (Au g/t)	Recovery (Au %)
SGS	Average	6.17	0.16	1057	27.8
ALS	Average	6.96	1.10	515	79.9
All	Average	6.35	0.40	922	40.8

Cyanidation

The ALS report describes nine cyanidation tests on three samples, while the SGS report describes ten cyanidation tests on ten composite samples. The cyanidation test results are summarised below in Table A1-7. The average gold extraction for all tests after 24 hours cyanidation is 96.2%.

TABLE A1-6: CYANIDATION TESTWORK DATA

Lab	Sample description	Head (Au g/t)	Grind P ₈₀ (µm)	Time (h)	Extraction (Au %)	Extraction (Ag %)	Oxygen	NaCN (kg/t)	Lime (kg/t)
SGS	Average	6.17	94.3	24	95.9	54.6	yes	1.23	0.64
ALS	Average	6.96	99.3	24	97.2	59.6	yes	1.47	0.83
All	Average	6.35	95.5	24	96.2	55.8	yes	1.29	0.69

Process Plant

The plant is designed to process 1.2 Mt/y RoM ore and incorporates a single processing line of a primary jaw crusher, secondary and tertiary cone crushers and a crushed ore bin to provide 12 hours of surge capacity prior to the milling circuit. The grinding circuit consists of a single stage ball mill, with gravity concentration, followed by a leach-CIL circuit, elution and carbon regeneration, gold smelting, tailings thickening and cyanide destruction facilities. The detoxified tailings stream is stored in the Tailings Management Facility (TMF).

The plant is based on a conventional processing flowsheet using industry standard equipment. Plant operations will be monitored using a control system from a centrally located control room.

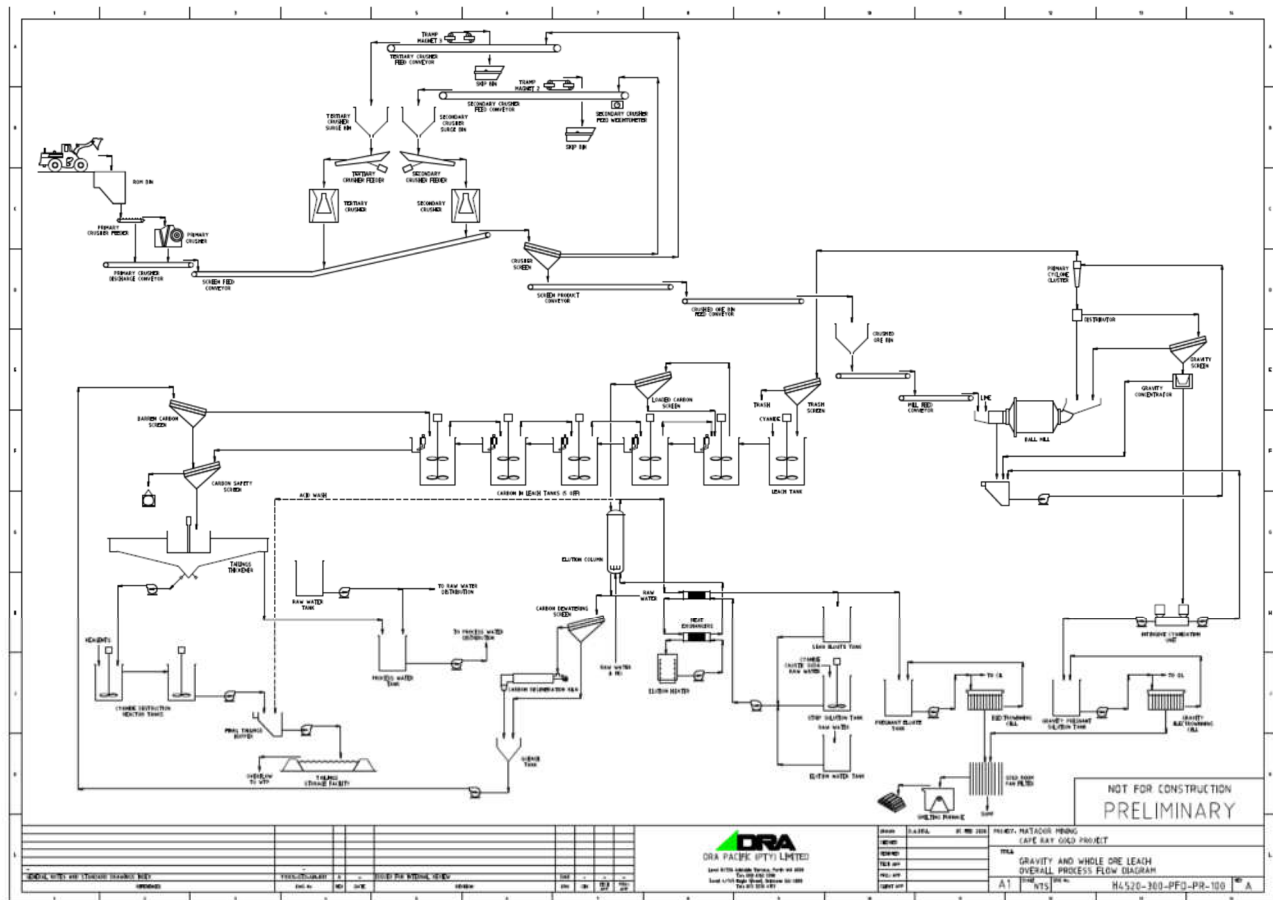
The key parameters for the plant design and equipment sizing are summarised below

TABLE A1-7: SUMMARY OF KEY PROCESS DESIGN CRITERIA

Item	Units	Value
Design throughput (dry solids)	Mt/y	1.2
Overall plant run time	-	91.3%
Design solids feed rate (dry solids)	t/h	150
Peak gold production (design only)	oz/y	100,000
Crushing circuit type	-	3 stage
Crushed ore bin residence time	hours	15
Grinding mill type	-	Ball mill
Grind size required P80	µm	90
Gravity concentration	-	Yes
Number of leach tanks	-	1
Number of CIL tanks	-	5
Leach – CIL residence time	h	24
Tailings thickener solids flux	t/h/m ²	0.75
Cyanide destruction required	-	Yes

Item	Units	Value
Elution method	-	AARL
Electrowinning	-	Stainless steel cell, stainless steel wool cathode, sludging type

IMAGE A1-9: PROCESS PLANT FLOW DIAGRAM



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Infrastructure

Overall Site

The conceptual layouts include major facilities of the Project including open pit mines, processing facility, waste rock facilities, tailings management facilities, water treatment plant and sedimentation ponds, polishing ponds, mine services and access road.

The layouts consider the following:

- Location of the resource.
- 500 m exclusion zone from mine blasting.

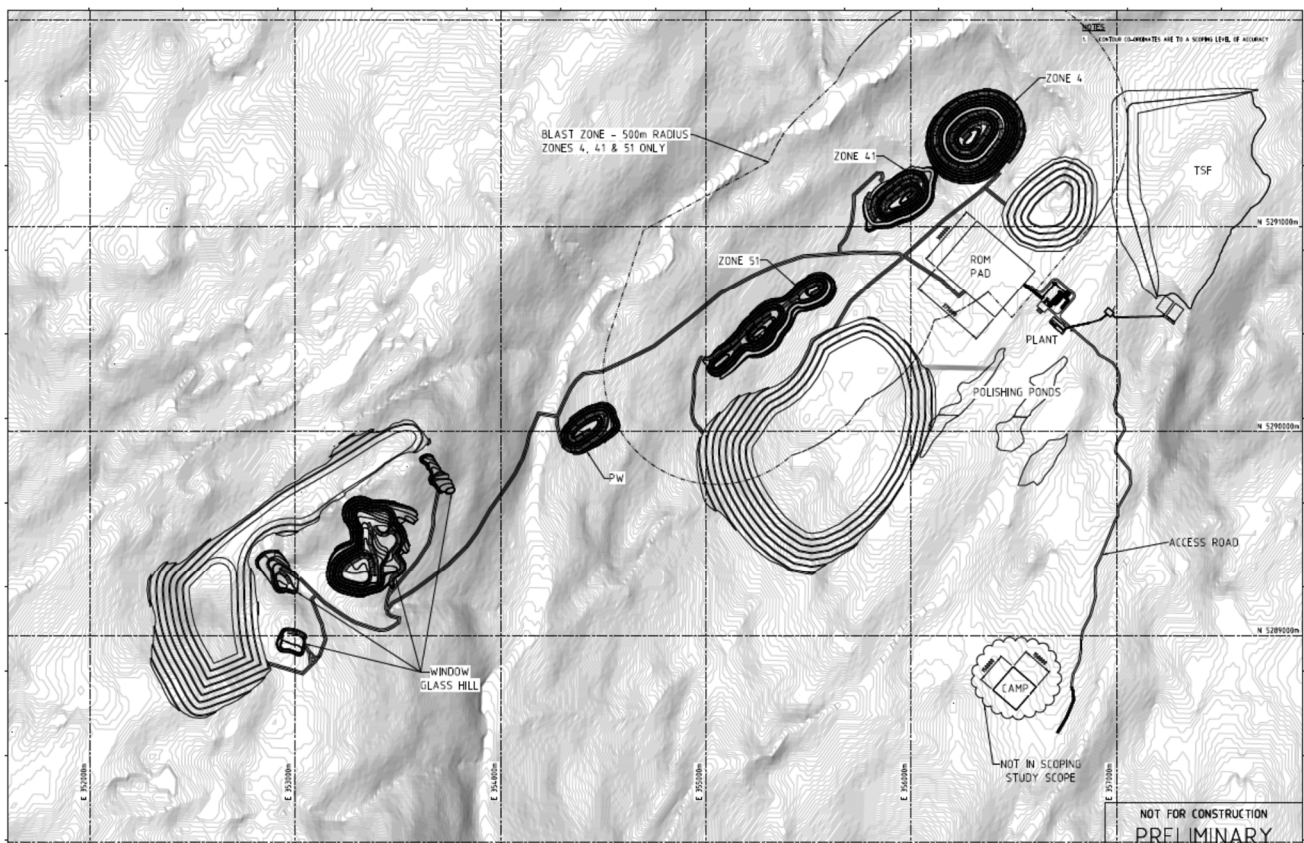
- The existing camp and laydown areas
- Preferred location of TMF.
- Topography and natural landforms.
- River.
- Areas of ecological sensitivity – as provided by client.
- Project logistics for rock and slurry movement.

Access to the plant and associated infrastructure is from the southwest side of the property. An existing access road will be upgraded to provide main access to the property via the main security gate near the process plant.

Grid power will be provided from an incoming HV line along the access road to the property. Power will be provided by local authorities with an option for them to construct and maintain the transmission line.

The key infrastructure within the site will be fenced to clearly delineate the mine area and deter access by animals and unauthorised people.

IMAGE A1-10: SITE LAYOUT



Tailings Management Facility

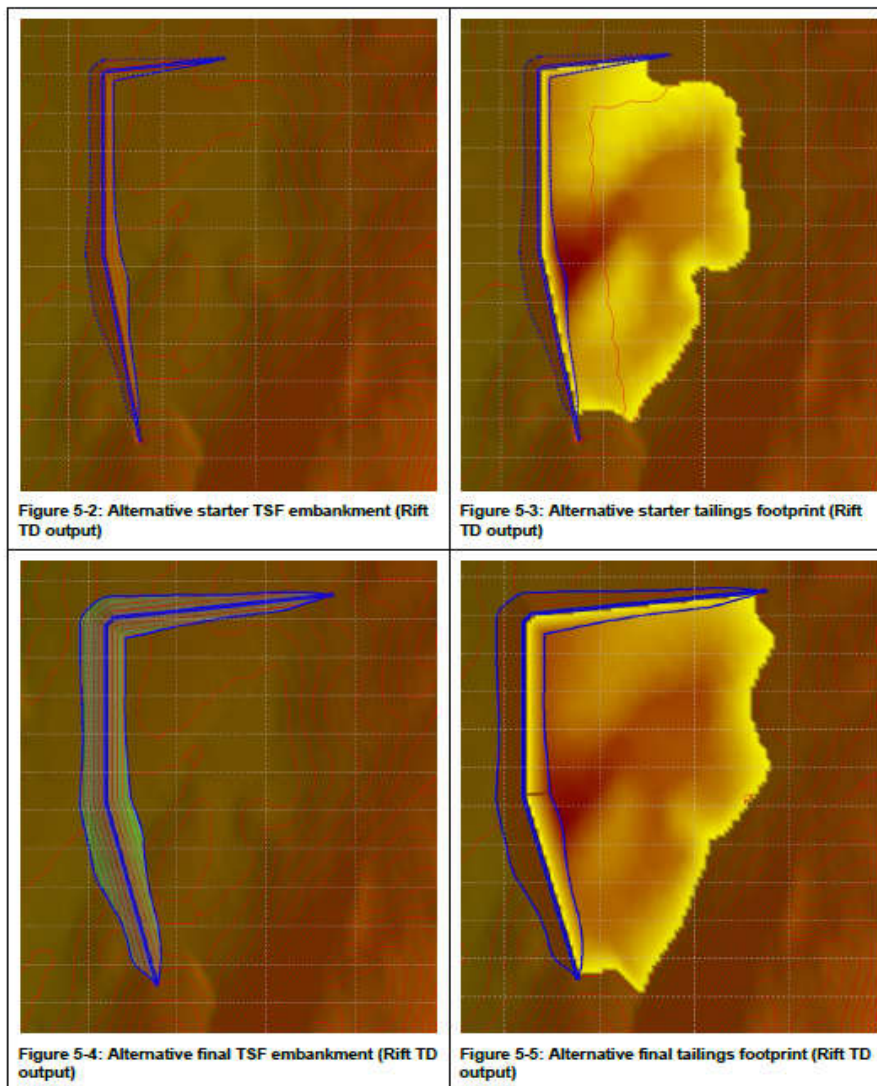
The tailings management facility (TMF) is assumed to be a conventional slurry deposition with an internal supernatant pond and perimeter containment embankments.

The preliminary stage geochemical testing indicated there is a low risk of acid mine drainage. The tailings will be detoxified (cyanide destruction) prior to deposition and lining of the TMF for environmental containment is not required at this point in the Project. This assumption will be evaluated during the next stage of design.

SRK has noted that, due to the high rainfall environment and only a preliminary TMF deposition strategy, water management plan and water balance, it is assumed that the TMF containment embankments will need to be constructed as water-retaining structures for seepage and stability control. With uncertainty regarding borrow materials on site available for construction (such as suitable low permeability material), it is assumed that the embankment upstream slopes are to be lined with a high-density polyethylene geomembrane.

For cost estimation purposes it has been assumed that a two-year starter wall will be constructed prior to start of operations with subsequent lifts completed during the life-of-mine to meet the required storage capacity.

IMAGE A1-11: TAILINGS DAM LAYOUT



Surface Water

Surface water runoff will be managed through the installation of cut-off drains, culverts and dedicated flood ways.

The drainage will be designed to accommodate a 1 in 100-year rainfall event in accordance with the water management strategy. Peripheral drainage and culverts will be designed to accommodate a 1 in 20-year rainfall event.

For the mine and processing facility, provisions have been made for the inclusion of open drains around the individual facilities. The process plant area will drain via open drains generally following the natural gradient to the tailing's management facility. As a result, all excess water released from the TMF will be treated in the water treatment plant and sedimentation captured in sedimentation ponds before controlled release into the environment via the polishing ponds.

Water runoff from the broader catchment will be diverted around the mine, processing and tailings operation by culverts, and will be re-combined into the natural run-off pattern through the polishing ponds to the southeast of the processing facility and ROM.

Allowance has been made for the drainage as described above, however the next phase of study work will need to validate the assumptions made by completing a detailed water management Study.

Water Treatment

A water treatment plant has been allowed for, consisting of:

- A metals removal circuit, mainly targeting copper, lead, zinc, and iron; and
- A High-Density Sludge (HDS) lime neutralisation system to treat acid generating mine water.

The water treatment plant has been sized for a peak water treatment rate of 180 L/s and based on the wettest month in a maximum precipitation year.

The plant has been based on a design completed by a specific water management consultant for a recent similar project. The metals removal circuit consists of agitated tanks, clarifiers and multimedia filters to precipitate and remove any heavy metals from the water. The HDS system consists of agitated reactor tanks and clarifiers to facilitate acid neutralisation via lime addition. The clarifier overflows will be re-introduced into the environment via the natural lakes which will act as polishing ponds.

Runoff from disturbed Project areas and TMF overflow will report to the water treatment plant after initially passing through sedimentation ponds to remove silt.

Power

Site power will be provided from a HV substation at the Project boundary that will be supplied by the local power authority. For the purpose of this Study, it is assumed that the Project is responsible for onsite HV reticulation from the main HV substation. A peak demand of 7.5 MW is required for the facility, and the average load is expected to be 6.8 MW. Average power costs have been determined to be C\$0.06/kWh, based on discussions held with Newfoundland Power.

Accommodation

It has been assumed that operational and construction personnel will be housed in Port aux Basques or Isle aux Mort, and as such, no Project accommodation has been allowed for.

This assumption will be re-assessed when Project manning requirements are more accurate and a review of locally available accommodation and messing capacity is completed.

Capital Cost Estimates

The capital cost estimate for the Project has been compiled by DRA with input from Orelogy and Matador on mining and owner's costs respectively.

TABLE A1-8: CAPITAL ESTIMATE SUMMARY (C\$, 1Q2, CLASS 5)

	US\$ (millions)	C\$ (millions)	Comment
Process Plant			
Total Process Plant	38.4	54.8	
Other/NPI			
Site Preparation	1.1	1.6	
Control Room, Comms, DCS	1.5	2.0	
Raw and Process Water Dams, etc	0.9	1.6	
Power Supply	1.1	1.8	
Water Treatment Plant	6.1	8.6	
Infrastructure Buildings (Admin, Lab, etc)	3.4	4.9	
Architecturally Designed Buildings	4.5	6.4	
Tailings Dam	5.9	8.4	Embankment fill placement by mining contractor
Roads	3.0	4.2	
Total Other/NPI	27.4	39.2	
Indirects			
EPCM, Commissioning and Contractor Margin	9.8	14.1	
Mine Pre-production	6.1	8.7	
Project Contingency	12.6	18.0	15% on Process, 25% on NPI
Owners Costs	4.6	6.6	By Client.
First Fill	0.8	1.1	Factored against Plant Directs
Capital and Other Spares	2.1	3.0	Factored against Plant, Water Treatment and DCS Directs
Mobile Equipment	-	-	Leased
Project Total	101.8	145.4	

The estimate is expressed in Canadian dollars based on prices and market conditions current at first quarter 2020 (1Q20).

The estimate cost accuracy is as per the AACE Class 5 definition (-35% at the low end of the range to +35% at the top end of the range).

The following items have not been included in the plant capital cost estimate:

- Taxes and duties – to be addressed as required in the financial model
- Escalation and foreign currency fluctuation.
- Allowance for Project growth.
- Excavation of non-rippable rock.
- Additional study development.
- Further testwork costs.
- Sunk costs.
- Project escalation and foreign currency fluctuation.

Operating Cost Estimates

An operating cost estimate for the Project has been developed as summarised below. The estimate is presented in Canadian Dollars (C\$) with a base date of the first quarter of the year 2020 (Q1 2020) to an accuracy as per the AACE Class 5 definition. The estimate relates to all direct costs to allow production of gold doré at Cape Ray, capturing the processing plant facilities, contract mining, product refining and general and administration (G&A) costs.

TABLE A1-9: OPERATING COST ESTIMATE SUMMARY (C\$, 1Q2, CLASS 5)

Area	Annual Cost (C\$ M)	Unit Cost (C\$ / t feed)
Plant Labour	5,541,000	4.62
Power	2,993,000	2.49
Maintenance	3,694,000	3.08
Reagents and Consumables	11,127,000	9.27
Miscellaneous	2,267,000	1.89
General and Administration	5,926,000	4.94
Contract Mining (OP & U/G)	45,015,000	40.26
Grand Total	76,564,000	66.55

The operating costs have been compiled from information sourced by DRA and provided by Orelogy and Matador, including:

- Study deliverables - specifically process design criteria, mass balance and mechanical equipment list.
- Laboratory test work results, where available.
- Budget quotations received from reagent and consumable suppliers.
- DRA's cost database for reagents and consumables.
- Benchmarking with other similar operations.
- First principle estimates based on typical operating data.
- Orelogy costs database for mining activities

The estimate is presented with the following exclusions:

- Exchange rate variations.

- Escalation from the date of estimate.
- Project financing costs.
- Licencing, permitting costs.
- Interest charges.
- Contingency.
- Specifically relating to G&A costs:
 - All head office costs.
 - Corporate overheads.
 - Political risk insurance.
 - Withholding tax.
 - GST and/or VAT.
 - Licence fees.
 - Royalties.

Financials

The financial analysis was based on the following Project case:

- The Project will be predominantly an open-cut operation with a small amount of gold recovered as an underground operation from a decline developed from the bottom of the 04 and 51 pits once the open cut operation has ceased.
- A standard CIL onsite processing facility with an annualised capacity of 1.2Mtpa will be built on site.
- Production is forecast to have an initial 7-year mine life. The Project would produce ~484koz gold over life-of-mine (LOM) with an average production rate of ~88,100 oz gold over the first 4 years of operation.
- Total initial capital cost for the Project was C\$145.4M including mining pre-production and owner's costs.
- The forecast average all-in-sustaining cost (AISC) over the life of the operation are C\$1,108/oz Au (US\$776/oz Au) with a C1 cash cost of C\$1,013/oz Au (US\$709/oz Au).
- The prices used in the modelling were US\$1,550 /oz Au (current gold spot price is ~US\$1700/oz) and ~US\$18.00/oz Ag.
- The Project is expected to generate average LOM annual EBITDA of C\$90M and have a post-tax NPV₈ of C\$168M and an IRR of 51%.

The Project was modelled in Canadian dollars (C\$) using a discounted cash flow (DCF) analysis method. The table below highlights the valuation on a pre- and post-tax basis under a number of discount rates and includes an Australian dollars (A\$) and UD dollar (US\$) valuation.

TABLE A1-10: VALUATION ANALYSIS

Scoping Study - 100% equity – Pre-tax	NAV (C\$)	NAV (A\$)	NAV (US\$)	IRR
5%	\$300	\$344	\$210	61%
8%	\$256	\$295	\$180	
10%	\$231	\$266	\$162	
Scoping Study - 100% equity - Post tax	NAV (C\$)	NAV (A\$)	NAV (US\$)	IRR
5%	\$196	\$226	\$137	51%
8%	\$168	\$194	\$118	
10%	\$152	\$174	\$106	

TABLE A1-11: KEY FINANCIAL OUTPUTS

Financials	Annual Av. (C\$ M)	Annual Av. (A\$ M)	Annual Av. (US\$ M)	LOM (C\$ M)
Revenue	\$168.3	\$193.4	\$117.8	\$1,093
- Gold	\$164.8	\$189.5	\$115.4	\$1,071
- Silver	\$3.4	\$3.9	\$2.4	\$22
Less Cost of Sales	\$78.6	\$90.4	\$55.0	\$511
EBITDA	\$89.6	\$103.0	\$62.8	\$583
EBIT	\$60.0	\$69.0	\$42.0	\$390
Profit After Tax	\$39.0	\$44.8	\$27.3	\$253

The assumptions made as part of the Study, along with the main variables that exist within the investment model for the base case, are as follows:

- The operation assumed life of mine production of 7.8Mt of material mined.
- Over the LOM, 57% of the recovered gold is from Indicated Resources. For the first 2 years, 73% of the gold is from Indicated Resources and for the first 4 years, 68% of gold is from Indicated Resources
- Total initial capital cost is C\$145.4M including pre-production (C\$8.7M) and owner's costs (C\$6.6M). LOM sustaining capital cost including mine development costs is C\$47.3M.
- An average feed grade of 2.0g/t Au and 6.1g/t Ag.
- Average LOM metallurgical recoveries are 96% Au and 56% Ag.
- The processing facility assumed a processing capacity of 1.2Mtpa with 91.3% availability. The back end of the circuit has been designed to process 100,000oz Au per year
- There are four Net Smelter Royalties (NSR) over various deposits ranging from 0.25% to a maximum of 5% with an average production weighted NSR of 1.9%
- The model assumes a LOM gold price of US\$1,550/oz and a silver price of US\$18/oz. Current gold spot price is US\$1,700/oz.
- The model assumed a flat exchange rate assumption over the life of the operation; C\$:US\$ \$0.70 and C\$:A\$ \$0.87.

TABLE A1-12: KEY COSTING INFORMATION

Cash costs (US\$)	per oz (C\$)	per oz (A\$)	per oz (US\$)
Revenue (gold only)	\$2,214	\$2,545	\$1,550
Nett Revenue	\$2,214	\$2,545	\$1,550
C1 Costs			
- Mining	\$588	\$676	\$412
- Processing	\$345	\$397	\$242
- Site Administration	\$80	\$92	\$56
C1 Cash Cost	\$1,013	\$1,165	\$709
Other Operating Expenses			
- Royalty	\$43	\$49	\$30
- Sustaining Capital	\$98	\$112	\$68
Total Other Operating Expenses	\$141	\$162	\$98
Total Operating Costs	\$1,154	\$1,326	\$808
Less by-product credits (silver)	\$46	\$53	\$32
AISC	\$1,108	\$1,273	\$776
Operating Margin	\$1,106	\$1,272	\$774

Mining production schedules were developed by Orelogy Mine Consulting and were based on multiple open pit operations at the o4/41, 51, PW, Window Glass Hill, and Isle aux Mort deposits. Small underground operations were also assumed at 04 and 51 deposits.

The plant production data was generated from the mining schedule, assuming blending of the material and by applying the recoveries from the results of the metallurgical test work. Plant production data is shown below.

TABLE A1-13: PRODUCTION DATA

	Unit	Total	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
Feed	Mt	7.83	-	0.90	1.20	1.20	1.20	1.20	1.20	0.92
Gold grade	g/t	2.0	-	2.94	2.53	2.13	2.64	1.63	1.38	0.70
Contained gold	koz	504.1	-	85.2	97.6	82.3	102.0	62.8	53.2	20.9
Recovery	%	96%	-	96%	96%	96%	96%	96%	96%	96%
Gold produced	koz	483.9	-	81.8	93.7	79.0	97.9	60.3	51.1	20.0
Silver grade	g/t	6.1	-	4.7	5.1	7.0	7.6	6.7	6.8	4.3
Contained silver	koz	1,542.2	-	135.5	197.7	270.1	291.9	259.0	260.8	127.3
Recovery	%	56%	-	56%	56%	56%	56%	56%	56%	56%
Silver produced	koz	863.6	-	75.8	110.7	151.3	163.4	145.0	146.0	71.3

Taxes

The Project has been evaluated on an after-tax basis to provide an approximate value of the potential economics.

The Project is assumed to be subject to the following tax regime:

- The Canadian corporate income tax system consists of 15% federal income tax and 15% provincial income tax.
- Newfoundland also applies a mining tax rate.

Total undiscounted tax payments are estimated to be \$137M over the LOM.

Environmental and Permitting

Environmental Assessment Process

The Environmental Assessment (EA) process for the Project is being carried under the direction of the Newfoundland and Labrador Environmental Assessment Agency (NLEAA) and the Federal Canadian Environmental Assessment Agency (CEAA), recently changed to the Impact Assessment Agency of Canada (IAAC).

The EA process comprises the following stages:

- The Company submits a Project Description defining the proposed Project to the provincial and federal agencies
- CEAA and NLEAA issue guidelines outlining the baseline studies, stakeholder engagement and other activities to be undertaken by the Company to assess the impacts of the Project on the environment
- Company undertakes baseline studies in line with guidelines
- Company undertakes stakeholder engagement activities in line with guidelines
- Company prepares Environmental Impact Statement (EIS) report

- EIS submitted to CEAA and NLEAA
- Period of review, public and agency comment
- Company addresses issues raised by regulators and/or public
- Once issues have been addressed to the satisfaction of the agencies, the EIS is accepted and approved to start the permitting process for the conversion to mine leases, construction and operation

The Project Description was submitted to the NLEAA and the CEAA in July 2016 by Benton Resources / Nordmin Engineering, the previous owners of the Project. The NLEAA and CEAA issued their EIS guidelines in December 2016 and April 2017 respectively. In discussion with both regulators, the guidelines issued to Benton / Nordmin are still valid and form the basis for Matador's EA studies.

Matador subsequently requested an extension to the timeline for the EIS submission, due to the hiatus between the issuing of the guidelines and Matador taking ownership of the Project. This was approved by both agencies in March 2019, with an extension granted until 24 August 2020. Matador also has the option of extending the EIS submission date by an additional 12 months if required.

Environmental Applications Group Inc. (EAG) have been retained as environmental consultants for the Project to oversee the EA process and permitting. The work carried out to date on the EA activities includes:

- GAP analysis report to identify environmental baseline data gaps
- EA and Permitting Strategy and timelines
- First Nation and Stakeholder Consultation Plan
- Initiation of environmental baseline studies to fill data gaps

Further Baseline Studies are planned for 2020 which will bring to conclusion all the field work required for the EA process.

Matador has held initial meetings to discuss the Project with the Chief and members of Council of the Qalipu Mi'kmaq First Nation Community in Corner Brook in June 2019 and with the Chief and Council of the Miawpukek Mi'kmaq community in Conne River in October 2019. Further to these discussions, a community open house was held in the Miawpukek community following the meeting with the Chief and Council. A follow up meeting with Chief and Council and the community at large was held with Miawpukek on 6 March 2020.

To date, all meetings held with First Nation communities have been positive and there is strong support for the Project. Follow up meetings are planned with both communities in 2020 and will continue throughout the EA process.

Matador has also initiated consultation efforts with municipal governments, outfitters, special interest groups, and members of the public. Matador held two public information sessions in September 2019 in the communities of Port aux Basques and Isle aux Mort, both of which were attended by almost 100 people.

Funding

A key objective in preparing the Study was to enable it to support a satisfactory level of confidence regarding key cost parameters and associated funding requirements. The Company has worked with specialist consultants and contractors who have experience and demonstrated expertise in the development of gold projects. As a gold project located in a highly favourable mining jurisdiction with

attractive Project economics, the Board believes that there is a reasonable basis to assume that future funding will be available as and when required

Funding in the order of C\$145M (A\$170M) is required to construct the Project. The Company's Board and Management have a successful track record of developing and financing mineral resource projects globally, including demonstrated success in Tanzania, the DRC and South Africa.

While the Study shows that there is potential for the operation of a profitable gold mine at Cape Ray, which is expected to attract the required funding, the Company recognises that resource growth that allows for an extension of mine life will enhance the procurement of project finance.

The Company has a proven ability to attract new capital, as evidenced from a series of share placements (**Placements**) completed over the past two years:

- In June 2018, the Company raised \$5 million through a placement of shares to sophisticated and professional investors;
- In 2019, the Company raised \$5 million from a two-tranche placement of shares to sophisticated and professional investors that was completed in April 2019 and July 2019; and
- In March 2020, the Company raised \$4.8 million through a placement of shares to sophisticated and professional investors.

There was strong support for the Placements and with completion of the Study, the Company considers that it is well placed to secure the funding required for development. The Study's positive technical and economic fundamentals also provide a sound basis for the Company to commence discussions with traditional debt and equity financiers. Initial discussions have also highlighted the possibility of hedging part of the future production which will further enhance the fundability of the Project.

The Company intends to engage a suitable investment adviser at the right time to support procurement of project finance. Based on the Company's own analysis, the Board believes that a debt:equity ratio of 70:30 is potentially achievable for the Project.

For the reasons outlined above, the Board believes that there is a reasonable basis to assume that future funding will be available as and when required. However, investors should note that there is no certainty that the Company will be able to raise the amount of funding required to develop the Project when needed. It is also possible that such funding may only be available on terms that may be dilutive or otherwise affect the value of the Company's shares, or that the Company may pursue other 'value realisation' strategies such as a sale, partial sale or joint venture of the Project (which may reduce the Company's proportionate ownership of the Project).

Project Execution

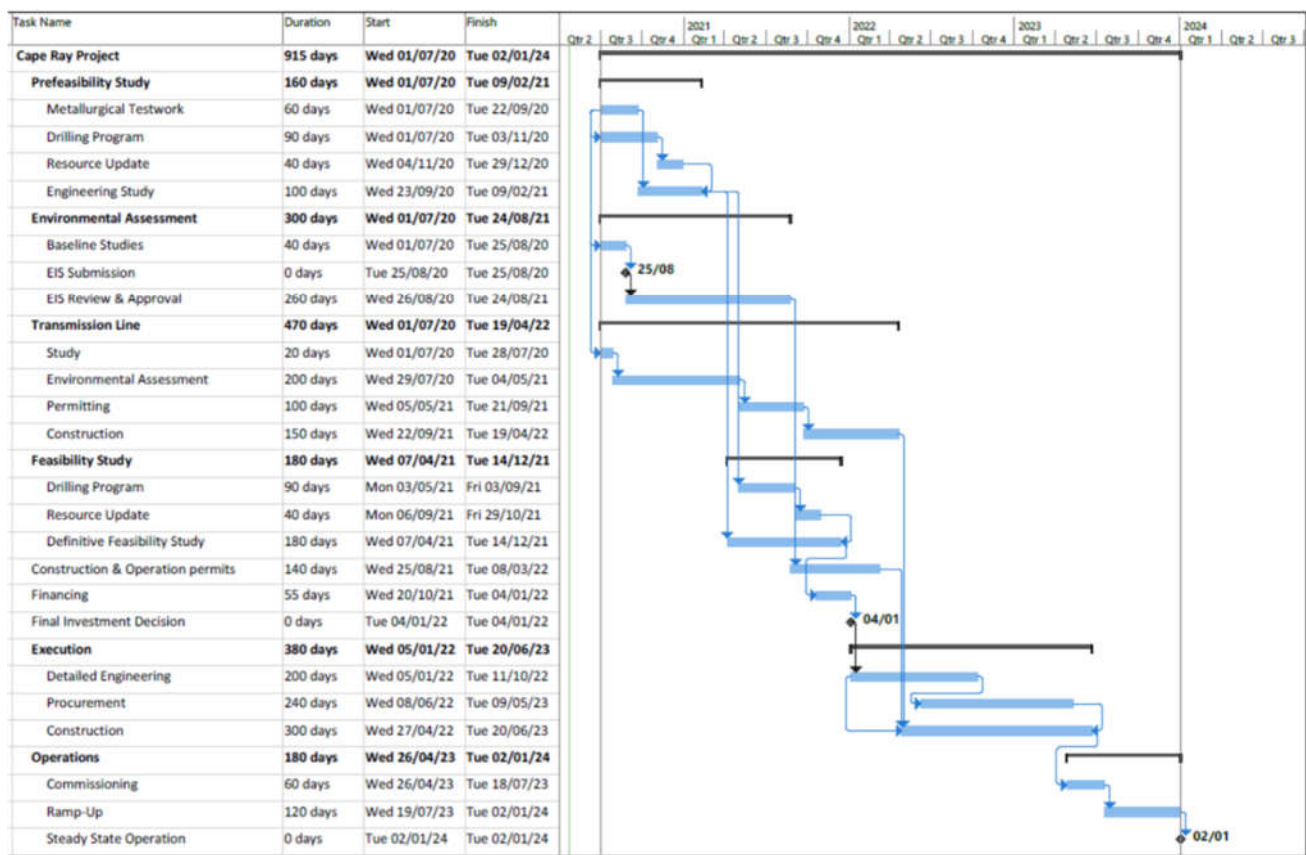
The implementation schedule shown below has been developed by DRA with review and inputs from Matador. It assumes decision and evaluation timeframes that may ultimately end up being outside of Matador's control. Opportunity exists for improvement when developing the actual execution schedule as the available information increases in certainty.

The design and implementation of the Project will conform to Canadian statutory laws and regulations. Where Canadian laws and regulations do not apply, equivalent Australian standards will be applied.

The schedule provided is contingent upon the following assumptions:

- Environmental licencing is completed according to the schedule with no significant issues identified
- Applicable permitting is not on the critical path for site works.
- Project development through standard sequential stages of:
 - Test work to feed into Prefeasibility Study
 - Drilling and resource upgrade
 - Prefeasibility Study.
 - Further drilling and resource upgrade
 - Definitive Feasibility Study.
 - Internal project assessment and final investment decision (FID).
 - Financing.
 - Detailed engineering, with prioritised procurement of long lead equipment.
 - Construction.
 - Commissioning.
 - Ramp-up.
- Procurement and construction durations are typical for a comparable gold plant.

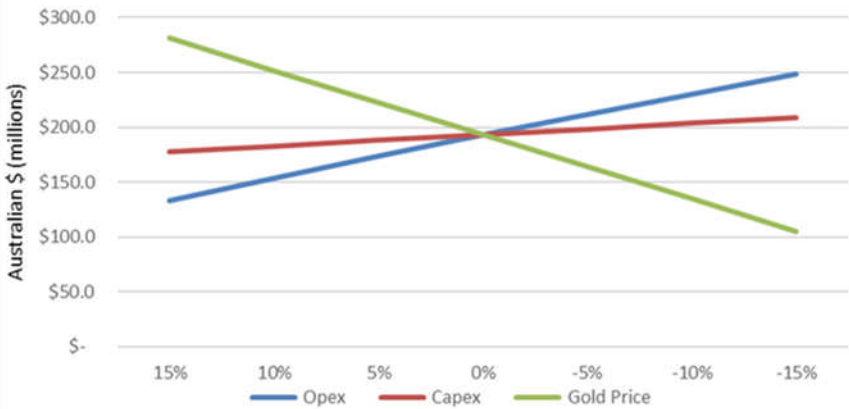
IMAGE A1-12: CONCEPTUAL PROJECT DEVELOPMENT SCHEDULE



Appendix 2 – Material Assumptions

Area	Comment		
Study Status	The Study has been prepared with accuracy of +/- 35%. There is no certainty that the conclusions of the Study will be realised.		
Ore Reserves and Mineral Resources underpinning the study	<p>The Mineral Resource estimate that underpins the Study was released with the Study (see page 10). This Mineral Resource was specifically developed to support the mining studies undertaken as part of the Scoping Study. It was prepared by a competent person in accordance with the JORC Code 2012. There is no Ore Reserve at this date.</p> <p>The Scoping Study is based on a combination of Indicated and Inferred Resources. Approximately 57% of the Life-of-Mine (LOM) production is in the Indicated Mineral Resource category and 43% is in the Inferred Mineral Resource category. Further to the first four years of production show that 68% of the production is from the Indicated Resource category.</p> <p>There is a low level of geological confidence associated with Inferred Mineral Resources and there is no certainty that further exploration work will result in the conversion of Inferred Mineral Resources to Indicated or Measured Mineral Resources or that the production targets reported in this announcement will be realised.</p>		
Mining factors or assumptions	<p>Mining is proposed to be completed by conventional open pit mining practices. A small underground operation has also been assumed to occur from the base of two of the pits (04/41 and 51) once the open cut mining has been completed in these areas. This underground only accounts for 6% of the total production.</p> <p>The parameters associated with the Whittle pit optimisations and open-cut mine operation are as follows</p> <ul style="list-style-type: none"> • Contractor mining • Dilution managed by applying a waste dilution skin halo around the orebody (average 22% grade dilution) • Pits at 04/41, 51, PW, WGH and IAM • Pit slopes – 50deg • Reference mining cost – C\$2.80/t • Ore Mining Premium – C\$0.50/t ore • Overhaul cost – C\$0.16/t/km • Au price – US\$1,550 		
Metallurgical factors or assumptions	<p>Recovery numbers were based on results from historical metallurgical test work program undertaken by the previous owners (Dolphin and Benton/Nordmin) and validated by the Company's test work done in 2019 at SGS in Canada. DRA Global assumed a standard 3 stage crush with ball mill followed by a leach-CIL circuit for the plant. Metallurgical recoveries used in the Study are summarised below:</p> <table> <tr> <th>Metal</th><th>Average Recovery</th></tr> </table>	Metal	Average Recovery
Metal	Average Recovery		

Area	Comment
	Gold 96%
	Silver (reporting to Cu conc) 56%
Environmental	<p>The Company has continued with the Environmental Assessment process initiated by the previous owners with both the federal and the provincial government of Newfoundland and Labrador. The majority of the baseline studies have been completed with a small number planned for 2020. To date, no significant environmental issues have been identified.</p> <p>Matador will initiate the permitting process on approval of the EIS with permitting completion expected by early 2022. To date, all permits and approvals to occupy and explore are in good standing.</p>
Infrastructure	<p>The Project is a greenfield project and as such will require new infrastructure to support the operation. The Company, DRA Global and SRK Consulting have reviewed the requirements for the operation and have provided initial design and cost estimates for the infrastructure on site, including a tailings dam facility, surface water infrastructure, water treatment plant, access road upgrade and power supply (with Newfoundland Power support).</p> <p>It has been assumed that no accommodation camp will be required at this stage of the Project with staff staying in the nearby towns of Port aux Basque and Isle aux Mort.</p>
Capital costs	<p>The capital estimate is considered to have an accuracy of -35/+35%. A 15% contingency has been applied to the process plant and 25% contingency to the non-process infrastructure (NPI) to account for any potential shortcoming in the data</p> <p>All equipment has been assumed to be purchased new, as OEM systems. As such, opportunities may exist to reduce capital by sourcing reconditioned plant and equipment. The capital cost estimates have been developed using past project experience, the engineer's project cost database and manufacture/supplier budget pricing for major plant and equipment.</p>
Operating costs	<p>Operating costs include all costs associated with mining, processing and general site administration. These costs were calculated from first principles and where applicable, referenced against similar operations as a check. Mining costs were estimated at C\$ 40.26/t ore (open cut and underground combined), plant C\$21.35/t ore and G&A costs at C\$5.9M per annum. The AISC cost of US\$776 / oz Au is based on the Company's financial modelling</p>
Revenue factors	<p>Revenue analysis used US\$1550/oz gold and US\$ 18/oz silver.</p>
Schedule and Project timing	<p>The next stage of project development commences with a number of Option Studies that will be used to feed into a Pre-Feasibility Study (PFS). While the Option Studies are being completed, further exploration work and drilling will be undertaken, the results of which will be included in future studies.</p>
Market assessment	<p>Gold bullion is freely traded on the London Metal Exchange (LME) with recent trends showing significant increases in price.</p>

Area	Comment																																
Economic parameters	<p>The Study has been completed with a -35%/+35% accuracy. A discount rate of 8% has been used for financial modelling. This number was selected as a generic cost of capital and is considered as a prudent and suitable discount rate for funding of a gold project in Canada. The model has been run as a LOM model and includes sustaining capital costs. The Study outcome was tested for key financial inputs including: metal prices, operating costs, capital costs and grade. These inputs were tested for variations of +/- 10% and +/- 15%, with the outcomes shown below:</p>  <table><caption>Sensitivity Analysis Data (Estimated from Graph)</caption><thead><tr><th>Variation (%)</th><th>Opex (\$M)</th><th>Capex (\$M)</th><th>Gold Price (\$M)</th></tr></thead><tbody><tr><td>15%</td><td>~130</td><td>~180</td><td>~280</td></tr><tr><td>10%</td><td>~150</td><td>~190</td><td>~240</td></tr><tr><td>5%</td><td>~170</td><td>~200</td><td>~200</td></tr><tr><td>0%</td><td>~190</td><td>~210</td><td>~160</td></tr><tr><td>-5%</td><td>~210</td><td>~220</td><td>~120</td></tr><tr><td>-10%</td><td>~230</td><td>~230</td><td>~80</td></tr><tr><td>-15%</td><td>~250</td><td>~210</td><td>~100</td></tr></tbody></table>	Variation (%)	Opex (\$M)	Capex (\$M)	Gold Price (\$M)	15%	~130	~180	~280	10%	~150	~190	~240	5%	~170	~200	~200	0%	~190	~210	~160	-5%	~210	~220	~120	-10%	~230	~230	~80	-15%	~250	~210	~100
Variation (%)	Opex (\$M)	Capex (\$M)	Gold Price (\$M)																														
15%	~130	~180	~280																														
10%	~150	~190	~240																														
5%	~170	~200	~200																														
0%	~190	~210	~160																														
-5%	~210	~220	~120																														
-10%	~230	~230	~80																														
-15%	~250	~210	~100																														
Exchange rates	<p>Estimates in this announcement are presented in C\$, A\$ and US\$. Exchange rates used are C\$:US\$ \$0.70 C\$:A\$ \$0.87</p>																																
Community and Social Responsibility	<p>Consultation with Aboriginal communities, the general public and private interests (e.g. tourism, environmental organizations, local taxpayer's organization, etc.) have been undertaken and will continue.</p> <p>No significant environmental or stakeholder issues have been identified at this stage with strong support shown for the Project received from key stakeholders.</p>																																
Permitting	<p>The permitting of the Project has the benefit of the previous owners having initiated the process and guidelines for the baseline studies being received from the federal and provincial governments back in 2016. Baseline studies are continuing and will be completed during the 2020 filed season.</p>																																
Other	<p>Other risks to the Project relate to gold prices, social licence, and other similar risks of resource projects.</p>																																
Audit and Reviews	<p>The was internally reviewed by Company personnel.</p>																																

Appendix 3 – Resource Estimation

The Cape Ray Project covers four main deposit along a trend of approximately 14 km. These areas consist of the Central Zone (51, 04/41, PW and H deposits), Window Glass Hill, Isle Aux Mort and Big Pond.

As part of the Scoping Study, Matador reviewed and subsequently updated the Mineral Resource estimate for the 04 and 41 deposits. The 2020 update for 4/41 focussed on standardising the modelling approach to the deposits in the Central Zone, which included the following changes:

- Tighter controls on mineralisation interpretation for Zones 04 and 41 (Central Zone) to better reflect interpreted geological and grade controls (previous interpretation was based upon a broader leapfrog-derived model). This also brings the modelling and estimation style in-line with that used for Zone 51.
- Zones 04 and 41 were converted to the current NAD83 Zone 21 coordinate system. This included updating the drill hole database based upon a detailed review of the historical drilling and assay records. Drill hole drill azimuths were also updated to correctly reflect the UTM azimuths (taking into account magnetic declination to the UTM coordinate system). (The models for Big Pond, H Zone and IAM remain in the NAD27 Zone 21 coordinate system.)
- Updated density values and utilising detailed drone topographic controls for Zones 4 and 41, to match those used for Zone 51, PW and WGH.
- Use of Ordinary Kriging for all estimates as opposed to previous models which utilised Inverse Distance Squared ('ID2'). The Ordinary Kriging approach is preferred in this style of mineralisation and tends to handle delustering of data better than the ID2 approach.
- A more practical classification scheme suitable for use in the Scoping Study based upon analysis of the 2019 database QAQC review, results of the topographical survey and the revised drill hole azimuths

In addition to these changes, a higher cut-off grade (2g/t Au) has been applied to mineralisation below the current pit optimisations depths where underground mining potential has been identified. This has been applied to the Zones 51, 04 and 41 deposits (previous models were reported at a 0.5g/t lower cut-off only).

The updated May Scoping Study 2020 Mineral Resource Estimate is summarised in Table A3-1.

Geology and Geological Interpretation

The Cape Ray Shear Zone forms a structural boundary between the Late Precambrian-Early Palaeozoic Dunnage and Gander tectonostratigraphic zones that define the geology of western Newfoundland.

Mineralisation in the main drilled portion of the Project area occurs as quartz veins and vein arrays either along or as splays off the main Cape Ray Shear Zone. The gold bearing quartz veins, which are typically tabular, locally stacked and dip steeply towards the south-east, typically develop within sediments at or near the contact with footwall graphitic schist or granitoids. Mineralisation extends to the surface with little or no overburden present in what is essentially a glacial-stripped terrain. At Window Glass Hill, gold-mineralisation is present in flat-lying sheets that are developed within a large altered granitic intrusive known as the Window Glass Hill Granite.

Key rock types identified by geological mapping together with logging and multi-element geochemistry allowed the creation of a geological interpretation of the mineralised domains that

were used for resource estimation. The interpretation is consistent with other shear-hosted and granite-hosted gold deposits elsewhere in the world.

Drilling Techniques

Sampling specific to resource estimation at Cape Ray has been carried out using diamond drilling (DD) exclusively. A total of 90,060m drilling has been completed, with 638 holes distributed among the deposits. Matador undertook 76 holes for 12,630m in 2019, the results of which were incorporated into the 2020 estimate. Historically, the core diameter is predominantly NQ (47.6mm) with some BQ (36.5mm) used at times. Drilling undertaken by Matador in 2019 utilised NQ core diameter. Drill spacing in 2019 varied from 40x60m to broader spacing depending on region and previous drilling. Holes were drilled from -90 to -80 degrees (WGH) and -60 degrees towards the north-west (e.g. PW and Z51). This orientation resulted in generally sub-perpendicular intercepts to mineralisation.

Sampling and Sub Sampling Techniques

The majority of historical drill hole core sampling was done using either half core mechanical splitting, half core cutting or whole core sampling. Drilling by Matador was sampled by half core cutting. Sampling of diamond core was nominally 1m but also based on geological intervals with the average sample width of 1.01m over 32,899 assay intervals.

Sampling an QAQC

The majority of assaying was carried out at Eastern Analytical Laboratories, Springdale, Newfoundland. The sample preparation of diamond core involved oven drying, coarse crushing of the half core sample down to -10 mesh followed by riffle splitting of a 300g sample that was then ring milled, with 98% passing 150 mesh. Selected high-grade intervals were also submitted for screen-fire assay as a verification of the original assay.

In 2019, Matador undertook a re-sampling program of the historic drill core in order to obtain additional QAQC verification of the historical assays and to assay previously unsampled intervals. Additionally, substantial re-sampling and screen-fire check assays were also undertaken as part of the review process undertaken during the period. Matador QAQC protocols include blanks, standards, umpire analysis and pulp-re-assays.

Estimation and Modelling Techniques

Zones 04/41 and 51 2020 Resource Update

The updated mineral resource estimates for Zones 04/41 and the January 2020 estimate for Zone 51 (reported previously - February 2020) were undertaken by International Resource Solutions Pty Ltd (Perth) using a combination of Vulcan and Isatis software, with wireframes provided by Matador. Sigma Resources Consulting (Perth) acted as CP for database and quality and acted as co-CP for classification.

Surface topography, overburden and mineralised shapes were initially modelled using Surpac software by Matador, with all data presented in the NAD83 Zone 21 coordinate system. Topography was based upon a 0.5m airborne drone survey undertaken in 2019, with drill collars snapped to the topographic surface.

The mineralisation shapes were based upon a nominal 2m downhole thickness with a nominal average grade > 0.5g/t Au (Figure A3-1 and Figure A3-2). In some instances, mineralised shapes were

locally taken through drill holes which did not meet this criteria in order to establish practical sectional and trend continuity of the mineralised model, particularly where logged mineralisation (quartz veining and sulphides) provided support for zone continuity. A minimum downhole thickness of 1-2m (which was given the grade of the interval, or 0.01g/t Au if not sampled) was utilised in these situations.

The topography, overburden and mineralisation 3D shapes were imported to Vulcan, validated against the imported database and subsequently used in the geostatistical analysis, variography, block model domain coding and grade interpolation.

Ordinary Kriging was selected as the most appropriate method for estimating Au and Ag. A block size of 5mE by 15m N by 5mRL was selected for the purposes of grade estimation given the drill spacing and the likely potential future selective mining unit (i.e. appropriate for potential open pit mining).

High grade cutting was undertaken prior to the experimental variogram calculations and all subsequent work. High grade cuts were typically light and were considered to have a moderate effect on the overall mean grades. High grade cuts were variable depending on domain and ranged between 4g/t Au and 50g/t Au (main Domain). Ag cuts were globally set at 80g/t Ag.

For the gold estimates, a distance restriction was set up whereby the block estimates could not use composite gold grades over 20g/t if the block centroid was more than a set distance from the composite. This limit was chosen individually per domain. Practically, this limits the influence of high grades over block estimates at greater distance from block centroids where the continuity of the high grades is less certain. Silver was estimated using co-kriging for Zones 04 and 41.

An in-situ dry bulk density of 2.8t/m³ was applied for all mineralisation, based upon an analysis of 1200 density measurements undertaken by Matador; overburden was given a density of 2.0t/m³ and the fresh rock was given a density of 2.65t/m³ (Zones 04/41) and 2.75t/m³ (Zone 51).

All estimated blocks were classified as a combination of Indicated and Inferred based on the quality of the informing data (as supported by MZZ) and relative confidence based on the following criteria: for Zones 04/41 - Distance to nearest sample 30m or less, average distance to composites 30m or less, Number of holes 2 or greater; Zone 51 - Distance to nearest sample 40m or less, average distance to composites 50m or less, and number of holes 2 or greater.

Cut-off Grade, Mining and Metallurgical Parameters

For Zones 04/41 and 51, a combination of cut-off grades was used based on depths. Specifically, a 0.5g/t reporting cut-off grade was utilised for the portion of the resource that has been defined as mineable by conventional open-cut methods (as defined by Whittle pit shells). For the portion of the resource below this a cut-off grade of 2.0g/t was used as this was considered more appropriate to represent resources for a potential underground mining scenario

Table A3-1: Cape Ray 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	0.25	All	-	-	-	-	-	0.1	5.30	3	19	12	0.1	5.30	3	19	1,455
WGH	0.5	All	-	-	-	-	-	4.7	1.55	10	232	1,455	4.7	1.55	10	232	3,013
	Total		3.5	3.15	8	356	918	9.4	1.60	7	481	2,094	12.9	2.02	7	837	3,013

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.

Figure A3-1 Modelled Mineralised Zones at Zones 04/41 (red holes – Matador drilling 2018/2019)

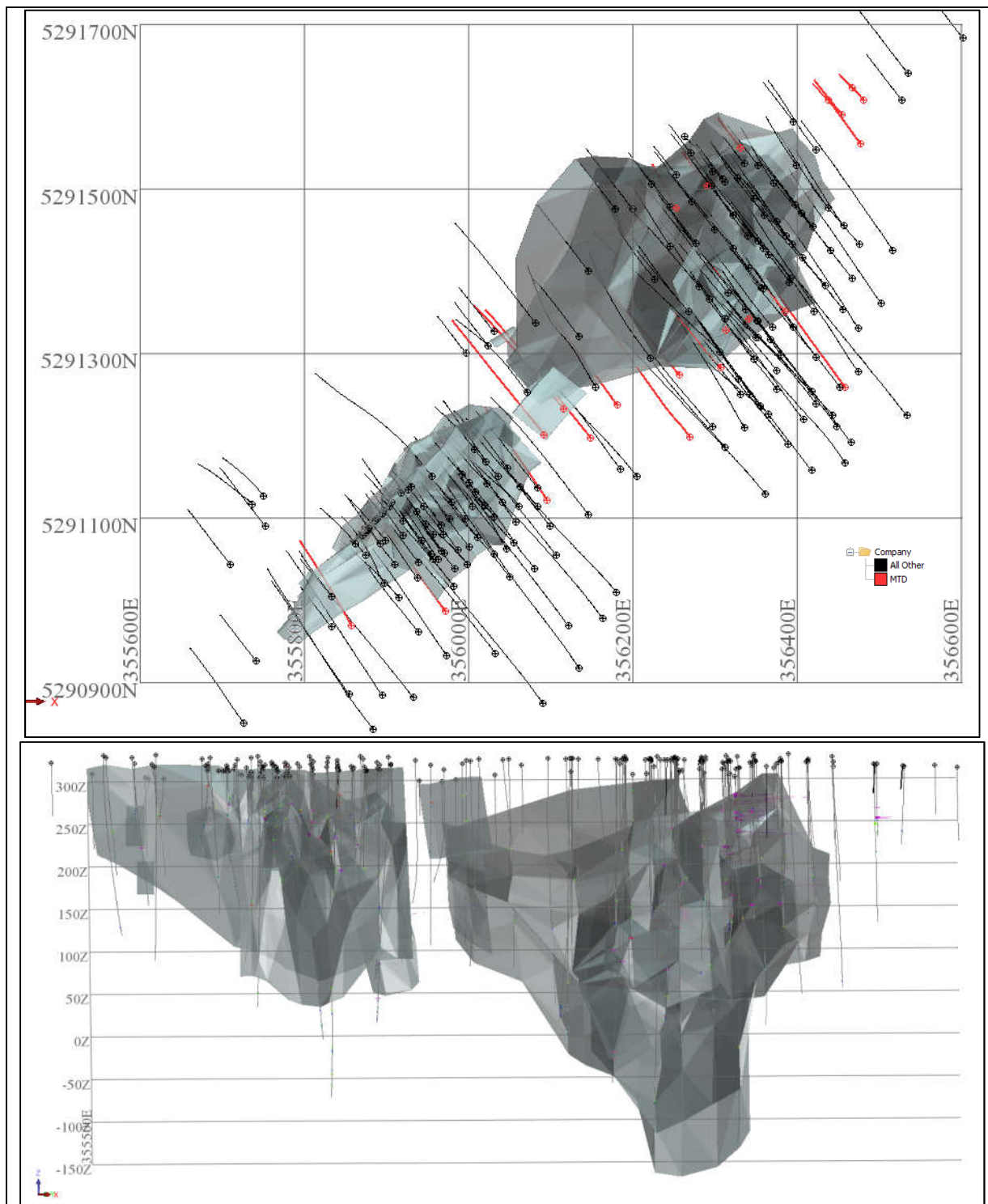


Figure A3-2: Sectional Interpretation Examples for Zones 4 and 41 (Note holes oblique to section may not represent correctly wrt sectional lines)

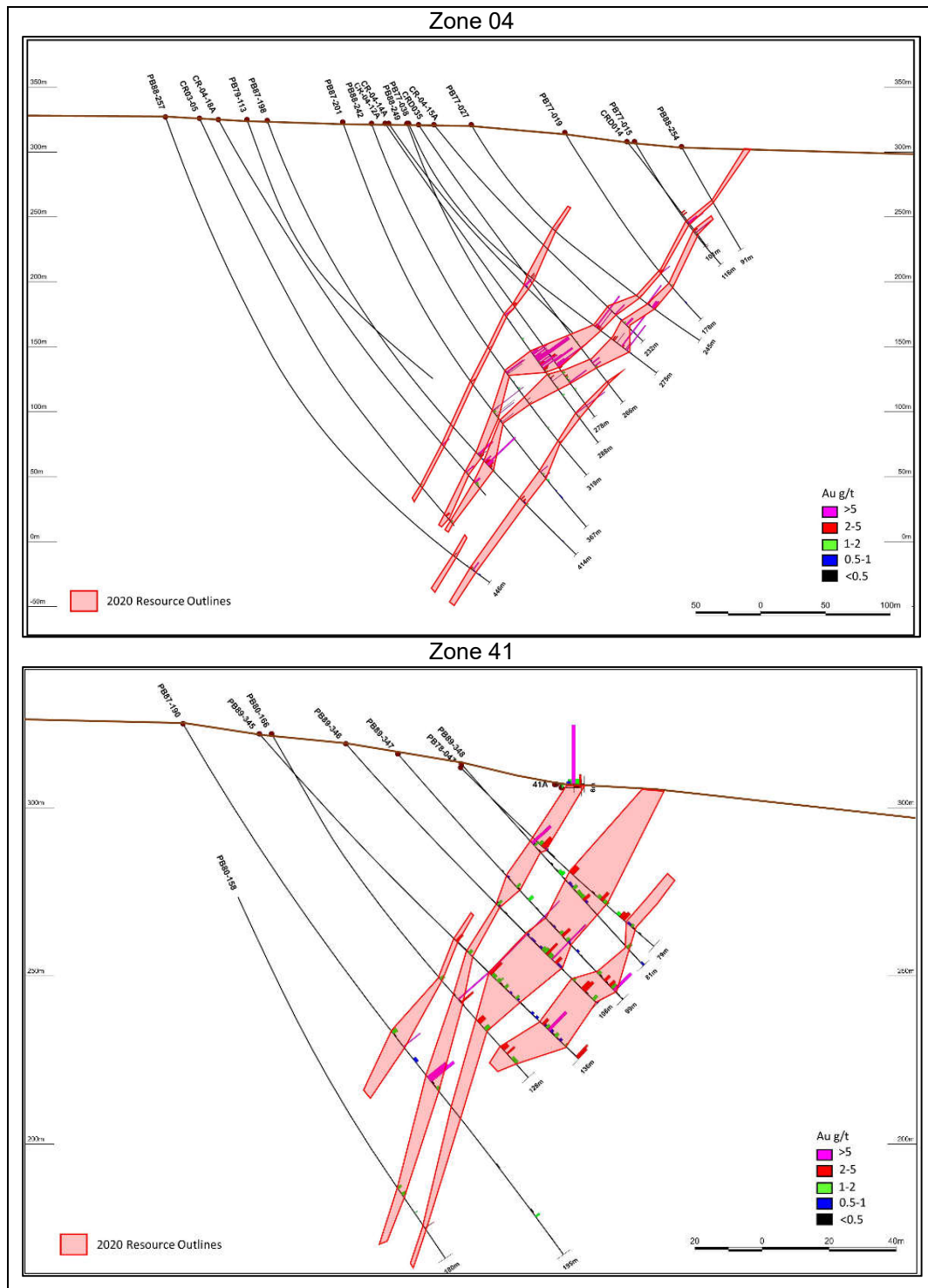


Figure A3-3: Modelled Mineralised Zones at Zone 51 (long-section view)

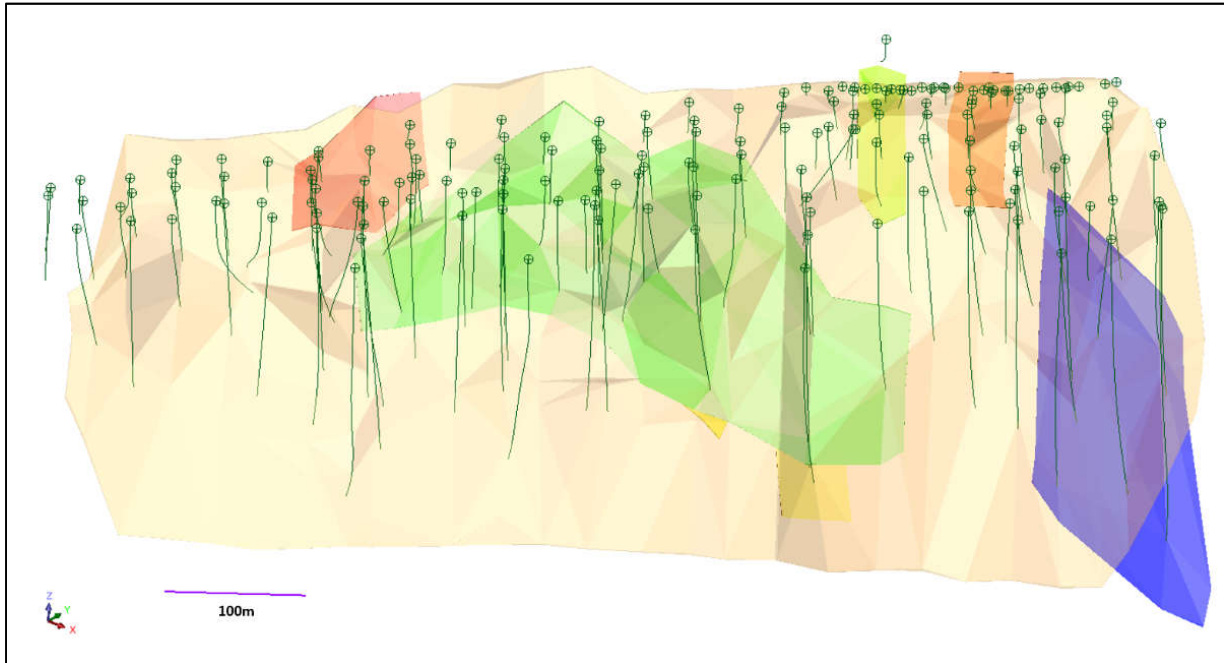


Figure A3-4: Sectional Interpretation Example for Zone 51

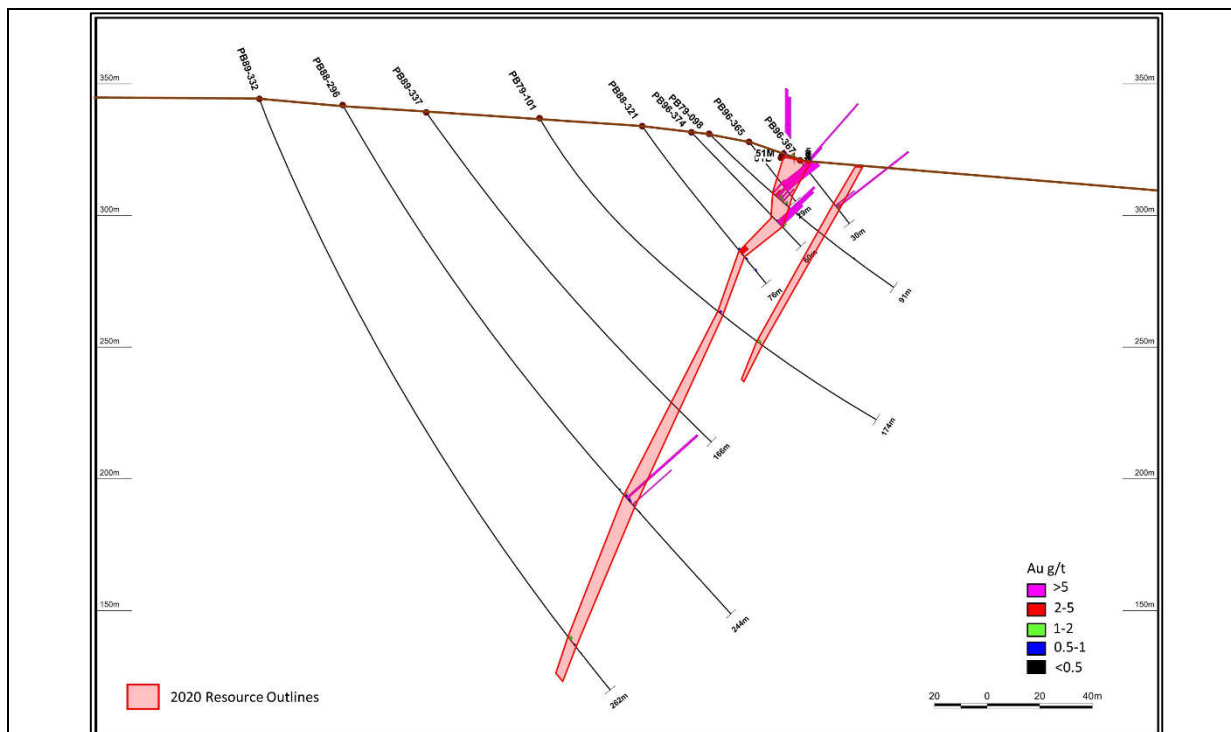


Figure A3-5: Modelled Grade and Classification at Zones 04/41 (long section view)

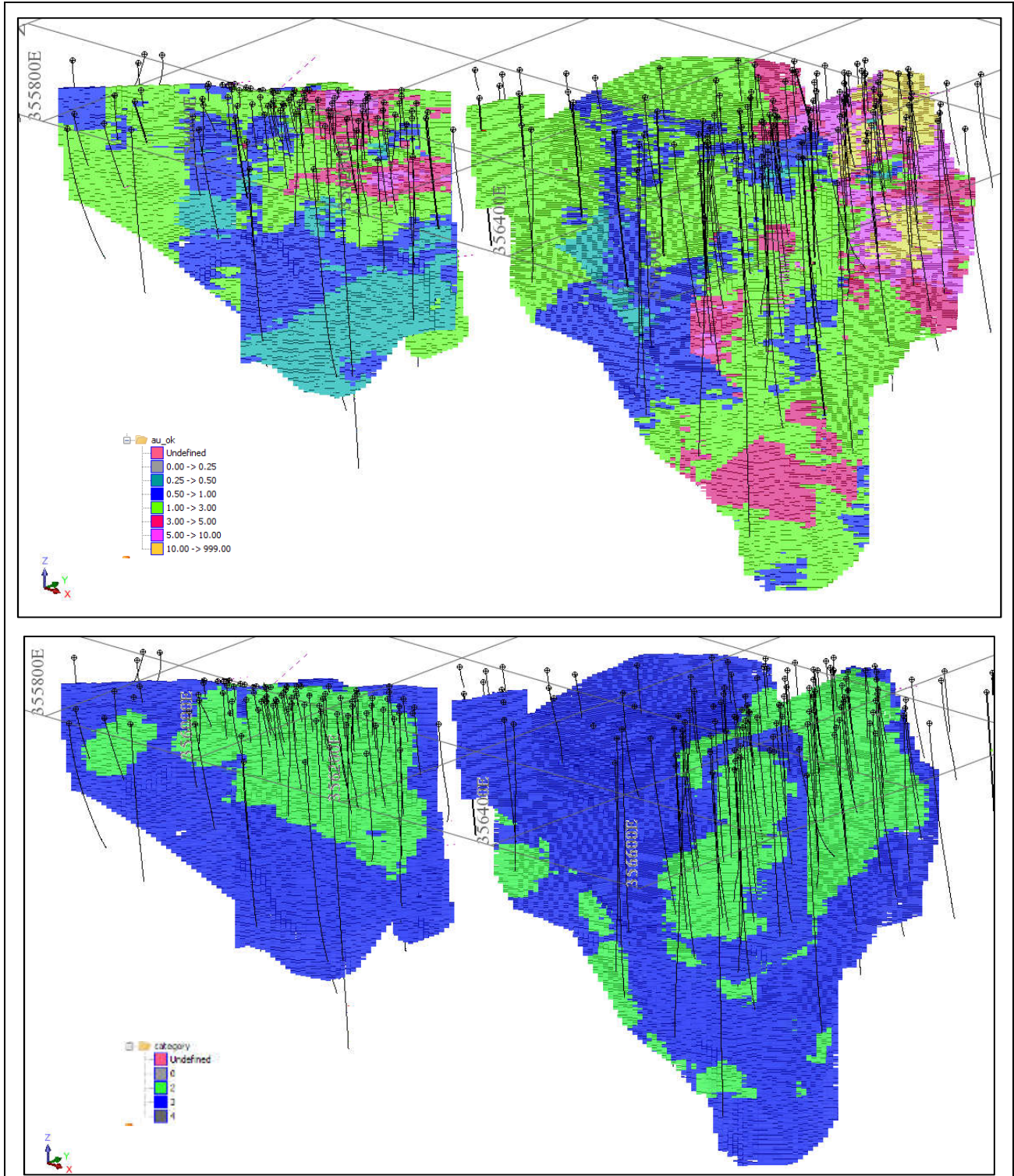
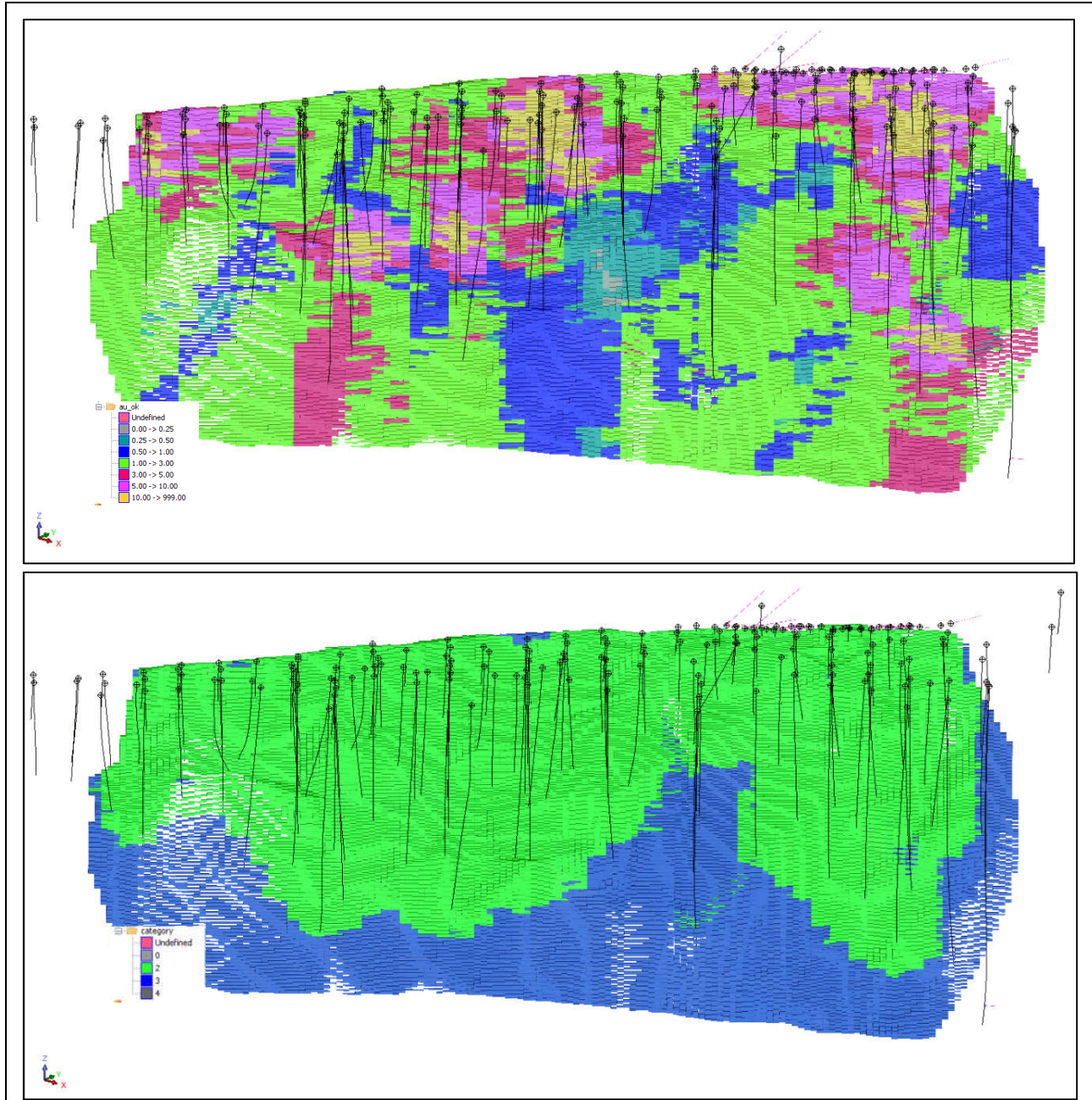


Figure A3-6: Modelled Grade and Classification at Zone 51 (long section view)



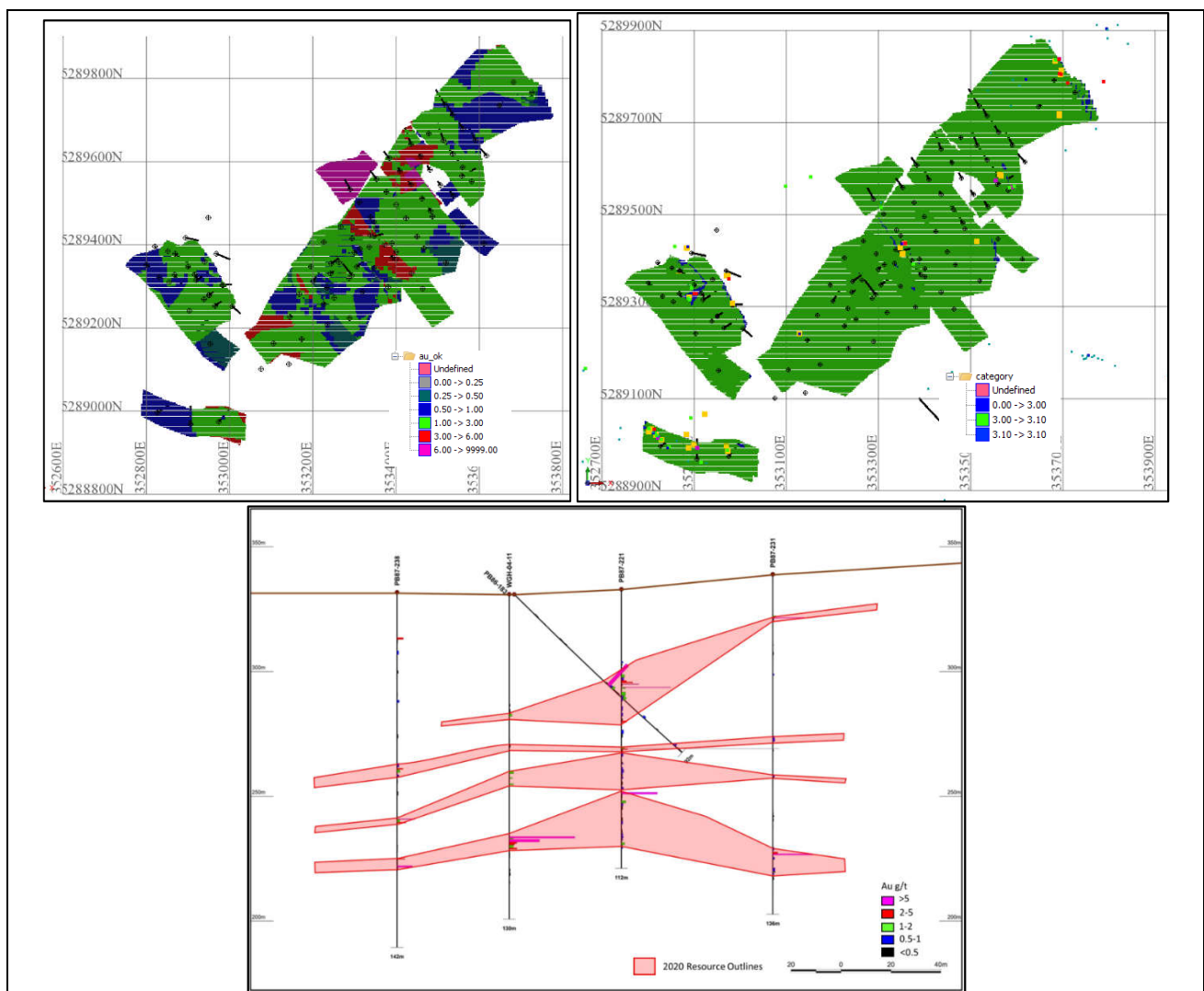
Other Resources

The 2020 grade estimation for Window Glass Hill and PW Zone were reported in February 2020 (refer ASX Announcement 4 February 2020 for full details) and were undertaken by Rice Advice, Australia, using Data mine software with wireframes and validated database provided by Matador. Gold and silver grades for Window Glass Hill and PW were estimated by Ordinary Kriging (OK). The resource estimates were also reviewed by Matador's internal CP (Sigma Resources Consulting, Perth), who was responsible for the data, database quality and classification scheme applied (Inferred).

Big Pond and IAM January 2019 Estimates

The Big Pond, H Zone and Isle Aux Mort (IAM) resource estimates were finalised in January 2019. The grade modelling was undertaken by Rice Advice, Australia, using Datamine software with a validated database provided by Matador's then competent person, Mr Alf Gilman, who took responsibility for the ultimate classification (refer Matador ASX Announcement 30 January 2019 for additional details).

Figure A3-7: WGH Grade Distribution and Classification Scheme



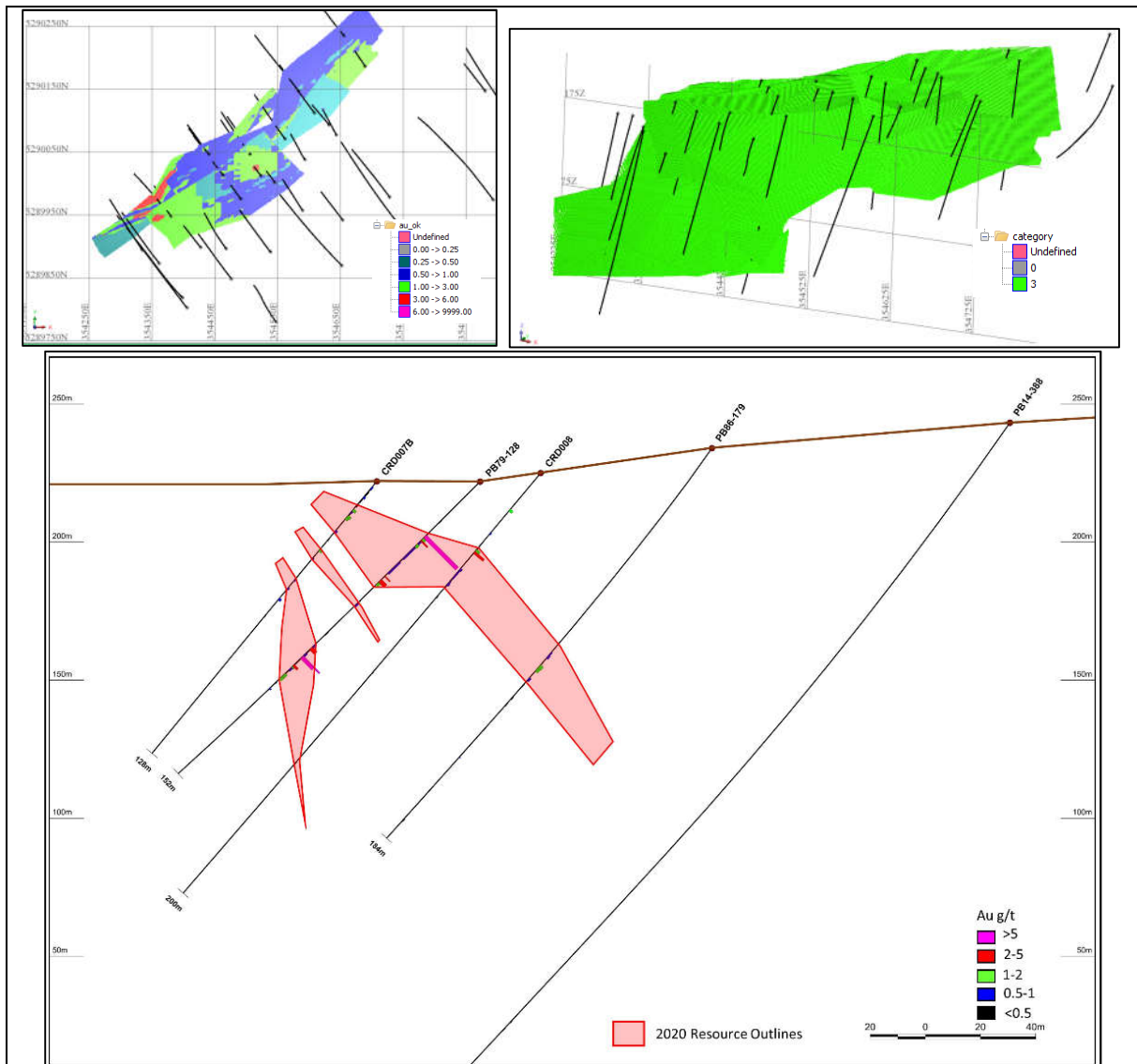


Figure A3-8: IAM 3D Models and Example Section

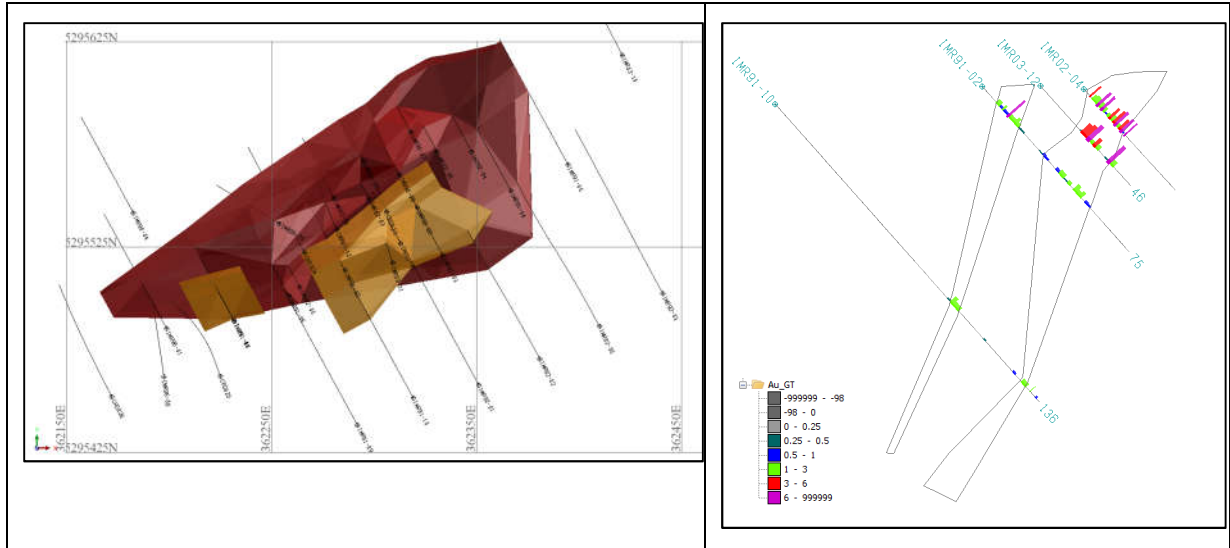


Figure A3-9: Big Pond 3D Models and Example Section

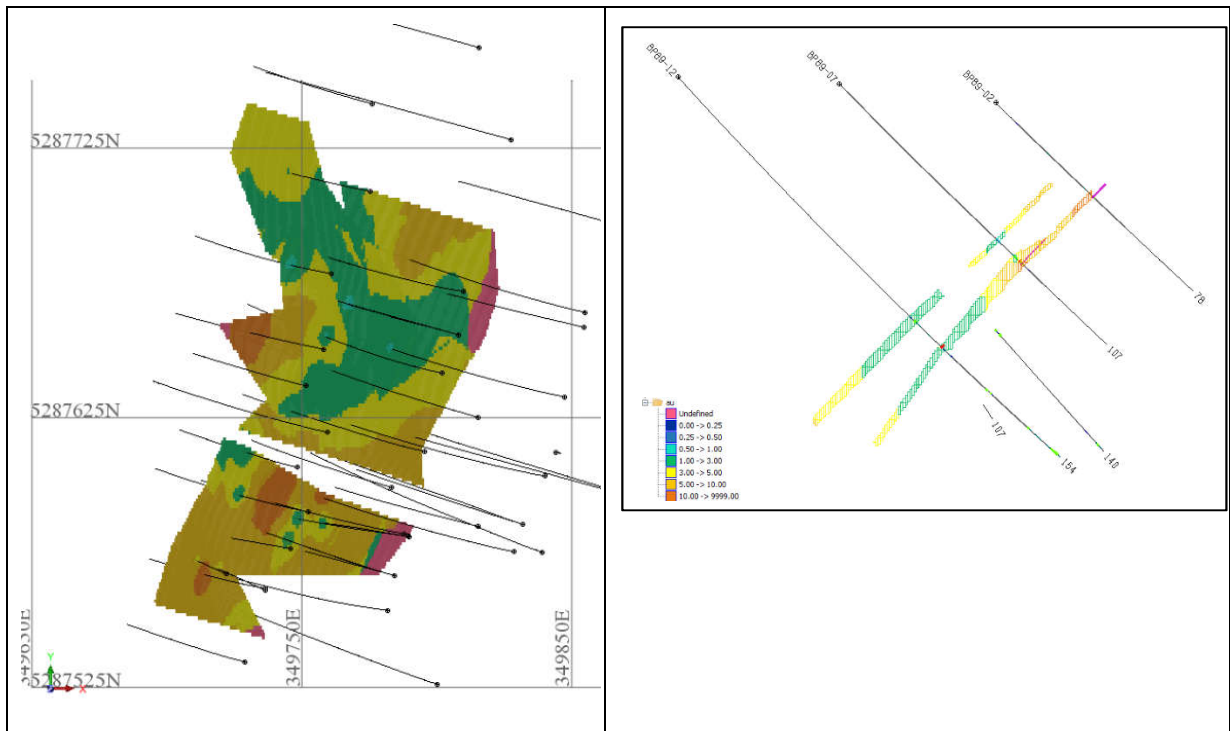
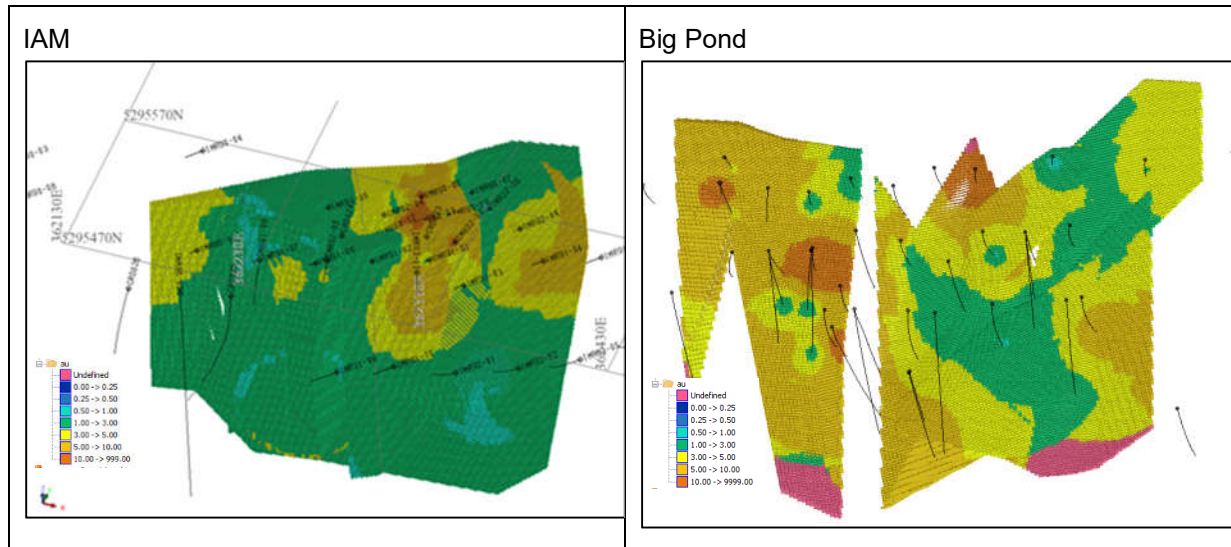


Figure A3-10: IAM and Big Pond Grade Models



Competent Person's Statement

The information in this document that relates to the exploration and drill hole data, and the classification scheme applied to Zones 4 and 41, is based upon information compiled by Mr. Neil Inwood from Sigma Resources Consulting, an independent consultant to Matador Mining Limited. Mr. Inwood is a Fellow of the AUSIMM and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the December 2012 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" (JORC Code 2012). Mr. Inwood consents to the inclusion in the report of the matters based upon the information in the form and context in which it appears.

The information contained in this announcement that relates to mineral resource estimate for Zones 4 and 41 was undertaken by Mr. Brian Wolfe, an independent consultant to Matador Mining Limited, who is a Member of the Australian Institute of Geoscientists. The classification scheme for Zones 4 and 41 was developed by Mr Wolfe and reviewed by Mr Inwood. Mr. Wolfe was engaged as a consultant to Matador Mining Limited and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the JORC Code 2012. Mr. Wolfe consents to the inclusion in this announcement of the matters based on his information in the form and context in which it appears.

The information in this announcement that relates to Mineral Resources for H Zone, Big Pond and IAM at the Cape Ray Project was first reported by the Company in an announcement to the ASX on 30 January 2019. 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, and in the case of estimates of Mineral Resources, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement 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.

Forward Looking Statements

This Announcement includes “forward-looking statements” as that term within the meaning of securities laws of applicable jurisdictions. Forward-looking statements involve known and unknown risks, uncertainties and other factors that are in some cases beyond Matador Mining Limited’s control. These forward-looking statements include, but are not limited to, all statements other than statements of historical facts contained in this presentation, including, without limitation, those regarding Matador Mining Limited’s future expectations. Readers can identify forward-looking statements by terminology such as “aim,” “anticipate,” “assume,” “believe,” “continue,” “could,” “estimate,” “expect,” “forecast,” “intend,” “may,” “plan,” “potential,” “predict,” “project,” “risk,” “should,” “will” or “would” and other similar expressions. Risks, uncertainties and other factors may cause Matador Mining Limited’s actual results, performance, production or achievements to differ materially from those expressed or implied by the forward-looking statements (and from past results, performance or achievements). These factors include, but are not limited to, the failure to complete and commission the mine facilities, processing plant and related infrastructure in the time frame and within estimated costs currently planned; variations in global demand and price for gold and silver; fluctuations in exchange rates between the U.S. Dollar, Canadian Dollar and the Australian Dollar; the failure of Matador Mining Limited’s suppliers, service providers and partners to fulfil their obligations under construction, supply and other agreements; unforeseen geological, physical or meteorological conditions, natural disasters or cyclones; changes in the regulatory environment, industrial disputes, labour shortages, political and other factors; the inability to obtain additional financing, if required, on commercially suitable terms; and global and regional economic conditions. Readers are cautioned not to place undue reliance on forward-looking statements. The information concerning possible production in this announcement is not intended to be a forecast. They are internally generated goals set by the board of directors of Matador Mining Limited. The ability of the Company to achieve any targets will be largely determined by the Company’s ability to secure adequate funding, implement mining plans, resolve logistical issues associated with mining and enter into any necessary off take arrangements with reputable third parties. Although Matador Mining Limited believes that its expectations reflected in these forward-looking statements are reasonable, such statements involve risks and uncertainties and no assurance can be given that actual results will be consistent with these forward-looking statements.

Appendix 4 – JORC Code 2012 Edition

Section 1 Sampling Techniques and Data

The Company provides the following information in accordance with Listing Rule 5.7.2.

Criteria	Explanation	Commentary
Sampling Techniques	Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.	<p>Sampling specific to resource estimation of the Cape Ray Gold Project has been carried out using diamond drilling (DD).</p> <p>Historical exploration activities are summarised in Appendix 2.</p> <p>Pre-2004 Exploration works: Between 1977 and 2004, 484 diamond drillholes were drilled by various companies including Rio Tinto Canada Exploration (Riocanex), Mascot Gold Mines Ltd. Dolphin Exploration Ltd., Tenacity Gold Mining Company, Terra Nova, Cornerstone Capital Resources Inc. Core sizes were either BQ (36.5 mm) or NQ (47.6 mm).</p> <p>Cornerstone Capital Resources Inc. (Cornerstone), 2004-2006: 28 NQ diamond drillholes as well as undertaking rock chip sampling and soil sampling. A total of 189 rock samples, including 13 channel samples, were collected in 2004.</p> <p>Benton Resources Inc. (Benton), 2013-2015: Completed an exploration program consisting of line-cutting, IP geophysical survey, prospecting/mapping, and geochemical rock/soil sampling. A total of 96 rock samples and 588 soil samples were collected within the licence 17072M. A mini bulk sample was collected from an old trench which exposed the 51 Zone.</p> <p>Between January 2014 and November, 2014, Benton Resources Inc. completed a 19-hole diamond drill program, a bulk sampling program, a line-cutting program, and a geochemical rock and soil sampling program. A total of 941 core samples were collected.</p> <p>Diamond drillcore was logged and half core samples were collected using a rock saw and submitted for analysis. Detailed descriptions of drilling orientation relative to deposit geometries, and sample nature and quality are given below.</p> <p>Nordmin, 2016: completed 29 NQ diamond drillholes the 04, 41, and 51 Deposits. Diamond drillcore was logged and half core samples were collected using a rock saw and submitted for analysis. Detailed descriptions of drilling orientation relative to deposit geometries, and sample nature and quality are given below.</p> <p>Matador Mining Ltd: In 2018 33 holes for 4,400M NQ diamond drilling was completed and in 2019, 76 holes for 12600m of NQ diamond drilling was completed. Samples of half core were processed to produce a 30g sub-sample for assaying (Au by fire assay; Ag, Cu, Pb, Zn by aqua regia/ICP-MS).</p>
	Aspects of the determination of mineralisation that are Material to the Public Report.	<p>Pre-2004 Exploration works</p> <p>Diamond drilling was completed using either a BQ (36.5 mm) or NQ (47.6 mm) drill bit for all holes.</p> <p>Riocanex did selective sampling of drill core based on geological criteria such as visible mineralisation or the presence of quartz veining. Core sample intervals were typically laid out based on visually determined mineralized zone limits or lithologic boundaries, with individual samples ranging from less than 50 cm for well mineralized intercepts to several metres in graphitic schist and less mineralized veined intervals. Continuous sampling was not typically carried out over longer logged sections of non-mineralized lithologies.</p> <p>Limited information is available for the sampling methods used by Tenacity Gold Mining Company, and Terra Nova, but sampling was based on visually determined mineralised zone limits or lithological boundaries and ranged in length from 50 cm to several metres.</p>

Criteria	Explanation	Commentary
		<p>Continuous sampling was not typically carried out of longer logged sections of non-mineralised lithologies. Guidance appears to have been based on visual recognition of alteration changes and associated sulphide mineralisation.</p> <p>Generally, most of the historical core was split in half using mechanical splitting.</p> <p>Dolphin submitted whole core samples for numerous holes in an attempt to overcome possible sampling problems associated with gold deposits.</p> <p>Evaluating available resources for precious metal deposits, especially gold, is hampered by several risks. These include:</p> <p>"High grade" being represented by minute quantities of a particular precious metal.</p> <p>The use of smaller diameter drill core makes representative sampling of such minute quantities difficult, especially when only a half of the core is submitted for analysis.</p> <p>The use of manual splitting rather than the use of a diamond saw commonly results in biased sampling as more or less material than intended is included in the actual sample.</p> <p>The reliance of using only a 30-gram sample is based on the assumption that the material being analysed has been thoroughly homogenised. Ductile metals, such as gold, typically fail to be homogenised and thus the 30-gram sample commonly can be biased high or low.</p> <p>As precious metals are difficult even under the best of conditions to be seen by the naked eye and as they may or may not be associated with other minerals that are easily recognised it is imperative that sampling not be selective. All drill core should be sampled to ensure mineralisation is not missed.</p> <p>The majority of historical drilling done on the Cape Ray Gold Project suffers from all of the above, in particular, the non-continuous sampling based solely on visual characterisation of the core. As a result, gold-bearing rock may not have been sampled. By necessity, all non-sampled intervals in-between sampled intervals must be assigned a zero grade which can introduce a negative bias.</p> <p>Cornerstone: The 2004 and 2006 drilling programs by Cornerstone were completed using a NQ drill bit for all holes. NQ drill core intervals selected for sampling and analysis were marked by the geologist during the core logging process. In most cases, core samples did not exceed a recommended length of 1.20 m and a minimum sample length of 0.5m was generally applied. The core was sampled by sawing it in half longitudinally using a diamond bladed core saw.</p> <p>Drill core was continuously sampled through the entire mineralised zone identified by geological logging.</p> <p>Benton: The 2014 diamond drilling was completed using a NQ drill bit for all holes. Selective sampling of drill core was based on geological criteria such as visible mineralisation or the presence of quartz veining. Samples were generally no greater than 1.5 metres in length and no shorter than 0.3 metres, with the average length being 1.1 metres. Core was cut in half using a rock saw.</p> <p>Nordmin: The 2016 diamond drilling was completed using a NQ drill bit for all holes. Selective sampling of drill core was based on geological criteria such as visible mineralisation or the presence of quartz veining. Samples were generally no greater than 1.5 metres in length and no shorter than 0.3 metres, with the average length being 1.1 metres. The core was sawn on site with a rock saw.</p> <p>Matador: Diamond drilling was completed using an NQ drill bit for all holes. Samples were selected based on geological criteria (quartz veining, sulphides, alteration). Samples were generally no greater than 1.5 metres in length and no shorter than 0.3 metres, with the average length being 1.1 metres. Core was cut in half on site with a rock saw.</p>
	Drill type (eg core, reverse circulation, open-hole)	<p>Pre-2004 Exploration works: Diamond drillcore is either BQ (36.5 mm) or NQ (47.6 mm). The Royal Oak drillcore was oriented, but details regarding methodology have not</p>

Criteria	Explanation	Commentary
Drilling techniques	hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).	<p>been sighted by Matador at this stage. Details regarding orientation methodology of other historical drillholes have not been sighted by Matador at this stage.</p> <p>Cornerstone: The 2004 drilling program by Cornerstone included the diamond drilling of 18 holes which was carried out by Petro Diamond Drilling Ltd. (a division of Cabo Drilling Corp.) of Springdale, NL. An EZY-Mark device was also used to obtain oriented drill core when ground conditions permitted.</p> <p>The 2006 drilling program by Cornerstone included the diamond drilling of 10 holes by Lantech Drilling Services Ltd. of Dieppe, New Brunswick. Drill holes were near vertical (-80° to -87° inclination) and ranged from 50 to 179 m in length.</p> <p>Benton: Diamond drilling was carried out in two (2) phases. Cabo Drilling Ltd. (Cabo) of Springdale, NL, carried out the first phase of diamond drilling using a Nodwell-mounted Boyles B15 diamond drill rig equipped to drill NQ sized core from June to August 2014. West Bottom Drilling Inc. completed the second phase of diamond drilling using a skid mounted Duralite 500 diamond drill.</p> <p>Nordmin: NQ-sized (47.6 mm diameter) core drilling program was carried out by Lantech Drilling Services Ltd. of Dieppe, New Brunswick. Two drill rigs of type DDM(EF50) were used to complete the campaign. Holes were inclined at -65° to -50° inclination and ranged from 117 to 237 m in length.</p> <p>Details regarding drillhole orientated methodology have not been sighted by Matador.</p> <p>Matador: Diamond drilling was carried out by Logan Drilling Pty Ltd, Nova Scotia, using a Duralite 500 drill rig. Hole diameter was NQ, and all holes were orientated where possible using a Reflex ACT III core orientation tool. Triple tube drilling was utilised in areas of strong faulting/fracturing where historical recoveries were affected.</p>
	Method of recording and assessing core and chip sample recoveries and results assessed.	<ul style="list-style-type: none"> The original Riocanex drill hole logs show that core loss through poor recovery was commonly identified but was not determined to be problematic. Much of the early exploration drilling carried out by Riocanex and Corona-Dolphin recovered BQ size drill core (36.4 mm diameter) in the mineralized zones and this would generally be expected to show greater loss in areas of broken or disrupted ground (i.e. fault zones) than the larger NQ (47.6 mm) core that was favoured later in the Project's history. Where present, core recoveries were recorded in the log as a percentage. Details regarding how the core recovery % was calculated in the historical drilling is not known at this stage. <p>Nordmin: Drillhole recoveries for the 2016 diamond drillholes were recorded during geotech logging by physically measuring by tape measure the length of core recovered per 3m core run. Core recovery was calculated as a percentage recovery of actual core length divided by expected core length.</p> <p>Matador: All drillholes were marked up and orientated in full using a tape measure and core orientation bar. Core boxes were labelled with the hole number and start/end depths of core contained in each box.</p> <p>Core recovery is recorded as a percentage of reported drill run depths with measured depths compared and validated against reported drilling depths.</p>
	Measures taken to maximise sample recovery and ensure representative nature of the samples.	Triple tube drilling was utilised in areas of strong faulting/fracturing where historical recoveries were affected.
	Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material	Sample recovery and grades are well correlated.

Criteria	Explanation	Commentary
Logging	Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.	Core was logged in full for geological (colour, grain size, texture, lithology, weathering, alteration, sulphides, veining), geotechnical (fracture frequency, RQD, specific gravity) and structural (alpha/beta measurements of planar/linear features) data. All logs were recorded on paper templates and entered in spreadsheets for validation and uploading to a centralized database. The geological and geotechnical logging is completed at a level appropriate to support Mineral Resource estimation, mining studies and metallurgical studies.
	Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography	Core logging is qualitative in nature. All core is photographed wet and dry.
	The total length and percentage of the relevant intersections logged.	All Matador drill holes are logged in full.
Sub-sampling techniques and sample preparation	If core, whether cut or sawn and whether quarter, half or all core taken.	Core samples are cut in half with a rock saw. Samples are consistently taken from the same side of the core.
	If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.	No non-core samples have been used.
	For all sample types, the nature, quality and appropriateness of the sample preparation technique.	The sample preparation techniques are considered industry practice and are conducted at an ISO-accredited external laboratory, all considered appropriate to the style of mineralisation.
	Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.	Sub-sampling preparation techniques are considered industry practice and are conducted at an ISO-accredited external laboratory, all considered appropriate to maximise the representivity of samples.
	Measures taken to ensure that the sampling is representative of the in-situ material collected, including for instance results for field duplicate/second-half sampling.	41 duplicates of core are submitted for analysis. Half core samples are retained on site to facilitate validation of results and further re-sampling.
	Whether sample sizes are appropriate to the grain size of the material being sampled.	Sample sizes are considered appropriate to the grain size (90% passing 75 microns) sampled.
Quality of assay data and laboratory tests	The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.	MZZ, Core samples are analysed using a 30g fire assay with AAS finish, and aqua-regia/ICP-MS finish for Ag, Cu, Pb and Zn. The methods are total digest and considered appropriate for determining gold grades.
	For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis	No geophysical tools, spectrometers, handheld XRF instruments, etc used.

Criteria	Explanation	Commentary
	including instrument make and model, reading times, calibrations factors applied and their derivation, etc.	
	Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.	Certified reference materials are inserted 1 in 25 samples. Certified reference materials used are: CDN-GS-14A (14.9g/t Au); CDN-GS-4H (5.01g/t Au); CDN-GS-5PG (0.562g/t Au) and CDN-BL-10 (<0.01 g/t Au). 41 field duplicates are submitted. Selected high-grade intervals were also submitted for screen-fire assay as a verification of the original assay. In 2019, Matador undertook a re-sampling program of the historic drill core in order to obtain additional QAQC verification of the historical assays QAQC data of assays is validated internally by Matador with re-assaying of batches with standards reporting greater than 2 standard deviations from expected values.
Verification of sampling and assaying	The verification of significant intersections by either independent or alternative Company personnel.	Significant intercepts are verified by the Competent Person.
	The use of twinned holes.	No twinned holes are used.
	Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.	All logging is completed on paper templates and entered in spreadsheets. Spreadsheets are validated and uploaded to a centralised Access database. Paper logs are retained on site and scanned for digital backups.
	Discuss any adjustment to assay data.	Historical non-sampled intervals or intervals with missing assay data are assigned zero grades. No adjustments have been made to Matador assay data.
Location of data points	Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.	Drill hole collars are located using a handheld GPS unit with 3-5m accuracy. At the completion of each hole, the drill hole collar coordinates are re-surveyed with handheld GPS units. During 2019 a program of locating historical drill holes was undertaken and their co-ordinates recorded using a handheld GPS unit. The locations correlated well with the locations in the database. Significant drill hole collar validation work was undertaken in 2019.
	Specification of the grid system used.	Grid System NAD 1983 Zone 21N
	Quality and adequacy of topographic control.	Topographic control is from a 2019 Drone survey with DGPS control. The data was used to create a 5m DEM surface with 10cm accuracy on the RL. Elevations of drill holes are adjusted to suit the surface.
Data spacing and distribution	Data spacing for reporting of Exploration Results.	Drill hole spacing varied from 40x60m to broader spacing depending on the region and previous drilling.
	Whether the data spacing, and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.	Data spacing and distribution are sufficient to establish geological and grade continuity appropriate for the applied JORC classifications.
	Whether sample compositing has been applied.	Samples are composited to 1 metre intervals for determination of estimation.
Orientation of data in relation to	Whether the orientation of sampling achieves unbiased sampling of	All samples are generally perpendicular to the strike orientation of structures, and shallow dip angles of drill holes reduces the down-dip component of intersections

Criteria	Explanation	Commentary
geological structure	possible structures and the extent to which this is known, considering the deposit type.	through structures.
	If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.	No sample bias is considered to have been introduced from the current drilling program.
Sample security	The measures taken to ensure sample security.	Samples are collected in pre-numbered bags with waterproof sample tags and sealed. Samples are delivered direct to Eastern Analytical or collected by Eastern Analytical. Sample submissions are documented via email submissions and assays are delivered via email as signed PDF documents and spreadsheets.
Audits or reviews	The results of any audits or reviews of sampling techniques and data	Multiple internal audits have been undertaken on the database, drilling data and historical sampling data. Matador is not aware of any material omissions within the database used for estimation studies. An external audit of sampling and QAQC procedures undertaken in 2018/2019 resulted in increased QAQC sampling (standards, duplicates and alternate assay methods) being undertaken in 2019. Matador compiled all available recent and historical QAQC data and undertook a review of the QAQC data. No material bias or issues were identified in the QAQC analysis.

Section 2 Reporting of Exploration Results

Criteria	Explanation	Commentary																																																																										
Mineral tenement and land tenure status	Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.	Matador owns 100% of the Cape Ray Gold Project, which is located approximately 20km northeast of Port aux Basques, Newfoundland, Canada.																																																																										
		Licence No.	Known Deposit	No. of Claims	Area (km2)	Royalty*	017072M	Window Glass Hill (WGH) and 51	183	45.7	(a) & (b)	007833M	-	1	0.25	none	008273M	Isle aux Mort (laM)	7	1.75	(c)	009839M	Big Pond (BP)	26	6.5	(c)	009939M	04 and 41	12	3.0	(c)	024125M	-	14	3.5	none	024359M	-	7	1.75	none	025560M	-	20	5.0	none	025854M	-	53	13.25	(d)	025855M	-	32	8.0	(d)	025858M	-	30	7.5	(d)	025856M	-	11	2.75	(d)	025857M	-	5	1.25	(d)	Total		401	100.2	
		Licence No.	Known Deposit	No. of Claims	Area (km2)	Royalty*																																																																						
		017072M	Window Glass Hill (WGH) and 51	183	45.7	(a) & (b)																																																																						
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		024125M	-	14	3.5	none																																																																						
		024359M	-	7	1.75	none																																																																						
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		025855M	-	32	8.0	(d)																																																																						
		025858M	-	30	7.5	(d)																																																																						
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		025857M	-	5	1.25	(d)																																																																						
		Total		401	100.2																																																																							
		a) 1.75% net smelter returns royalty (NSR) held by Alexander J. Turpin																																																																										
		b) 0.25% net smelter returns royalty (NSR) held by Cornerstone Capital Resources Inc. and Cornerstone Resources Inc																																																																										
		c) Sliding scale net smelter returns royalty (NSR) held by Tenacity Gold Mining Company Ltd																																																																										
d) 1.0% net smelter returns royalty (NSR) held by Benton Resources Inc																																																																												
An average NSR for the Project, assuming the buy-backs and the current production schedule, is 1.9%.																																																																												
The most proximate Aboriginal community to the Project site is the Miawpukek community in Bay d'Espoir, formerly known as the "Conne River". It is approximately 230 kilometres to the east of the Project site. It is not known at this time if the Project site is proximate to any traditional territories, archaeological sites, lands or resources currently being used for traditional purposes by Indigenous Peoples. This information will be acquired as part of future environmental baseline studies.																																																																												
The Crown holds all surface rights in the Project area. None of the property or adjacent areas are encumbered in any way. The area is not in an environmentally or archeologically sensitive zone and there are no aboriginal land claims or entitlements in this region of the province.																																																																												
There has been no commercial production at the property as of the time of this report.																																																																												
	The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.	The claims are in good standing.																																																																										
		Permits that will potentially be required for exploration work include a Surface Lease and Mineral Exploration Approval both issued by the Newfoundland Department of Natural Resources, Mineral Development Division. A Water Use Licence has been acquired from the Newfoundland Department of the Environment and Conservation, Water Resources Division, as well as a Certificate of Approval for Septic System for water use and disposal for project site facilities.																																																																										
Exploration	Acknowledgment and	The Cape Ray Gold Deposit was initially discovered in 1977 by Rio Canada Exploration																																																																										

Criteria	Explanation	Commentary
done by other parties	appraisal of exploration by other parties.	Limited (Riocanex). Since that period the area has been the subject of numerous academic and government geological studies, and exploration by various mining companies. Historical work is summarised in Matador Announcement 19 th July 2018.
Geology	Deposit type, geological setting and style of mineralisation	<ul style="list-style-type: none"> The Cape Ray Project lies within the Cape Ray Fault Zone (CRFZ), which acts as a major structural boundary and hosts the Cape Ray Gold Deposits consisting of the 04, 41, and 51 Zones, Window Glass Hill, Big pond and Isle Aux Mort. The CRFZ is approximately 100km long and up to 1km wide extending from Cape Ray in the southwest to Granite Lake to the northeast. Areas along and adjacent to the southwest portion of the Cape Ray Fault Zone have been subdivided into three major geological domains. From northwest to southeast they include: The Cape Ray Igneous Complex (CRIC), the Windsor Point Group (WPG) and the Port aux Basques gneiss (PABG). These units are intruded by several pre- to late tectonic granitoid intrusions. The Cape Ray Igneous Complex comprises mainly large mafic to ultramafic intrusive bodies that are intruded by granitoid rocks. Unconformably overlying the Cape Ray Igneous Complex is the Windsor Point Group, which consists of bimodal volcanics and volcanoclastics with associated sedimentary rocks. The Port aux Basques gneiss is a series of high grade, kyanite-sillimanite-garnet, quartzfeldspathic pelitic and granitic rocks intercalated with hornblende schist or amphibolite. Hosted by the Cape Ray Fault Zone are the Cape Ray Gold Deposits consisting of three main mineralised zones: the 04, the 41 and the 51 Zones, which have historically been referred to as the "Main Zone". These occur as quartz veins and vein arrays along a 1.8 km segment of the fault zone at or near the tectonic boundary between the Windsor Point Group and the Port aux Basques gneiss. The gold bearing quartz veins are typically located at or near the southeast limit of a sequence of highly deformed and brecciated graphitic schist. Other veins are present in the structural footwall and represent secondary lodes hosted by more competent lithologies. Gold bearing quartz veins at the three locations are collectively known as the "A vein" and are typically located at (41 and 51 Zones) or near (04 Zone) the southeast limit of a sequence of highly deformed and brecciated graphitic schist of the WPG. The graphitic schists host the mineralisation and forms the footwall of the CRFZ. Graphitic schist is in fault contact with highly strained chloritic schists and quartz-sericite mylonites farther up in the hanging wall structural succession. The protolith of these mylonites is difficult to ascertain, but they appear to be partly or totally retrograded PABG lithologies. Other veins (C vein) are present in the structural footwall and represent secondary lodes hosted by more competent lithologies. In the CRGD area, a continuous sequence of banded, highly contorted, folded and locally brecciated graphitic schist with intercalations of chloritic and sericite-carbonate schists and banded mylonites constitutes the footwall and host of the mineralised A vein. The banded mylonites are characterized by cm-wide siderite-muscovite-quartz-rich bands within graphitic chlorite-quartz-muscovite schist. The mylonites are commonly spatially associated with local Au-mineralised quartz veins, vein breccias (C vein) and stringer zones. The graphitic schist unit becomes strongly to moderately contorted and banded farther into the footwall of the fault zone, but cm- to m-wide graphitic and/or chloritic gouge is still common. The graphitic schist unit contains up to 60% quartz or quartz-carbonate veins. At least three mineralised quartz breccias veins or stockwork zones are present in the footwall of the 41 Zone and these are termed the C vein. The thickness of the graphitic-rich sequence ranges from 20-70m but averages 50-60 m in the CRGD area. The CRGD consists of electrum-sulphide mineralisation that occurs in boudinaged quartz veins within an auxiliary shear zone (the "Main Shear") of the CRFZ. The

Criteria	Explanation	Commentary
		<p>boudinaged veins and associated mineralisation are hosted by chlorite-sericite and interlayered graphitic schists of the WPG (Table 7.1), with sulphides and associated electrum occurring as stringers, disseminations and locally discrete massive layers within the quartz bodies.</p> <p>The style of lode gold mineralisation in the CRGD has characteristics in common with mesothermal gold deposits. The relationship of the different mineral zones with a major ductile fault zone, the nature of quartz veins, grade of metamorphism, and alteration style are all generally compatible with classic mesothermal lode gold deposits.</p>
Drill hole information	<p>A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:</p> <ul style="list-style-type: none"> o easting and northing of the drill hole collar o elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar o dip and azimuth of the hole o down hole length and interception depth o hole length. 	<p>For 2019 drill hole details refer to MZZ ASX Announcement 4th February 2020 and for previous drilling refer to MZZ ASX Announcement 30th January 2019</p>
Data aggregation methods	<p>In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.</p>	<p>Significant intercepts are determined based on 1m composite samples as length-weighted averages.</p>
	<p>Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.</p>	<p>Significant intercepts are reported with a cut-off grade of 0.5 g/t Au, and internal dilution of up to 3m.</p>
	<p>The assumptions used for any reporting of metal equivalent values should be clearly stated.</p>	<p>No metal equivalents are reported.</p>
Relationship between mineralisation widths and intercept	<p>These relationships are particularly important in the reporting of Exploration Results.</p> <p>If the geometry of the</p>	<p>All intercepts reported as downhole lengths. True widths of mineralisation have not yet been determined.</p>

Criteria	Explanation	Commentary
lengths	mineralisation with respect to the drill hole angle is known, its nature should be reported. If it is not known only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').	
Diagrams	Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.	See body of announcement for diagrams.
Balanced reporting	Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.	All exploration results are reported in full.
Other substantive exploration data	Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.	Soil geochemistry sampling and structural geology mapping programs are currently being compiled.
Further work	The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling). Diagrams clearly highlighting the areas of possible extensions, including the main	Further drilling may be carried out to extend the strike and depth extents of the current resource, planning for further drilling is currently in progress.

Criteria	Explanation	Commentary
	geological interpretations and future drilling areas, provided this information is not commercially sensitive.	

Section 3 Estimation and Reporting of Mineral Resources

Criteria	Explanation	Commentary
Database integrity	Measures taken to ensure that data has not been corrupted by, for example, transcription or keying errors, between its initial collection and its use for Mineral Resource estimation purposes.	A total of 560 surface drillhole sample records, lithological logs, available assay laboratory results, and associated drill hole information for all drill programs completed by Riocanex, Corona-Dolphin, Royal Oak and Cornerstone were digitally compiled by Matador against original source documents available through the NLDNR online database, and both consistency and accuracy of such records were assessed. Checks included validation of collar coordinates, down hole survey values, hole depths, sample intervals, assay values and lithocoding in the digital database compiled by Cornerstone with original source documents for 20% of the database. Recent drilling by Matador (2018 -33 holes, 4,400m and 2019 76 holes, 12,630m) was imported and directly validated in the centralised database.
	Data validation procedures used.	For the 2020 Mineral Resource estimate, drill hole data was validated by Matador through database import validation and verification of database records against historical data. 257 historical drill hole co-ordinates were checked against handheld GPS co-ordinates collected in 2019.
Site Visits	Comment on any site visits undertaken by the Competent Person and the outcome of those visits.	Mr Neil Inwood, a consultant to Matador Mining Ltd, conducted a site visit during July 2019 during which a representative number of drill collars were verified. Mr Inwood also inspected core at the site core yard and the Government core library in Pasadena, Newfoundland. Mr Brian Wolfe, a consultant to Matador Mining Ltd, conducted a site visit during July 2019. The project site was visited, and diamond core drilling operations were reviewed. Relevant drill core samples were inspected and sampling and assaying protocols were reviewed.
Geological interpretation	Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit.	The control on mineralization of the 04 Zone consists of four parallel shear zones associated with a graphitic schist unit. These vein-type orebodies are oriented at an azimuth of approximately 50° and dipping at approximately 60° to the southeast. The modelling process comprises of the interpretation of geologic units in combination with the gold and silver grades. These interpretations were digitized and snapped to drill holes on northwest-southeast sections, and then linked together in 3-D as wireframes in the Surpac® software. The controls on mineralization of the 41 Zone consist of 3 types of mineralized orebodies: a set of parallel veins made up of 2 larger veins and 7 smaller veins, a chloritic schist located on the periphery of the mineralized area, and a graphitic schist located in the core of the mineralized area. These mineralized units are oriented at an azimuth of approximately 50° and dipping at approximately 60° to the southeast. The modeling process comprises of the interpretation of geologic units in combination with the gold and silver grades. These interpretations were snapped to drill holes and then linked together in 3-D as wireframes in the Surpac® software. Based on the data available the Competent Person has reasonable confidence in the geological interpretation.
	Nature of the data used and of any assumptions made.	Drillhole data was primarily used to build the geological model of the deposits, which has been aided by geophysical data and geological mapping. At Isle aux Mort trench mapping and sampling was used to correlate the up-dip extensions to surface. However, the trench assay data itself was excluded from the grade estimation.

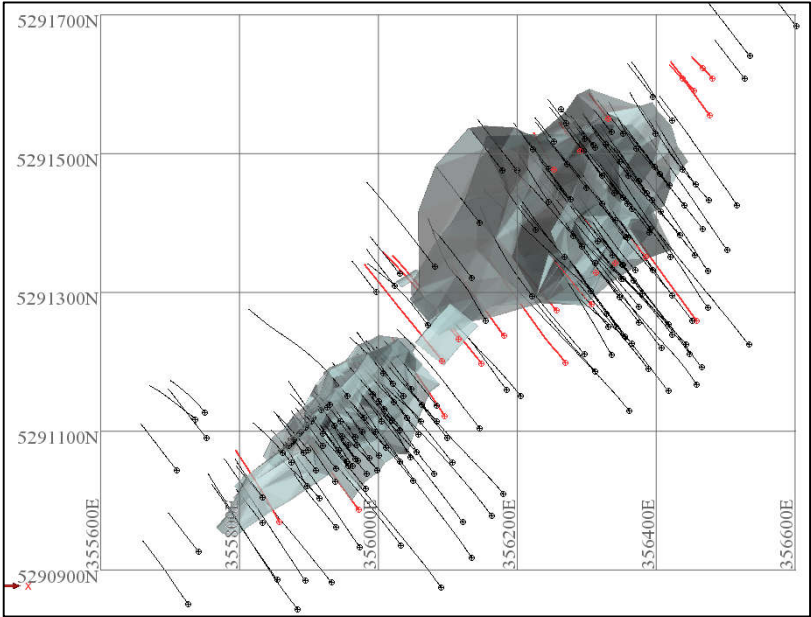
		All missing samples were replaced with a 0.001 g/t value for gold and silver on the assumption that all unsampled intervals are barren. No other assumptions have been made.
	The effect, if any, of alternative interpretations on Mineral Resource estimation.	No alternative interpretations have been considered.
	The use of geology in guiding and controlling Mineral Resource estimation.	The modelling process comprised the interpretation of geologic units in combination with the gold and silver grades. The control on mineralisation is associated with both structure and lithology. The use of geology (structure and lithology) has been used in guiding and controlling the wireframe modelling process in all the deposits estimated.
	The factors affecting continuity both of grade and geology.	The Cape Ray Fault Zone, which hosts the deposits (Zone 04, 41, 51, PW, H Isle aux Mort and Big Pond), is the main control over geological continuity. Mineralisation occurs within quartz veins, vein breccia, fault fill veins, and vein arrays hosted by a graphitic schist within the CRGD, which control grade continuity. The orientation and geometry of these deposits is controlled by a NE trending fault/shear zone that dipping moderately to the SE.
Dimensions	The extent and variability of the Mineral Resource expressed as length (along strike or otherwise), plan width, and depth below surface to the upper and lower limits of the Mineral Resource.	<p>04 Zone: The 04 Zone occurs along a northeast-trending fault within the CRFZ system, which dips moderately (50-60°) to the southeast. This zone consists of tabular zones of quartz veins, fault gouge and wall rock fragments, range from several cm to a few metres in width, and correlate laterally for up to 360m along strike. In section, the 04 Zone shows ESE to SE plunges and locally show down-dip extension of up to 300 m.</p> <p>41 Zone: The 41 Zone occurs along a northeast-trending fault within the CRFZ system, which dips moderately (50-60°) to the southeast. The 41 Zone extends for approximately 150 m along strike, and in section, shows an ESE to SE plunge and local down-dip extension of up to 300 m.</p>
Estimation and modelling techniques	The nature and appropriateness of the estimation technique(s) applied and key assumptions, including treatment of extreme grade values, domaining, interpolation parameters and maximum distance of extrapolation from data points. If a computer assisted estimation method was chosen include a description of computer software and parameters used.	<ul style="list-style-type: none"> • Grade estimation for 4/41 Zones was carried out by Mr Brian Wolfe (International Resource Solutions Pty Ltd) using a combination of Vulcan and Isatis software. • Geological and mineralisation constraints as previously described were imported to Vulcan. The constraints thus developed were subsequently used in geostatistics, variography, block model domain coding and grade interpolation. • Ordinary Kriging was selected as the most appropriate method for estimating Au and Ag. Block size of 5mE by 10mN by 5mRL was selected for the purposes of grade estimation given the drill spacing and the likely potential future selective mining unit (i.e. appropriate for potential open pit mining). • Downhole assays intercepts were flagged (coded) by the interpreted mineralisation wireframes and 2m composites generated from the flagged intercepts. Variography undertaken from the main domain indicates a moderate nugget of approximately 35%, with maximum range of 80m (strike), intermediate range of (dip) 50m and minor axis of 3m. Elliptical search neighbourhoods within domains were used orientated parallel to the orientation of the shear. Search ranges were based on the variograms and were typically 50m along strike, 50m down dip and 20m to 40m across strike. • Wireframed mineralisation domains were used as "hard boundaries" for estimation • Typically, between 6 and 12 samples were selected for the OK estimates. A two pass estimation strategy was devised whereby any blocks not estimated in the first pass were estimated in the second using relaxed estimation neighbourhood parameters. • High grade cutting was undertaken prior to the experimental variogram calculations and all subsequent work. High grade cuts were typically light and

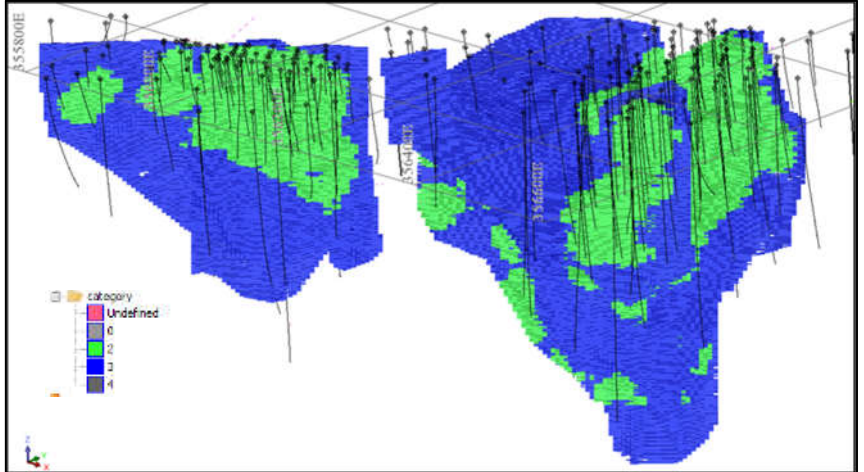
		<p>were considered to have a moderate effect on the overall mean grades. High grade cuts were variable depending on domain and ranged between 4g/t Au and 50g/t Au (main Domain). Ag cuts were globally set at 80g/t Ag.</p> <ul style="list-style-type: none">• Additionally, in the case of the Au estimates, a distance restriction was set up whereby the block estimates could not use composite gold grades over 20g/t if the block centroid was more than a set distance from the composite. This limit was chosen individually per domain. Practically, this limits the influence of high grades over block estimates at greater distance from block centroids where the continuity of the high grades is less certain.• The block model estimates were validated by visual comparison of whole block grades to drillhole composites, comparison of composite and block model statistics, generating grade shells and visually assessing them and swath plots of composite versus whole block model grades• Block Model Parameters Summary: <table><tr><td>Deposit</td><td>Parent/Sub-Block Size (X,Y,Z)</td><td>Model Origin X</td><td>Model Origin Y</td><td>Model Origin Z</td><td>Blocks X,Y,Z</td><td>Block Model Rotation</td></tr><tr><td>Z4/41</td><td>5x10x5</td><td>355400</td><td>5291000</td><td>-250</td><td>120,120,40</td><td>No Rotation</td></tr></table> <ul style="list-style-type: none">• Drill Hole Sample Summary Table: <table><tr><td>Deposit</td><td>Holes</td><td>Metres Drilled</td><td>Samples</td></tr><tr><td>Z4/41</td><td>219</td><td>44,242</td><td>12,749</td></tr></table>	Deposit	Parent/Sub-Block Size (X,Y,Z)	Model Origin X	Model Origin Y	Model Origin Z	Blocks X,Y,Z	Block Model Rotation	Z4/41	5x10x5	355400	5291000	-250	120,120,40	No Rotation	Deposit	Holes	Metres Drilled	Samples	Z4/41	219	44,242	12,749
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	The assumptions made regarding recovery of by-products.	Silver was co-kriged with gold as the correlation between the two elements is considered good																						
	Estimation of deleterious elements or other non-grade variables of economic significance (eg sulphur for acid mine drainage characterisation).	No deleterious elements or other non-grade variables have been estimated.																						
	In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed.	Block sizes were based upon an analysis of 1/2 to 1/4 to drill holes spacing for the better drilled portions of the deposit. This method reflects a compromise between grade smoothing of overly large blocks and the selection of a block size too small relative to the broader data spacing.																						
	Any assumptions about correlation between variables	The deposits display a moderate to strong correlation between gold and silver. Gold and silver grades have been interpolated into the mineralisation envelopes defined by a nominal 0.5g/t Au cut off.																						
	Description of how the geological interpretation was used to control the resource estimates.	Gold and silver grades were interpolated into wireframes that were developed based on first principles and generated based on interpretation of geologic units in combination with the gold and silver grades.																						
	Discussion of basis for using or not using	Samples were top-cut prior to grade interpolation (see below table for cut-off grades applied) to minimise the effect of outliers, which resulted in a reduction in CV.																						

	grade cutting or capping.	The following top cuts were applied to gold and silver assays: 41: Au 100g/t, Ag 240g/t 04: Au 20g/t, Ag 60g/t
	The process of validation, the checking process used, the comparison of model data to drill hole data, and use of reconciliation data if available.	<p>Validation tests were carried out on the estimates to examine the possible presence of a bias and to quantify the level of smoothing/variability.</p> <p>Visual Inspection: A visual inspection of the block estimates with the drill hole grades on plans, and northwest-southeast cross-sections was performed as a first check of the estimates. Observations from stepping through the estimates along the different sections indicated that there was overall a good agreement between the drill hole grades and the estimates. The orientations of the estimated grades were also according to the projection angles defined by the search ellipsoid.</p> <p>Global Bias Test: The comparison of the average gold and silver grades from the declustered composites and the estimated block grades examines the possibility of a global bias of the estimates. As a guideline, a difference between the average gold and silver grades of more than $\pm 10\%$ would indicate a significant over- or under-estimation of the block grades and the possible presence of a bias. It would be a sign of difficulties encountered in the estimation process and would require further investigation.</p> <p>Results of this average gold and silver grade comparison indicate Zone 04 was generally underestimating grades in comparison to the declustered composites. Zone 41 estimated grades were within acceptable limits for gold, but not for silver.</p> <p>Local Bias Test: A comparison of the grade from composites within a block with the estimated grade of that block provides an assessment of the estimation process close to measured data. Pairing of these grades on a scatterplot gives a statistical valuation of the estimates. It is anticipated that the estimated block grades should be similar to the composited grades within the block, however without being of exactly the same value. Thus, a high correlation coefficient will indicate satisfactory results in the interpolation process, while a medium to low correlation coefficient will be indicative of larger differences in the estimates and would suggest a further review of the interpolation process.</p> <p>Results indicate a strong correlation coefficient in all estimates.</p> <p>Grade Profile Plots: The comparison of the grade profiles of the declustered composites with that of the estimates allows for a visual verification of an over- or under-estimation of the block estimates at the global and local scales. A qualitative assessment of the smoothing/variability of the estimates can also be observed from the plots. The output consists of three graphs displaying the average grade according to each of the coordinate axes (east, north, elevation). The ideal result is a grade profile from the estimates that follows that of the declustered composites along the three coordinate axes, in a way that the estimates have lower high-grade peaks than the composites, and higher low-grade peaks than the composites. A smoother grade profile for the estimates, from low to high grade areas, is also anticipated in order to reflect that these grades represent larger volumes than the composites.</p> <p>The grade profile plots illustrate that overall, the block estimates globally perform well against the declustered composites. However, as anticipated, some smoothing of the block estimates can be seen in the profiles, where estimated grades are higher in lower grade areas and lower in higher grade areas due to the use of OK.</p>
Moisture	Whether the tonnages are estimated on a dry basis or with natural	Tonnages have been estimated on a dry basis.

	moisture, and the method of determination of the moisture content.	
Cut-off parameters	The basis of the adopted cut-off grade(s) or quality parameters applied.	Matador considers 0.5g/t Au to be appropriate based on similar deposits and operations. A 2g/t cut off has been applied to material below Whittle pit shells. Resources are reported as a global resource.
Mining factors or assumptions	Assumptions made regarding possible mining methods, minimum mining dimensions and internal (or, if applicable, external) mining dilution. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential mining methods, but the assumptions made regarding mining methods and parameters when estimating Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the mining assumptions made.	It has been assumed that, subject to permitting, a combination of conventional open cut and underground mining methods will be utilised at Cape Ray based on orebody geometry and orebody depth from surface. The 04 and 41 deposits could be amenable to open cut mining followed by underground mining using a long-hole stope method. No allowances for dilution or mining recovery were made in the Mineral Resource Estimate.
Metallurgical factors or assumptions	The basis for assumptions or predictions regarding metallurgical amenability. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential metallurgical methods, but the assumptions regarding	A Preliminary Economic Assessment (PEA) undertaken by previous operator Nordmin in 2016 envisioned the process plant to include conventional crushing, grinding, gravity, and cyanide leach. A gold and silver doré would be produced on site. These predictions by Nordmin were based on historical metallurgical testwork results received as well as results of their own testwork programs. Historical metallurgical test campaigns align well with recent bench scale tests. At a lab scale level, extractable gold is reported to be as high as 98% and extractable silver between 50 and 70% with cyanide leach. Gravity recoverable gold has shown potential to be greater than 50%. Further work is required for flowsheet development and optimization.

	metallurgical treatment processes and parameters made when reporting Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the metallurgical assumptions made.	
Environmental factors or assumptions	Assumptions made regarding possible waste and process residue disposal options. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider the potential environmental impacts of the mining and processing operation. While at this stage the determination of potential	The PEA undertaken by Nordmin envisioned a thickened tailings disposal with placement in a tailings management facility. Surface waste dumps will be used to store waste material from mining. Environmental baselines studies were initiated in 2016, and are currently ongoing after a hiatus during the change of ownership. The area is not in an environmentally or archeologically sensitive zone and there are no aboriginal land claims or entitlements in this region of the province. There are no known designated environmentally sensitive or cultural heritage sites within the Project lands. Aboriginal consultation, as well as biological and archaeological assessment work that is planned as part of the EA process will identify any environmentally sensitive sites and cultural heritage sites.
Bulk density	Whether assumed or determined. If assumed, the basis for the assumptions. If determined, the method used, whether wet or dry, the frequency of the measurements, the nature, size and representativeness of the samples. The bulk density for bulk material must have been measured by methods that adequately account for void spaces (vugs, porosity, etc), moisture and	An in-situ dry bulk density of 2.8 was applied for all mineralisation, based upon an analysis of 1200 density measurements (all deposit) and 47 within the mineralised zones for 4/41 undertaken by Matador; overburden was given a density of 2 t/m ³ and the fresh rock was given a density of 2.65t/m ³ (Zones 4/41) and 2.75t/m ³ (Zone 51).

	<p>differences between rock and alteration zones within the deposit</p> <p>Discuss assumptions for bulk density estimates used in the evaluation process of the different materials.</p>	
Classification	<p>The basis for the classification of the Mineral Resources into varying confidence categories.</p>	<p>All estimated blocks have been classified as a combination of Indicated and Inferred based on the quality of the informing data (as supported by MZZ) and relative confidence in estimates at this stage on the basis of the following criteria Zone 4 and 41</p> <ul style="list-style-type: none"> • Distance to nearest sample 30m or less • Average distance to composites 30m or less • Number of holes 2 or greater  <p>Modelled mineralised zones at Zones 4/41 (red holes – Matador drilling 2018/2019)</p>

		
	Whether appropriate account has been taken of all relevant factors (ie relative confidence in tonnage/grade estimations, reliability of input data, confidence in continuity of geology and metal values, quality, quantity and distribution of the data).	Drillhole spacing, accuracy of data location, grade and geological continuity have been used in combination for the classification of resources at Cape Ray. Resource tonnages calculated accounted for the block fraction within the mineralized zones wireframe, as well as the block fraction below the topography surface.
	Whether the result appropriately reflects the Competent Person's view of the deposit.	The Competent Person considers the results to be a reasonable estimate of the resource as defined by drilling.
Audits or reviews	The results of any audits or reviews of Mineral Resource estimates.	Matador has not undertaken an independent review or audit of the Mineral Resource estimates.
Discussion of relative accuracy/confidence	Discussion of relative accuracy/confidence Where appropriate a statement of the relative accuracy and confidence level in the Mineral Resource estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or	Industry-standard techniques and methodologies have been applied throughout resource estimation process. The relative accuracy of the Mineral Resource estimate is reflected in the reporting of the Mineral Resources under the guidelines of JORC (2012).

	geostatistical procedures to quantify the relative accuracy of the resource within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors that could affect the relative accuracy and confidence of the estimate.	
	The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used.	The Mineral Resource Estimates are global estimates. The confidence intervals have been based on estimates at the parent block size.
	These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.	No production data is available. No commercial production has taken place at Cape Ray.