



Half Year Report



FOR THE PERIOD ENDED
30 June 2023

Matador Mining Ltd and Controlled Entities

Table of Contents

Corporate Directory	3
Directors' Report	4
Auditor's Independence Declaration	16
Statement of Profit or Loss and Other Comprehensive Income	17
Statement of Financial Position	18
Statement of Changes in Equity	19
Statement of Cash Flows	20
Notes to the Financial Statements	21
Directors' Declaration	31
Independent Auditor's Review Report	32

Corporate Directory

Directors	Mr Justin Osborne – Non-executive Chair Mr Sam Pazuki – Managing Director and CEO Dr Nicole Adshead-Bell – Non-executive Director Mrs Carol Marinkovich – Non-executive Director Mr Kerry Sparkes – Non-executive Director
Company secretary	Mrs Carol Marinkovich
Principal place of business	24 Hasler Road Osborne Park WA 6017 Tel: +61 8 6117 0478 Email: info@matadormining.com.au
Share registry	Automic Registry Services Level 5, 126 Philip Street Sydney NSW 2000 Tel: +61 2 9698 5414 / 1300 288 664 Email: hello@automic.com.au
Auditor	Ernst & Young 11 Mounts Bay Road Perth WA 6000 Tel: +61 8 9429 2222
Stock exchange listing	Australian Securities Exchange (ASX) – code MZZ OTCQB in the United States (OTC) – code MZZMF Frankfurt Stock Exchange (FSE) – code MA3
Website	http://www.matadormining.com.au Matador Mining Limited ACN 612 912 393

All dollar figures are expressed in Canadian dollars unless otherwise stated.

Director's Report

The Directors submit their report for the half year ended 30 June 2023.

Directors

The names of the Directors in office at any time during this half year and up to the date of this report are:

Mr Justin Osborne – Non-executive Chair

Mr Sam Pazuki – Managing Director and CEO

Dr Nicole Adshead-Bell – Non-executive Director

Mrs Carol Marinkovich – Non-executive Director

Mr Kerry Sparkes – Non-executive Director

Principal Activities

Matador Mining Ltd. (“Matador” or the “Company”) is a junior exploration company with principal assets located in Newfoundland and Labrador (“Newfoundland”), Canada. Its flagship tenements are continuous and located along a 120 kilometres of strike length, covering the proven, yet under-explored multi-million-ounce regional-scale Cape Ray Shear Zone (“**CRSZ**”) (Figure 1). Additionally, the Company holds tenements over a 27-kilometre continuous strike at its Hermitage property located on the Hermitage Flexure (Figure 1).

The Company’s primary tenements along the CRSZ are also subject to a JORC 2012 Mineral Resource Estimate (“**MRE**”) (reported in May 2023) of 610,000 ounces of gold grading 1.96 g/t. The bulk of the mineral resource estimate is constrained within several optimised resource pit shells while the remainder is reported external to the pit shells and within continuous potentially extractable underground stope shapes.

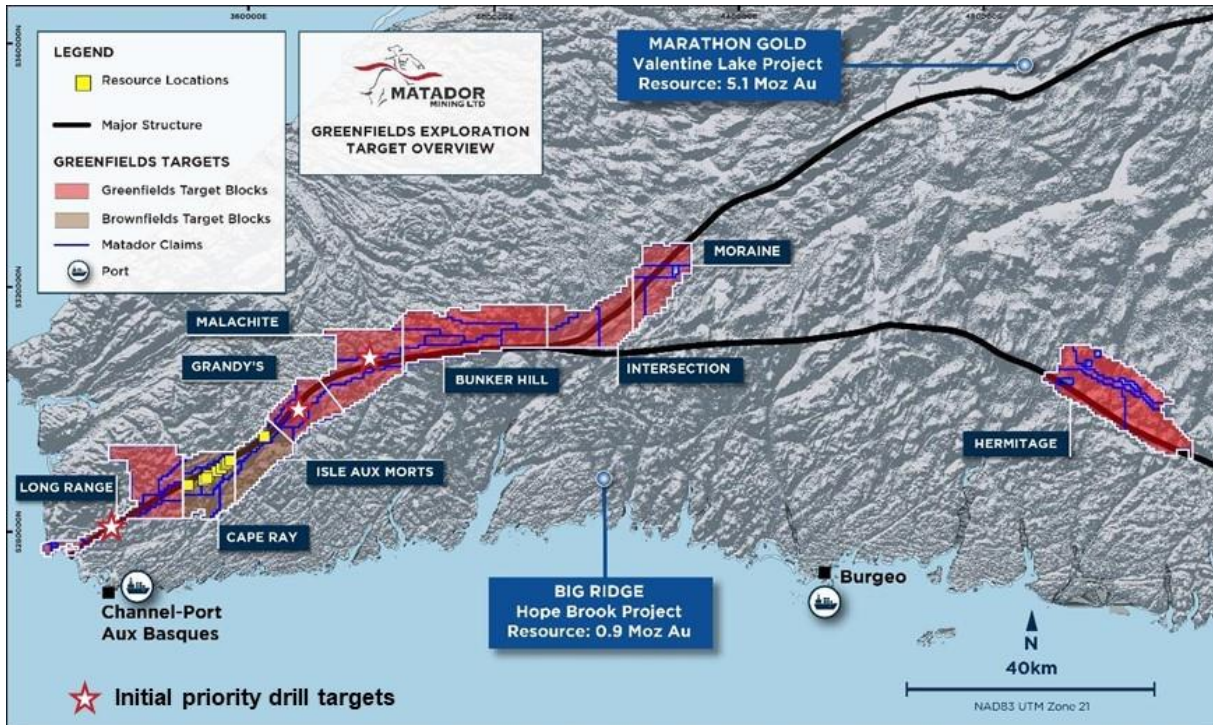


FIGURE 1: MATADOR TENEMENT OVERVIEW

Corporate Overview

Matador is an Australian Corporation listed on the Australian Stock Exchange (“ASX”) under the ticker “MZZ”. Additionally, the Company is listed in the United States through the OTCQB trading platform under the symbol “MZZMF”. Matador is currently the only ASX-listed gold stock operating in Newfoundland, which is a top-tier, emerging jurisdiction with limited historical gold exploration and investment.

The Company is well-placed with a significant tenement package predominately on the CRSZ, the largest known gold structure in the province, and which hosts Marathon Gold’s (“Marathon”) 5.1-million-ounce Valentine Gold Project Mineral Resource. Matador is one of only a few gold companies in Newfoundland with a reported gold Mineral Resource. Nearly all Matador’s 610,000 ounces of gold Mineral Resource occurs within 150 metres of surface and is all hosted in the CRSZ.

The Company is well supported with key strategic and institutional shareholders, which includes B2Gold Corp, a million-ounce per year gold producer with a long, rich history of exploration, development and operating success globally.

Financial Overview

As at 30 June 2023, the Company had a cash balance of approximately \$5.5 million (A\$6.2 million). This compares to a cash balance of \$8.3 million (A\$7.4 million) at 31 December 2022.

Operating cash outflow for the period was \$2.6 million with the majority of the cash outflows related to the increase in exploration activities following the start of exploration drilling and prospecting.

Exploration activities are expected to continue during the third quarter with a pause in diamond drilling between phase one and phase two while awaiting assay results. The Company expects limited exploration activities in the fourth quarter of the year.

Additional corporate costs related to the Company's restructuring including redundancy payments, committed payments to Matador Capital as per a shared services agreement and legal costs associated with evaluating the potential of a Reverse Take-Over ("RTO"). The Company has decided not to proceed with the RTO due to identified complexities.

As at 30 June 2023, the Company had 315,359,035 ordinary fully paid shares on issue. As at 30 June 2023, there were approximately 10,847,431 options outstanding. As at 11 September 2023, the Company had 8,168,764 options outstanding due to a number of options expiring in early July and September 2023.

In connection with B2Golds strategic investment in Matador, B2Gold and Matador have entered into an investor rights agreement ("Investor Rights Agreement"), whereby they have a five-year option to subscribe for 39,105,524 additional subscription Shares.

Stakeholder Engagement

The Company continually seeks opportunities to enhance its engagement with key stakeholders within its areas of activity along the CRSZ and Hermitage properties. In the first half of 2023, Matador joined the Port aux Basques Chamber of Commerce (the "Chamber") to become one of the largest businesses operating in the town and will continue to be a corporate steward and more integrated with the local communities. The Company sponsored and attended the Chamber's 2023 Lifestyle Expo, a large community event designed to highlight economic activities and enable engagement with local stakeholders.

In early August 2023, the town of Port aux Basques hosted the Astrolabe Festival celebrating the culture and heritage of southwestern Newfoundland. Matador was a proud major sponsor of and participant in this event.

Exploration Activities

The Company's 2023 exploration program is based on a comprehensive plan focused on advancing Greenfield targets through a systematic approach to exploration. To that end, the Company is aiming to build a robust pipeline of geological targets to advance to diamond drill ready status.

The program includes grassroots prospecting, mapping and sampling at Hermitage and Long Range, Induced Polarization ("IP") geophysical surveys at Bunker Hill and Malachite, diamond drilling at Long Range, Grandy's and Malachite, and Reverse Circulation ("RC") drilling at Long Range, Grandy's and Malachite as part of a new technique enabling efficient bottom-of-hole, basal-till sampling. The holistic approach is necessary to provide meaningful data in a region of significant till and over-burden cover, and specifically in the areas of interest for the Company. The new RC program has not yet commenced as permits were secured only recently for a technique which will be used for the first time in Newfoundland.

Diamond Drill Program

The Company began its 2023 diamond drill program in early June 2023 with initial drilling at the Long Range area. The diamond drill program was designed as a reconnaissance style program focused primarily on structural and lithological targets at specific Greenfield areas along the CRSZ.

The Company's diamond drill program was scheduled to be in two phases with the first phase planned for drilling at Malachite to test structural and lithological targets (Figure 6), and inaugural diamond drilling at both the Long Range and Grandy's areas. The first phase of the drill program has been completed with assays pending.

The second phase is dependent on results of the first phase, timing of receipt of assays, funding and weather constraints. The Company has not yet decided as to the scope of the second phase of drilling for 2023.

Long Range Exploration

At the Long Range area, located only seven kilometres away from Port aux Basques, the Company completed first phase of inaugural drilling that included five holes that were designed to test specific areas in proximal to historic multigram gold outcrops that previously returned 11.6 g/t and 4.2 g/t gold. Assays are pending on the diamond drill holes and are expected in the near-term.



FIGURE 2: INAUGURAL DIAMOND DRILL HOLE AT THE LONG RANGE TARGET AREA

In August 2023, the Company announced initial results from prospecting at Long Range in areas close to the TransCanada Highway as well as near the recent diamond drilling activities. This year's prospecting was aimed at identifying outcropping evidence of hydrothermal gold-bearing systems within key structural positions of the CRSZ.

Key prospecting results include:

- MR001585 (float) – 4.38 g/t gold, 1.38% copper
- MR001106 (float) – 3.54 g/t gold, 145 ppm tellurium
- MR001582 (float) – 2.33 g/t gold
- MR001584 (float) – 1.02 g/t gold
- MR001280 (float) – 107 g/t silver, 215 ppm bismuth and 3.27% lead

Identified as a conceptual target by the Company earlier this year, is the footwall of the CRSZ at Long Range. The peak grab sample of 4.38 g/t gold and 1.38% copper (MR001585 – float) was collected in a structural setting close to the Windsor Point Group-Coastal Range Igneous contact, which is analogous to the Isle aux Morts gold deposit, which has seen limited historical work to date. The results highlight the prospectivity of the CRSZ footwall, currently untested by detailed mapping, prospecting or diamond drilling.

Furthermore, prospecting results seven kilometres to the southwest displayed high-grade gold mineralisation proximal to the hangingwall of the CRSZ (see Figure 3) with a highlight of 3.54 g/t gold (MR001106 – float) and 145 ppm tellurium. Reported tellurium and bismuth values continue to display strong anomalism, from 10 to 100 times higher than in comparison to the Central Zone deposits, suggesting potential for a different mineralising fluid that could be responsible for the gold mineralisation at Long Range as well as other targets along the CRSZ.

The Long Range target area is still largely open, with four kilometres of open strike extent awaiting outstanding assays.

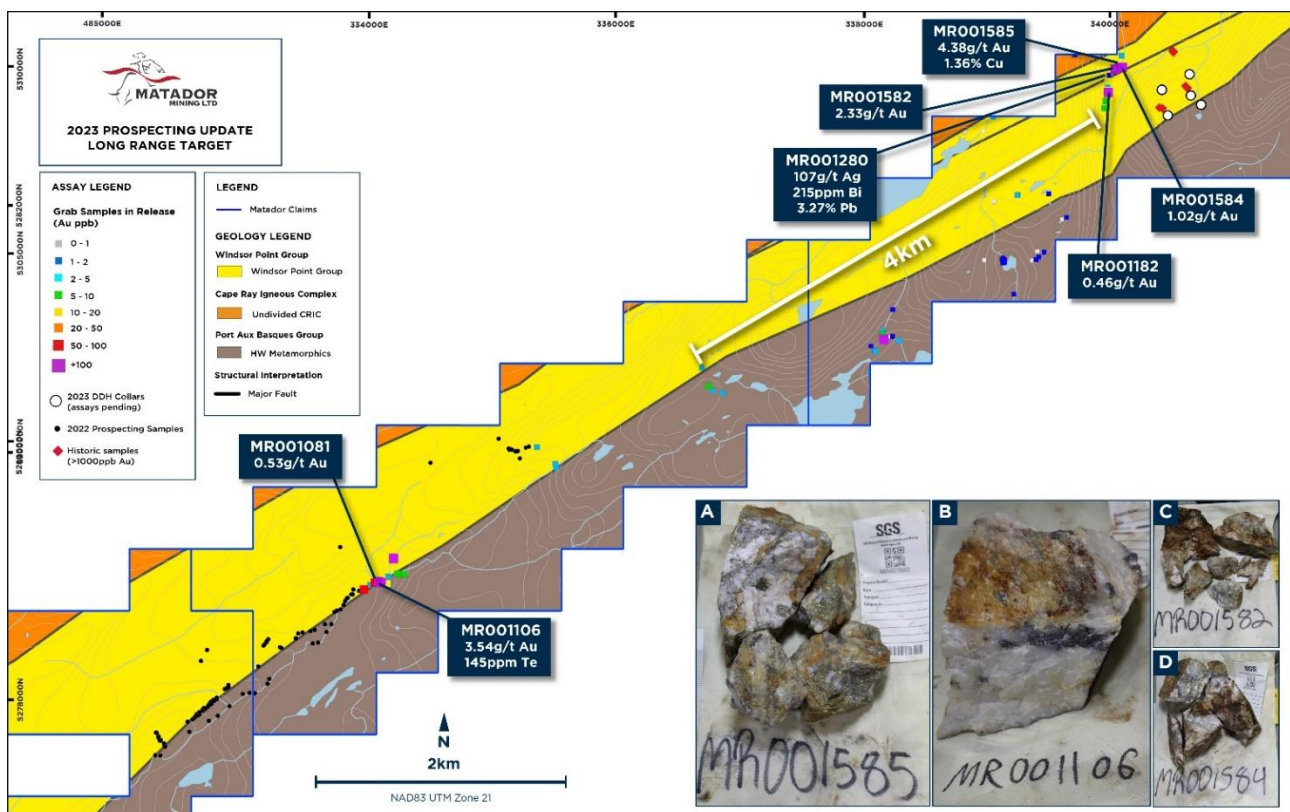


FIGURE 3: PROSPECTING RESULTS FROM LONG RANGE

Hermitage Exploration

The Company commenced its 2023 field exploration activities on 22 May 2023 with the start of a comprehensive prospecting, sampling and mapping program at the Hermitage property located on the Hermitage Flexure.

In the second quarter, the Company announced high-grade results from a limited prospecting and sampling program at Hermitage during the Canadian autumn 2022. These results confirmed the first-known presence of significant gold in bedrock mineralisation with the broader mineral licences. Sample results identified an anomalous gold trend 400 metres across strike and located over five kilometres along strike from historic grab samples.

The Company collected a total of 101 field samples during a five-day prospecting campaign. Samples were analysed for either gold mineralisation, pathfinder elements or whole-rock geochemistry classification.

Key anomalous gold mineralisation prospecting samples include the following:

- 7.31 g/t (MR001252 – in situ sample)
- 2.10 g/t (MR000861 – in situ sample)
- 1.04 g/t (MR001259 – in situ sample)

As at the end of the first half of the year, the Company had collected approximately 400 rock samples (in-situ and float) from the 2023 program.

These activities at Hermitage will continue through the duration of the Canadian summer and are designed to identify specific areas along the 27-kilometres strike area for the Company to focus on for future drilling programs.

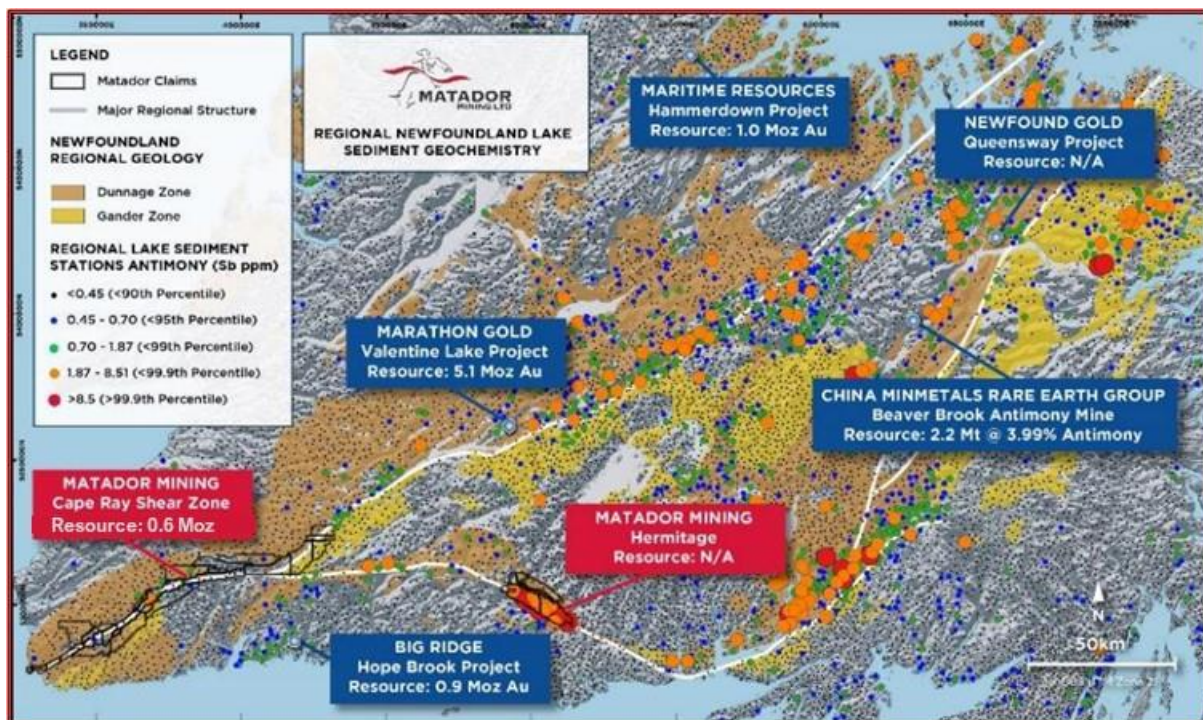


FIGURE 4: HERMITAGE PROPERTY OVERVIEW

Grandy's Exploration

The Grandy's mineral licence contains the largest structural bend on the CRSZ and includes historic, high-grade bottom-of-hole and rock chip samples. In 2021 Matador completed power auger sampling activities at Grandy's which identified gold anomalism associated with a favourable structural position analogous to the location of the Isle aux Morts deposit located four kilometres to the southwest.

The results from the auger program outlined multiple gold anomalies including 520 ppb gold in a blind bottom-of-hole sample, while follow-up prospecting returned high-grade gold rock chip samples up to 25.4 g/t gold. Additionally, the Grandy's area has historically yielded multiple high-grade rock samples on surface including a boulder that returned 191 g/t gold. The Company has completed a five-hole diamond drill program at Grandy's and awaits assay results.

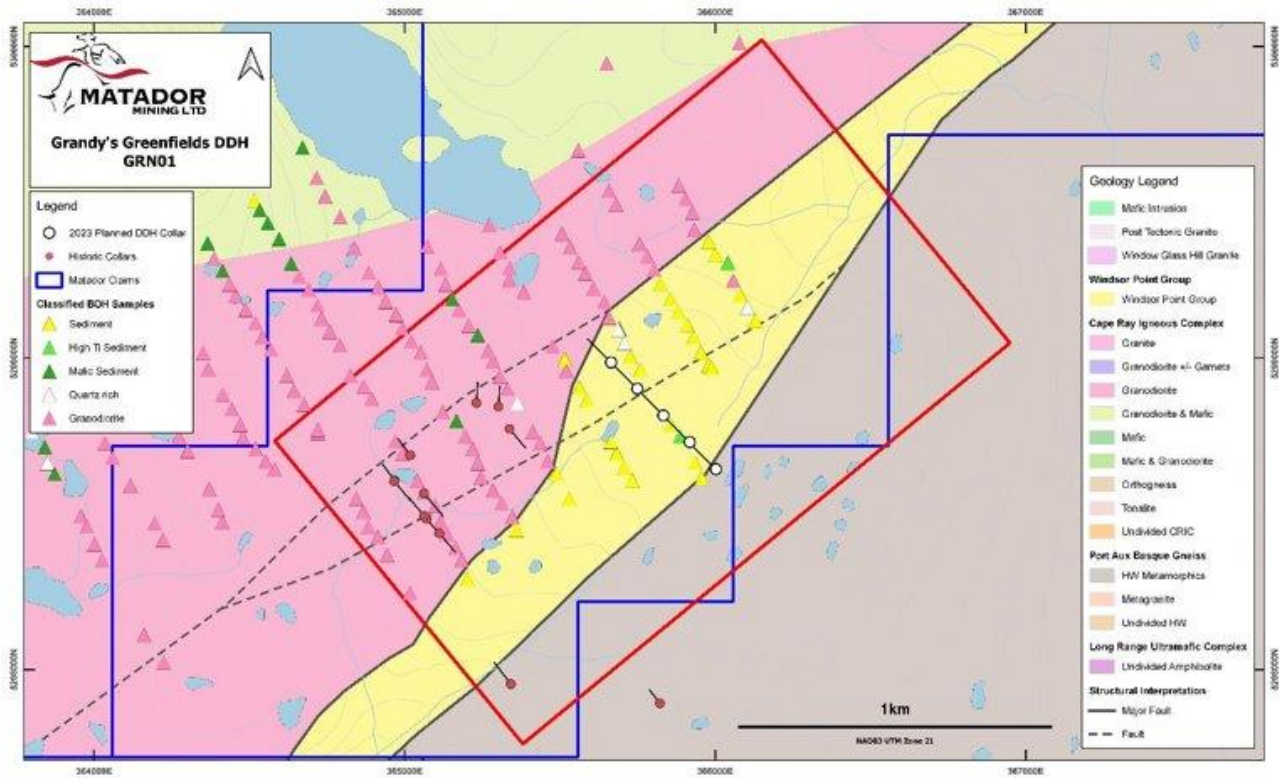


FIGURE 5: DRILLING LOCATION AT GRANDY'S

Malachite Exploration

The first phase of drilling at Malachite was completed in early August 2023, later than expected due to excessive foggy weather that persisted for much of July and resulted in 17 days lost to poor weather. As a result, only three holes were drilled at Malachite in the first phase testing both structural and lithological targets.

Additionally, delays in securing the RC drill permit required to commence to this first-in-province bottom-of-hole sampling program has pushed back this work at Malachite into a potential winter program instead.

Assay results from the diamond drilling are pending.

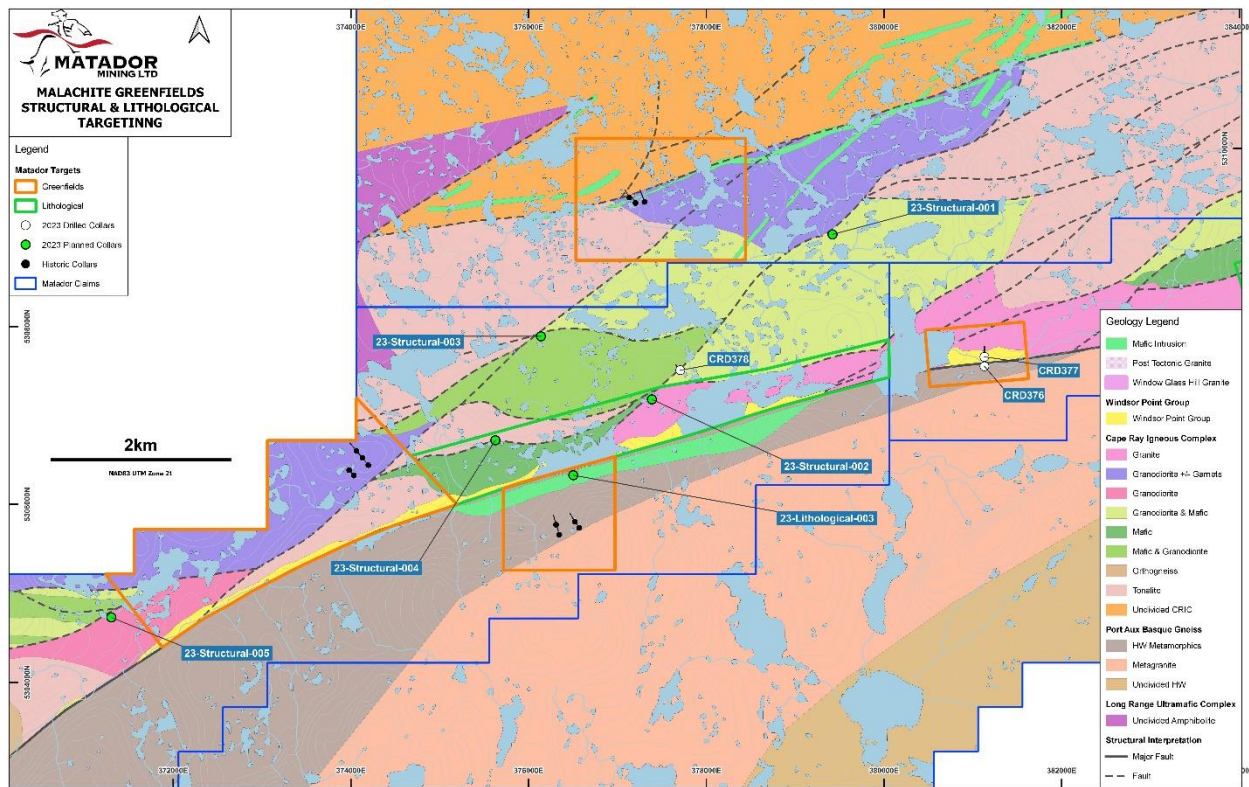


FIGURE 6: PLANNED LITHOLOGICAL AND STRUCTURAL HOLES AT MALACHITE

Mineral Resource Update¹

At the end of May 2023, the Company announced an updated MRE for the Cape Ray Gold Project. The updated MRE was inclusive of approximately 36,000 metres of diamond drilling since the last published estimate from May 2020. Unlike the 2020 MRE, the 2023 MRE was mine constrained, included enhanced geological interpretation and modelling, and used estimated input costs (e.g. mining unit costs, etc.) from industry benchmarking of more recent project studies.

The change in methodology to estimate Mineral Resources now better aligns with the JORC Code 2012 for RPEEE and with the Canadian National Instrument “NI” 43-101 methodology, the Company is in the process of reconciling the JORC methodologies to that of NI 43-101. No material changes are expected.

With this update, the Company’s MRE now stands at 9.7 million tonnes of ore grading an average 1.96 g/t for a total of 610,000 ounces of gold, inclusive of Indicated and Inferred Resources. The 2023 MRE gold grade was comparable to the 2020 MRE gold grade despite the decrease in open pit and underground cut-off grades from a higher assumed gold price and higher input costs.

¹ See ASX announcement dated 30 May 2023

TABLE 1: UPDATED 2023 MINERAL RESOURCE ESTIMATE

2023 Mineral Resource Estimate				
	Cut-off Grade	Tonnes	Grade	Contained Metal
	g/t Au	Mt	g/t Au	koz Au
OPEN PIT – TOTAL INDICATED & INFERRED MINERAL RESOURCES				
Central Zone	0.30	4.2	2.82	377
Window Glass Hill	0.30	4.5	0.96	140
Isle Aux Morts	0.30	0.5	2.35	35
Big Pond	0.30	0.1	3.01	9
TOTAL OPEN PIT	0.30	9.3	1.88	560
UNDERGROUND – TOTAL INDICATED & INFERRED MINERAL RESOURCES				
Central Zone	2.00	0.4	3.80	49
TOTAL UNDERGROUND	2.00	0.4	3.80	49
OVERALL – TOTAL INDICATED & INFERRED MINERAL RESOURCES				
TOTAL RESOURCE		9.7	1.96	610

Mineral Resource Notes

- Mineral Resources are reported using a cut-off grade of 0.30 g/t gold for open pit and 2.00 g/t gold for underground, and a gold price of US\$1,750.
- The open pit Mineral Resource is constrained using an optimised pit that has been generated using Lerchs Grossman algorithm with parameters outlined in 3th 0 May 2023 release (see Appendix 1 -Section 3 – Mining Factors or Assumptions).
- The underground Mineral Resources are constrained using a 2.00 g/t gold grade shell below the optimised pit.
- The Mineral Resource Statement for the Cape Ray Gold Project has been prepared by Trevor Rabb, P.Geo. who is a Competent Person as defined by JORC (2012).
- Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability.
- The Mineral Resources for the Cape Ray Gold Project has been prepared in accordance with JORC (2012)
- The number of metric tonnes and contained gold ounces are rounded to the nearest thousand. Any discrepancies in the totals are due to rounding.
- Mineral Resources for the Cape Ray Gold Project have an effective date of 22 February 2023.

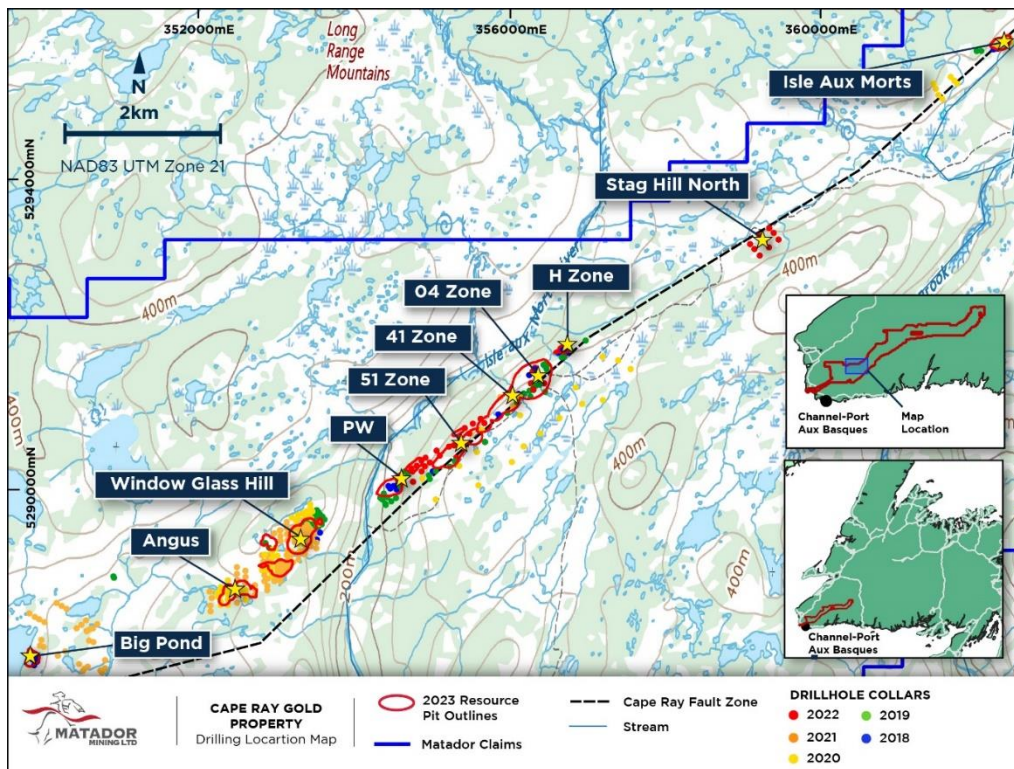


FIGURE 7: OVERVIEW MAP OF MINERAL RESOURCE LOCATIONS

Events occurring after the balance sheet date

On 28 August 2023 the Company announced² that it entered into two new option agreements for additional mineral licences adjacent to the Company's Hermitage property. Payment terms for the licences of C\$85,000 and share issuance of 675,000 ordinary shares in various instalments over three years.

Other than the above, no matter or circumstance has arisen since the end of the financial period which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

² Refer ASX announcement 28 August 2023

Auditor's Independence Declaration

The auditor's independence declaration as required under s 307C of the Corporations Act 2001 is set out on page 16.

This report is made in accordance with a resolution of Directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the Directors



Justin Osborne
Non-executive Chair
Perth, Western Australia
11 September 2023

Auditor's independence declaration to the directors of Matador Mining Ltd

As lead auditor for the review of the half-year financial report of Matador Mining Ltd for the half-year ended 30 June 2023, I declare to the best of my knowledge and belief, there have been:

- a. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review;
- b. No contraventions of any applicable code of professional conduct in relation to the review; and
- c. No non-audit services provided that contravene any applicable code of professional conduct in relation to the review.

This declaration is in respect of Matador Mining Ltd and the entities it controlled during the financial period.



Ernst & Young



Pierre Dreyer
Partner
11 September 2023

Matador Mining Ltd
Statement of profit or loss and other comprehensive income
For the period ended 30 June 2023

		Consolidated	
	Note	6 Months ended 30 June 2023 \$	6 Months ended 31 December 2022 \$
Revenue and income			
Other income	4	111,076	888,272
Expenses			
Administration expenses		(766,881)	(861,995)
Consultants and management expenses		(564,174)	(522,689)
Depreciation and amortisation		(70,635)	(62,992)
Share based payment expense	5	(262,099)	(156,416)
Business development costs		(183,225)	(113,098)
Loss before income tax expense		(1,735,938)	(828,918)
Income tax expense		(424,936)	(1,060,848)
Loss after income tax expense for the period attributable to the owners of Matador Mining Ltd		(2,160,874)	(1,889,766)
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Exchange rate differences on translating foreign operations		-	783,688
Other comprehensive income for the period, net of tax		-	783,688
Total comprehensive loss for the period attributable to the owners of Matador Mining Ltd		(2,160,874)	(1,106,078)
		Cents	Cents
Basic loss per share		(0.69)	(0.76)
Diluted loss per share		(0.69)	(0.76)

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

Matador Mining Ltd
Statement of financial position
As at 30 June 2023

		Consolidated	
		31	
	Note	30 June 2023	December 2022
		\$	\$
Assets			
Current assets			
Cash and cash equivalents	6	5,512,679	8,326,388
Trade and other receivables		178,991	383,428
Other current assets		277,102	327,435
Total current assets		<u>5,968,772</u>	<u>9,037,251</u>
Non-current assets			
Property, plant and equipment		259,638	312,264
Right-of-use assets		129,700	145,264
Exploration and evaluation	7	44,138,802	42,349,364
Total non-current assets		<u>44,528,140</u>	<u>42,806,892</u>
Total assets		<u>50,496,912</u>	<u>51,844,143</u>
Liabilities			
Current liabilities			
Trade and other payables	8	860,685	714,565
Lease liabilities		30,949	32,062
Employee Provisions		60,968	64,629
Total current liabilities		<u>952,602</u>	<u>811,256</u>
Non-current liabilities			
Lease liabilities		78,125	92,863
Deferred tax liabilities		6,936,455	6,511,519
Total non-current liabilities		<u>7,014,580</u>	<u>6,604,382</u>
Total liabilities		<u>7,967,182</u>	<u>7,415,638</u>
Net assets		<u>42,529,730</u>	<u>44,428,505</u>
Equity			
Issued capital	9	60,729,206	60,674,189
Reserves	10	1,125,493	918,411
Accumulated losses	11	<u>(19,324,969)</u>	<u>(17,164,095)</u>
Total equity		<u>42,529,730</u>	<u>44,428,505</u>

The above statement of financial position should be read in conjunction with the accompanying notes.

Matador Mining Ltd
Statement of changes in equity
For the period ended 30 June 2023

Consolidated	Issued capital \$	Option reserve \$	Foreign currency translation reserve \$	Accumulated losses \$	Total equity \$
Balance at 1 January 2023	60,674,189	1,381,655	(463,244)	(17,164,095)	44,428,505
Loss after income tax expense for the period	-	-	-	(2,160,874)	(2,160,874)
Other comprehensive loss for the period, net of tax	-	-	-	-	-
Total comprehensive loss for the period	-	-	-	(2,160,874)	(2,160,874)
Share based payment expense	-	262,099	-	-	262,099
Exercise of Employee Share Scheme options	55,017	(55,017)	-	-	-
Balance at 30 June 2023	<u>60,729,206</u>	<u>1,588,737</u>	<u>(463,244)</u>	<u>(19,324,969)</u>	<u>42,529,730</u>

Consolidated	Issued capital \$	Option reserve \$	Foreign currency translation reserve \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2022	50,589,506	3,092,953	(1,246,932)	(16,596,394)	35,839,133
Loss after income tax expense for the period	-	-	-	(1,889,766)	(1,889,766)
Other comprehensive income for the period, net of tax	-	-	783,688	-	783,688
Total comprehensive income/(loss) for the period	-	-	783,688	(1,889,766)	(1,106,078)
Share issue costs	(402,265)	-	-	-	(402,265)
Share based payment expense	-	156,416	-	-	156,416
Exercise of Employee Share Scheme options	545,649	(545,649)	-	-	-
Expiry of Employee Share Scheme options	-	(1,322,065)	-	1,322,065	-
Placement of shares @ \$0.12 (flow through)	2,225,420	-	-	-	2,225,420
Flow through share raise premium	(254,133)	-	-	-	(254,133)
Capital raise @ \$0.10	2,600,427	-	-	-	2,600,427
Placement of shares @ \$0.11	2,157,560	-	-	-	2,157,560
Placement of shares @ \$0.11	3,212,025	-	-	-	3,212,025
Balance at 31 December 2022	<u>60,674,189</u>	<u>1,381,655</u>	<u>(463,244)</u>	<u>(17,164,095)</u>	<u>44,428,505</u>

The above statement of changes in equity should be read in conjunction with the accompanying notes.

Matador Mining Ltd
Statement of cash flows
For the period ended 30 June 2023

	Note	Consolidated	
		6 months ended 30 June 2023	6 months ended 31 December 2022
		\$	\$
Cash flows from operating activities			
Payments to suppliers and employees		(1,336,252)	(1,381,743)
Interest received		9,239	1,260
Interest and other finance costs paid		(2,227)	(1,967)
Other revenue		70,950	-
Net cash used in operating activities		<u>(1,258,290)</u>	<u>(1,382,450)</u>
Cash flows from investing activities			
Payments for property, plant and equipment		(2,445)	(25,192)
Payments for exploration and evaluation		(1,385,147)	(2,765,250)
Payments for security deposits		-	(67,955)
Proceeds from release of security deposits		66,298	-
Net cash used in investing activities		<u>(1,321,294)</u>	<u>(2,858,397)</u>
Cash flows from financing activities			
Proceeds from issue of shares		-	10,195,433
Share issue transaction costs		-	(402,265)
Repayment of lease liabilities		(46,801)	(10,372)
Net cash (used in) / from financing activities		<u>(46,801)</u>	<u>9,782,796</u>
Net (decrease) / increase in cash and cash equivalents		(2,626,385)	5,541,949
Cash and cash equivalents at the beginning of the financial period		8,326,388	2,762,790
Effects of exchange rate changes on cash and cash equivalents		(187,324)	21,649
Cash and cash equivalents at the end of the financial period	6	<u>5,512,679</u>	<u>8,326,388</u>

The above statement of cash flows should be read in conjunction with the accompanying notes.

Notes to the Financial Statements

Note 1. General information

The financial statements cover Matador Mining Ltd as a Group consisting of Matador Mining Ltd and the entities it controlled at the end of, or during, the period. The financial statements are presented in Canadian dollars, which is Matador Mining Ltd.'s functional and presentation currency.

Matador Mining Ltd is a listed public company limited by shares, incorporated, and domiciled in Australia. Its registered office and principal place of business is:

24 Hasler Road
Osborne Park WA 6017

A description of the nature of the Group's operations and its principal activities are included in the Directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of Directors, on 11 September 2023.

Note 2. Material accounting policy information

These general purpose financial statements for the interim half-year reporting period ended 30 June 2023 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the period ended 31 December 2022 and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

As a result of changing the year-end from 30 June to 31 December during the six months ended 31 December 2022, the comparative information for the statement of profit or loss and other comprehensive income and the statement of cashflow is for the six months ended 31 December 2022, being the first six months of the immediately preceding financial year. Comparability with the current period is maintained due to the low seasonality of the Group's operation

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

Note 2. Material accounting policy information (continued)***New or amended Accounting Standards and Interpretations adopted***

The Group has adopted all the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (“AASB”) that are mandatory for the current reporting period. The adoption of these Accounting Standards and Interpretations has not resulted in a significant or material change to the Company’s accounting policies.

Financial report prepared on a going concern basis

The Group incurred a loss after tax of \$2,160,874 (6 months ended 31 December 2022: \$1,889,766) and had operating and investing cash outflows of \$1,258,290 (6 months ended 31 December 2022: \$1,382,450) and \$1,321,194 (6 months ended 31 December 2022: \$2,858,397) respectively for the half-year ended 30 June 2023. The Group held cash and cash equivalents at 30 June 2023 of \$5,512,679 (31 December 2022: \$8,326,388).

The Group’s cashflow forecast for the period ended 30 September 2024 reflects that the Group will require additional working capital during this period to enable it to continue to meet its ongoing operational and exploration commitments. The Directors are satisfied that the Group will be able to either secure additional working capital as required through raising additional equity or reducing the Group’s discretionary spending. Accordingly, the directors consider it appropriate to prepare the consolidated half-year financial statements on a going concern basis.

In the event the Group is unable to raise additional working capital to meet its ongoing operational and exploration commitments as and when required, there is material uncertainty as to whether the Group will be able to meet its debts as and when they fall due and thus continue as a going concern and, therefore whether it will be able to realise its assets and discharge its liabilities in the normal course of business at the amounts stated in the consolidated half-year financial statements.

No adjustments have been made relating to the recoverability and classification of recorded asset amounts nor to the amounts or classification of liabilities that might be necessary should the Group not continue as a going concern.

Note 3. Operating segments***Identification of reportable operating segments***

The Company’s operations are in one reportable business segment, being the exploration for gold. The Company operates in one geographical segment, being Canada.

The operating segment information is the same information as provided throughout the consolidated financial statements and therefore not duplicated. The information reported to the CODM is on at least a monthly basis.

Note 4. Other income

	Consolidated	6 months
	6 months	ended 31
	ended 30	December
	June 2023	2022
	\$	\$
Settlement of flow through share liability	76,337	887,012
Canadian Government incentives	25,500	-
Interest income	9,239	1,260
	<u>111,076</u>	<u>888,272</u>

Note 5. Share based payment expense

	Consolidated	6 months
	6 months	ended 31
	ended 30	December
	June 2023	2022
	\$	\$
Share based payment expense	<u>262,099</u>	<u>156,416</u>

Note 6. Cash and cash equivalents

	Consolidated	31
	30 June	December
	2023	2022
	\$	\$
<i>Current assets</i>		
Cash at bank and on hand	<u>5,512,679</u>	<u>8,326,388</u>

Note 7. Exploration and evaluation

	Consolidated	31
	30 June	December
	2023	2022
	\$	\$
<i>Non-current assets</i>		
Exploration and evaluation - at cost	<u>44,138,802</u>	<u>42,349,364</u>

Note 7. Exploration and evaluation (continued)

	Consolidated	
	31	
	30 June	December
	2023	2022
	\$	\$
Opening balance	42,349,364	38,722,197
Capitalised exploration costs	<u>1,789,438</u>	<u>3,627,167</u>
	<u><u>44,138,802</u></u>	<u><u>42,349,364</u></u>

Note 8. Trade and other payables

	Consolidated	
	31	
	30 June	December
	2023	2022
	\$	\$
<i>Current liabilities</i>		
Trade payables	475,941	424,242
Accrued expenses	272,453	143,074
Flow through share premium liability	-	76,337
PAYG Payable	<u>112,291</u>	<u>70,912</u>
	<u><u>860,685</u></u>	<u><u>714,565</u></u>

Note 9. Issued capital

	Consolidated			
	31		31	
	30 June	December	30 June	December
	2023	2022	2023	2022
	Shares	Shares	\$	\$
Ordinary shares - fully paid	<u>315,359,035</u>	<u>315,210,834</u>	<u>60,729,206</u>	<u>60,674,189</u>

Note 9. Issued capital (continued)

Movements in ordinary share capital

Details	Date	Shares	Issue price	\$
Balance	30 June 2022	217,019,505		50,589,506
Flow-through Securities	21-Jul-22	19,230,770	\$0.12	2,225,420
Placement Securities	21-Jul-22	19,913,044	\$0.10	2,038,485
Share purchase plan	18-Aug-22	25,217,241	\$0.10	2,600,427
Options Exercised	19-Aug-22	155,950	\$0.41	64,289
Options Exercised	26-Aug-22	54,619	\$0.37	20,019
Options Exercised	08-Sep-22	66,000	\$0.27	18,111
Options Exercised	08-Sep-22	15,330	\$0.27	4,207
Options Exercised	08-Sep-22	52,500	\$0.41	21,378
Options Exercised	30-Sep-22	500,000	\$0.28	137,809
Placement Securities	02-Nov-22	18,000,000	\$0.10	1,826,630
Options Exercised	08-Nov-22	29,050	\$0.40	11,676
Options Exercised	08-Nov-22	636,100	\$0.33	211,180
Options Exercised	10-Nov-22	120,000	\$0.32	37,987
Options Exercised	10-Nov-22	60,000	\$0.32	18,993
Placement Securities	06-Dec-22	13,010,290	\$0.11	1,385,395
Placement Securities	06-Dec-22	347,826	\$0.11	36,639
Placement Securities	06-Dec-22	260,870	\$0.11	27,479
Placement Securities	06-Dec-22	521,739	\$0.11	54,957
Flow through share raise premium		-	-	(254,133)
Transaction costs		-	-	(402,265)
Balance	31 December 2022	<u>315,210,834</u>		<u>60,674,189</u>
Balance	1 January 2023	315,210,834		60,674,189
Options Exercised	20-Jan-23	8,000	\$0.42	3,360
Options Exercised	20-Jun-23	80,201	\$0.38	30,717
Options Exercised	20-Jun-23	<u>60,000</u>	\$0.35	<u>20,940</u>
Balance	30 June 2023	<u>315,359,035</u>		<u>60,729,206</u>

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

Every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Share buy-back

There is no current on-market share buy-back.

Note 9. Issued capital (continued)
Capital risk management

The Group's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

Capital is regarded as total equity, as recognised in the statement of financial position.

In order to maintain or adjust the capital structure, the Group may adjust the number of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group would look to raise capital when an opportunity to invest in a business or company was seen as value adding relative to the current Company's share price at the time of the investment. The Group is not actively pursuing additional investments in the short term as it continues to integrate and grow its existing businesses to maximise synergies.

Note 10. Reserves

	Consolidated	
	31	
	30 June	December
	2023	2022
	\$	\$
Foreign currency reserve	(463,244)	(463,244)
Options reserve	1,588,737	1,381,655
	<u>1,125,493</u>	<u>918,411</u>

Foreign currency reserve

The reserve is used to recognise exchange differences arising from the translation of the financial statements of foreign operations to Canadian dollars.

Option reserve

The option reserve records items recognised as expenses on the valuation of share options.

Note 10. Reserves (continued)
Movements in reserves

Movements in each class of reserve during the current and previous financial period are set out below:

Consolidated	Foreign currency translation reserve \$	Options reserve \$	Total \$
Balance at 1 July 2022	(1,246,932)	3,092,953	1,846,021
Foreign currency translation	783,688	-	783,688
Share based payments to KMP	-	94,779	94,779
Share based payments to Employees and consultants	-	61,637	61,637
Options expired	-	(1,322,065)	(1,322,065)
Transfer of fair value to contributed equity	-	(545,649)	(545,649)
	<hr/>	<hr/>	<hr/>
Balance at 31 December 2022	(463,244)	1,381,655	918,411
Share based payments to KMP	-	22,313	22,313
Share based payments to Employees and consultants	-	239,786	239,786
Transfer of fair value to contributed equity	-	(55,017)	(55,017)
	<hr/>	<hr/>	<hr/>
Balance at 30 June 2023	<u>(463,244)</u>	<u>1,588,737</u>	<u>1,125,493</u>

Fair value for options granted during the current financial year has been determined by using the Black-Scholes model.

The valuation model inputs used to determine the fair value at the grant date, are as follows:

Note 10. Reserves (continued)
Retention options issued during the period ended 30 June 2023

	Retention options tranche one	Retention options tranche two	Retention options tranche three
Fair value of option	\$0.28	\$0.28	\$0.28
Exercise price	nil	nil	nil
Grant date	19/05/23	19/05/23	19/05/23
Vesting date	01/07/23	01/07/24	01/07/25
Expiry date	18/02/27	18/02/27	18/02/27
Number of options	105,000	105,000	105,000
Expense during the year	\$29,794	\$24,391	\$22,208
Expected volatility (%)	82%	82%	82%
Risk-free interest rate (%)	3.18%	3.18%	3.18%
Expected life of options (years)	0.02	1.02	2.02
Model used	Black-Scholes	Black-Scholes	Black-Scholes

Incentive options issued during the period ended 30 June 2023

	Incentive options tranche one	Incentive options tranche two	Incentive options tranche three
Fair value of option	\$0.07	\$0.07	\$0.07
Exercise price	nil	nil	nil
Grant date	31/05/23	31/05/23	31/05/23
Vesting date	01/03/24	01/03/25	01/03/26
Expiry date	01/03/29	01/03/29	01/03/29
Number of options	189,873	189,873	189,874
Expense during the year	\$1,450	\$623	\$397
Expected volatility (%)	82%	82%	82%
Risk-free interest rate (%)	3.18%	3.18%	3.18%
Expected life of options (years)	0.75	1.75	2.75
Model used	Black-Scholes	Black-Scholes	Black-Scholes

Total share-based payment expense recognised during the year was \$262,099 (30 June 2022: \$156,416).

Note 11. Accumulated losses

	Consolidated	
	30 June 2023	31 December 2022
	\$	\$
Accumulated losses at the beginning of the financial period	(17,164,095)	(16,596,394)
Loss after income tax expense for the period	(2,160,874)	(1,889,766)
Transfer from options reserve	-	1,322,065
	<u> </u>	<u> </u>
Accumulated losses at the end of the financial period	<u><u>(19,324,969)</u></u>	<u><u>(17,164,095)</u></u>

Note 12. Dividends

There were no dividends paid, recommended or declared during the current or previous financial period.

Note 13. Commitments

The Group must meet tenement expenditure commitments to maintain its tenements in good standing. These commitments are not provided for in the financial statements and are as follows:

	Consolidated	
	30 June 2023	31 December 2022
	\$	\$
Committed at the reporting date but not recognised as liabilities:		
Within one year	310,385	513,946
One to five years	360,972	413,640
More than five years	386,641	277,226
	<u> </u>	<u> </u>
	<u><u>1,057,998</u></u>	<u><u>1,204,812</u></u>

Note 14. Contingent liabilities and contingent assets

The Group has no contingent liabilities or contingent assets at the date of this report (December 2022: None).

Note 15. Events after the reporting period

On 28 August 2023 the Company announced that it entered into two new option agreements for additional mineral licences adjacent to the Company's Hermitage property. Payment terms for the licences of C\$85,000 and share issuance of 675,000 ordinary shares in various instalments over three years. Refer ASX announcement on 28 August 2023.

Other than the above, no matter or circumstance has arisen since the end of the financial period which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

Note 16. Earnings per share

	Consolidated	
	6 months ended 30 June 2023	6 months ended 31 December 2022
	\$	\$
Loss after income tax attributable to the owners of Matador Mining Ltd	(2,160,874)	(1,889,766)
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	315,210,834	248,071,042
Weighted average number of ordinary shares used in calculating diluted earnings per share	315,210,834	248,071,042
	Cents	Cents
Basic loss per share	(0.69)	(0.76)
Diluted loss per share	(0.69)	(0.76)

Matador Mining Ltd
Directors' Declaration
30 June 2023

In the Directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the Group's financial position as at 30 June 2023 and of its performance for the financial period ended on that date; and
- subject to the matters set out in Note 2 to the interim financial statements, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of Directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the Directors



Justin Osborne
Non-executive Chair
Perth, Western Australia
11 September 2023

Independent auditor's review report to the members of Matador Mining Ltd

Conclusion

We have reviewed the accompanying half-year financial report of Matador Mining Ltd (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at 30 June 2023, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes comprising a statement of accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of the Group does not comply with the *Corporations Act 2001*, including:

- a. Giving a true and fair view of the consolidated financial position of the Group as at 30 June 2023 and of its consolidated financial performance for the half-year ended on that date; and
- b. Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* (ASRE 2410). Our responsibilities are further described in the *Auditor's responsibilities for the review of the half-year financial report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Material uncertainty related to going concern

We draw attention to Note 2 of the financial statements, which describes the principal conditions that raise doubt about the Group's ability to continue as a going concern. These events or conditions indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

Directors' responsibilities for the half-year financial report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's responsibilities for the review of the half-year financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 30 June 2023 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



Ernst & Young



Pierre Dreyer
Partner
Perth
11 September 2023