



A\$16 Million Placement at 28% Premium Expands Cape Ray Gold Project Drill Program to 45,000 Metres

Highlights

- The Company has successfully completed an A\$16 million Placement, issuing 28.6 million shares at a price of A\$0.56 per share (“New Shares”)
- The Placement was completed at a 28 % premium to the closing share price
- The Company received strong demand for the Placement from both International and Australian Institutional Investors
- Proceeds from the Placement will be used to expand and accelerate exploration activities at the Cape Ray Gold Project. The program includes:
 - 45,000 metres of diamond drilling (previously 20,000 metres)
 - Increased power auger drilling with five rigs (previously three rigs)
 - Expanded Heli-mag program to 80 kilometres of strike (previously 40 kilometres)
 - Inaugural winter exploration program
 - Pre-Feasibility Study and permitting activities
- New Shares were issued at a premium price as “flow through shares” under the Income Tax Act (Canada), facilitated by Canadian leading flow-through share dealer, Peartree Securities Inc.

Matador Mining Limited (ASX: MZZ; OTCQX: MZZMF; FSE: MA3) (“Matador” or the “Company”) is pleased to announce that it has raised proceeds of A\$16 million (before costs) (“Placement”) from the placement of 28.5 million shares at a price of A\$0.56 per share (“New Shares”). This represents:

- A 28% premium to the last closing price of Matador shares on 24 June 2021 of A\$0.44 per share; and
- A 18 % premium to the 10-day volume weighted average price of Matador shares to 24 June 2021 of A\$0.48 per share.

The Company was able to issue the New Shares at a premium, as they were issued under the Canadian flow-through share regimes, which provides tax incentives to eligible investors for expenditures that qualify as flow through mining expenditures under the Income Tax Act (Canada) (“Act”).

The funds raised in the Placement allow for the Company to expand and accelerate exploration activities at the Cape Ray Gold Project in Newfoundland, Canada. This increased program includes expanding diamond drilling from 20,000 metres up to 45,000 metres, increasing the power auger drilling capacity from three to five rigs and increasing the Heli-mag program to 80 kilometres of strike from 40 kilometres.

Executive Chairman, Ian Murray commented:

"I would like to thank both new and existing shareholders for their strong support in this Placement. To have such strong demand highlights the market support for our exploration strategy to systematically test the potential of our Cape Ray Gold Project, in Newfoundland, Canada. These additional funds now mean that we can materially accelerate our work program, with the aim of advancing the timing of new discoveries.

I would also like to thank Matador's corporate and finance team for working tirelessly behind the scenes to complete the Placement. Being able to achieve this is a great result for all shareholders as we reduce dilution whilst also raising additional funds."

Placement details

The term "flow-through share" is a defined term in the Act and is not a special type of share under corporate law. In this case, the term "flow-through share" refers to an ordinary share that will be issued by the Company to an investor under a written agreement with the investor, whereby the Company agrees to incur flow through mining expenditure, and to renounce tax deductions associated with those expenditures to the investor. If the Company and the investor comply with the rules in the Act, the investor will be entitled to deduct the amount renounced in computing the investor's income for Canadian income tax purposes and as a result, the flow-through shares are issued at a higher price.

The issue of 28,584,783 New Shares at \$0.56 per share will utilise Matador's issuance capacity under ASX Listing Rules 7.1 and 7.1A, with:

- 27,052,819 New Shares issued under Matador's Listing Rule 7.1 issuance capacity; and
- 1,531,964 New Shares issued under Matador's Listing Rule 7.1A issuance capacity.

Accordingly, no shareholder approval is required in connection with the Placement. The New Shares will rank equally with the Company's existing fully paid ordinary shares.

The dilutive effect of the Placement on existing shareholders is as follows:

	Shares	Dilution
Shares on issue before Placement	181,192,818	
Shares issued under ASX Listing Rule 7.1	27,052,819	14.93%
Shares issued under Listing Rule 7.1A	1,531,964	0.85%
Total shares on issue after Placement	209,777,601	
Total dilution		15.78%

The New Shares issued under Listing Rule 7.1A were issued to PearTree Securities Inc as agent, under a placement and not a pro-rata issue as it was considered to be the most efficient mechanism for raising capital for the Company at the time. No fees are payable by the Company to PearTree.

There was no underwriting agreement entered into in relation to the Placement.

Shaw and Partners Limited and Canaccord Genuity (Australia) Limited acted as joint advisor to the Placement under a financial advisory mandate.

The Company intends to lodge a Prospectus to comply with section 708A(11) of the Corporations Act to remove any trading restrictions attached to the New Shares and will provide an update in due course.

This announcement has been authorised for release by the Company's Board of Directors.

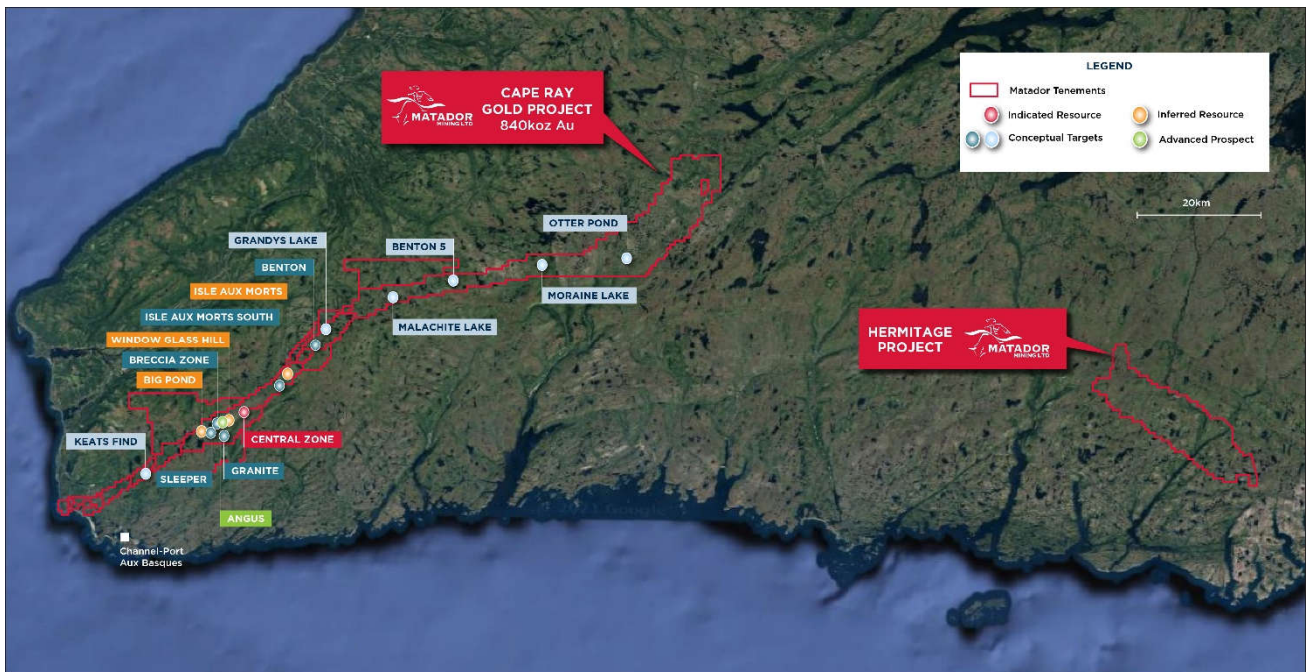
To learn more about the Company, please visit www.matadormining.com.au, or contact:

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About the Company

Matador Mining Limited (ASX: MZZ; OTCQX: MZZMF; FSE: MA3) is a gold exploration company with tenure covering 120 kilometres of continuous strike along the highly prospective, yet largely under-explored Cape Ray Shear in Newfoundland, Canada. The Company released a Scoping Study which outlined an initial potential seven-year mine life, with a forecast strong IRR (51% post Tax), rapid payback (1.75 year) and LOM AISC of US\$776/oz Au (ASX announcement 6 May 2020).¹ The Company is currently undertaking the largest exploration program carried out at Cape Ray, with 45,000 metres of drilling, targeting brownfield expansion and greenfields exploration. Matador acknowledges the financial support of the Junior Exploration Assistance Program, Department of Industry, Energy and Technology, Provincial Government of Newfoundland and Labrador, Canada.



¹ In relation to the results of the Scoping Study announced on 6 May 2020, Matador confirms that all material assumptions underpinning the production target and forecast financial information included in that announcement continue to apply and have not materially changed.