



Multiple greenfields exploration targets identified at Cape Ray Gold Project

Highlights

- **Three high priority greenfield exploration targets identified at the Cape Ray Gold Project. All targets located less than 5km from Central Zone with no drilling completed at any of the targets (Image 1).**
- **Each target was identified through multiple exploration techniques, including structural geology, geophysics and soil geochemistry. These techniques have been used with success in identifying other major gold deposits along the Cape Ray shear in Newfoundland.**
- **Brownfields exploration strategy remains focused on growing the existing resource (1.02Moz Au at 2.2g/t Au¹), specifically targeting the extensions at known resources which remain open.**
- **A regional exploration strategy across the total 65km package is currently being assessed.**

Matador Mining Limited (ASX: MZZ) ("Matador" or the "Company") is pleased to provide an update on the progress of its greenfields exploration program at the Cape Ray Gold Project ("Cape Ray") in Newfoundland, Canada. The aim of this program was to identify priority Greenfield targets to be further tested in the upcoming exploration season. This initial program has focused on the known mineralised area which covers approximately 14km of the total 65km package. This area was targeted as any new potential discovery could be combined with existing resources (1.02Moz at 2.2g/t Au) to deliver upon the Company's long-term production strategy of a centralised processing facility at Cape Ray.

As part of the program, multiple exploration techniques were used, including structural interpretation and mapping, geophysics and a soil geochemistry program. These techniques were selected as each had previously assisted in the identification of other gold deposits in Newfoundland, including the Company's 810koz Central Zone Project and the 4.2Moz Au Valentine Lake deposits.

Three high priority targets were subsequently identified from this program as highlighted in Image 1. Each target showed strong signatures under the various exploration techniques. These targets will be further explored as part of the 2Q19 exploration field season, the results of which will be used to refine the greenfield drill program planned for later in the season. No drilling has previously been completed at these targets.

Executive Director Keith Bowes commented:

The greenfield exploration potential at Cape Ray was a major aspect that first attracted the Company to the Project. Our initial assessment showed that the ground was highly prospective for further gold discoveries, despite the limited historical work completed across the majority of the 65km package.

¹ ASX announcement 30th January 2019. Matador confirms that it is not aware of any new information or data that materially affects the information included in the announcement of 30th January 2019 and that all material assumptions and technical parameters underpinning the Mineral Resource estimate in the announcement of 30th January 2019 continue to apply and have not materially changed.

Whilst further work is required, we are very encouraged by the promise shown at each of the targets identified, given each exhibits strong signatures under multiple exploration techniques, that importantly were used to assist in identifying other gold occurrences throughout Newfoundland.

We look forward to the recommencement of work at site during 2Q19. The Company is currently finalising a detailed exploration program for the upcoming field season that will outline our brownfield, greenfield and regional exploration strategy.

High Priority Greenfield Exploration Targets

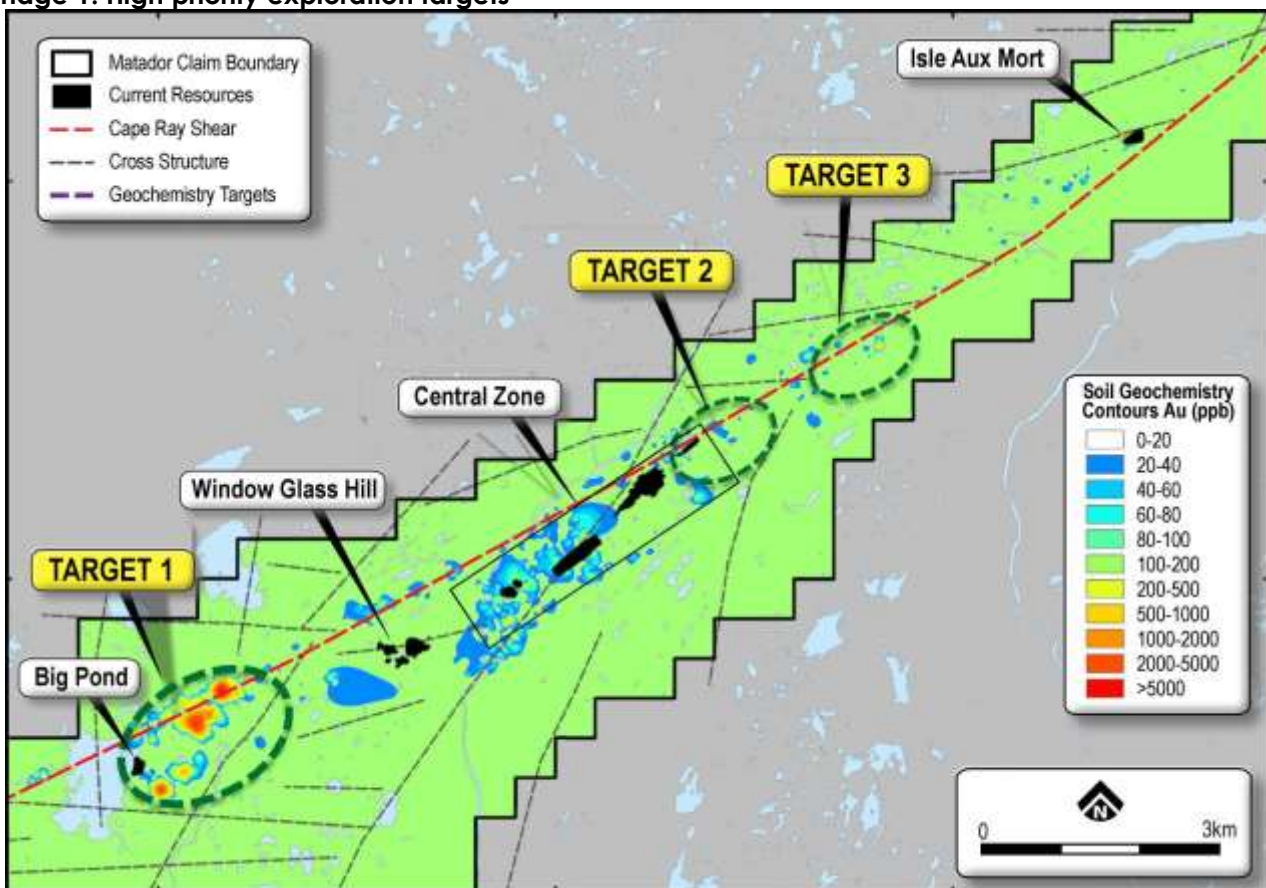
Structural geology and mapping have been used with great success throughout Newfoundland, as a large number of gold deposits discovered across the Province occur along either the main Cape Ray Shear or on second order structures (splays) off the main shear.

Matador engaged highly regarded structural geology consultants Terrane Geoscience, to undertake a structural analysis (using geophysical outputs) and mapping program to assist the Company in better understanding the structures that exist within its tenement package and how these structures control the mineralisation.

In conjunction with this work, a detailed geochemical program, which included both historical work and results from the 2018 field season were combined and analysed. The results from both the structural / geophysics and geochemical programs were overlaid to determine key areas of interest. This analysis identified three high priority targets as highlighted in Image 1 below.

These targets will be further explored at the recommencement of the field season to assist in further refining the drill program planned at each target for later in the year.

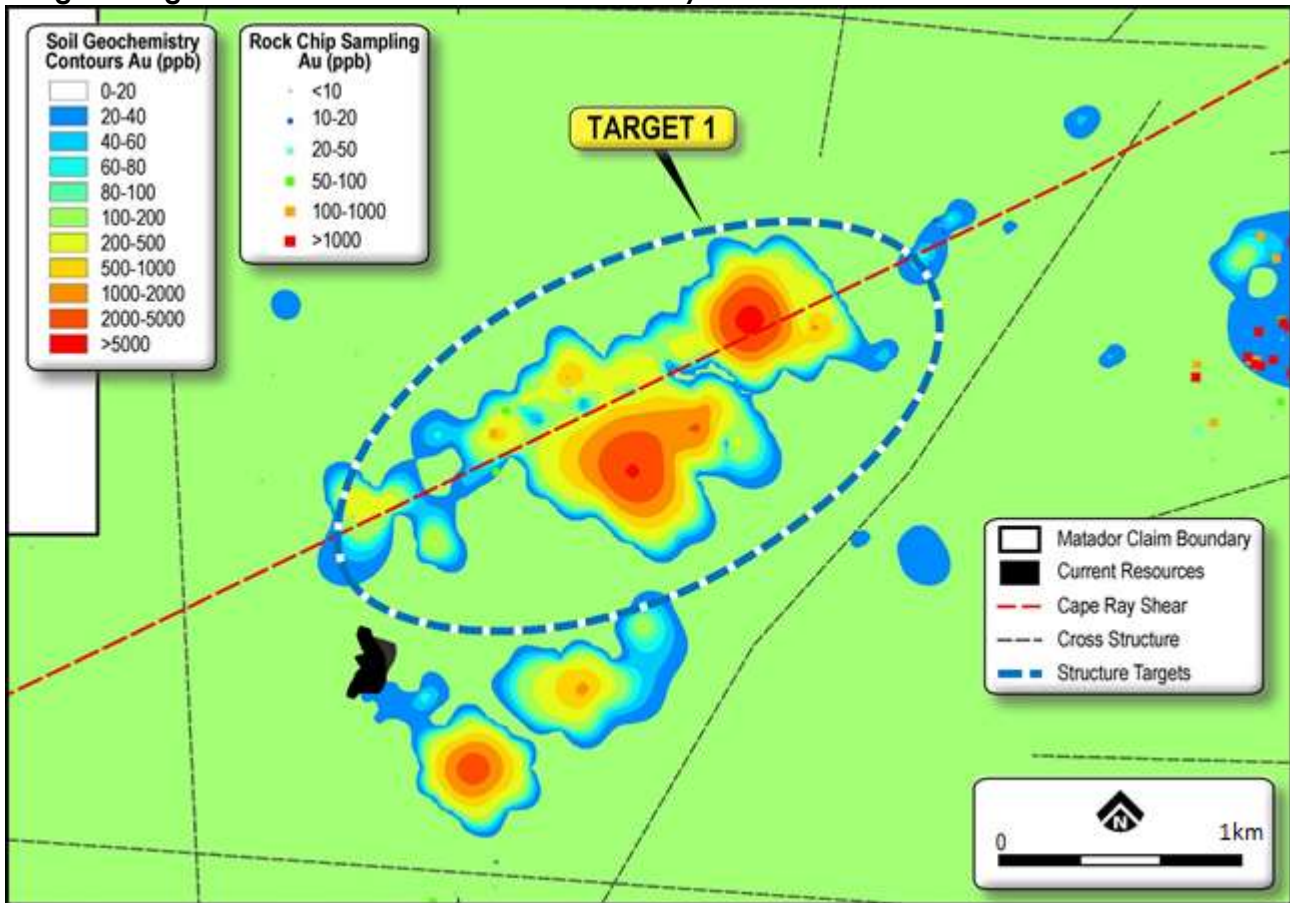
Image 1: High priority exploration targets



Target 1

Target 1 is located 1km to the east of the current resource at Big Pond. This target is characterised by a 1km strike length gold in soil anomaly of >500ppb Au and coincident with an area of multiple interpreted cross faults as highlighted in Image 2 below. On a local scale, the target is contained within an area of low magnetic response which is similar to that of the main Central Zone area. The target area is untested by drilling.

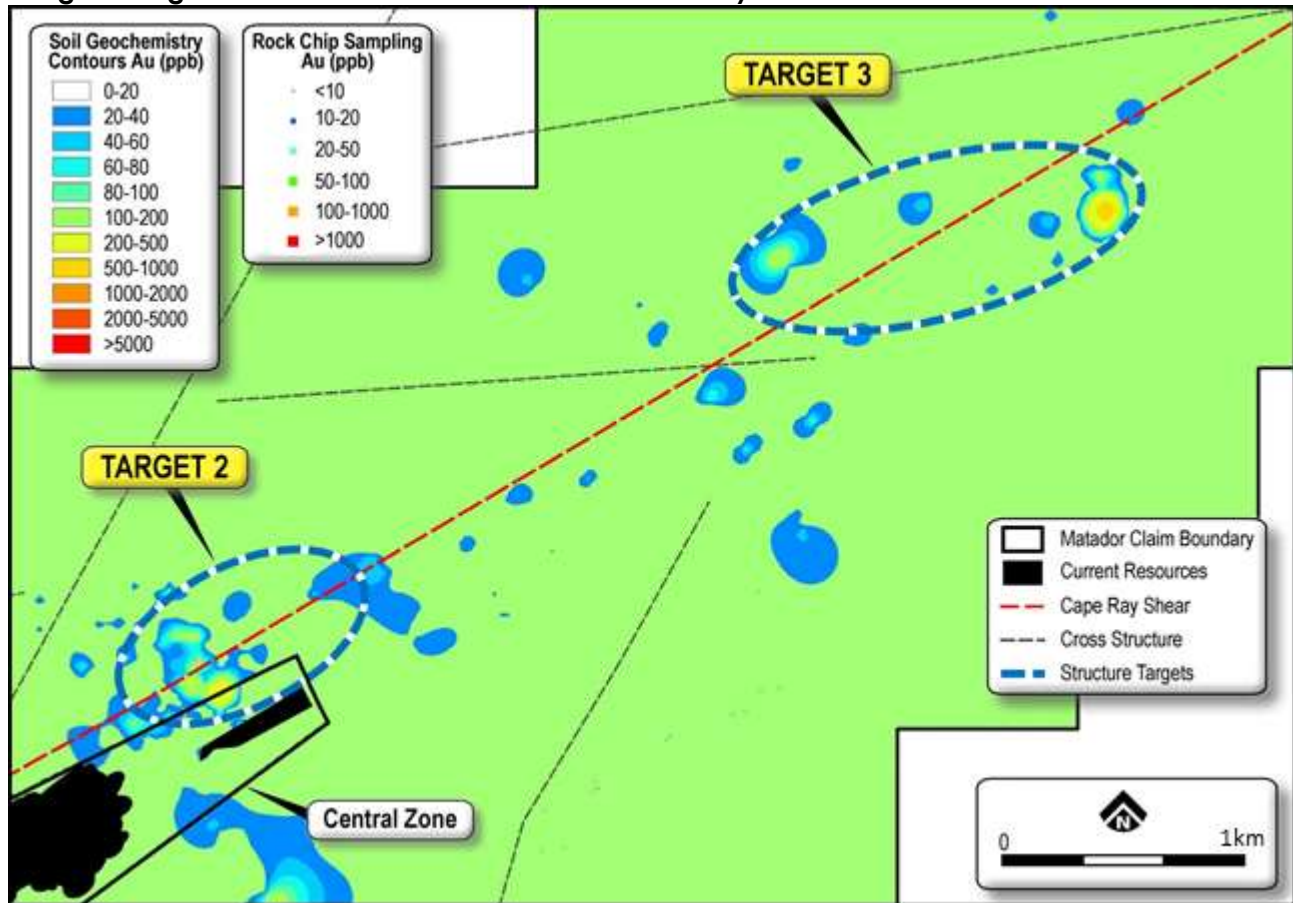
Image 2: Target 1 - Geochemical and structural analysis



Target 2

Target 2 is located 100m to the north of the Central Zone extension. This target is characterised by a 100m strike length gold in soil anomaly of >100ppb Au and again coincident with an area of multiple interpreted cross faults as highlighted in Image 3 below. The target area's close proximity to structures at Central Zone indicate a potential extension of mineralisation along strike to the east of the current defined resource. The target area is untested by drilling.

Image 3: Target 2 & 3 - Geochemical and structural analysis



Target 3

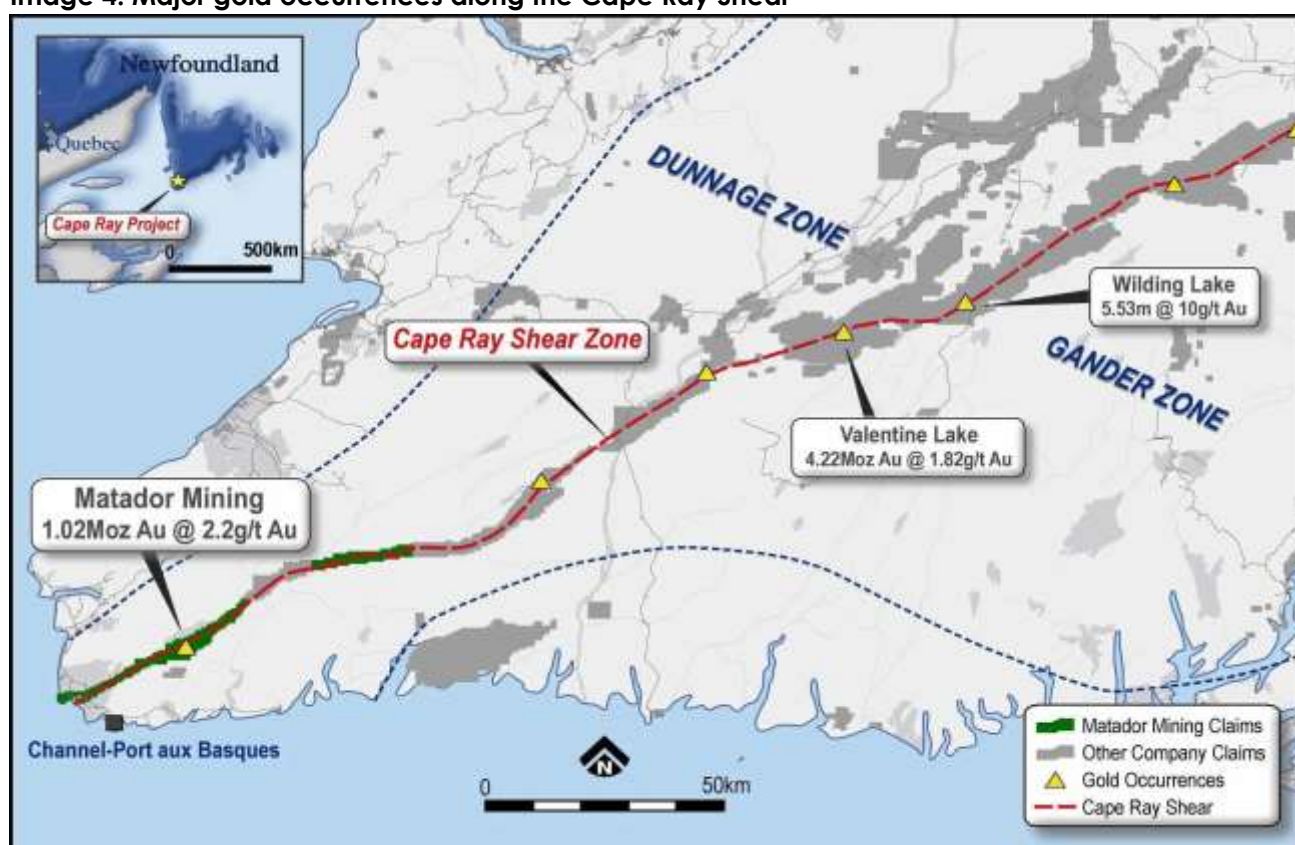
Target 3 is located 2.5km to the east of Central Zone. This target is characterised by a similar coincident soil anomaly of >100ppb Au over 100m and interpreted cross faults as highlighted in Image 3 above. The target is located along the continuation of the mylonite-hydrothermal breccia zone that hosts the eastern margin of the Central Zone resource. The target area is untested by drilling.

Cape Ray Shear - Structural geology overview

Matador's Central Zone Project has a JORC resource of 810,000oz Au at 2.6g/t Au (see Footnote 1, page 1) and is hosted in second order structures and splays off the main Cape Ray Shear. The Cape Ray Shear is a major structural boundary and is defined as the contact between the Dunnage and Gander tectonostratigraphic zones. The shear hosts a large number of the gold occurrences in Newfoundland, including the Valentine Lake deposit (4.22Moz Au at 1.8 g/t Au), which is hosted in rocks analogous to Matador's Window Glass Hill deposit.

In addition to the above-mentioned deposits, numerous high-grade gold intercepts have been encountered by exploration companies along the shear, including the Wilding Lake Project (5.35m grading 10g/t Au) and the Moosehead Project (11.9m at 44.96g/t Au). These high-grade gold occurrences and the Cape Ray shear are highlighted in Image 4 below.

Image 4: Major gold occurrences along the Cape Ray Shear



Structural geological analysis and mapping program

During the past field season, Matador engaged highly regarded structural geology consultants Terrane Geoscience, based in Halifax, Nova Scotia and led by Dr Stefan Kruse (Ph.D., P.Geo), to undertake a structural analysis and structural mapping of zones of interest along the Cape Ray Shear. The structural analysis comprised two phases of work:

- Phase 1 – Lineament interpretation of historical aeromagnetic geophysical data
- Phase 2 – Structural field mapping and rock chip sampling

The Phase 1 lineament interpretation was based on historical aeromagnetic data, with offsets of magnetic anomalies used to define cross structures and kinematics along the structures. Two sets of

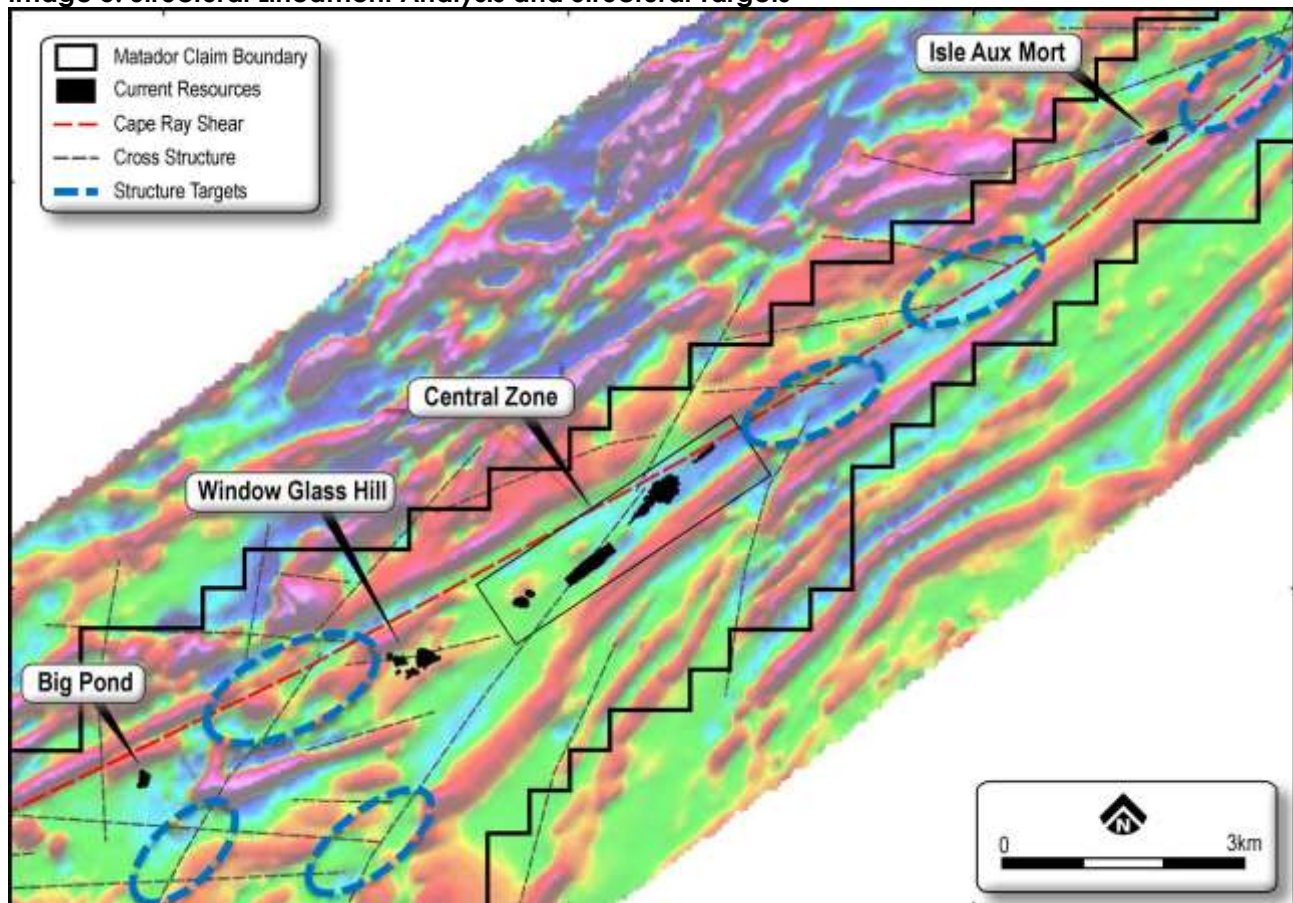
cross structures (NE-SW and E-W) were identified and are found adjacent to the all of the deposits which currently comprise Matador's gold resource of 1.02Moz Au (See Footnote 1, page 1).

Further structural targets were identified along the Cape Ray Shear where the cross structures intersect with the main shear. These intersections provide the potential pathways and traps for the mineralized fluids during deposition events.

The Phase 2 fieldwork component comprised structural mapping of the targets identified from alteration mapping and historical sampling. Fieldwork was conducted during October 2018. A total of 165 rock chip samples were collected during the mapping exercise to support the interpretation of the structural environment.

The fieldwork identified a number of potential targets as highlighted in Image 5 below. Four of these targets are located on major second order structures (similar to Central Zone) and the other two targets on cross structures similar to Window Glass Hill as well as the 4.2Moz Au Valentine deposit.

Image 5: Structural Lineament Analysis and Structural Targets

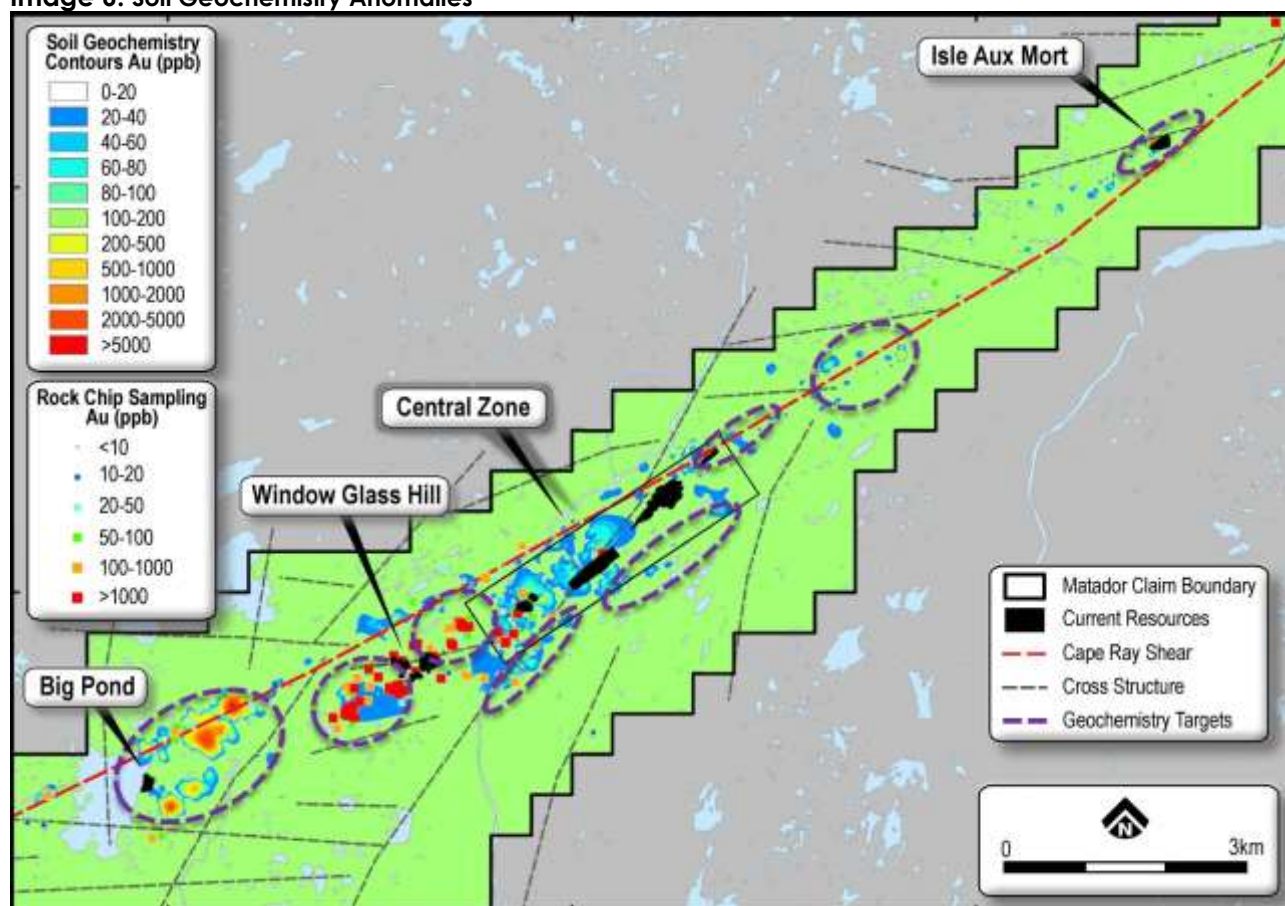


Geochemistry sampling and analysis

Geochemical analysis has identified several trends of gold in soil anomalies as highlighted in Image 6 below. Soil sampling grids were completed across the project area between June 2018 and October 2018 as an extension to historical soil sampling grids. A total of 1,453 extensional soil samples were collected on a 200m x 50m sample spacing, and a total of 159 infill soil samples were collected on a 25m x 50m spacing.

In addition, a large historical geochemical dataset of over 1,000 rock chip samples and 3,500 soil samples has been compiled to highlight additional anomalies that are yet to be tested by drilling. Image 6 below highlights the major soil anomalies identified to date.

Image 6: Soil Geochemistry Anomalies



Infill soil sampling at Target 2 located 100m to the north of the Central Zone extension (previously referred to as Anomaly A in the company's Drilling and Regional Exploration Update Announcement, 9th Nov 2018) was followed-up with infill sample lines that have confirmed the anomaly as representative of in-situ mineralisation as opposed to transported cover. Additionally, a brief ground-truthing exercise identified gossanous quartz veining containing up to 100ppm Zn.

Multiple anomalies of >100ppb Au in historical soil sampling were also identified in areas with no previous drilling and the nature of material also indicated it is representative of in-situ mineralisation.

A number of historical rock chips around Window Glass Hill have returned gold assays >500ppb in areas untested by drilling and represents growth opportunities for the Window Glass Hill resource.

About the Company

Matador Mining Limited (ASX: MZZ) is a gold exploration company with tenure covering 65km of continuous strike along the highly prospective, yet largely under-explored Cape Ray Shear in Newfoundland, Canada. Within the package is a 14km zone of drilled strike which hosts a JORC resource of 1.02Moz Au (14.25Mt at 2.2g/t Au) (see Table 1 below). The exploration opportunity at Cape Ray is extensive with only a small portion of the 65km strike drilled, and high-grade gold occurrences observed along trend. The Company is currently developing a large-scale exploration and project development program to unlock the value in this considerable package.

Table 1: CAPE RAY GOLD PROJECT, JORC 2012 Classified Resource Summary – Gold resource only

	Indicated			Inferred			Total		
	Mt	Au (g/t)	Koz (Au)	Mt	Au (g/t)	Koz (Au)	Mt	Au (g/t)	Koz (Au)
Central	7.69	2.7	660	2.03	2.3	150	9.72	2.6	810
Isle Aux Mort	-	-	-	782	2.4	60	0.78	2.4	60
Big Pond	-	-	-	111	5.3	18	0.11	5.3	18
WGH	-	-	-	3,635	1.2	134	3.63	1.2	134
Total	7.69	2.7	660	6.56	1.7	360	14.25	2.2	1.02

Note: reported at 0.5 g/t Au cutoff grade

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

Keith Bowes – Director (Technical) +61 8 6143 6710

Adam Kiley – Director (Corporate) +61 8 6143 6710

Competent Person's Statement

The information contained in this announcement that relates to exploration results, is based on, and fairly reflects, information compiled by Mr. Alfred Gillman, an employee of Odessa Resources and independent consultant to Matador Mining Limited. Mr. Alfred Gillman is a Fellow and Chartered Professional of the Australian Institute of Mining and Metallurgy and was engaged as a consultant to Matador Mining Limited to complete the JORC (2012) resource. Mr. Gillman 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 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr. Gillman consents to the inclusion in this announcement of the matters based on his information in the form and context in which it appears.

Appendix 1 JORC Code, 2012 Edition Table 1

Section 1 Sampling Techniques and Data

	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.	Matador Mining has completed rock chip sampling across various locations within the Cape Ray Gold Project property area.
	Aspects of the determination of mineralisation that are Material to the Public Report.	Rock chip samples are selected based on geological criteria (presence of quartz, sulphides). Rock chip samples up 0.5-1kg are dried, crushed and split. A 250g sub-sample is crushed/pulverised with Au determined by fire assay/AAS and a multi-element suit determined by ICP -MS
Drilling techniques	Drill type (eg core, reverse circulation, open-hole 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).	No drilling activities undertaken
Drill Sample Recovery	Method of recording and assessing core and chip sample recoveries and results assessed.	No drilling activities undertaken
	Measures taken to maximise sample recovery and ensure	No drilling activities undertaken

	<p>representative nature of the samples.</p> <p>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.</p>	
Logging	<p>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.</p>	No drilling activities undertaken
	<p>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</p>	A description of geology and landforms is collected at each sample location
	<p>The total length and percentage of the relevant intersections logged.</p>	No drilling activities undertaken
Sub-Sampling techniques and sample preparation if core, whether cut or sawn and whether quarter, half or all core taken.	<p>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</p>	<p>Rock chip samples are dried, crushed and split. Original samples (~300g soils; 0.5-1kg rocks) are reduced to a 250g sub-sample, with 30g used for Au by fire assay/AAS finish, and 200g used for multi-element analysis by ICP-MS (MS (Ag, Al, As, Ba, Be, Bi, Ca, Cd, Ce, Co, Cr, Cu, Fe, In, K, La, Mg, Mn, Mo, Na, Ni, P, Pb, S, Sb, Se, Sn, Sr, Tu, U, V, W, Zn, Zr)</p>
	<p>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</p>	<p>Sample size (0.5-1kg for rock chips) is industry standard and considered appropriate for the level of geological study. Sample preparation (drying, crushing, splitting, pulverising) and sample analysis (fire assay/AAS; multi-element ICP-MS) are industry-standard practice and carried out in an ISO-accredited laboratory.</p>
	<p>Quality control procedures adopted for all sub-sampling stages to maximise</p>	<p>All samples are homogenised prior to sub-sampling. Laboratory sub-sampling carried out to industry standards in ISO-accredited laboratory.</p>

	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.	Rock chip samples are collected from in-situ material where possible. If no in-situ material is available, representative float is collected and samples flagged as grab samples. No field duplicates have been taken at this time.
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.	Samples are assayed at Eastern Analytical Ltd, Springdale NL, an accredited laboratory. Gold is assayed by fire assay/AAS finish, and a 32-element suite is assayed by aqua regia/ICP-MS finish. All laboratory sample preparation techniques and assay techniques are industry standard and considered appropriate to the nature of mineralisation.
	For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.	No handheld XRF instruments, or downhole geophysical tools, or spectrometers were used during the sampling programs.
	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.	No field duplicates or CRM have been submitted as part of the geochemistry sampling program. Accuracy of assays is verified by laboratory check samples and standards.
Verification of sampling and assaying	The verification of significant intersections by either independent or alternative company personnel.	Geochemistry results are reviewed by company geologists. No external reviews of geochemistry results have been undertaken at this time.
	The use of twinned holes.	No drilling activities undertaken

	Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.	All geological data is recorded on paper logging sheets and entered into spreadsheets. The spreadsheets are uploaded and validated in a central database. GPX files of sample grids are uploaded to GIS software.
	Discuss any adjustment to assay data.	No assay data was adjusted and no averaging was employed.
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.	Sample points are located using handheld GPS units with 3-5m accuracy.
	Specification of the grid system used	All sample points are recorded in UTM NAD 27 Zone 21 or UTM NAD 83 Zone 21, with appropriate conversions applied to ensure data operability.
	Quality and adequacy of topographic control	Not applicable.
Data spacing and distribution	Data spacing for reporting of Exploration Results.	Rock chip samples: variable spacing depending on geology
	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 is considered appropriate to define low level geochemistry anomalies.
	Whether sample compositing has been applied.	No sample compositing has been applied.
Orientation of data in relation to geological structure	Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known,	Sample lines are orientated at 320° azimuth, perpendicular to the main trend of geological units.

	considering the deposit type.	
	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 drilling activities undertaken
Sample Security	The measures taken to ensure sample security.	Soil samples are collected in pre-numbered paper bags and sealed with wire. Rock chip samples are collected in pre-numbered plastic bags with waterproof assay tags and sealed. Soil and rock chip samples are then placed in labelled rice bags and delivered direct to Eastern Analytical by Matador personnel, or collected by Eastern Analytical.
Audits or reviews	The results of any audits or reviews of sampling techniques and data.	Laboratory QAQC data is reviewed for each sample submission. No reviews or audits have been completed at this stage.

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 has entered into a Sale agreement to acquire an 80% initial interest in the Cape Ray Gold Project, which is located approximately 20km northeast of Port aux Basques, Newfoundland, Canada.																																																																											
		<table border="1"> <thead> <tr> <th>Licence No.</th> <th>Known Deposit</th> <th>No. of Claims</th> <th>Area (km2)</th> <th>Royalty*</th> </tr> </thead> <tbody> <tr> <td>017072M</td> <td>Window Glass Hill (WGH) and 51</td> <td>183</td> <td>45.7</td> <td>(a) & (b)</td> </tr> <tr> <td>007833M</td> <td>-</td> <td>1</td> <td>0.25</td> <td>none</td> </tr> <tr> <td>008273M</td> <td>Isle aux Morts (IaM)</td> <td>7</td> <td>1.75</td> <td>(c)</td> </tr> <tr> <td>009839M</td> <td>Big Pond (BP)</td> <td>26</td> <td>6.5</td> <td>(c)</td> </tr> <tr> <td>009939M</td> <td>04 and 41</td> <td>12</td> <td>3.0</td> <td>(c)</td> </tr> <tr> <td>024125M</td> <td>-</td> <td>14</td> <td>3.5</td> <td>none</td> </tr> <tr> <td>024359M</td> <td>-</td> <td>7</td> <td>1.75</td> <td>none</td> </tr> <tr> <td>025560M</td> <td>-</td> <td>20</td> <td>5.0</td> <td>none</td> </tr> <tr> <td>025854M</td> <td>-</td> <td>53</td> <td>13.25</td> <td>(d)</td> </tr> <tr> <td>025855M</td> <td>-</td> <td>32</td> <td>8.0</td> <td>(d)</td> </tr> <tr> <td>025858M</td> <td>-</td> <td>30</td> <td>7.5</td> <td>(d)</td> </tr> <tr> <td>025856M</td> <td>-</td> <td>11</td> <td>2.75</td> <td>(d)</td> </tr> <tr> <td>025857M</td> <td>-</td> <td>5</td> <td>1.25</td> <td>(d)</td> </tr> <tr> <td>Total</td> <td></td> <td>401</td> <td>100.2</td> <td></td> </tr> </tbody> </table>	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 Morts (IaM)	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	
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		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 may also be required 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 done by other parties	Acknowledgment and appraisal of exploration by other parties.	<p>The Cape Ray Gold Deposit was initially discovered in 1977 by Rio Canada Exploration Limited (Riocanex). Since that period the area has been the subject of numerous academic and government geological studies, and exploration by various mining companies.</p> <p>Appendix 2 provides an overview of past exploration on the Cape Ray property.</p>
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 host the Cape Ray Gold Deposits consisting of the 04, the 41, the 51 Zones, Window Glass, Big pond and Isle Aux Morts. • 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, quartzofeldspathic 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

		<p>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.</p> <ul style="list-style-type: none"> 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 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>The style of lode gold mineralisation in the CRGD has a number of 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> <p>easting and northing of the drill hole collar elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar dip and azimuth of the hole down hole length and interception depth hole length.</p>	<p>Sample location points and assay data are provided in Appendix 2 and 3.</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>Raw assay results are reported – no weighting or averaging is applied.</p>
Relationship between mineralisation widths and intercept lengths	<p>These relationships are particularly important in the reporting of Exploration Results.</p> <p>If the geometry of the mineralisation with respect to the drill hole angle is known,</p>	<p>No drilling activities undertaken</p>

	<p>its nature should be reported.</p> <p>If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').</p>	
Diagrams		Refer to body of announcement for figures.
Balanced reporting	<p>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.</p>	All soil and rock chip sample results are provided in this release.
Other substantive exploration data	<p>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.</p>	<p>Metallurgical Testing</p> <ul style="list-style-type: none"> • 1981, Rio Algom retained Lakefield Research of Canada Ltd. to conduct metallurgical testing on a bulk sample from the Cape Ray 41-A vein. Three whole ore bench flotation tests were completed to produce a lead concentrate. An additional test of flotation of cyanide residue yielded 97% gold recovery and 84% silver recovery. Settling tests of cyanide leach residue displayed settling rates of 0.13-0.15 m/tonne of dry solids • 1989, Dolphin Explorations Ltd., wholly owned by Corona Resources Ltd., retained Lakefield for bench testing on a composite made from Cape Ray 51 and Cape Ray 04 deposits drill core rejects. The sample was subject to 12 cyanide roll tests at a grind size of 86% passing 200 mesh (74 µm). Gold extraction was 97% with a cyanide consumption rate of 0.6 kg/t and lime consumption rate of 1.0 kg/t lime. Settling test results of cyanide residue were 0.35 m²/tonne/day. Locked cycle tests were conducted to establish if recycling pre-aeration solution and barren solution would have an adverse effect on leach extraction. Once equilibrium was achieved 96.2% gold extraction was observed at a cyanide consumption rate of 0.4 kg/t. Cyanide destruction test revealed that both total and free cyanide levels can be reduced to less than 1 mg/L. • 2013, Benton Resources commissioned Met-Solve Laboratories Inc. in Langley, BC for test work on dense media separation (DMS) and gravity with a bulk trench sample from Cape Ray 51 deposit. The sample was subject to heavy liquid separation to determine the specific gravity (SG) cut point of the sample at two different crush sizes (-10 mm and -6.7 mm); dense media separation (DMS) at two different SG cut points (2.83 and 2.93) and gravity concentration on products. A Bond ball work index test was completed • 2014, Nordmin Engineering Ltd. selected ALS Laboratories of Kamloops, BC, under partnership with Benton Resources, who conducted tests consisting of whole ore flotation, whole ore leach and gravity recoverable gold on Cape Ray 04 deposit, Cape Ray 51 deposit and a grab sample from a stockpile drawn from the Cape Ray 41 deposit. The bulk sampling program

		<p>included drilling two diamond drill holes and sampling the complete core from the holes.</p> <ul style="list-style-type: none"> • The Cape Ray 04 and the Cape Ray 51 composite samples were tested for flotation response. Grind size for the samples was 80% passing 95 µm for 04 and 80% passing 98 µm for the 51 deposit. Overall rougher and cleaner recoveries for the 51 deposit 95% for gold, 89% for silver, 60% for lead, 52% for zinc and 92% for copper. Both Cape Ray 04 and 51 showed good recovery for gold in the bulk rougher stage. For 04, this value was a 91% recovery and for the 51 sample, 75% gold was recovered. • For the three samples, gravity recovery was between 73 and 86%. Silver gravity recovery was not as good with a range of 33-49% for the three samples. • Each sample as subjected to bench scale bottle roll cyanide leach test on whole ore. The samples were sparged with oxygen and lime was used for pH adjustment targets of 11-11.5. The samples were leached for a total of 48 hours with the liquor sampled at hour 2, 6, 24 and 48. Grind sizes (K80) were between 95-105 µm. Initial sodium cyanide concentrations of 1,000 ppm were used for all samples. However, due to the higher consumption rates of the 51 deposit, three additional tests at 750 ppm, 500 ppm, and 250 ppm were conducted to observe the effect on gold and silver extraction. At 24 hours, there is a greater than 96% extraction of gold for all samples except the 250 ppm concentration. The highest silver extraction was with the Cape Ray deposit 04 at 70-74%, and the lowest was the Cape Ray 41 stockpile sample at 50-52% extraction. The Cape Ray deposit 51 achieved 62- 64% extraction, even at the lower sodium cyanide concentrations. The addition of 200 ppm PbNO₃ to aid in increasing the silver recovery but did not show any significant effect. • QUEMSCAN results indicate Chalcopyrite is the primary copper bearing mineral with minor amounts of bornite and chalcocite and trace amounts of covellite and tennantite/enargite. The sulphide content measured 2.7 wt% for the 04 and 2.2 wt% for the 51 deposit. Liberation of the copper minerals in the two-dimensional field was 41% for 90 µm K80 primary grind for the 04 deposit. This was higher for the 51 deposit which showed 70% liberation for copper minerals at 111 µm K80. This indicates that there is availability for optimization of the target grind size should flotation be the primary recovery method, as a target of 50-55% liberation is recommended for performance. In the Cape Ray 04 composite, there was evidence of chalcopyrite disease, which is when very fine grains of chalcopyrite are dotted within a sphalerite particles making liberation of both minerals difficult at all grind sizes. Galena liberation was 55% for the samples <p>Additional details regarding all historical exploration activities can be located in the aforementioned NI 43-101 repots available on SEDAR.</p>
<p>Further work</p>	<p>The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).</p>	<p>Further soil and rock chip sampling is planned across newly identified target areas.</p>

