



Quarterly Activities Report

Quarter Ended 30 September 2020

Highlights

- **First new gold discovery at the Cape Ray Gold Project, Newfoundland in over 20 years with the Angus discovery. Angus is located approximately one kilometre south-west of the Window Glass Hill Deposit and represents in a different gold mineralisation style, expanding prospectivity of the project area. Significant results included:**
 - 12 metres at 3.8 g/t Au from 85 metres - CRD126
 - 35 metres at 0.52 g/t Au from 34 metres and 10 metres at 0.67 g/t Au from 15 metres - CRD128
- **Step-out drilling at Window Glass Hill extended known gold mineralisation to the south-west:**
 - 1.53 metres at 13.99 g/t Au from 40.2 metres and 2 metres at 4.81 g/t Au from 46 metres - CRD 130
 - 3.6 metres at 3.48 g/t Au from 9.4 metres - CRD131
- **Two drill rigs currently onsite, with 4,682 metres of drilling completed to end of September 2020**
 - Multiple results pending release following final assay and interpretation
- **Strengthening of capability with the appointment of two new high calibre Non-Executive Directors and a highly experienced Exploration Manager**
- **Strong cash position (30 September 2020) of \$12.5 million**
 - Placement of 21.4 million shares at a price of \$0.405 per share – a 44.5 % premium to the 15-day VWAP – to raise \$8.7 million
 - Exercise of listed options (\$0.20 exercise price) raised approximately \$2.5 million during the Quarter.

Matador Mining Limited (ASX: MZZ) ("Matador" or the "Company"), which is exploring and developing the Cape Ray Gold Project (the "**Project**") in Newfoundland, Canada, a Project located across 120 kilometres of continuous strike in a proven, yet under-explored multi-million ounce gold structure, is pleased to provide its Quarterly Activities Report for the Quarter ended 30 September 2020. All dollar amounts are A\$ unless stated otherwise.

Exploration program overview

Drilling and greenfield exploration activities commenced in August 2020 at the Company's Cape Ray Gold Project. The revised drilling metres forecast is 10,000 metres of diamond drilling (weather dependent), as well as extensive greenfield activities. The drilling is focused on the following areas:

- 3,000 metres of brownfields drilling at Window Glass Hill;
- 1,000 metres of brownfields drilling at Isle aux Morts;
- 1,000 metres of infill drilling at Isle aux Morts;
- 2,000 metres of greenfields drilling (between Granites, Sleeper or Breccia);
- 3,000 metres has also been assigned for the following activities:
 - Extensional drilling at Window Glass Hill and Isle aux Morts, infill drilling and some geotechnical drilling to support pit optimisation studies; and

- o further greenfields drilling depending on targeting success achieved through the reconnaissance field activities.

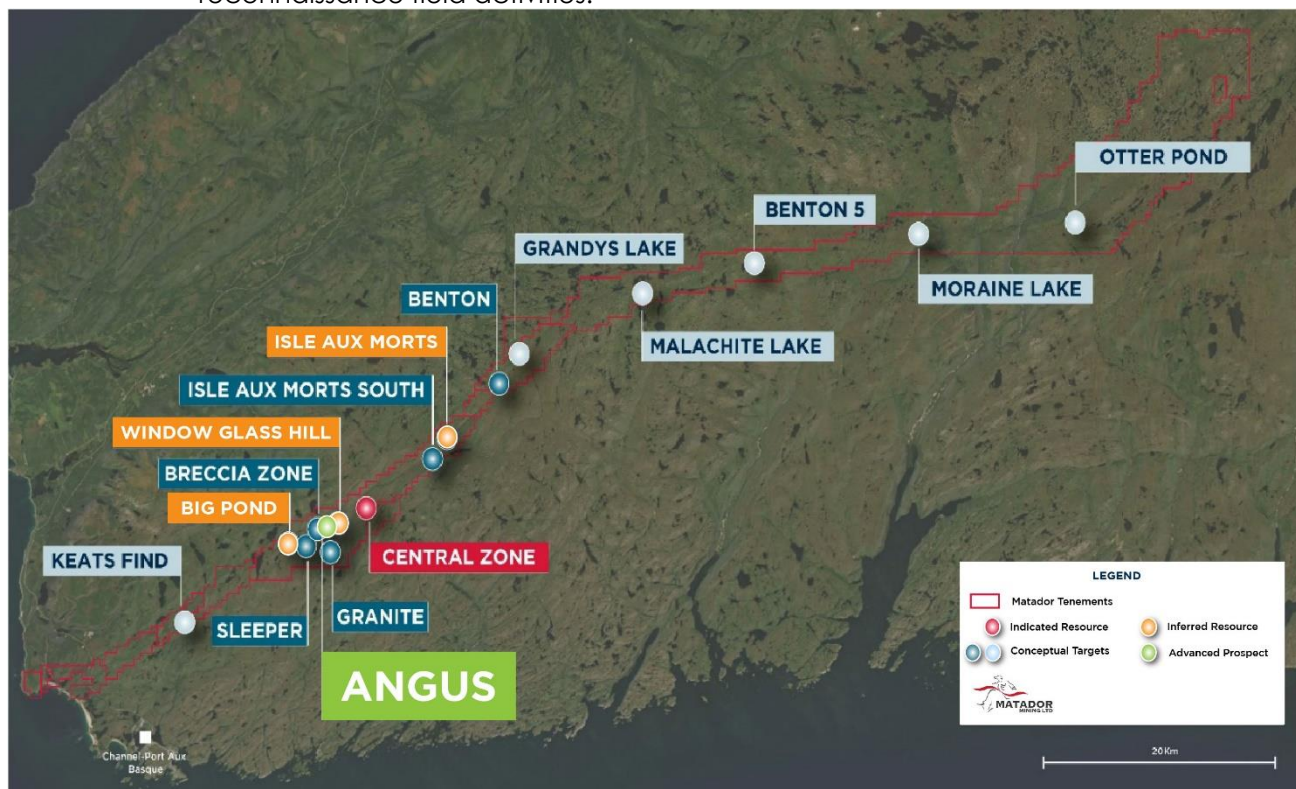


Figure 1: Location of key targets within the Cape Ray Gold Project

First New Gold Discovery at the Cape Ray Gold Project in Over 20 years

During October, the Company reported the discovery of Angus, a new mineralised zone (Figure 2), located approximately one kilometre south-west of the Window Glass Hill Deposit. Five of the first eight holes drilled at Angus intersected multiple intervals of gold mineralisation (ASX announcement 6 October 2020), including:

- 12 metres at 3.8 g/t Au from 85 metres - CRD126; and
- 35 metres at 0.52 g/t Au from 34 metres and 10 metres at 0.67 g/t Au from 15 metres - CRD128.

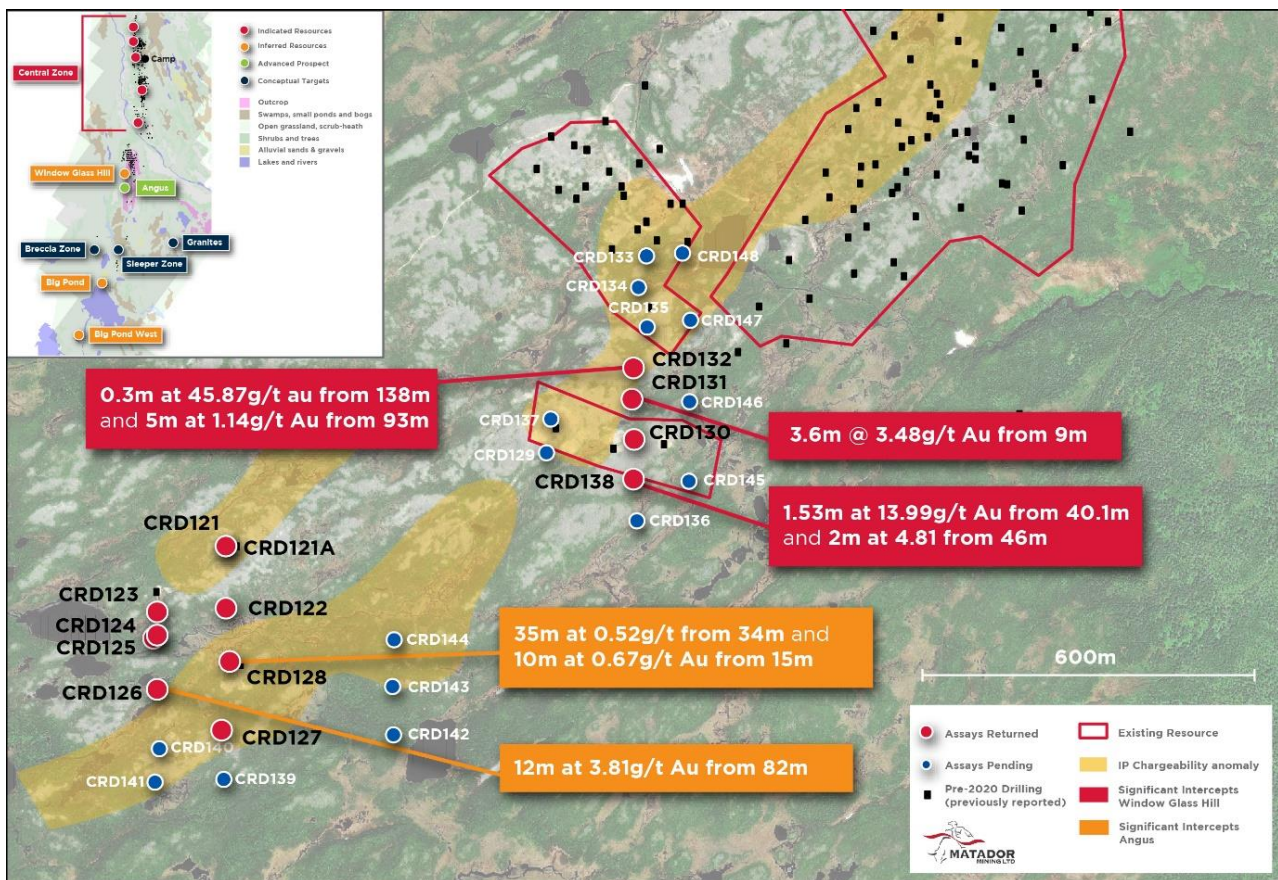


Figure 2: Plan view of drilling and IP anomaly at Window Glass Hill

The broad lower grade intersections in CRD128 indicate that the mineralisation style in this area of the granites is different to the discrete stacked high-grade quartz-galena-gold vein-style mineralisation typical of the Window Glass Hill Mineral Resource. This additional mineralization style indicates additional opportunities exist along the shear zone to expand the gold endowment of the Cape Ray Gold Project.

Figures 3 and 4 highlight the different style of gold mineralisation encountered at the new discovery. Figure 3 (CRD128) displays the pervasive bleaching and complex fine quartz and sulphide stringer/stockwork veining that is very different to the typically thicker, discrete high-grade quartz-galena-pyrite veins encountered in the main zone of Window Glass Hill (Figure 4 - CRD130 at 40.12 – 40.42 metres).

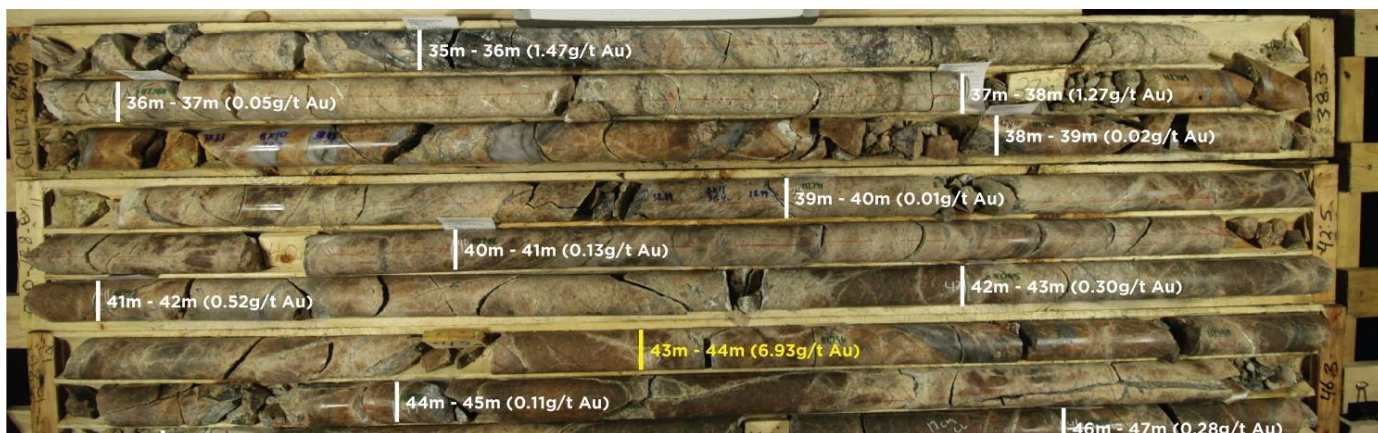


Figure 3: Alteration and stringer veining in hole CRD128 (34.6 to 46.2 metres) typical of the new gold zone

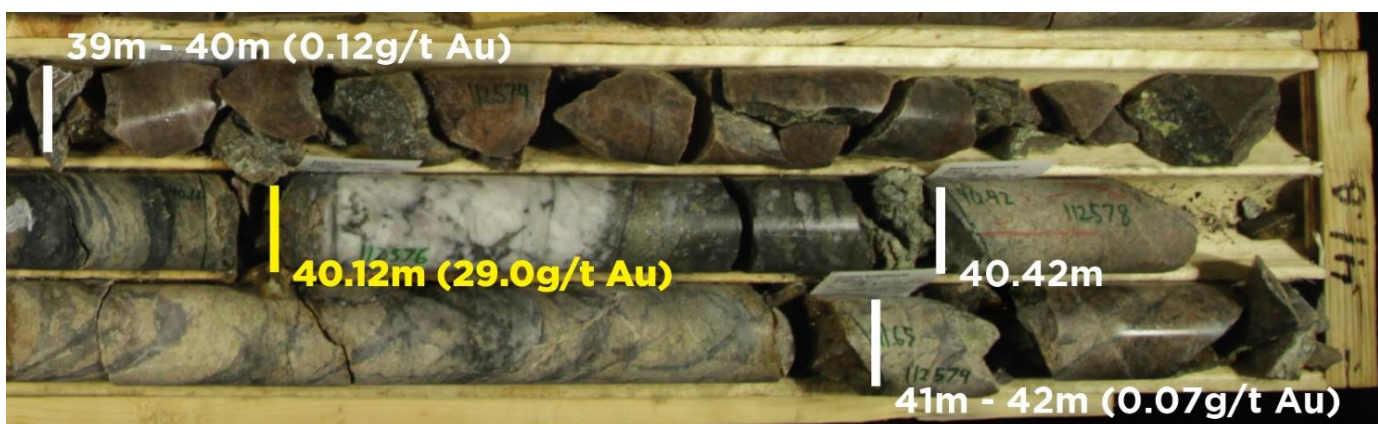


Figure 4: Quartz-galena vein mineralisation typical of Window Glass Hill in hole CRD130 (40.12 to 40.42 metres) including interpreted subordinate stockwork vein array (40.42 to 41metres)

Gold mineralisation at Angus remains open in all directions. The true thickness and orientation of the mineralised intervals are currently unknown due to the multiple stringer vein orientations associated with the host stockwork structures. A third drill hole fence (Figure 2 – Drill holes CRD 142 – CRD 144) was drilled to test the ~700 metre long continuation of the coincident Mag-IP anomaly between the new discovery holes and the existing Window Glass Hill Mineral Resource. Assays for these holes are pending.

In addition to the ongoing assessment and drilling of greenfields exploration targets across the Project, the Company aims to follow-up on this gold discovery when additional results have been received and interpreted.

Extension of Window Glass Hill mineralisation

Extension drilling immediately south-west of the Mineral Resource at Window Glass Hill intersected additional stacked high-grade quartz galena veins, with the same structural features as the main Window Glass Hill Mineral Resource. Assays have been received for the first four holes of a fourteen-hole program, with further results expected in the coming weeks.

Significant gold intercepts (ASX announcement 6 October 2020) included (see Figures 2 and 5):

- 1.53 metres at 13.99 g/t Au from 40.2 metres and 2 metres at 4.81 g/t Au from 46 metres - CRD130;
- 3.6 metres at 3.48 g/t Au from 9.4 metres - CRD131; and
- 5 metres at 1.41 g/t Au from 93 metres and 0.3 metres at 45.87 g/t Au from 138.6 metres - CRD132.

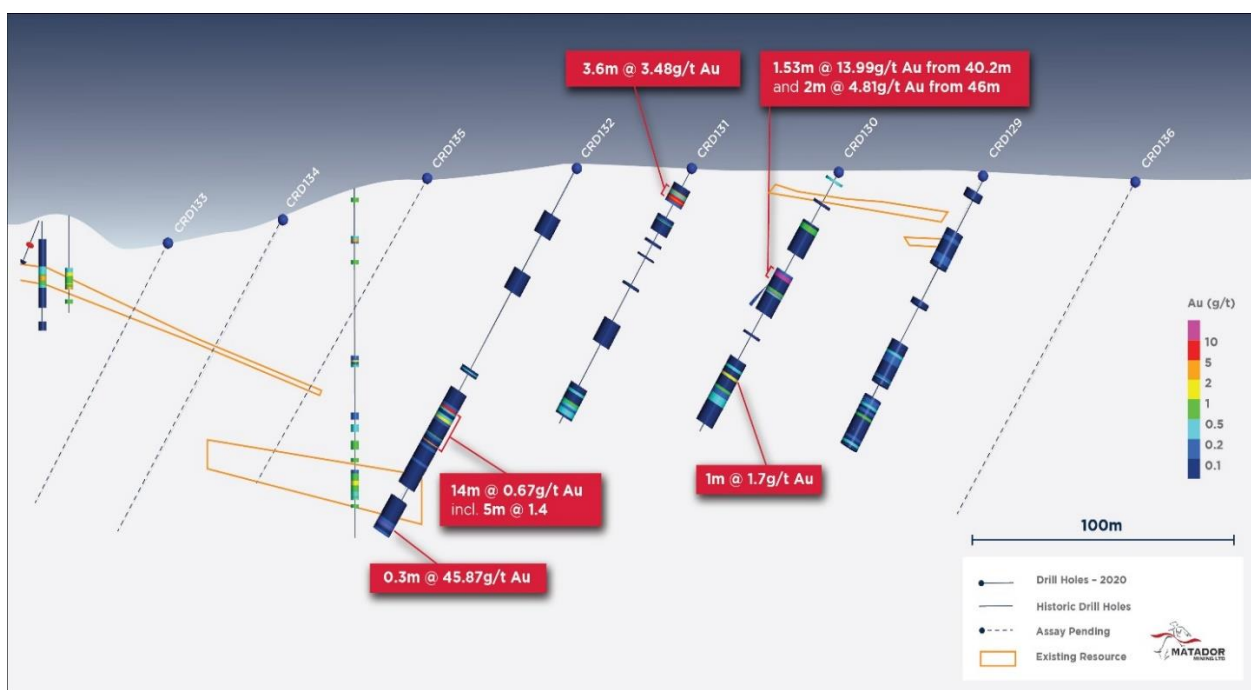


Figure 5: Cross section – Window Glass Hill southern extension

In addition to the extensional drilling at Window Glass Hill, the exploration team has reinterpreted the mineralization within the main Window Glass Hill zone. They have identified a subordinate set of steeply dipping mineralised veins that could add to the gold ounces defined in the previously recorded stacked shallowly south-southwest dipping lodes.

The majority of historic drilling within the Window Glass Hill Mineral Resource comprises vertical drill holes. This orientation was optimal to test the shallow dipping vein set but is sub-optimal to test steeply dipping subordinate vein sets. The drill hole orientation at Window Glass Hill has been adjusted (drilling more shallowly dipping holes towards the north) to test the distribution of steeper mineralised veins identified by surface mapping.



Figure 6: Example of an outcropping, steeply south-east dipping, laminated quartz-galena-pyrite-chalcopyrite vein south-west of the Window Glass Hill Resource

Corporate

Capital Raising

During the Quarter, the Company raised approximately \$8.7 million (before costs) from the placement of 21.43 million shares at a price of \$0.405 per share ("**Placement**"). The Placement price represented:

- A 28.5% premium to the closing price of Matador shares on 1 July 2020 of \$0.315 per share; and
- A 44.5 % premium to the 15-day volume weighted average price of Matador shares to 1 July 2020 of \$0.28 per share.

The Company was able to issue the Placement shares at a premium, through the Canadian charity flow-through structure, see ASX announcement dated 8 July 2020.

Cash

Following completion of the Placement (\$8.7 million) and proceeds from the exercise of both listed and unlisted options during the Quarter (\$2.5 million), the Company has current cash (unaudited) of approximately \$12.5 million.

Board Composition

During the Quarter the Company appointed Mr Mick Wilkes, and shortly after Quarter end Dr Nicole Adshead-Bell as Non-Executive Directors.

Mr Wilkes has enjoyed a successful career that spans over 35 years. Mr Wilkes served as President and CEO of OceanaGold Corporation for a decade, prior to stepping down earlier this year, during which OceanaGold grew from a junior producer into a multinational mid-tier gold producer with four operations across three countries.

Dr Adshead-Bell is an experienced mining executive and non-executive director with a successful career spanning over 24 years. She was most recently the CEO and Managing Director of Beadell Resources Ltd, an ASX-listed company, prior to its acquisition by TSX/NYSE American listed Great Panther Mining Ltd in March 2019. Prior to this, Dr Adshead-Bell was Director of Mining Research at Sun Valley Gold LLC, a global precious metals fund and Managing Director, Investment Banking at Haywood Securities Inc.

Mr Keith Bowes stepped down as an Executive Director, leaving the Board with a majority of independent, Non-Executive Directors. Following the changes, the Matador Board is comprised of Mr Ian Murray (Executive Chairman), Mr Justin Osborne (Non-Executive Director), Mr Mick Wilkes (Non-Executive Director) and Dr Nicole Adshead-Bell (Non-Executive Director).

Appointment of Exploration Manager

During the Quarter, Mr Warren Potma was appointed as Exploration Manager. Mr Potma has over 25 years' experience specialising in structural geology (MSc), geochemistry and geometallurgy. Mr Potma's appointment enhances Matador's technical expertise, positioning the Company to deliver on its target of identifying new discoveries across the Cape Ray tenements, while continuing to grow the existing resources.

Tenement Interests

The table below shows the Company's tenement interests as at 30 September 2020.

LICENSE NO.	LOCATION	HOLDER
007833M	Isle aux Morts, Southern NL	Cape Ray Mining Limited
008273M	Burnt Island Pond, Southern NL	Cape Ray Mining Limited
009839M	Isle aux Morts, Southern NL	Cape Ray Mining Limited
009939M	Isle aux Morts, Southern NL	Cape Ray Mining Limited
017072M	Isle aux Morts, Southern NL	Cape Ray Mining Limited
024125M	Grandys Brook, Southern NL	Cape Ray Mining Limited
024328M	Grandys Lake, Southern NL	Cape Ray Mining Limited
024336M	Kangaroo Pond, Southern NL	Cape Ray Mining Limited
024345M	Kangaroo Pond, Southern NL	Cape Ray Mining Limited
024359M	Grand Bay River, Southern NL	Cape Ray Mining Limited
024838M	Grandys Lake, Southern NL	Cape Ray Mining Limited
025560M	Isle aux Morts, Southern Nfld	Cape Ray Mining Limited
025854M	Grand Bay River, Southern NL	Cape Ray Mining Limited
025855M	Cape Ray Area, Southern NL	Cape Ray Mining Limited
025856M	Cape Ray, Southern NL	Cape Ray Mining Limited
025857M	Cape Ray, Southern NL	Cape Ray Mining Limited
025858M	Cape Ray, Southern NL	Cape Ray Mining Limited
026125M	Garia Brook, Southern NL	Cape Ray Mining Limited
030881M	La Poile River, Southern NL	Cape Ray Mining Limited
030884M	La Poile River, Southern NL	Cape Ray Mining Limited
030889M	La Poile River, Southern NL	Cape Ray Mining Limited

LICENSE NO.	LOCATION	HOLDER
030890M	La Poile River, Southern NL	Cape Ray Mining Limited
030893M	La Poile River, Southern NL	Cape Ray Mining Limited

Reference to previous ASX Announcements

In relation to the exploration results announced on 6 October 2020, Matador confirms that it is not aware of any new information or data that materially affects the information included in that announcement.

In relation to the Mineral Resource estimate announced on 6 May 2020, Matador confirms that it is not aware of any new information or data that materially affects the information included in that announcement and that all material assumptions and technical parameters underpinning the Mineral Resource estimate in the announcement of 6 May 2020 continue to apply and have not materially changed.

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

About the Company

Matador Mining Limited is a gold exploration company with tenure covering over 120 kilometres of continuous strike along the highly prospective, yet largely under-explored Cape Ray Shear in Newfoundland, Canada. Within the package is a 14 kilometre zone of drilled strike which hosts a JORC mineral resource of 0.84Moz Au (12.9Mt at 2.02g/t Au) (see ASX announcement 6 May 2020). The exploration opportunity at Cape Ray is believed to be extensive, with only a small portion of the 120 kilometre strike drilled, and multiple high-grade gold occurrences observed along trend.

TABLE 1: CAPE RAY GOLD PROJECT, RESOURCE ESTIMATE SUMMARY – GOLD RESOURCE ONLY¹

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 0.25² / 0.5³ g/t Au	Central	3.06	3.06	302	3.5	1.25	141	6.6	2.01	443
	Isle Aux Mort	-	-	-	0.8	2.39	60	0.8	2.39	60
	Big Pond	-	-	-	.01	5.30	19	0.1	5.30	19
	Window Glass Hill	-	-	-	4.7	1.55	232	4.7	1.55	232
	Total	3.06	3.06	302	9.1	1.55	452	12.1	1.93	754
Underground 2.0g/t Au	Central	0.45	3.75	54	0.32	2.77	29	0.77	3.34	83
	Isle Aux Mort	-	-	-	-	-	-	-	-	-
	Big Pond	-	-	-	-	-	-	-	-	-
	Window Glass Hill	-	-	-	-	-	-	-	-	-
	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	3.15	356	3.8	1.38	170	7.4	2.23	526
	Isle Aux Mort	-	-	-	0.8	2.39	60	0.8	2.39	60
	Big Pond	-	-	-	0.1	5.30	19	0.1	5.30	19
	Window Glass Hill	-	-	-	4.7	1.55	232	4.7	1.55	232
	Total	3.5	3.15	356	9.4	1.60	481	12.9	2.02	837

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

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

Ian Murray – Chairman +61 8 6117 0478

Adam Kiley – Corporate Development +61 8 6117 0478

Appendix 5B

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

Name of entity

Matador Mining Limited

ABN

45 612 912 393

Quarter ended ("current quarter")

30 September 2020

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation (if expensed)	-	-
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(176)	(176)
	(e) administration and corporate costs	(192)	(192)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	-	-
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other (Business development activities)	(11)	(11)
1.9	Net cash from / (used in) operating activities	(379)	(379)

2.	Cash flows from investing activities		
2.1	Payments to acquire:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	(41)	(41)
	(d) exploration & evaluation (if capitalised)	(2,070)	(2,070)
	(e) investments	-	-
	(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(2,111)	(2,111)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	8,700	8,700
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	4,361	4,361
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(484)	(484)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	12,577	12,577

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	2,364	2,364
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(379)	(379)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(2,111)	(2,111)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	12,577	12,577

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	24	24
4.6	Cash and cash equivalents at end of period	12,475	12,475

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	10,260	438
5.2 Call deposits	2,215	1,914
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	12,475	2,352

6. Payments to related parties of the entity and their associates

- 6.1 Aggregate amount of payments to related parties and their associates included in item 1
- 6.2 Aggregate amount of payments to related parties and their associates included in item 2

**Current quarter
\$A'000**

88

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Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments

Payments to Directors for Director fees (September quarter: \$87,536).

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

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

8. Estimated cash available for future operating activities		\$A'000
8.1	Net cash from / (used in) operating activities (Item 1.9)	(379)
8.2	Capitalised exploration & evaluation (Item 2.1(d))	(2,070)
8.3	Total relevant outgoings (Item 8.1 + Item 8.2)	(2,449)
8.4	Cash and cash equivalents at quarter end (Item 4.6)	12,475
8.5	Unused finance facilities available at quarter end (Item 7.5)	-
8.6	Total available funding (Item 8.4 + Item 8.5)	12,475
8.7	Estimated quarters of funding available (Item 8.6 divided by Item 8.3)	5.1
8.8	If Item 8.7 is less than 2 quarters, please provide answers to the following questions:	
1.	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
	N/A	
2.	Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
	N/A	
3.	Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
	N/A	

Compliance statement

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

Date: 28 October 2020

Authorised by: By the Board
(Name of body or officer authorising release – see note 4)

Notes

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