



March Quarterly Activities Report Quarter Ended 31 March 2019

Highlights

- **\$5m oversubscribed placement to Sophisticated and Professional Investors (s708 of Corporations Act 2001)**
 - Issue price of \$0.16/share with one free attached option at an exercise price of \$0.23 and 3 year expiry
 - Highly regarded mining executive, Mark Clark and other WA gold mining figures are cornerstone investors in the Placement
- **Agreed to acquire the outstanding 20% interest of the Cape Ray Gold Project increasing the Company's ownership to 100%**
 - Shareholder meeting for acquisition and Tranche two Placement to take place during June
- **Gold resource at Cape Ray increased to 1.02M oz Au (14.2mt at 2.2g/t Au)¹**
 - 65% of this resource is classified in the indicated category (660,000oz Au at 2.7g/t Au).
 - The majority of this resource is at a depth less than 200m from surface and has the potential for an open pit operation in the future
 - The additional ounces from the 2018 drill program (272,000oz Au) were defined at a cost of approximately \$7 per ounce inclusive of drilling, support activities and resource evaluation
- **Brownfields and Greenfields exploration strategy outlined**
 - Brownfields strategy focused on resource growth specifically targeting the Central Zone (810,000oz Au at 2.7g/t Au)¹ which is open along strike and depth
 - Greenfield strategy identified three high priority targets in close proximity to existing resources
 - Work at site to recommence during June 2019
- **Metallurgical testwork exceeds expectations with direct cyanidation (CIL) gold extraction averaging 96%**
 - Flotation gold recoveries up to 94% (average 90%)²
 - CIL and flotation are conventionally used for gold extraction globally, with the results to date indicating a simple and proven flowsheet solution for the Project
 - Testwork completed by independent metallurgical consultants, SGS Canada

Gold resource exceeds 1 M oz at Cape Ray

Matador Mining Limited (ASX: MZZ, MZZO) ("Matador" or "the Company") announce an increase to the resource at the Cape Ray Gold Project ("Cape Ray" or the "Project") to 1.02M oz Au (14.25Mt at 2.2 g/t Au). Details of the increased resource are shown below in Table 1. The Cape Ray resource estimate, as at January 2019, is classified in accordance with CIM and JORC 2012.

¹ ASX announcement 30th January 2019 "Gold resource exceeds one million ounces at Cape Ray." 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.

² ASX announcement 31st January 2019 "Metallurgical testwork confirms excellent recoveries." Matador confirms that it is not aware of any new information or data that materially affects the information included in the announcement of 31st January 2019.

This is an increase of 36% to the contained gold metal and 26% to the resource gold grade compared to the previous JORC resource released in August 2018.

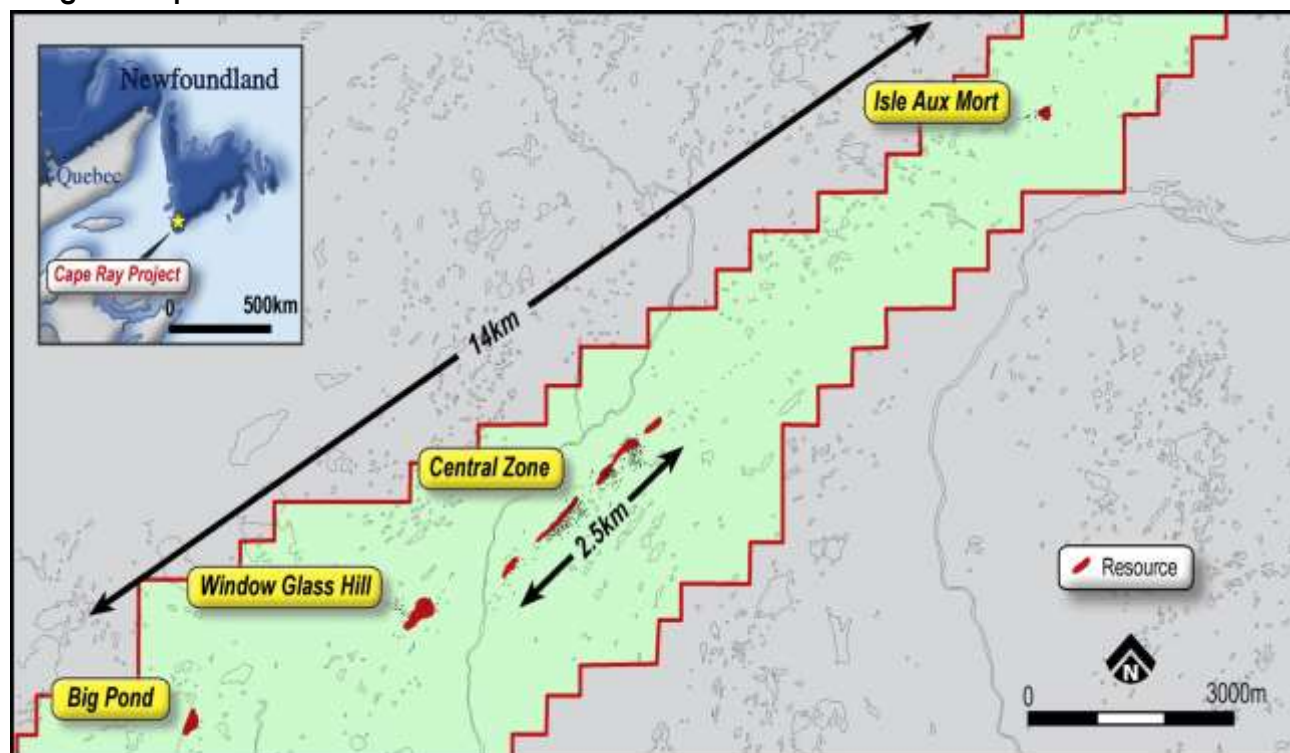
Table 1: CAPE RAY GOLD PROJECT, JORC 2012 Classified Resource Summary – Gold resource only

	Indicated			Inferred			Total		
	Mt	Au (g/t)	Koz (Au)	Mt	Au (g/t)	Koz (Au)	Mt	Au (g/t)	Koz (Au)
Central Zone	7.69	2.7	660	2.03	2.3	150	9.72	2.6	810
Isle Aux Mort	-	-	-	0.78	2.4	60	0.78	2.4	60
Big Pond	-	-	-	0.11	5.3	18	0.11	5.3	18
WGH	-	-	-	3.64	1.2	134	3.64	1.2	134
Total	7.69	2.7	660	6.56	1.7	360	14.25	2.2	1,020

Note: reported at 0.5 g/t Au cutoff grade (see footnote 1, page 1)

The resource is defined across a strike of 14km and four areas consisting of the Central Zone, Window Glass Hill, Big Pond and Isle Aux Morts. The location of each resource area is highlighted in Image 1 below.

Image 1: Map of resource location

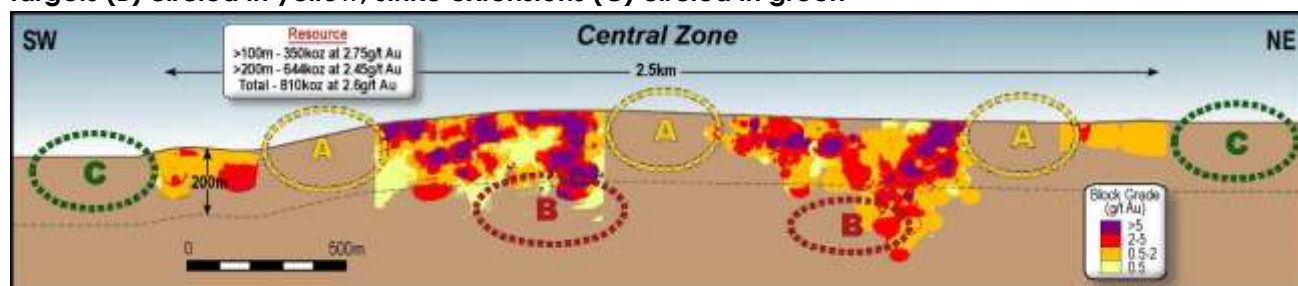


Brownfields exploration program

The brownfields exploration strategy for the upcoming season is to further expand the existing resource of 1.02Moz at 2.2g/t Au. The major focus for the season will be at Central Zone, which hosts an existing JORC (2012) resource of 810,000oz Au at 2.6g/t Au (see footnote 1, page 1).

Historically, Central Zone was modelled as numerous discrete deposits, however recent drilling indicates these deposits are likely to be part of a single continuous gold system. The program at Central Zone will focus on closing the “gaps” between each of the deposits (Image 2 – Target A), selectively testing at depth where high-grade intercepts have been encountered and remain open (Image 2 – Target B) as well as testing extensions beyond the current 2.5km of strike (soil geochemistry and arsenic anomalies) (Image 2 – Target C).

Image 2. High Priority Target Areas within Central Zone resources. Infill targets (A) circled in red, depth targets (B) circled in yellow, strike extensions (C) circled in green

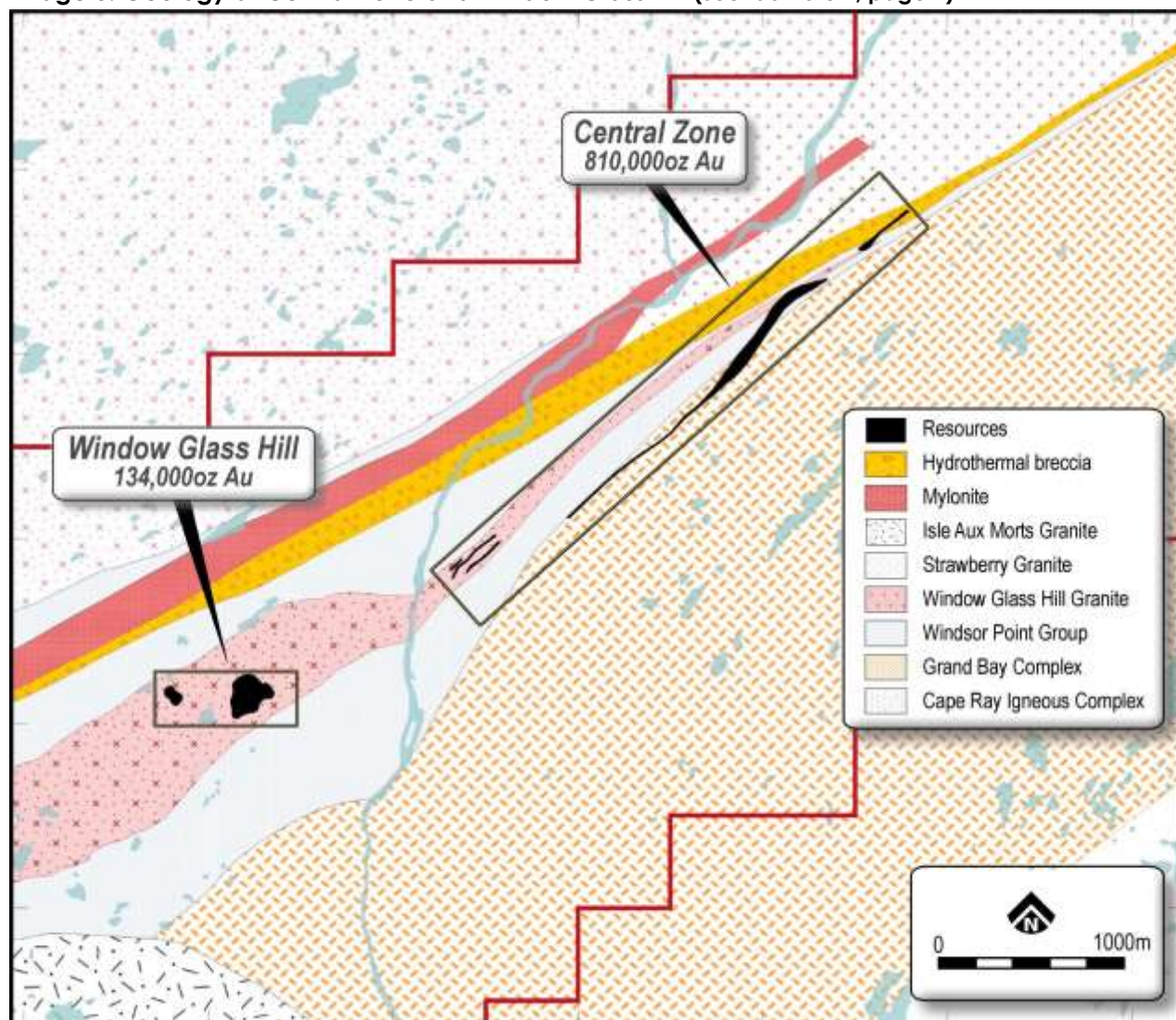


In addition to Central Zone, Window Glass Hill will also be further tested. Window Glass Hill hosts an existing JORC (2012) resource of 134,000oz Au grading 1.2g/t Au and is located 2.5km from Central Zone (see footnote 1, page 1). Unlike Central Zone, where mineralisation is hosted along the Cape Ray Shear Zone or its secondary structures, mineralisation at Window Glass Hill is within a large granitic intrusion as highlighted in Image 3 below.

The granite intrusion represents a competent geological unit that accommodates movement along the shear through brittle fracturing, allowing mineralised fluid to flow through the intrusion. The extension of the Window Glass Hill granite is located to the north and parallel to the main lode-style mineralisation Central Zone. Only a small portion of this area along strike has been drilled, with approximately 2.5km of prospective strike remaining untested.

The resource for Window Glass Hill is currently modelled as several discrete zones, with little to no deep drilling between each zone. A review of the geophysics and the block model has indicated that the zones may be linked and form a larger continuous mineralised zone.

Image 3: Geology at Central Zone and Window Glass Hill (see footnote 1, page 1)



As the focus for the upcoming season will be at Central Zone, and to a lesser extent Window Glass Hill, drilling at the other resource areas (Big Pond and Isle Aux Morts) is a low priority. Field work at both projects will however continue as both show excellent potential for further expansion. Work in the upcoming season will focus on a detailed structural mapping program at Big Pond and a ground-based geophysics program at Isle Aux Morts.

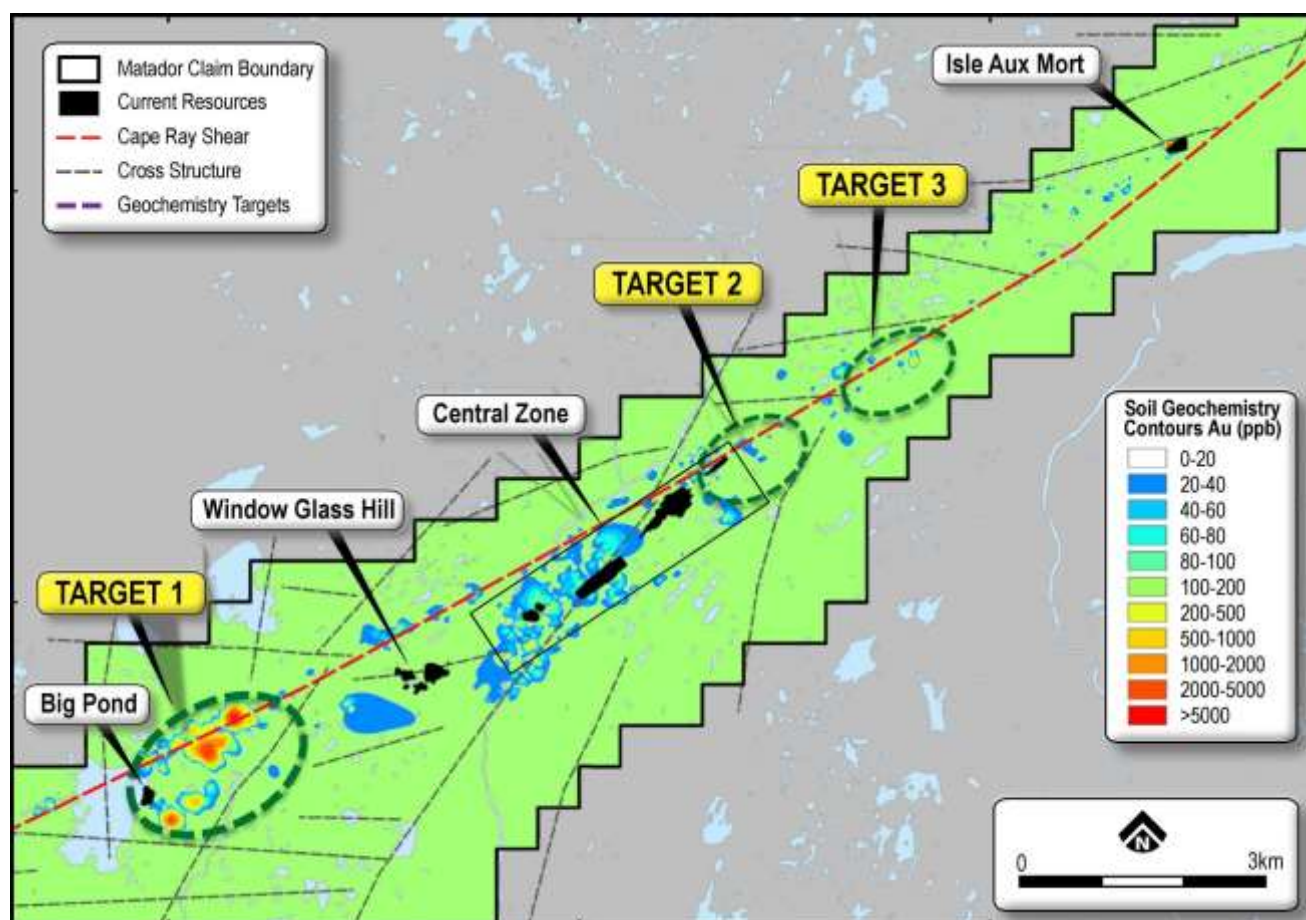
Greenfields exploration program

The majority of historical work completed at Cape Ray has focused around the known resource areas, with limited work completed on greenfields exploration. The aim of this program was to identify priority greenfields targets to be further tested in the upcoming season. The initial greenfields program has targeted the broader mineralised corridor which covers approximately 14km of the total 65km tenement package.

As part of this initial program, multiple exploration techniques were used. Structural geology and mapping have been used with great success throughout Newfoundland, as a number of significant gold discoveries within the Province occur along either the main Cape Ray Shear or on second order structures (splays) off the main shear.

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 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 3 below.

Image 4: High priority exploration targets³



³ ASX announcement 12th March 2019 "Exploration update - targets identified for testing." Matador confirms that it is not aware of any new information or data that materially affects the information included in the announcement of 12th March 2019.

Further field work is required at each of the targets identified to assist in further refining drill targets. Drilling at each target is expected to take place for the first time later in the exploration season.

Metallurgical testwork results at Cape Ray

The Company announce outstanding results of metallurgical test work conducted on samples from the Cape Ray Gold Project. The testwork was carried out on a total of ten samples across each of the resource areas at the Project.

The results showed excellent gold recoveries from both the cyanide leach (average 96% recovery) and the froth flotation testwork (average 90% recovery). Both were in line with results achieved historically. Gravity testwork averaged 28% recoveries, which was also in line with historical results. The average results from each metallurgical process as well as the resource area tested is shown in Table 2 below (see footnote 2, page 1).

Table 2: CAPE RAY GOLD PROJECT - Recent Metallurgical Results

	Gold Recovery			Silver Recovery		
	Gravity	Whole Ore Cyanide	Whole Ore Flotation	Gravity	Whole Ore Cyanide	Whole Ore Flotation
Central Zone (04)	25%	97%	95%	10%	53%	84%
Central Zone (41)	33%	96%	91%	9%	71%	87%
Isle Aux Mort	9%	95%	80%	8%	56%	66%
Window Glass Hill	59%	99%	97%	18%	38%	93%
Big Pond	44%	99%	94%	5%	35%	92%
Average	28%	96%	90%	9%	56%	82%

The testwork was completed by highly regarded independent metallurgical consultants, SGS Canada, at their facilities in Lakefield, Ontario.

Corporate

Over-subscribed placement raises \$5M

During April, the Company completed a \$5 million capital raising to Sophisticated and Professional Investors ("Placement"). The Placement was oversubscribed from both existing and new investors. Former Executive Chairman of Regis Resources, Mark Clark and other WA gold mining figures, including Nick Giorgetta, are cornerstone investors in the Placement.

The Placement is being undertaken in two tranches, the first of which comprised the issue of 13,220,833 shares at a price of \$0.16 per share using the Company's existing placement capacity under Australian Securities Exchange (ASX) Listing Rules 7.1 and 7.1A ("Tranche One Placement").

Investors in the Tranche One Placement will receive one free attaching option for every one share subscribed for ("Tranche One Options"). The Tranche One Options will have an exercise price of \$0.23, with an expiry date that is three (3) years from the date of issue. The issue of the Tranche One Options will be subject to approval of the Company's shareholders at a general meeting expected to be held in June 2019 ("June General Meeting").

The second tranche, comprising the issue of 18,029,167 shares at a price of \$0.16 per share, is subject to the approval of Matador shareholders ("Tranche Two Placement"). Investors in the Tranche Two Placement will receive one free attaching option for every one share subscribed for ("Tranche Two Options"). The Tranche Two Options will have an exercise price of \$0.23, with an expiry date that is three (3) years from the date of issue. The Tranche Two Placement is subject to shareholder approval at the June General Meeting.

Cash

As at the 30th of April the Company had a cash balance of \$2.0m. This excludes \$2.9m from the Tranche Two placement which is subject to shareholder approval at the General Meeting.

The Company currently has 67.1m shares on issue.

Acquisition of remaining 20% interest in Cape Ray

During April, the Company entered into a binding conditional agreement with Maple Mining Pty Ltd ("Maple") to acquire the remaining 20% interest in the Cape Ray Project. Maple holds 20% of the issued share capital of Matador Canada Pty Ltd ("Matador Canada"), which holds the tenements that comprise the Cape Ray Project. Subject to the approval by Matador shareholders of the Tranche Two Placement and the issue of the Tranche One and Tranche Two Options, Matador will issue the vendors 13,470,834 Matador shares in consideration for the acquisition of the remaining 20% of Matador Canada. On completion, Matador's ownership in Matador Canada (and the Cape Ray Project) will increase from 80% to 100%. The Acquisition is conditional on the approval of Matador shareholders at the June General Meeting.

Following completion of the Placement and the Acquisition, the Company will have a total of 98,604,168 shares on issue.

Changes to the board and management team

In January, the Company announce significant changes to its board and management team. The appointments comprise of the following:

- Keith Bowes – Executive Director, Technical
- Adam Kiley – Executive Director, Corporate
- Stuart McKenzie – Company Secretary

Mr Keith Bowes is a highly regarded mining executive with extensive experience in metallurgy, project management and operational management. Over a 20 year period, Mr Bowes has worked on project development and operations in Africa, South America and Australia across a range of commodities and processes. Mr Bowes holds a BSc. Chemical Engineering from the University of Natal in South Africa.

Mr Adam Kiley has over 15 years' experience in the mining sector with a depth of experience in providing corporate and financial advisory services to ASX listed companies in both Australia and the United Kingdom. Adam holds a Bachelor of Commerce from Curtin University.

Stuart McKenzie has over 30 years' experience in senior commercial roles with IMX Resources Limited, Anvil Mining Limited, Ok Tedi Mining Limited, Ernst and Young and HSBC. Stuart holds a Bachelor of Laws, a Bachelor of Economics and is a member of the Governance Institute of Australia.

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) as shown in Table 1 below (see footnote 1, page 1). 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.

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Note: reported at 0.5 g/t Au cutoff grade

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

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