



Quarterly Activities Report

Quarter Ended 30 September 2019

Highlights

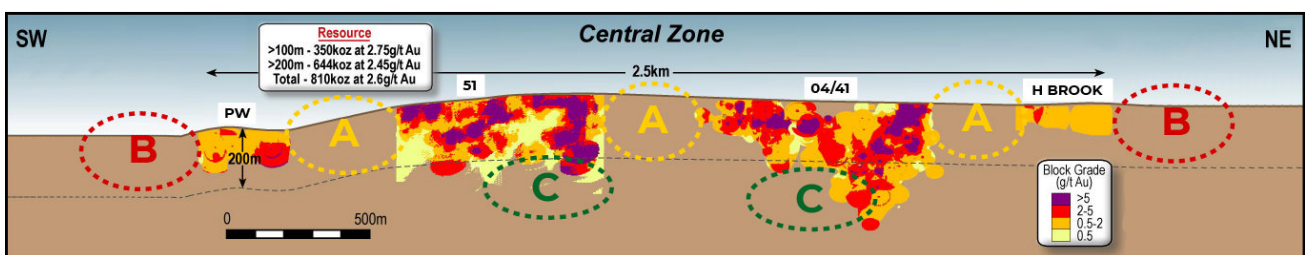
- **Matador has continued its 12,000m exploration program aimed primarily at expanding the current JORC Resource of 1.02Moz Au at 2.2g/t Au (ASX announcement 30 January 2019).**
- **Drilling at Central Zone targeted resource expansion along strike as well as testing extensions at depth and between existing deposits (Image 1). Results included:**
 - CRD052 - 15.9m at 3.1g/t (incl. 4m at 10.7g/t Au) from 148m (ASX announcement 1 October 2019, Image 4)
 - CRD037 - 16m at 3.0g/t Au, from 229m, including 6m @ 5.0g/t Au from 239m (ASX announcement 18 July 2019, Image 6)
 - CRD071 - 5.4m at 4.3g/t Au (incl. 2.5m at 8.8 g/t) from 74m (ASX announcement 17 October 2019, Image 3)
 - CRD035 - 7.2m at 2.2g/t Au from 225m (ASX announcement 18 July 2019)
 - CRD041 - 15m at 1.8g/t Au from 222m, including 4m at 4.9/t Au from 233m (ASX announcement 8 August 2019)
 - CRD043 - 3m at 4.5 g/t Au from 202m (ASX announcement 8 August 2019)
- **Drilling at Window Glass Hill has significantly expanded the mineralized area by stepping out 240m from the existing resource boundary (Image 7). Mineralisation is also trending in an up-dip trajectory (Image 8). Results included (ASX announcement 17 October 2019):**
 - CRD058 - 22.8m at 1.1g/t Au (incl. 9.7m at 2.2 g/t) from 58m
 - CRD085 - 8.2m 1.2g/t Au from 70m
 - CRD084 - 4.2m at 2.2g/t Au from 61m
 - CRD060 - 2.8m at 3.6g/t Au from 34m
 - CRD057 - 2.8m at 1.1g/t Au from 6m
- **Matador commenced work on a development study for production at the Cape Ray Project.**
 - The Development Study will initially target high-grade, shallow mineralisation and assess throughput scenarios of 1Mt to 1.5Mt per annum
 - Positive metallurgical testwork with gold recoveries averaging 96% (Table 2)
 - The Company anticipates releasing the results of the Development Study during Q1 2020
- **Significant progress made this year regarding Environmental Assessments which has reduced the potential timeline to start Project construction.**
 - Activities carried out by previous owners have reduced the development timeline by almost two years
 - Project Environmental approvals targeted for Q2 2021 (Table 3)
 - Potential for Cape Ray to become the next significant gold producing asset in Newfoundland
- **Acquired four additional mineral licenses from Antler Gold Inc. (ANTL.TSXV), increasing the Company's landholding to approximately 80km of continuous holding along the Cape Ray Shear.**
 - This is the first time this ground has been consolidated under the ownership of a single company
 - Matador is now the largest holder of continuous ground along the shear
- **Cash as at 30th September 2019 was \$2.7m.**

Central Zone – Drilling update

Central Zone is the most advanced project at the Cape Ray Gold Project as it hosts a current defined JORC resource of 810,000oz at 2.6g/t Au (ASX announcement 30 January 2019). Drilling at Central Zone targeted three aspects.

- A. Testing the “gaps” between the deposits
- B. Testing potential extensions along strike
- C. High-grade potential, which remains open at depth

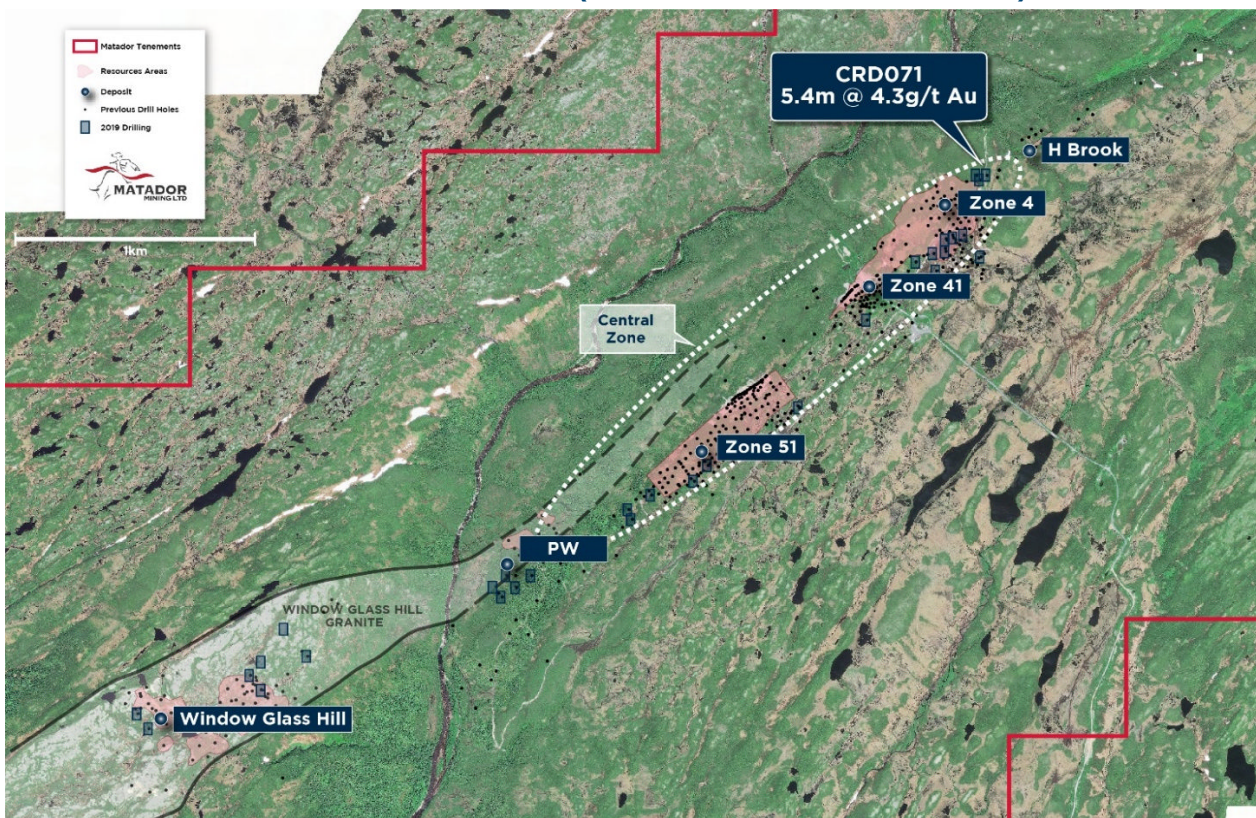
IMAGE 1: EXPLORATION TARGETS AT CENTRAL ZONE DURING 2019 DRILLING PROGRAM CENTRAL ZONE



A - Testing the “gaps” between known deposits

The 2019 exploration program sought to test “gaps” between known deposits, specifically around Central Zone. The strategy was based on the success of the 2018 drilling which showed the 04 and 41 deposits were in fact connected.

IMAGE 2: PLAN VIEW OF CENTRAL ZONE PROJECT (ASX announcement 17 October 2019)

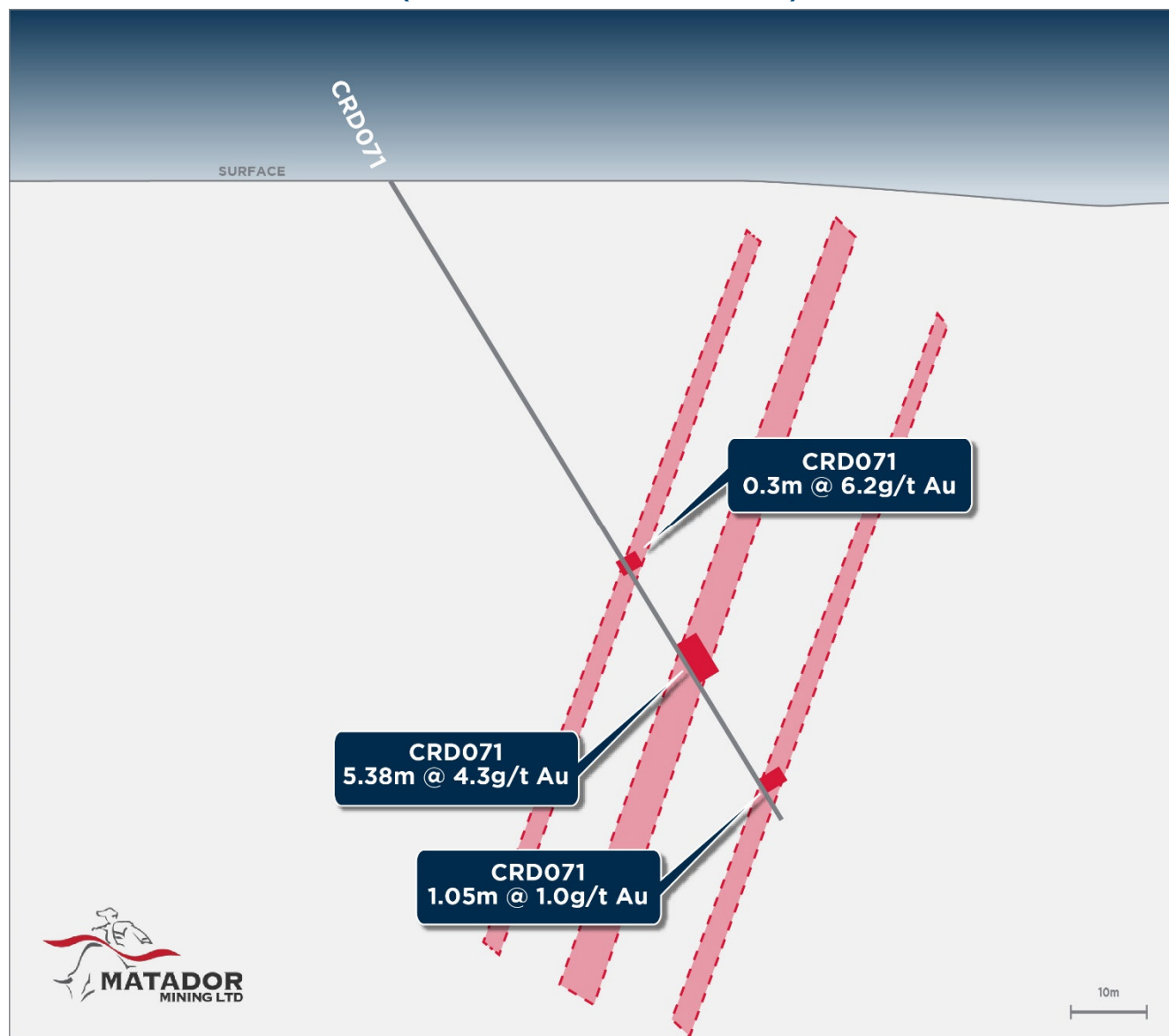


The majority of drilling considered in this strategy has focused on the PW and 51 deposits (Image 2) towards the south of Central Zone (where assays results are still pending). The second main drill target area has been between the 04 and H Brook deposits, at the northern extension of Central Zone. CRD071 is approximately 80m from the 04 deposit and 120m from the H Brook deposits. The results of this hole and the cross section are highlighted in Image 5 (ASX announcement 17 October 2019):

- CRD071 - 5.4m at 4.3g/t Au (incl. 2.5m at 8.8 g/t) from 74m
- CRD071 - 0.3m at 6.2g/t Au from 61m
- CRD071 - 1.05m at 1.0g/t Au from 94m

The high-grade intercept and the stacked nature of the mineralisation closely resembles the style of mineralisation seen at the 04 deposit. The Company is following up on this hole to determine if this mineralisation is connected to the 04 deposit.

IMAGE 3: CROSS SECTION OF CRD071 (ASX announcement 17 October 2019)

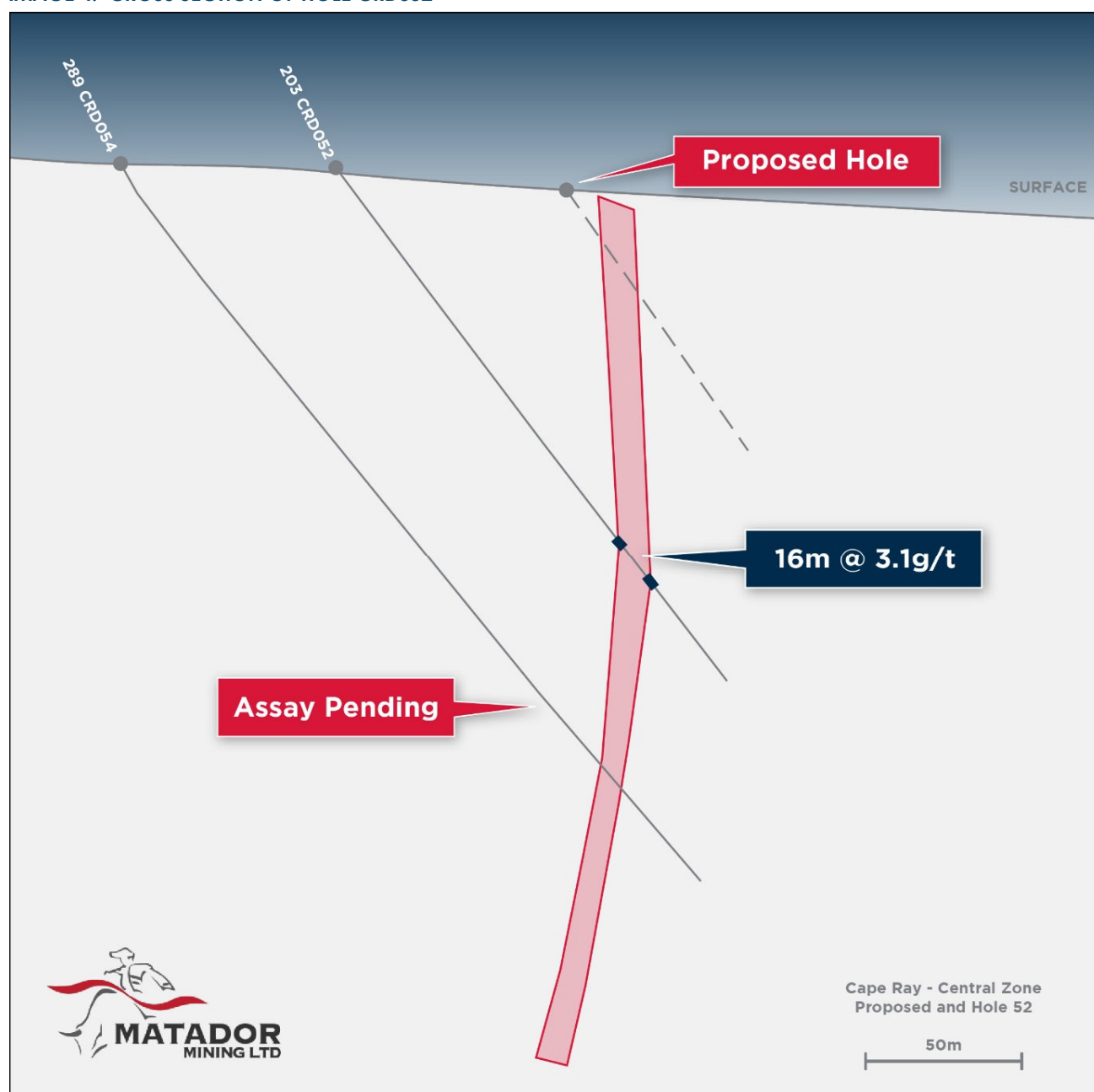


B - Test potential extensions along strike (PW Zone)

The second stage of the exploration drill program has targeted the shallower resource extensions around the current deposits. A key target area for this program was the PW deposit, which is located at the southern extension of the flagship Central Zone. The PW deposit currently hosts a small, lower grade resource (0.7Mt at 1.2g/t – 28,000oz Au, ASX announcement 30 January 2019).

Hole CRD052 was drilled to the south of the existing resource and intercepted 16m @ 3.1g/t Au from 148.2m (ASX announcement 1 October 2019). This is the most significant intercept at the PW deposit to date. This intercept is to the south and outside of the current resource boundary and has the potential to expand the resource endowment.

IMAGE 4: CROSS SECTION OF HOLE CRD052



The mineralisation in hole CRD052 is associated within a broad shear zone with localised intense quartz veining, chalcopyrite and pyrite as shown in Image 5 below. Extensive sulphide mineralisation has produced an intercept of 4m @ 10.7g/t Au (ASX announcement 1 October 2019).

IMAGE 5: SULPHIDE MINERALISATION ENCOUNTERED IN HOLE CRD052
(showing chalcopyrite and pyrite within quartz veining)



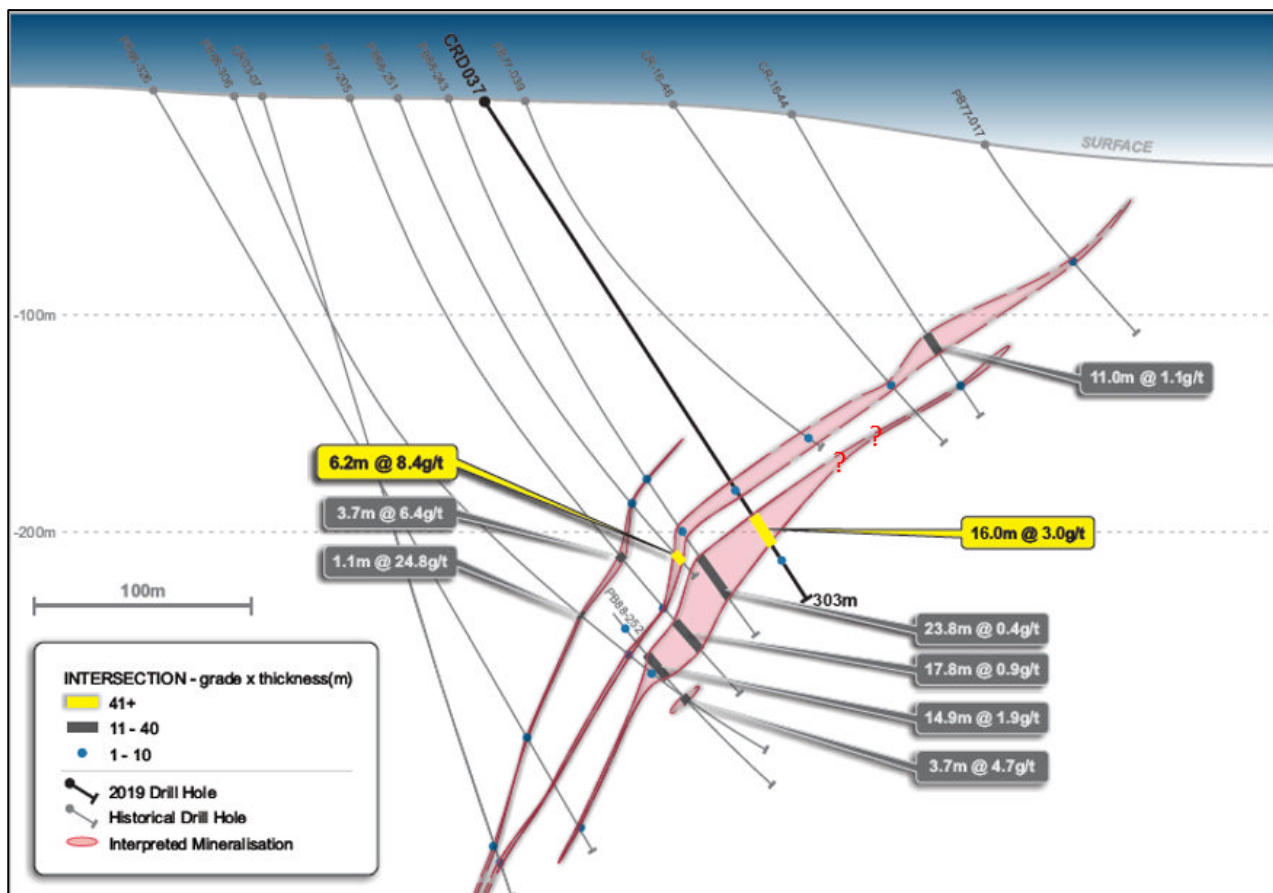
The mineralisation associated with the shearing within the PW granites has been defined over a trend length of 380m with two mineralised positions interpreted (footwall and hanging wall). Whereas other deposits at Central Zone are hosted in a graphitic schist, the mineralisation at PW is interpreted to be hosted in the same granite body that hosts the Window Glass Hill mineralisation, located approximately 1km to the south-west. This presents a potential opportunity for further discoveries along this body.

C - High grade extensions at depth

The Company completed a number of deeper holes earlier in the exploration season targeting some of these potential deeper extensions at Central Zone. The main area of focus was at the 04 deposit. Assay results include (ASX announcements 18 July 2019 and 8 August 2019):

- CRD037 - 16m at 3.0g/t Au, from 229m, including 6m @ 5.0g/t Au from 239m (Image 6)
- CRD035 - 7.2m at 2.2g/t, from 225m
- CRD036 - 0.5m at 2.2 g/t from 222.5m (hole lifted off target)
- CRD041 - 15m at 1.8g/t Au, from 222m, including 4m at 4.9/t Au from 233m
- CRD043 - 3m at 4.5 g/t Au, from 202.4m including 0.4m at 30g/t Au from 203.6m
- CRD038 - 2m at 2.2 g/t Au from 209m

IMAGE 6: CROSS SECTION HOLE CRD037



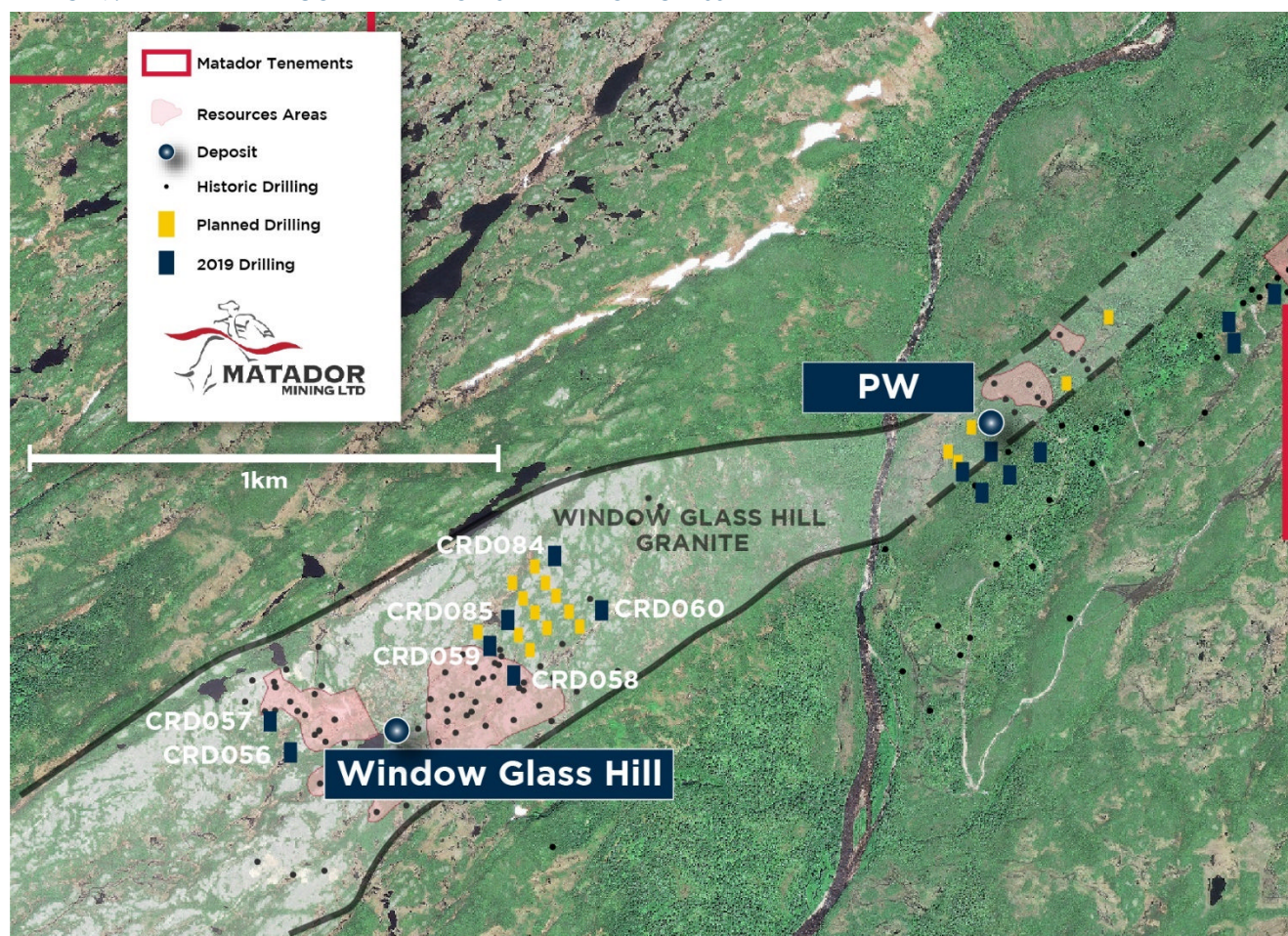
The Company was encouraged by these deeper drill results, however in-line with the Company strategy moving forward of targeting the development of an open pit operation (ASX announcement 10 September 2019), future drilling is expected to focus on testing shallower targets.

Window Glass Hill – Expansion of mineralised area

Window Glass Hill hosts an existing resource of 134,000oz Au grading 1.2g/t Au (ASX announcement 30 January 2019) and is located approximately 2.5km from Central Zone. Unlike Central Zone, where mineralisation is hosted along the Cape Ray Shear Zone or its secondary structures, mineralisation at WGH is hosted within a large granitic intrusion, similar to Marathon Resources 4.2Moz Au Valentine Lake Project. Extensions of the granite into nearby stratigraphy are also thought to have a strong control in mineralisation at the eastern and western margins of the Central Zone.

Image 7 below highlights the planned and completed holes from the 2019 exploration program at WGH. The program was designed to target shallow lateral extensions around the existing resource.

IMAGE 7: PLANNED AND COMPLETED HOLES AT WINDOW GLASS HILL

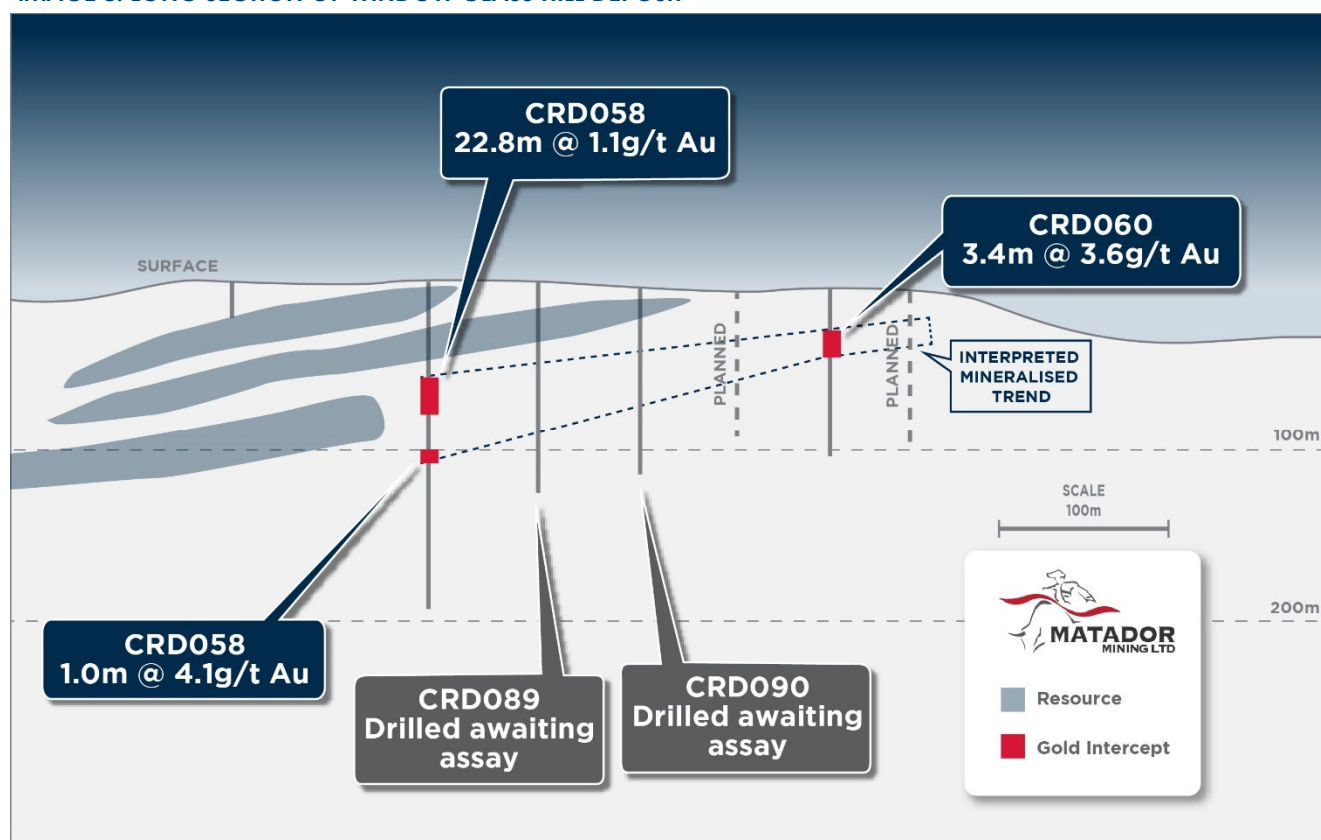


Results received to date include the following (ASX announcement 17 October 2019):

- CRD058 - 22.8m at 1.1g/t Au (incl. 9.7m at 2.2 g/t) from 58m
- CRD085 - 9.2m 1.1g/t Au from 70m
- CRD084 - 4.2m at 2.2g/t Au from 61m
- CRD060 - 2.8m at 3.6g/t Au from 34m
- CRD057 - 2.8m at 1.1g/t Au from 6m

Holes CRD058 and CRD059 were designed to test the potential for an up-dip extension of the lower lodes of the deposit. Logging of the core showed that mineralisation extends east-north-east from the current resource and trends towards the surface (see Image 8 below). Assay results confirmed this with CRD058 intercepting 22.8m at 1.1g/t Au (incl. 9.7m at 2.2 g/t) from 58m.

IMAGE 8: LONG SECTION OF WINDOW GLASS HILL DEPOSIT



The Company subsequently tested this concept with CRD060 (Image 3 below), which was drilled 240m from CRD058. Assay results (CRD060 - 3.6m at 2.8g/t Au from 34m) confirmed gold mineralisation continuing in an up-dip trajectory. The Company has since completed additional drilling between CRD060 and the existing resource. The Company is confident drilling from this year should result in a significant increase the existing 134,000oz JORC resource (ASX announcement 30 January 2019).

Development study for gold production underway

Matador has commenced work on a development study to assess the potential for gold production at its 100% owned Cape Ray Project. The Development Study will assess an open-pit operation, with the majority of ore expected to be sourced from the flagship Central Zone deposit which hosts an indicated resource of 660,000oz at 2.7g/t Au (ASX announcement 30 January 2019).

The Company anticipates completing the Development Study in Q1 2020. The Development Study will be underpinned by an updated Mineral Resource estimate that will include any additional resources generated from the current 12,000m drill program.

High-grade shallow resources underpin the Development Study

The Cape Ray Gold Project has a current resource of 1.02Moz Au at an average grade of 2.2g/t (ASX announcement 30 January 2019). The resource is spread across four deposits, with Central Zone providing approximately 80% of the resource and containing 660,000oz Au classified in the indicated category.

A distinct characteristic of the Cape Ray Project is that at each of the individual deposits, mineralisation not only starts from surface, but in most cases has high-grade material within the upper portion of the resource. This has the potential to benefit an open-pit mining operation, as high-grade material would be mined from the commencement of production, with a favourable pre-strip.

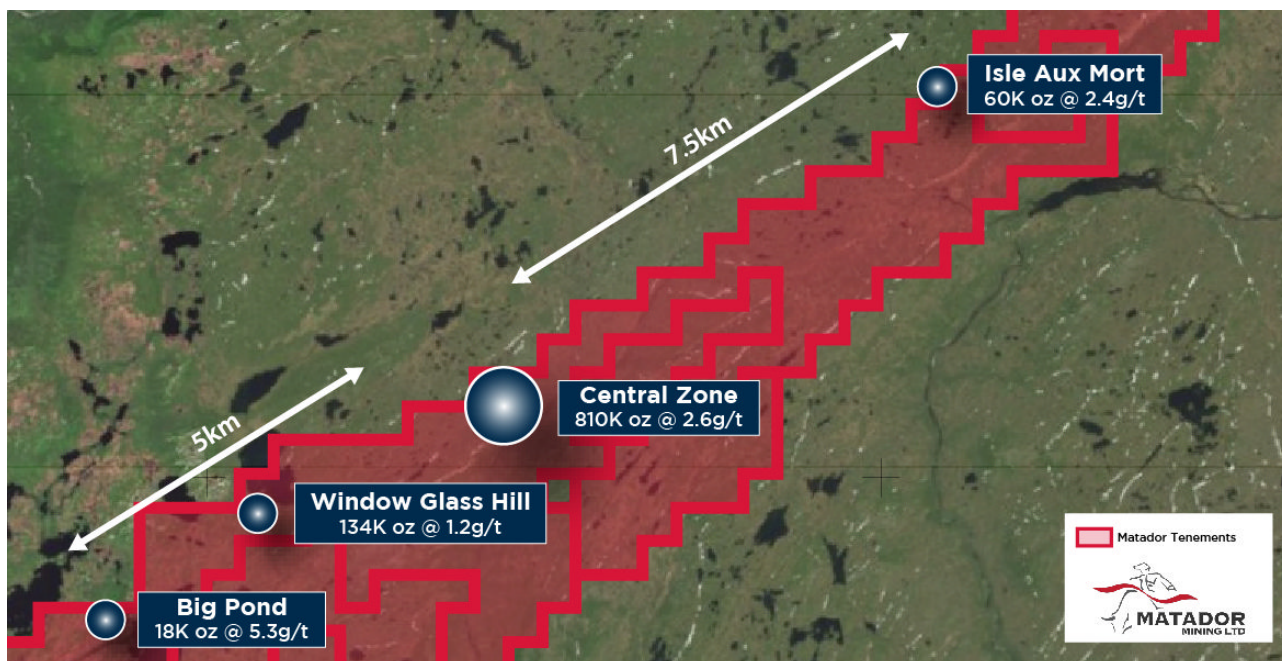
Table 1 below highlights the contained gold resource and grade at each of the four projects at 50m intervals, to a depth of 200m, the likely maximum depth of an open pit operation.

TABLE 1: CONTAINED GOLD RESOURCE AT DIFFERENT DEPTHS

	Central Zone		Isle aux Morts		WGH		Big Pond		Total	
	Au (g/t)	Koz (Au)	Au (g/t)	Koz (Au)	Au (g/t)	Koz (Au)	Au (g/t)	Koz (Au)	Au (g/t)	Koz (Au)
0-50m	3.16	108	3.14	30	1.27	15	5.33	7	2.80	160
0-100m	3.05	303	2.77	47	1.16	57	5.30	18	2.50	425
0-150m	2.99	432	2.42	57	1.19	100			2.37	605
0-200m	2.90	605	2.39	60	1.15	134			2.30	816
Total	2.60	810	2.39	60	1.15	134	5.30	18	2.20	1,020

Central Zone consists of four deposits across a strike length of 2.5km. Given its size and classification, the resource at Central Zone is expected to be the core of future development studies. The other deposits within the Project – Window Glass Hill, Big Pond and Isle aux Morts – are all relatively close to Central Zone with maximum distances of up to 7km, and most within 5km. Image 9 below highlights the location of each deposit, the resource size as well as the distance from Central Zone.

IMAGE 9: DISTANCE BETWEEN EACH DEPOSIT AT CAPE RAY



The Window Glass Hill deposit hosts an existing resource of 134,000oz Au grading 1.2g/t Au ((ASX announcement 30 January 2019) and is located approximately 2.5km from Central Zone. Unlike Central Zone, where mineralisation is hosted along the Cape Ray Shear or its secondary structures, mineralisation at Window Glass Hill is hosted within a large granitic intrusion, similar to Marathon Resources 4.2Moz Au Valentine Lake project. Extensions of the granite into nearby stratigraphy are also thought to have a strong control in mineralisation at the eastern and western margins of the Central Zone.

Extension of the Window Glass Hill granite is to the north and parallel to the main lode-style mineralisation at Central Zone. Only a small portion of this area along strike has been drilled, with approximately 2.5km of prospective strike remaining untested. The Company believes there is potential for Window Glass Hill to host a large tonnage, lower grade resource.

There is also strong potential for resource extension at Central Zone past the current 2.5km of strike. The Company is drill testing a number of structural and geochemical targets to the north as part of the current drill program.

In addition to the current resource areas, Matador hold approximately 80km of continuous strike along the Cape Ray shear. This is the first time this ground has been consolidated under the ownership of a single company and makes Matador the largest holder of continuous ground along the Cape Ray Shear, one of the more prospective, yet under explored regions in Canada.

The majority of historical drilling completed at Cape Ray has focused around the known resource areas. This accounts for around 5km of the total 80km of strike. Very little has been completed outside of these areas. The Company believe the potential for new discoveries along the shear to be high.

Metallurgical Testwork

The Company completed a preliminary metallurgical testwork program at the Project in January 2019. The work completed consisted of cyanide leach tests, gravity recovery testwork as well as flotation testwork. The results showed excellent gold recoveries from both the cyanide (average 96% recovery) and the flotation testwork (average 90% recovery) and were in line with results achieved historically. A summary of the results is shown in Table 2 below. (ASX announcement 31 January 2019).

TABLE 2: METALLURGICAL TESTWORK

	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 (WGH)	59%	99%	97%	18%	38%	93%
Big Pond	44%	99%	94%	5%	35%	92%
Average	28%	96%	90%	9%	56%	82%

Environmental Assessment

Activities carried out by the previous owners at the Project have allowed Matador to effectively "pick-up" the work well into the Environmental Assessment (EA) process on the back of previous submissions. This means the Company has gained almost two years of initial work, such that submissions to the regulators can now be targeted for Q3 2020, with Project permitting to follow. Timelines towards construction have therefore been reduced significantly from previous estimations, with the Company looking to execute the Project in early 2022 and start production the year after.

Development Timeline - Way Forward

Matador will continue its efforts to aggressively advance the EA and consultation process through the remainder of this year and into 2020. Preparation of the Environmental Impact Statement (EIS) will begin in earnest in early 2020, while the remainder of the environmental baseline studies are being completed. Anticipated target for EIS submission is late Q3 2020, with Project permitting to follow once the EA is approved. Table 3 below highlights the major milestones as well as the targeted timeline to Project construction and production.

TABLE 3: HIGH LEVEL, INDICATIVE ENVIRONMENTAL ASSESSMENT AND DEVELOPMENT TIMELINE

Category of Task / Activity	Task / Activity	2019		2020				2021				2022				2023	
		Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Environmental Assessment Process	Meeting with CEAA and Provincial EA representatives																
	First Nation Consultation																
	Other stakeholders																
Technical Studies	Gap analysis																
	Spring Baseline studies																
	Winter baseline studies																
	Predictive Modelling																
	Scoping Study																
	Pre-Feasibility Study																
	Bankable Feasibility Study																
Environmental Assessment & Permitting Process	Complete Federal EA Process and submit EIS																
	Complete Provincial EA Process and submit EIS																
	Respond to supplemental information requests																
	EIS accepted and project approved by CEAA and NL EA																
	Obtain Federal authorizations and Provincial Permits to construct																
Construction	Commence construction																
Production	Commence production & ramp up																

Environmental Assessment - History

The previous owners of the Project, the Benton Resources and Nordmin Engineering JV, had submitted a Project Description to both the Newfoundland and Labrador Environmental Assessment Agency (NLEAA) and the Federal Canadian Environmental Agency (CEAA) in July 2016 which initiated the EA process.

The Project Description is the first step in the Canadian project approvals and permitting process and is used by the regulators to prepare the final guidelines for the EIS. The NLEAA and CEAA issued their respective guidelines for the Project in December 2016 and April 2017 respectively.

It was confirmed in meetings held during March 2019 that the guidelines are still relevant and apply to the execution and operation strategy that Matador has proposed for the Project. Both agencies also agreed to one EIS submission that would satisfy both provincial and federal guidelines which is expected to further streamline the process. Matador subsequently requested an extension to the timeline for the EIS submission, due to the hiatus between the issuing of the guidelines and Matador taking ownership of the Project.

This request was approved in March 2019, with the extension granted until 24 August 2020 (and a further one-year extension also available if required). Planning for the outstanding baseline studies commenced in April and field work has continued in conjunction with the current 12,000m drill program.

Corporate

Cash

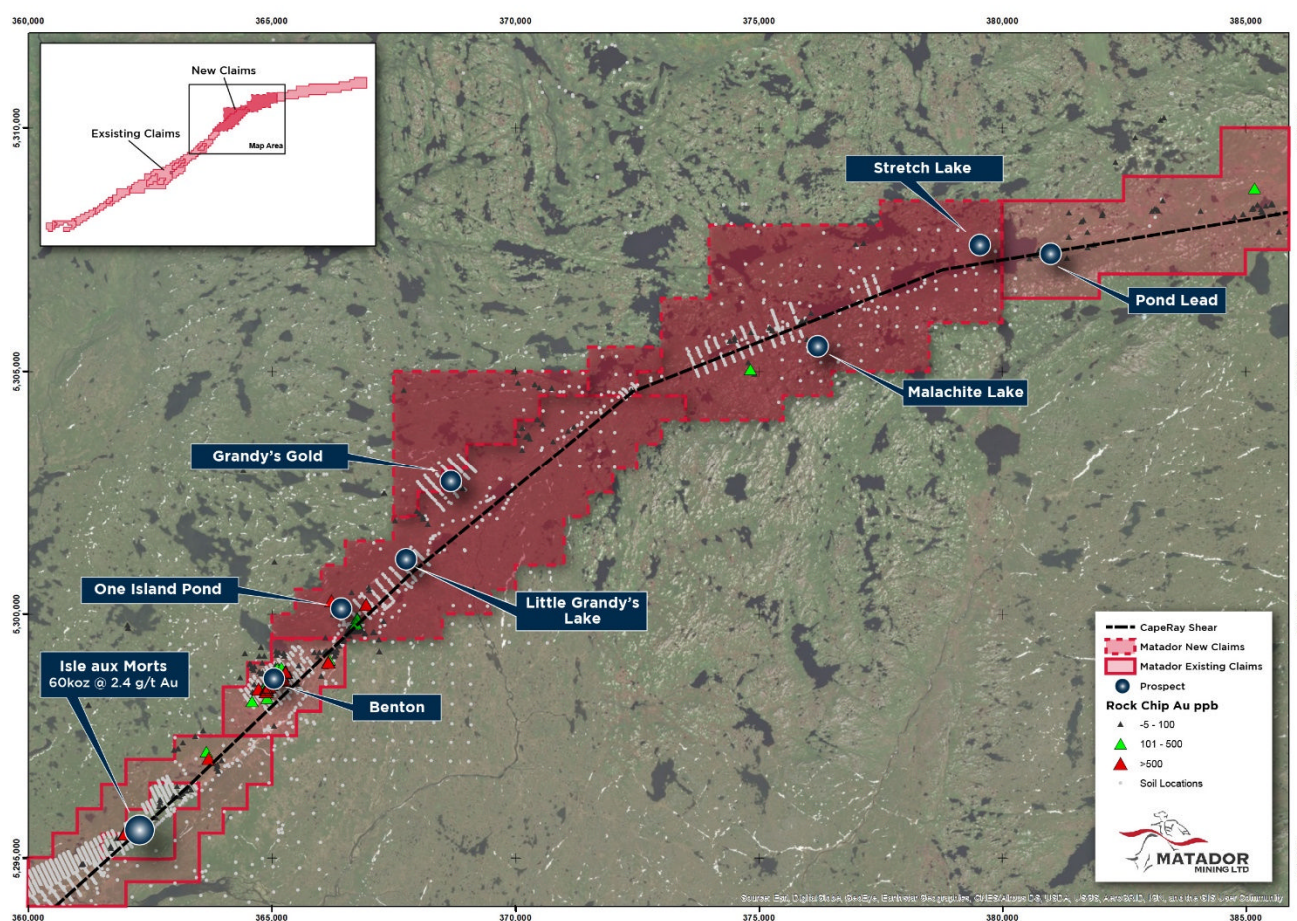
As at 30 September 2019, the Company had \$2.7 million cash.

Acquisition increases package to 80km of continuous holding

The Company reached agreement with Antler Gold Inc. to acquire four mineral licenses), bringing its landholding along the Cape Ray Shear to approximately 80km of continuous strike. This is the first time this ground has been consolidated under the ownership of a single company and makes Matador the largest holder of continuous ground along the Cape Ray Shear. The Company acquired the ground for consideration of \$50,000 (cash payment) and the issue of Matador shares to a value of \$15,000.

The Company has subsequently completed a 422 soils sampling program (assays pending) over an area of 27.5km² on this ground. This is the most significant regional program completed on the ground in recent years. The purpose of this program is to generate regional scale targets based upon a broad 400m x 100m spacing. A more targeted approach following these assay results is planned in 2020.

IMAGE 10: MAP OF THE ACQUIRED GROUND, PROSPECTS AND ROCK CHIPS



ASX Announcements

In relation to the Mineral Resource estimate announced on 30 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 30 January 2019 and that all material assumptions and technical parameters underpinning the Mineral Resource estimate in the announcement of 30 January 2019 continue to apply and have not materially changed.

In relation to previous announcements containing exploration results referred to in this announcement, Matador confirms that it is not aware of any new information or data that materially affects the information included in those announcements.

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 4 below (ASX announcement 30 January 2019). 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 4: 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 6117 0478

Adam Kiley – Director (Corporate) +61 8 6117 0478

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity

Matador Mining Limited

ABN

45 612 912 393

Quarter ended ("current quarter")

30 September 2019

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	(1,034)	(1,034)
(b) development	-	-
(c) production	-	-
(d) staff costs	(111)	(111)
(e) administration and corporate costs	(261)	(261)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	4	4
1.5 Interest and other costs of finance paid	(26)	(26)
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other (Business development)	(39)	(39)
1.9 Net cash from / (used in) operating activities	(1,467)	(1,467)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(8)	(8)
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) 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) property, plant and equipment	-	-
	(b) tenements (see item 10)	-	-
	(c) investments	-	-
	(d) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other – bank guarantee security deposit	-	-
2.6	Net cash from / (used in) investing activities	(8)	(8)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares*	1,643*	1,643*
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	(500)	(500)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other – proceeds from issue of options	-	-
3.10	Net cash from / (used in) financing activities	1,143	1,143

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	2,956	2,956
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,467)	(1,467)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(8)	(8)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	1,143	1,143
4.5	Effect of movement in exchange rates on cash held	(15)	(15)
4.6	Cash and cash equivalents at end of period	2,610	2,610

* On the 3rd April 2019 the Company completed a placement to sophisticated and professional investors at an issue price of \$0.16 per share to raise a total of \$5.0 million. \$2.1 million became immediately available to the Company under its 7.1 and 7.1A issuance capacity with the second tranche of \$2.9 million requiring shareholder approval at the Company's General Meeting on 26th June 2019. Tranche two of the raise was completed on 2 July 2019 with subscription funds of \$3.382M received prior to 30 June 2019 and therefore not fully reflected in 3.1 above.

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	20	2,936
5.2	Call deposits	2,590	-
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)	2,610	2,936

6.	Payments to directors of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to these parties included in item 1.2	90
6.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	-
6.3	Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	
Payments to directors for director fees.		

7. Payments to related entities of the entity and their associates

**Current quarter
\$A'000**

7.1 Aggregate amount of payments to these parties included in item 1.2

234

7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3

-

7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

Mr Grant Davey, who is a non-executive Director of the Company is a Director and shareholder of Matador Capital Pty Ltd (Matador Capital). The Company makes payments to Matador Capital under a Shared Services Agreement in which Matador Capital provides office space, general office costs and technical exploration staff to the Company. Mr Davey was also a Director of Graphex Mining Limited up until his resignation on 25 September 2019, an ASX listed Company that is a party to a Shared Services Agreement with the Company for the provision of company secretarial, accounting and administration services. The breakdown of services under both Shared Services Agreements is as follows:

	Graphex Mining Limited \$ '000	Matador Capital \$ '000
Office		
Office and parking	-	29
General office costs	5	7
Exploration and geology	-	141
Other	-	2
Staff	-	-
Company secretary	19	-
Accounting and bookkeeping	26	-
Administration	6	-
	56	178

8. Financing facilities available

Add notes as necessary for an understanding of the position

Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
-	-
-	-
-	-

8.1 Loan facilities

8.2 Credit standby arrangements

8.3 Other (please specify)

8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.

9. Estimated cash outflows for next quarter	\$A'000
9.1 Exploration and evaluation	1,295
9.2 Development	-
9.3 Production	-
9.4 Staff costs	110
9.5 Administration and corporate costs	224
9.6 Other	-
9.7 Total estimated cash outflows	1,629

10. Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	024838M 024328M 024336M 024345M Newfoundland Canada	Exploration licenses	-	100%
10.2 Interests in mining tenements and petroleum tenements acquired or increased				

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.

Sign here: **Lodged electronically** Date: **31 October 2019**
(~~Director~~/Company Secretary)

Print name: **STUART MCKENZIE**

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly 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 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.