



Highly experienced group appointed to lead Scoping Study

Highlights

- **After a competitive tender process, Matador has appointed DRA Pacific to complete a Scoping Study on gold production at the Company's 100% owned Cape Ray Gold Project in Newfoundland, Canada**
 - DRA is a global engineering company with a head office in Perth and supported by international offices, including Canada
- **The Scoping Study will assess the viability of an open pit mining operation using conventional CIL processing**
 - Key inputs for plant and infrastructure design have been sufficiently progressed to accurately scope the work required by the engineering consultancy
- **The study will be based on an updated JORC resource which is scheduled for release in late January 2020**
 - A 12,800m drilling program was recently completed, the largest at the Project in over 30 years, with final assay results expected in mid-December.

Matador Mining Limited (ASX: MZZ, MZZO) ("Matador" or the "Company") is pleased to provide an update regarding the Scoping Study ("Study") that will assess gold production at the Company's Cape Ray Gold Project ("Cape Ray" or the "Project") in Newfoundland, Canada. The purpose of the Study is to assess the potential for an open pit gold operation with ore processed through a standard carbon in leach ("CIL") facility. Metallurgical testwork has determined average gold recoveries of 96% (ASX announcement 31st January 2019).

Matador prepared a scope of works and tendered the package to six engineering groups, both in Australia and Canada to complete the engineering, cost estimation and compilation of a scoping study report. DRA Pacific ("DRA") was selected as the preferred partner given their strong engineering capability, gold processing background, cold weather experience and EPC(M) and operations and maintenance capabilities. Orelogy Consulting, who is based in Perth, was also appointed to develop the mining studies for the Project. The Study is expected to be completed during 1Q 2020.

The Study will be based on an updated mineral resource that is expected to be released in late January 2020. The mineral resource update will incorporate results from the extensive 2019 exploration program that included ~12,800m of drilling, the largest program at the project in more than 30 years. Preliminary evaluations incorporating the latest available drilling data, have progressed sufficiently to understand the preferred plant capacity and infrastructure requirements for the Study.

Executive Director Keith Bowes commented:

"We have taken the time to complete a comprehensive review of the Project so as to understand how to extract the optimum value from the asset and have ensured the key input data is available for the Study so as to limit assumptions and reduce risks going forward. We look forward to working with DRA and Orelogy and are confident that we will achieve a highly positive and robust result".

Development Study Preparation

The Study will evaluate the development of a new gold mining and ore processing operation at the Cape Ray Project. The Study will assume a milling and CIL circuit and utilise the results from the metallurgical testwork previously reported which showed average metallurgical recoveries of 96% Au across all deposits (ASX announcement 31st January 2019).

Throughout the recent field program, Matador carried out internal evaluations of the deposit models to ensure the drilling was focused on economic ounces and was redirected as required to meet this objective. To assess the sizing of process facilities, these in-situ gold resources have been evaluated for open cut and underground mining methodologies. Preliminary pit optimisations were developed to give broad mining volumes and grades, followed by applying an underground mining evaluation to the remaining high-grade gold resources at depth. This work provided the key input parameters for process plant sizing.

TABLE 1: CONTAINED GOLD RESOURCE AT DIFFERENT DEPTHS

	Central Zone		Isle Aux Mort		WGH		Big Pond		Total	
	Au (g/t)	Koz (Au)	Au (g/t)	Koz (Au)	Au (g/t)	Koz (Au)	Au (g/t)	Koz (Au)	Koz (Au)	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

Development Study Progress

The resource models are being updated as the drilling data for each deposit becomes available. Orelogy, our selected mining consultant, has undertaken some preliminary Whittle pit optimisations to help define the plant capacity and will refine these and complete the mine optimisations and mine design and scheduling on the updated mineral resource.

Surface water and groundwater studies have already been completed and have provided important inputs to the design basis. Water resource consultancy AQ2 was engaged for this work and has completed a desk-top investigation that provided:

- Estimates of pit dewatering rates;
- An initial groundwater assessment;
- First pass identification of potential catchments and estimate of water treatment volumes; and
- Developed a basic site water balance.

The following deliverables have been defined for the Study going forward

- Updated resource reflecting the proposed mining strategies;
- Pit optimisation;
- Preliminary mine designs and production schedules;
- Preliminary waste dump and tailings dam designs;

- Site layout drawing;
- Preliminary Process Design Criteria;
- Flowsheet and Mass balance.
- Plant layout;
- Power consumption estimate; and
- Estimate of Operating Cost and Capital Cost (Class 5).

The Study timeline shows that all deliverables are expected be available by end February 2020, after which a preliminary discounted cashflow model will be developed and the Study report completed.

DRA Pacific

DRA is a diversified global engineering, project delivery and operations management group headquartered in Perth, Australia, with an impressive track record spanning more than three decades. DRA is known for its collaborative approach and extensive experience in project development and delivery, as well as turnkey operations and maintenance services.

DRA employs over 4500 people and offers flexible engineering and operations management services worldwide through 18 offices.

About the Company

Matador Mining Limited (ASX: MZZ) is a gold exploration company with tenure covering 80km 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 and ASX announcement 30th January 2019). The exploration opportunity at Cape Ray is extensive, with only a small portion of the 80km strike drilled, and high-grade gold occurrences observed along trend. The recently completed drilling program is part of a larger-scale exploration and project development plan that is focused on unlocking 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	9.72	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	-	-	-	3.63	1.2	134	3.63	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 cut-off grade

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

Keith Bowes – Executive Director (Technical) +61 8 6117 0478

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

Reference to previous ASX announcements

In relation to prior exploration results reported 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.

In relation to the Mineral Resource estimate previously reported on 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.