



# **DEVELOPING A HIGH-GRADE OPEN-PIT OPERATION IN A WORLD-CLASS JURISDICTION**

## **CAPE RAY GOLD PROJECT**

May 2020



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## Mineral Resources

The information in this Presentation that relates to the Mineral Resource estimate for the Cape Ray Gold Project was 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 the announcement of 6 May 2020 and that all material assumptions and technical parameters underpinning the Mineral Resource estimate in that announcement of continue to apply and have not materially changed.

## Scoping Study

In relation to the results of the Scoping Feasibility Study announced on 6 May 2020, Matador confirms that all material assumptions underpinning the production target and forecast financial information included in that announcement continue to apply and have not materially changed..

# MATADOR MINING

Why invest in Matador Mining (ASX.MZZ)

HIGH-GRADE OPEN PIT PROJECT WITH STRONG RETURNS AND SIGNIFICANT EXPLORATION UPSIDE

## Investment Rationale

### 1. Scoping Study outlines robust OP gold operation w/ initial 7 Yr. LOM<sup>1</sup>

- Production - 88,000oz/pa Au at 2.5g/t Au (Yrs 1- 4), 483koz (LOM)
- Robust economic returns & rapid payback (1.75yrs)
  - *Pre-Tax NPV<sub>8%</sub> - A\$294m & IRR 61%*
  - *Post-Tax NPV<sub>8%</sub> - A\$194m & IRR 51%*
- Low Operating Costs (LOM AISC) – US\$776/oz
- High grade open pit production – 2.6g/t Au (1-4yrs); 2.0g/t Au (LOM)

### 2. Significant potential for further exploration growth

- Largest continuous landholder along Cape Ray Shear (80km of strike)
- Low cost discovery (2019) – US\$12/oz or 15 oz /m drilled
- Multiple brownfield and new greenfield targets identified

### 3. Low risk, first world jurisdiction – Newfoundland, Canada

- 25km from established town w/ world class supporting infrastructure
- Strong support from government and local community

## CAPITAL STRUCTURE

121.1m

Shares on Issue

~27m

Market Cap at A\$0.22

3.8m

Cash as at March 2020

69.9m

Options  
(\$0.20 – 0.75)

## BOARD AND MANAGEMENT

Keith Bowes Executive Director

Adam Kiley Executive Director

Grant Davey Non-Executive Director

## ANALYST COVERAGE

Canaccord Hartleys

1. ASX Announcement 6 May 2020



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# SCOPING STUDY – PRODUCTION & FINANCIAL OUTPUTS

Robust returns driven by high-grade production

## HIGH-GRADE MINERALISATION FROM SURFACE DRIVES STRONG RETURNS & RAPID PAYBACK<sup>1</sup>

### Highlights

- High-grade, shallow open pit mineralisation drives strong production and robust economic returns
  - Average production (1-4yrs) – 88,000oz Au at 2.6g/t Au*
  - LOM Production – 484,000oz at 2.0g/t Au (7 yr. LOM)*
- NPV<sub>8%</sub> & IRR
  - Pre-tax<sup>1</sup> – A\$294m & 61% IRR (A\$396m at spot gold<sup>2</sup>)*
  - Post tax<sup>1</sup> – A194m & 51% IRR (A\$260m at spot gold<sup>2</sup>)*
- Low operating costs with scope for further reduction
  - C1 – US\$709 /oz Au (C\$1,013 /oz Au)*
  - AISC – US\$776/oz Au (C\$1,108 /oz Au)*
- Initial Capital Costs – C\$137m (Inc. C\$8m Mine Dev.)
  - Rapid Payback - 1.75yrs decreasing to 1.5yrs at spot price*

General	LOM total / Avg.
Mine Life (Yrs.)	7
Processing Facility Throughput (Mt)	1.2
Total Ore Mined (Mt)	7.8
Strip Ratio (Operational)	9.6
Production	LOM total / Avg.
Mill Head Grade (Au g/t)	2.0
Au Mill Recovery (%)	96%
Mill Head Grade (Ag g/t)	6.13
Ag Mill Recovery (%)	56%
Operating costs	LOM total / Avg.
Mining Costs - OP (\$CAD / t mined)	2.80
Mining Costs - UG (\$CAD / t mined)	90
Processing Costs (\$CAD / t processed)	21.35
G&A Costs (\$CAD / t processed)	4.94
Capital costs	LOM total / Avg.
Initial Capital (exc. Mine Development) (\$CAD m)	136.7
Mine Development (Initial) (\$CAD m)	8.7
Mine Development – OP (Sustaining) (\$CAD m)	28.2
Mine Development – UG (\$CAD m)	12.2
Other Sustaining Capital (\$CAD m)	6.9



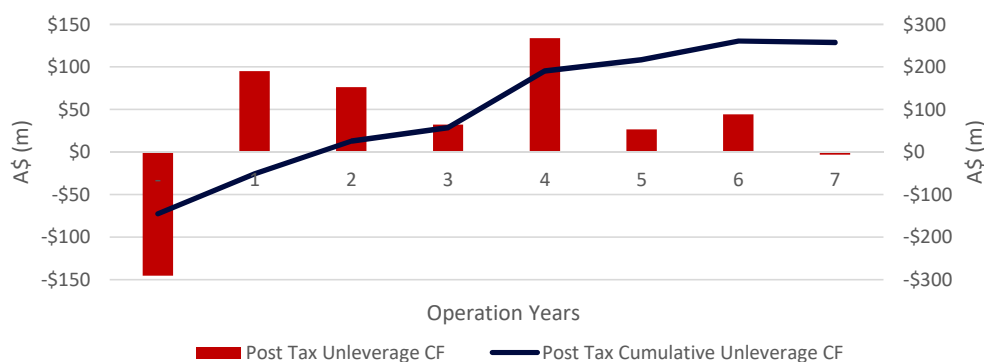
1. ASX announcement 6 May 2020.  
2. Study gold price – US\$1,550; Spot Gold Price –US\$1,720



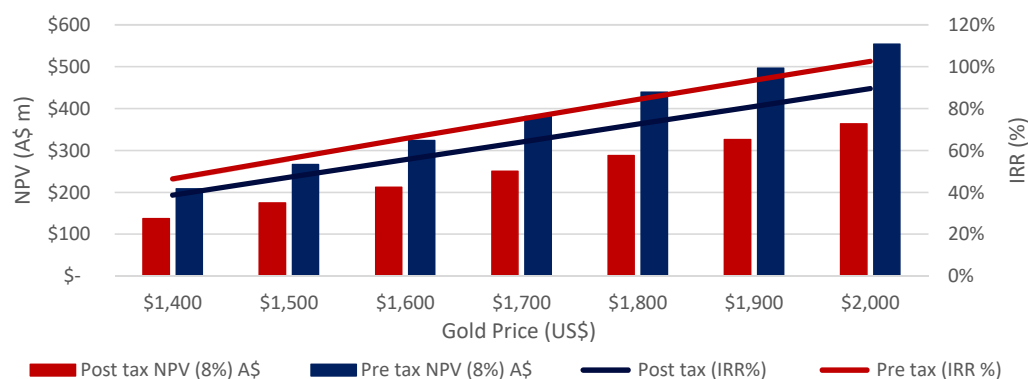
# SCOPING STUDY - FINANCIAL OUTPUTS<sup>1</sup>

Robust returns driven by high-grade production

## Rapid Payback



## Significant leverage to the gold price



## Low operating costs driving robust returns

Cash costs - LOM		CAD	USD	AUD	
Revenue (gold only)	per oz	\$2,214	\$1,550	\$2,545	
Revenue	per oz	\$2,214	\$1,550	\$2,545	
C1 Costs					
Mining	per oz	\$588	\$412	\$676	
Processing	per oz	\$345	\$242	\$397	
Site Administration	per oz	\$80	\$56	\$92	
C1 Cash Cost	per oz	\$1,013	\$709	\$1,165	
Other Operating Expenses					
Royalty	per oz	\$43	\$30	\$49	
Sustaining Capital	per oz	\$98	\$68	\$112	
Total Other Operating Expenses	per oz	\$141	\$98	\$162	
Total Operating Costs	per oz	\$1,154	\$808	\$1,326	
Less by-product credits (silver)	per oz	\$46	\$32	\$53	
AISC	per oz	\$1,108	\$776	\$1,273	
Operating Margin	per oz	\$1,106	\$774	\$1,272	
Financials		LOM (CAD M)	Av. (CAD M)*	Av. (USD M)*	Av. (AUD M)
Revenue	M	\$1,093.7	\$168.3	\$117.8	\$193.4
-Gold	M	\$1,071.5	\$164.8	\$115.4	\$189.5
-Silver	M	\$22.2	\$3.4	\$2.4	\$3.9
Less Cost of Sales	M	\$511.0	\$78.6	\$55.0	\$90.4
EBITDA	M	\$582.7	\$89.6	\$62.8	\$103.0

# SCOPING STUDY – MINING

Simplified, shallow open pit gold operation

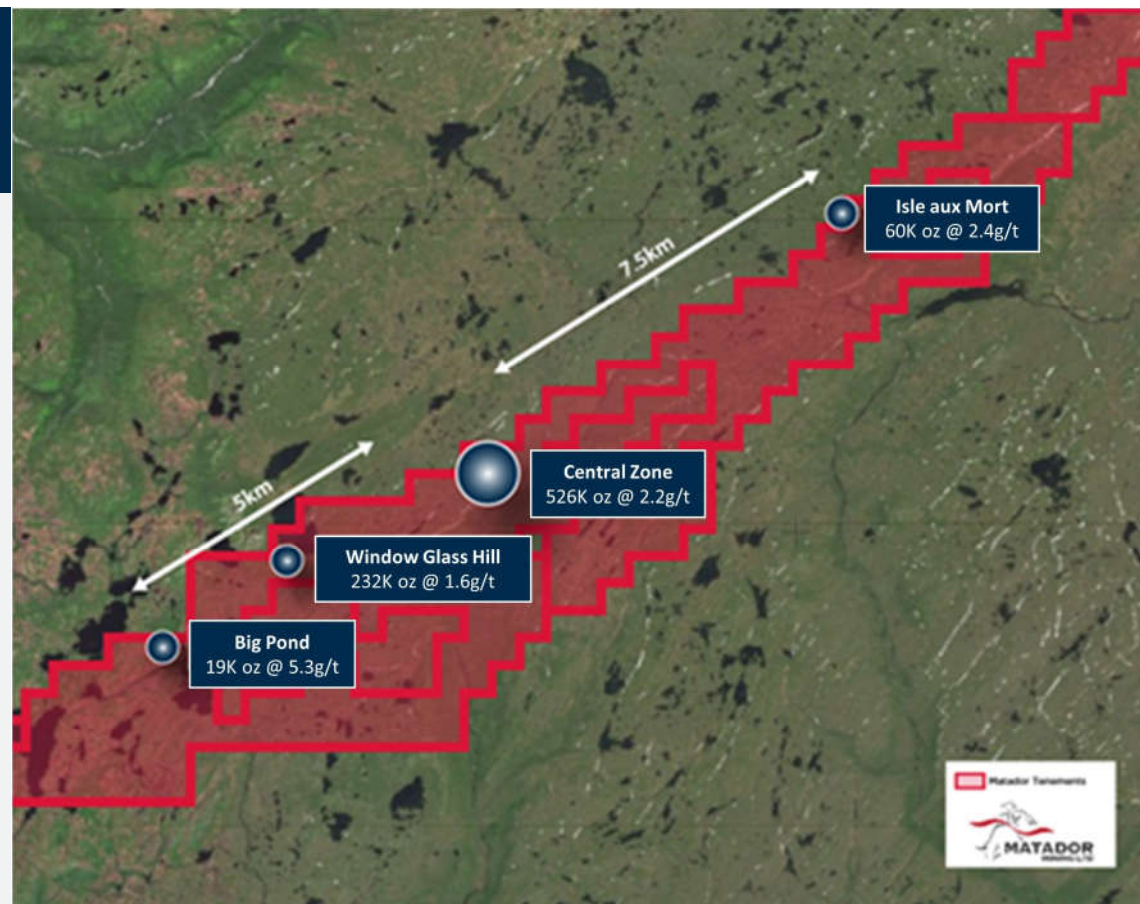
## SIMPLE OPEN PIT MINING OPERATION WITH NEAR SURFACE MINERALISATION

### Mining<sup>1</sup>

- Mining study completed by Oreology
  - Average grade mined – 2.0g/t Au
  - LOM Strip Ratio – 9.6:1 (Operational)
  - Minimal cover before fresh material (2-3m)
- Open Pit
  - Flexibility provided from multiple pits – 6 pits
  - Shallow mineralisation
    - *Pit depth – 90m to 210m (Av. 142m)*
  - Costs – Opex (C\$2.80 / t) & Capex (C\$8.6m – Initial Dev.)
- Underground
  - Small operation – 6% of production
  - Costs – Mine Development (C\$12.2m) and Opex (C\$90/t mined)
- Open at depth – limited deep drilling



1. ASX Announcement 6 May 2020



# SCOPING STUDY – PROCESSING

Simple metallurgy

## CONVENTIONAL 1.2MTPA CIL FACILITY WITH EXCELLENT METALLURGICAL RECOVERIES

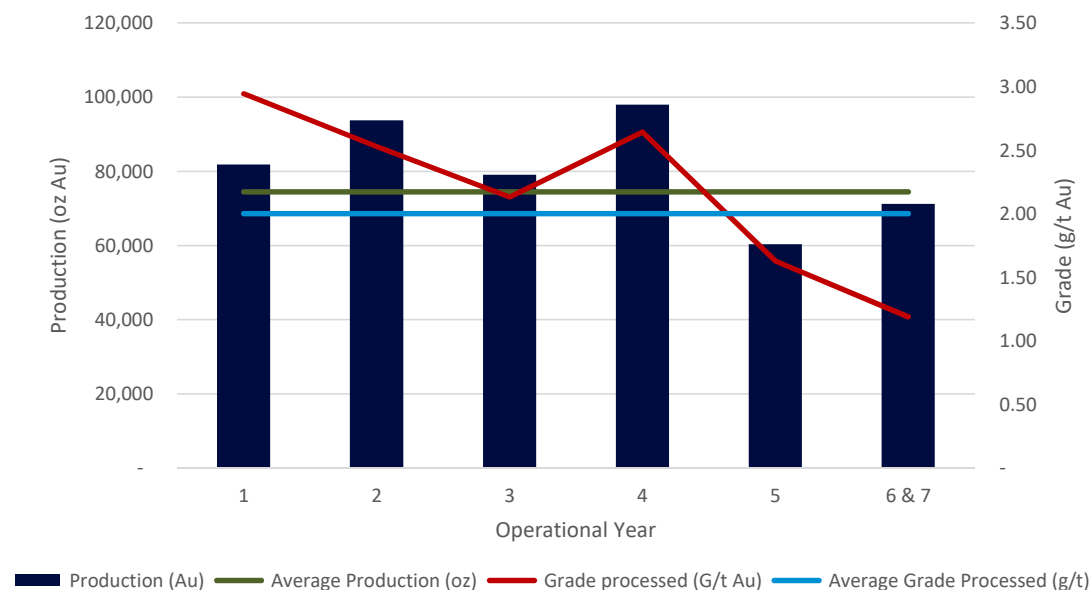
### Processing<sup>1</sup>

- Study completed by DRA
- Simple, conventional CIL processing facility
  - Maximum throughput – 1.2Mtpa
  - Three stage crush and ball mill with gravity concentration and leach-CIL circuit
- Metallurgical Recoveries
  - Gold - 96% / Silver - 56%
- Processing Costs
  - C\$21.35 / t of ore processed
  - Supported by low power costs – C\$0.06/Kwh (Grid power access)
- Opportunities
  - Ore sorting of low-grade ores
  - Leach optimisation



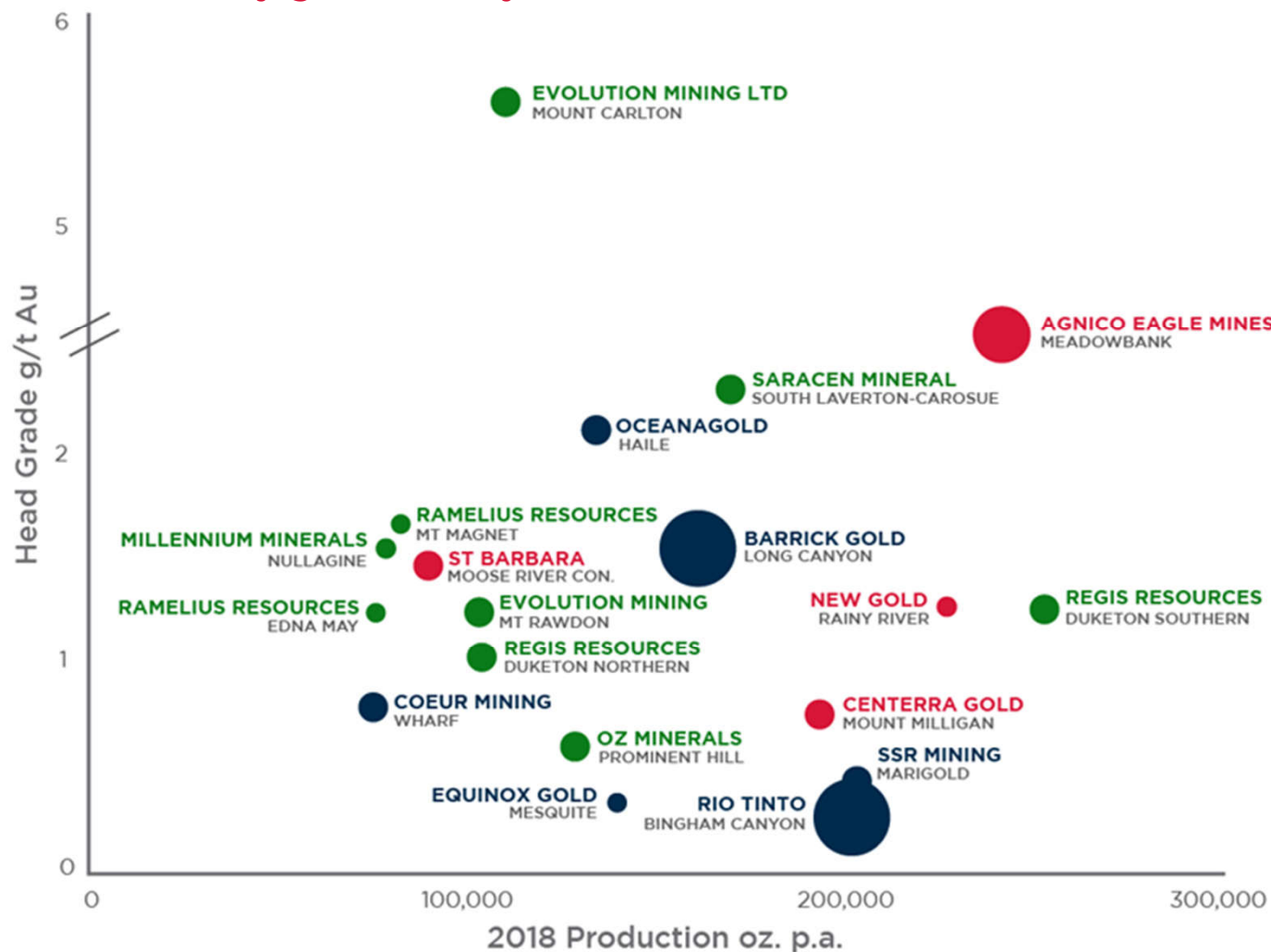
1. ASX Announcement May 2020

### Production and grade profile



# WHERE HAVE ALL THE HIGH-GRADE OPEN PIT OPERATIONS\* GONE?

Has all the easy gold already been discovered?



\*First world jurisdiction only (Australia, Canada, USA)  
Open Pit operation only (excludes projects with combined OP & UG)  
Production between 75,000oz Pa and 300,000oz Au pa

Source: S&P Global





# SCOPING STUDY - PERMITTING

Environmental and permitting well advanced

**STRONG SUPPORT FROM GOVERNMENT, FIRST NATIONS AND LOCAL COMMUNITIES**

## Environmental

- Environmental Assessment
  - Federal and Provincial EA Guidelines received
  - Majority of Baseline Studies completed
- Environmental Impact Statement (EIS)
  - Report scheduled for submission in Q4 2020
  - Permitting process to commence on approval of EIS (~9 month process)
- Consultation
  - Consultation Plan approved by Regulators
  - Multiple meetings with First Nations Groups
  - Open Houses in Port aux Basque and Isle aux Mort



# SUPPORTING INFRASTRUCTURE

World class supporting infrastructure in first world location

## Newfoundland

Major island off the east coast of Canada

## Port Aux Basques

Established town 25km from Cape Ray Project

## Infrastructure

Roads (15km from suit), water, & workforce

## Power

World class, low cost grid power access (6c/KWh)

## Government support

Strong support from the government

11 operations throughout jurisdiction (NF & Lab.)

Voisey Bay & major Iron ore mines in Canada

## #11

2018 Fraser Institute Global  
Investment Attractiveness Index



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# UNTOUCHED EXPLORATION POTENTIAL

Opportunity to extend mine life and enhance Project economics

## LIMITED HISTORICAL DRILL OR MODERN EXPLORATION ACROSS MAJORITY OF GROUND<sup>1</sup>

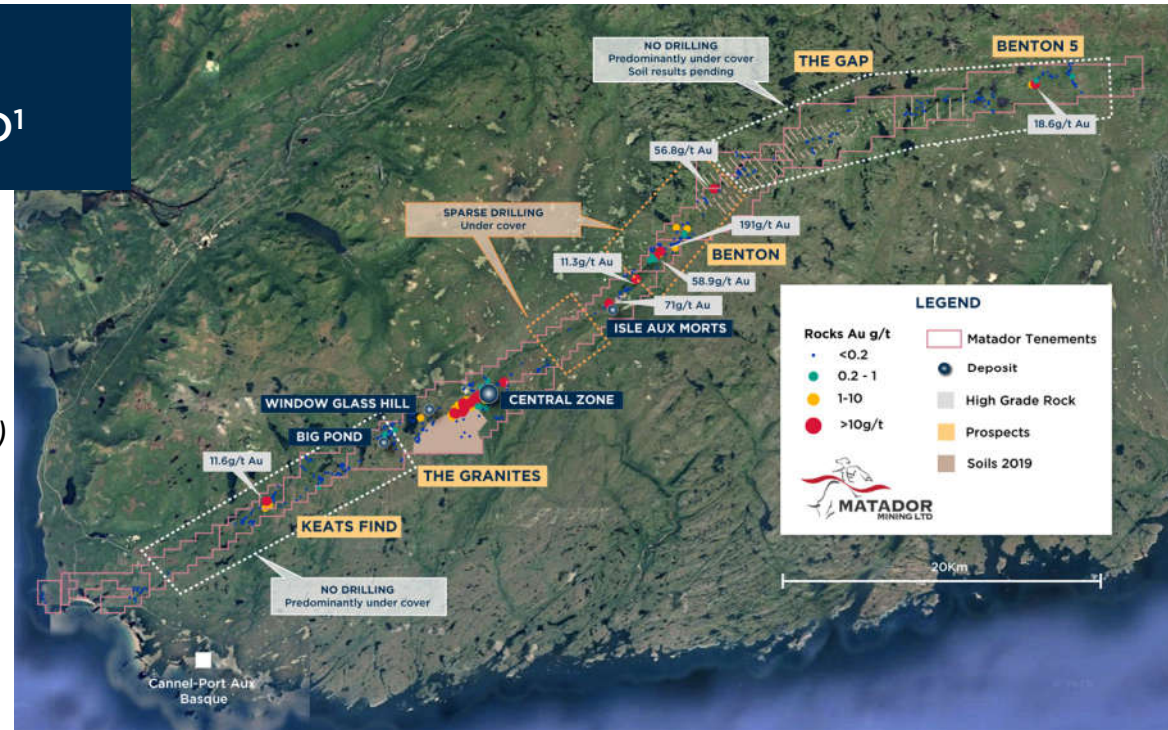
### Finding the next deposit at Cape Ray

- 80km of strike across major gold bearing shear
- Largest continuous landholder along the Cape Ray shear with limited drilling outside of known deposits (5km)
  - ~100km along trend from MOZ.TSX (C\$350m; 4Moz Au)
- All current deposits outcropping from surface
- Multiple targets identified through geological and structural mapping supported by soils and rock chip
  - Limited to no historical drilling in these areas
- Low discovery cost (2019) – US\$12/oz or 15oz/m drilled

### Regional exploration strategy

- Major review of potential targets near completion
- Identifying appropriate exploration techniques to delineate drill targets

Major focus for 2020 exploration season



1. ASX Announcement 31 October 2019

2. 80km tenement package less ~5km brownfield (Central Zone, Isle Aux Mort, Big Pong and Window Glass Hill)



# EXPLORATION – BROWNFIELDS

## Window Glass Hill & Isle Aux Mort



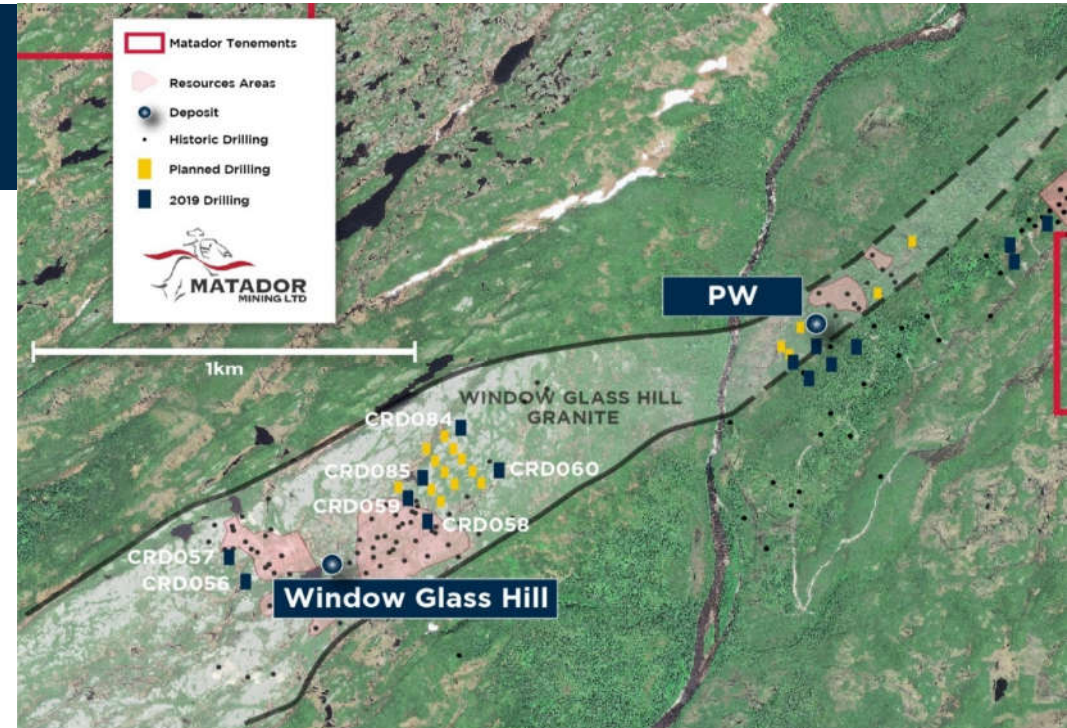
### STEP OUT PROGRAM TO TARGETING EXPANSION AROUND KNOWN RESOURCES WHICH REMAIN OPEN

#### WGH – Potential for a low strip, bulk tonnage project

- Mineralisation hosted in a granite intrusion
- 1km from Central Zone (*WGH & PW are the same granite structure*)
- Major focus of the 2019 exploration program
  - *JORC (2012) Resource – 230koz at 1.6g/t<sup>1</sup>*
  - *Low discovery cost – US\$5/oz or 27oz per meter drilled*
- 90% of the resource is less than 150m from surface (limited deep drilling)
  - *Drilling remains open within the granite intrusion based on mapping and historical drilling and rock chips*

#### Isle Aux Mort – Satellite deposit with long term potential

- 7km from Central Zone – 60koz at 2.4g/t Au<sup>1</sup>
- Limited exploration been completed on the deposit since the 1980s
- 4 holes drilled in 2019 – mineralised structure identified
- Ground magnetics and trenching planned for 2020
- Shallow drilling to follow up on structures



1. ASX Announcement 6 May 2020

# NEWFOUNDLAND'S GOLDEN CAPE

De-risked project provides value opportunity

## SCOPING STUDY

Rapid payback,  
robust returns

## LOCATION

Low risk, first  
world jurisdiction

## EXPLORATION

Multiple Brownfield  
& Greenfield Targets

## VALUATION METRICS

EV/Resource – \$26/oz  
P/NAV – 0.1X

## STRONG NEWS FLOW THROUGH 2020 AND BEYOND

2020

Q1 ☒

Resource upgrade

Q2 ☒

Scoping Study

Q2 ☐

Exploration strategy

Q3 ☐

Recommence  
exploration

Q4 ☐

Option Studies





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# APPENDIX 1

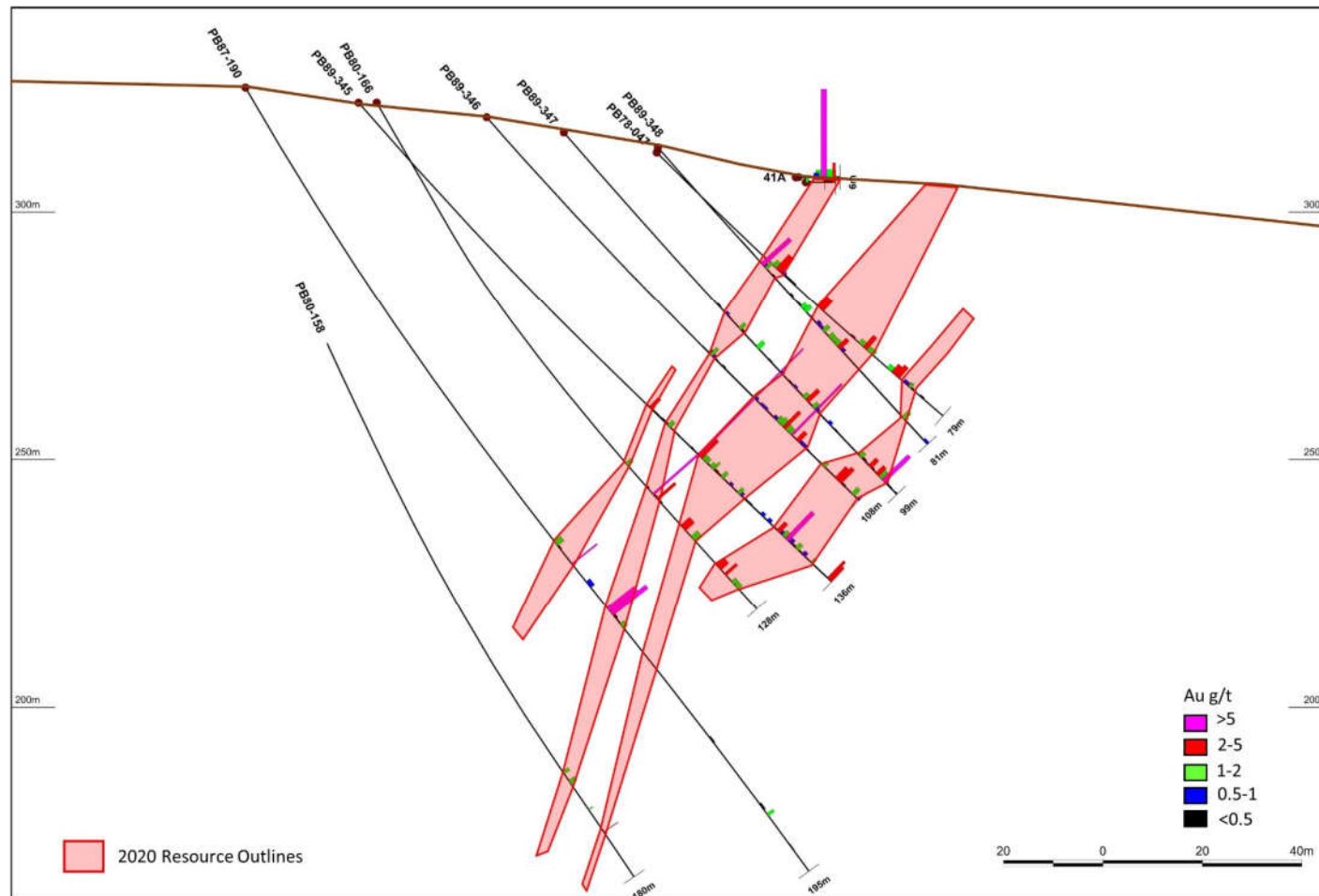
## WHAT IS REQUIRED TO MAKE A GOLD PROJECT

Historical review of the key outputs for single asset, new development gold projects

Company	West African Resources	Atlantic Gold (Now St Barbara)	Alkane Resources	Regis Resources	LionOre (now Saracen)
Asset	Sanbrado	Moose River	Tomingley Project	Duketon (now Moolart Well)	Thunderbox
Location	Burkina Faso	Nova Scotia, Canada	NSW	WA	WA
Study completed before production	Definitive Feasibility Study	Feasibility Study (no DFS completed)	Definitive Feasibility Study	Definitive Feasibility Study	Feasibility Study (no DFS completed)
Yr of study	2018	2015	2010	2009	2001
Gold Price	US\$1,300	C\$1,500	A\$1,500	A\$1,200	A\$500
Operating Costs	US\$640	C\$690	A\$942	A\$562	A\$315
Operating Margin	<b>US\$660</b>	<b>C\$810</b>	<b>A\$558</b>	<b>A\$638</b>	<b>A\$188</b>
Payback	<b>16 month</b>	<b>24 Months</b>	<b>Not reported</b>	<b>17 months</b>	<b>13 months</b>
IRR (post tax)	<b>49%</b>	<b>30%</b>	<b>22%</b>	<b>67%</b>	<b>50% (before tax)</b>
NPV (Post tax)	<b>US\$405m at 5%</b>	<b>US\$210m at 5%</b>	<b>A\$41m at 10%</b>	<b>A\$201m at 6%</b>	<b>Not reported</b>
Capital	US\$185m	C\$137m	A\$95m	A\$73m	A\$71m
Mine life	11 yrs	9 yrs	7.5 yrs	6 yrs	5 yrs
Annual production	133 koz pa	87 koz pa	50 koz pa	90 koz pa	161 koz pa
LOM production	1460 koz	714 koz	370 koz	604 koz	805 koz
Yr. production commenced	2020	2017	2014	2010	2002
Still in operations	Yes	Yes	Yes	Yes	Yes (Closed 2007; Re-opened 2016)
Source	ASX announcement: Nov 2018	SEDAR - Atlantic Gold - 2015	ASX Announcement - Dec 2010	ASX Announcement - Nov 2009	SEDAR - Lionore - August 2001

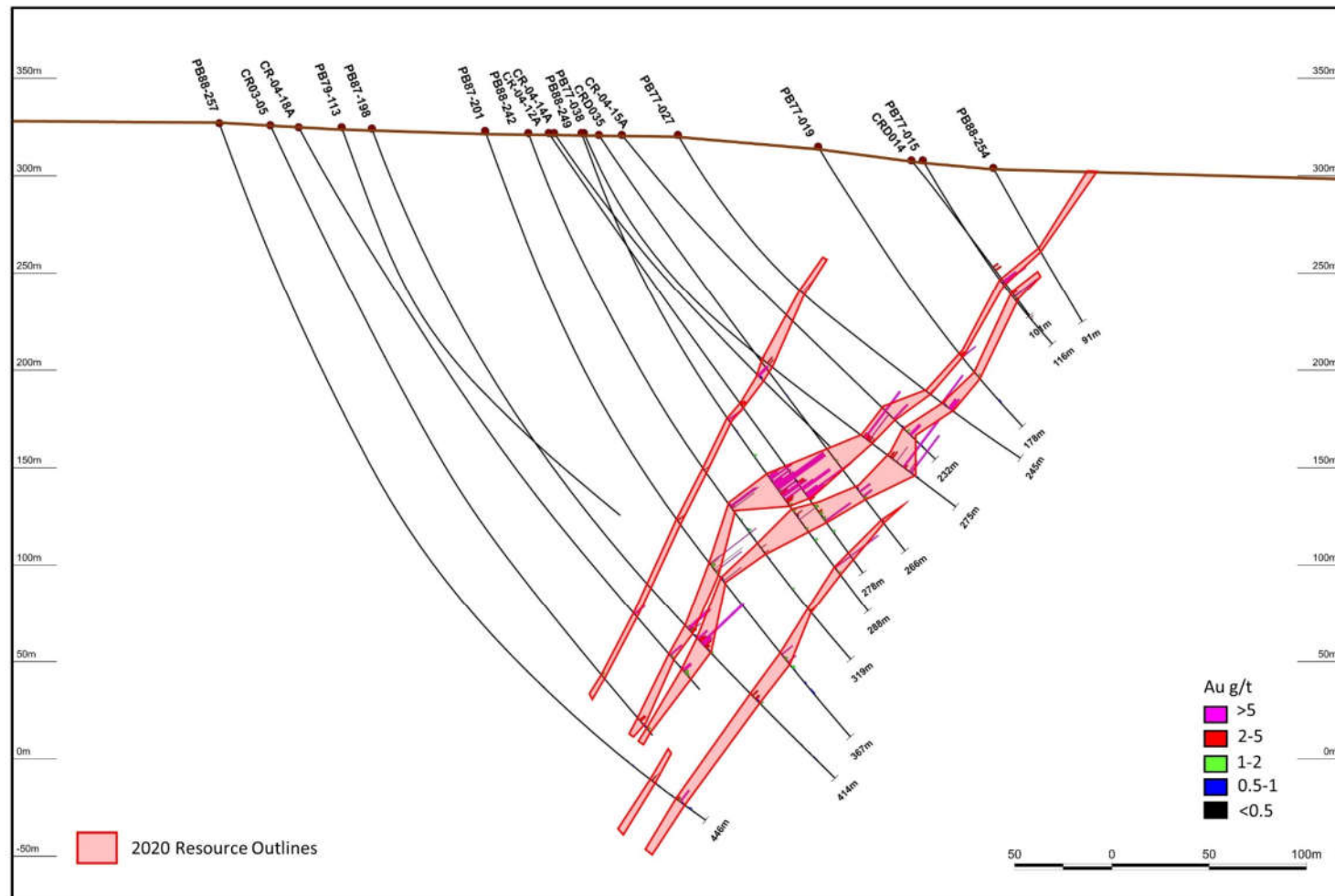
# APPENDIX 2

## Central Zone – 41 deposit



# APPENDIX 3

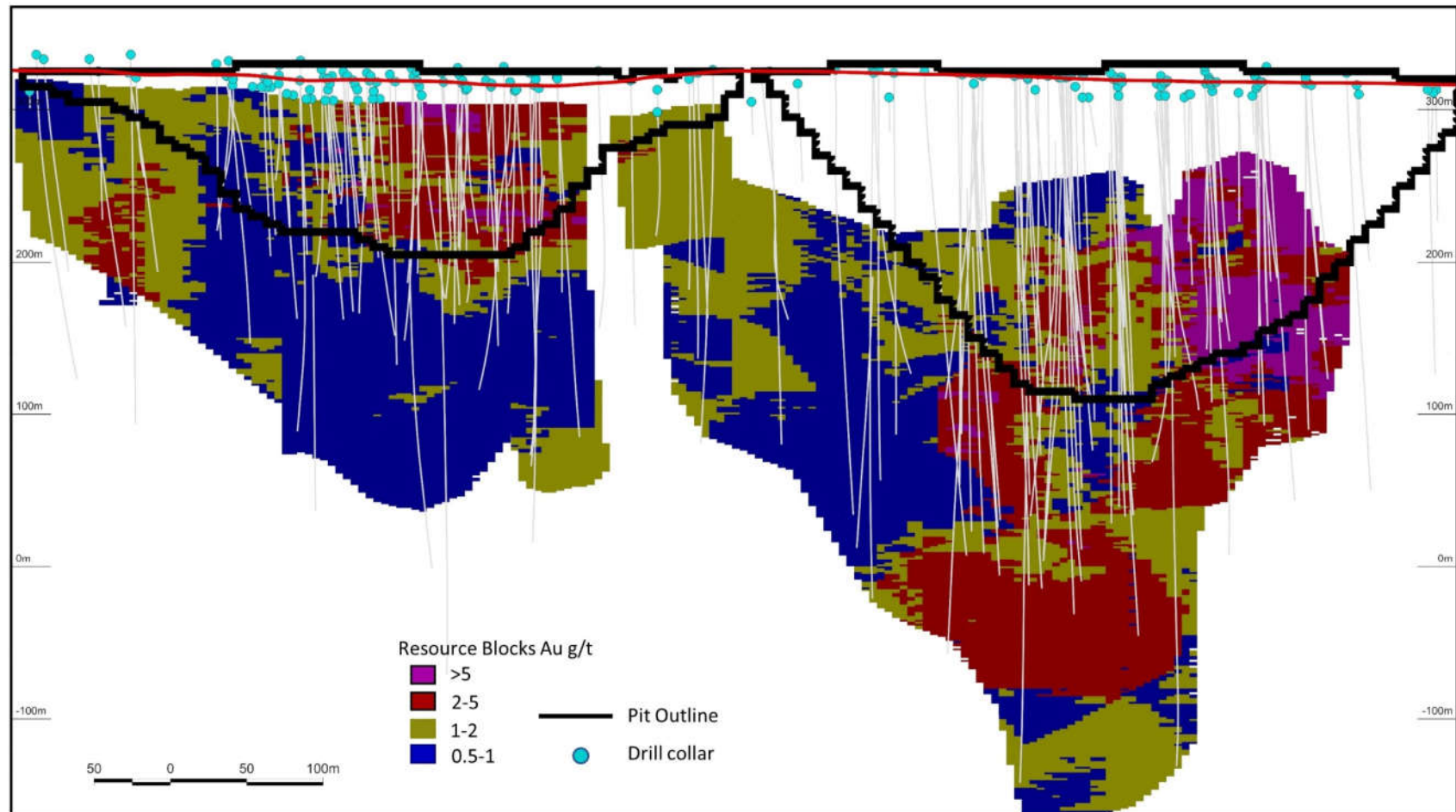
## Central Zone – 04 deposit





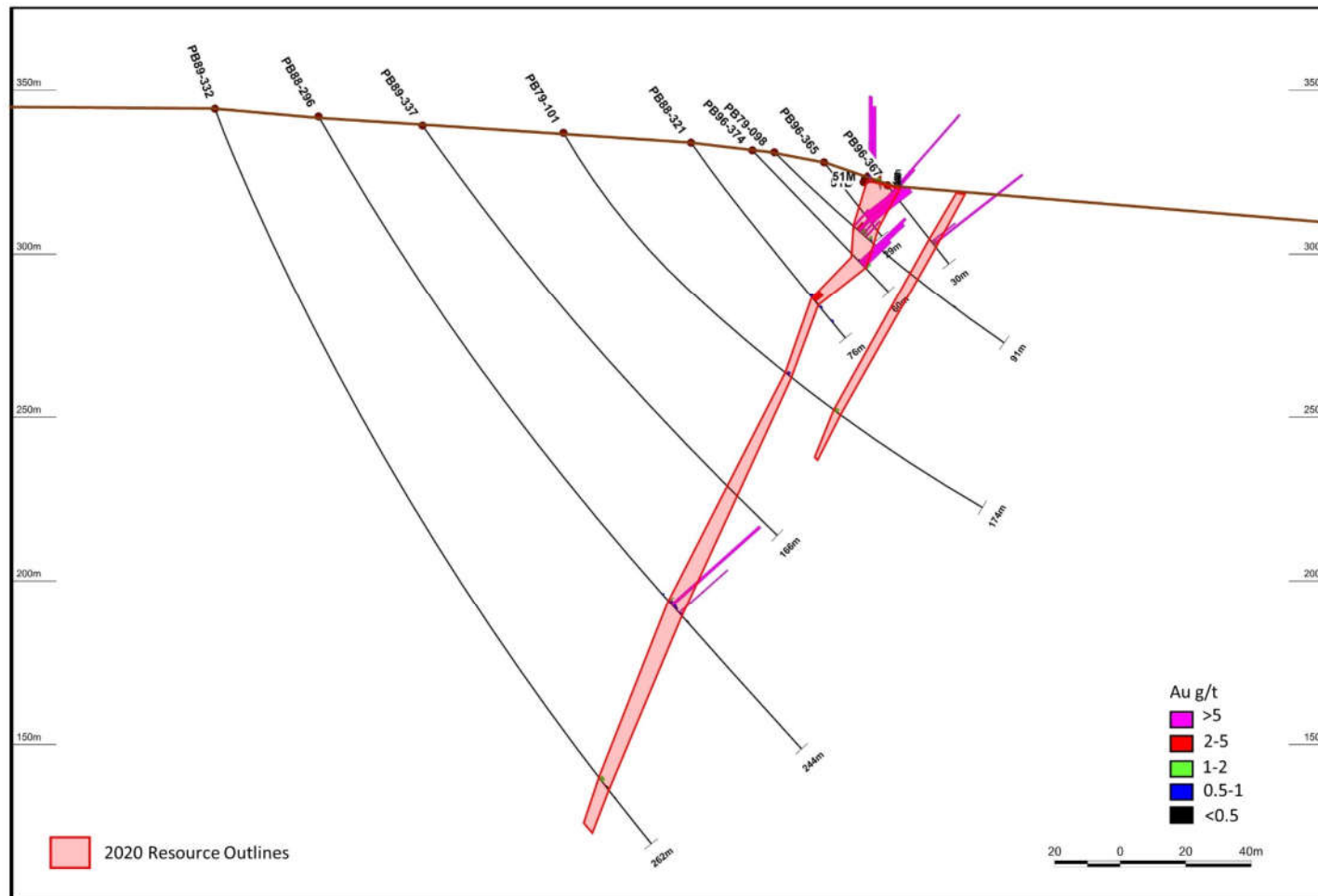
# APPENDIX 4

## 04 / 41 – Pit Section



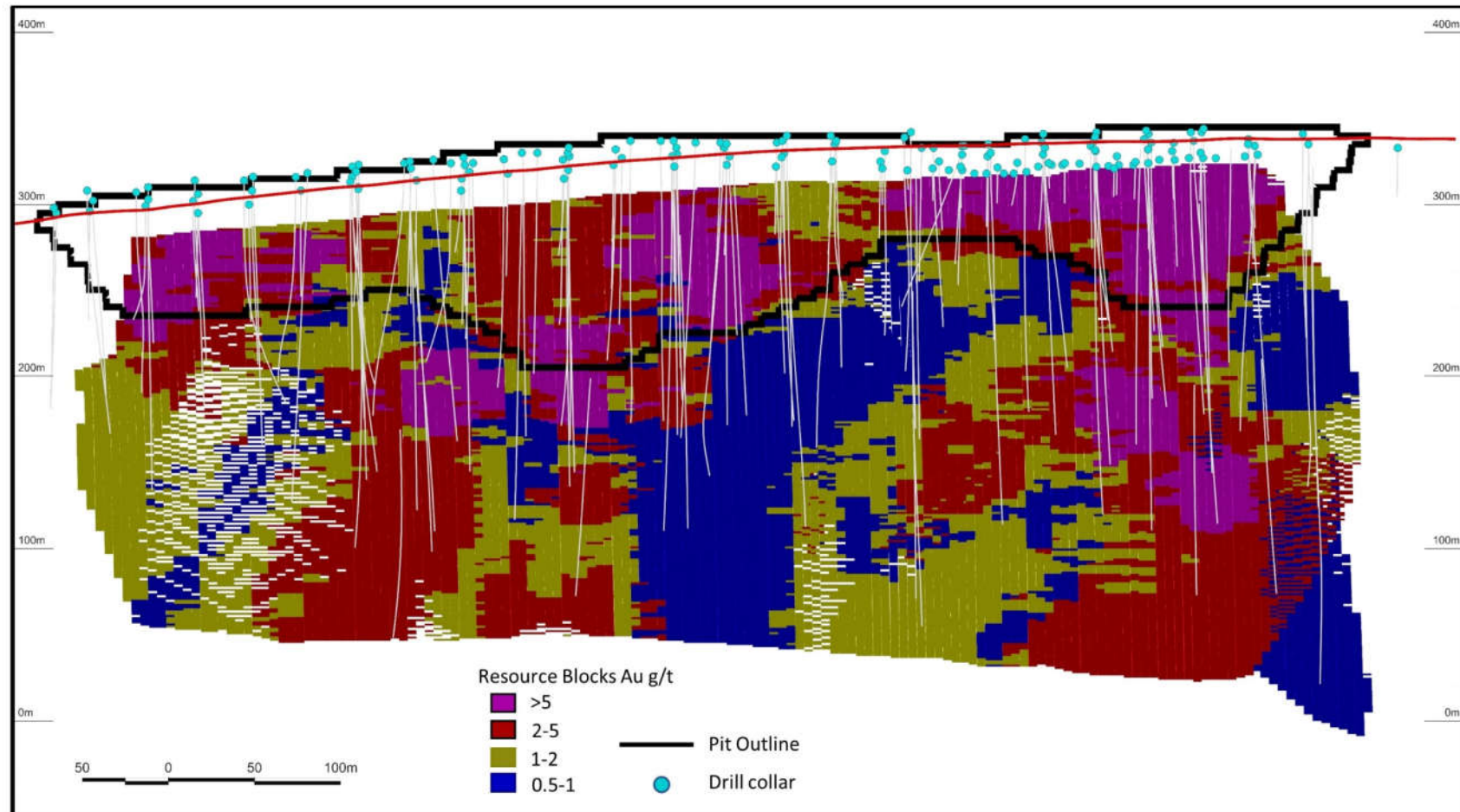
# APPENDIX 5

## Central Zone – 51 deposit



# APPENDIX 6

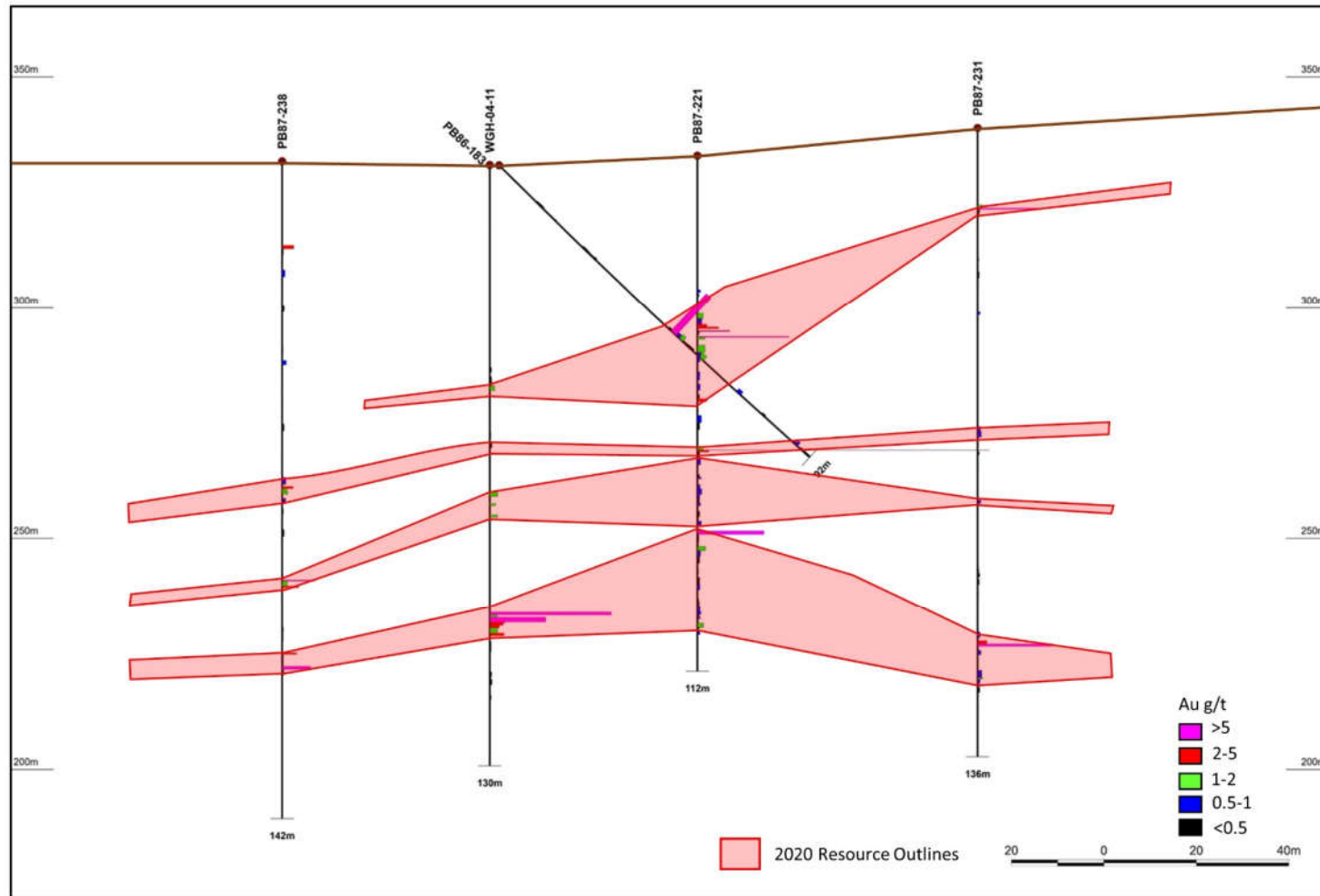
## Central Zone (51) – Pit Section





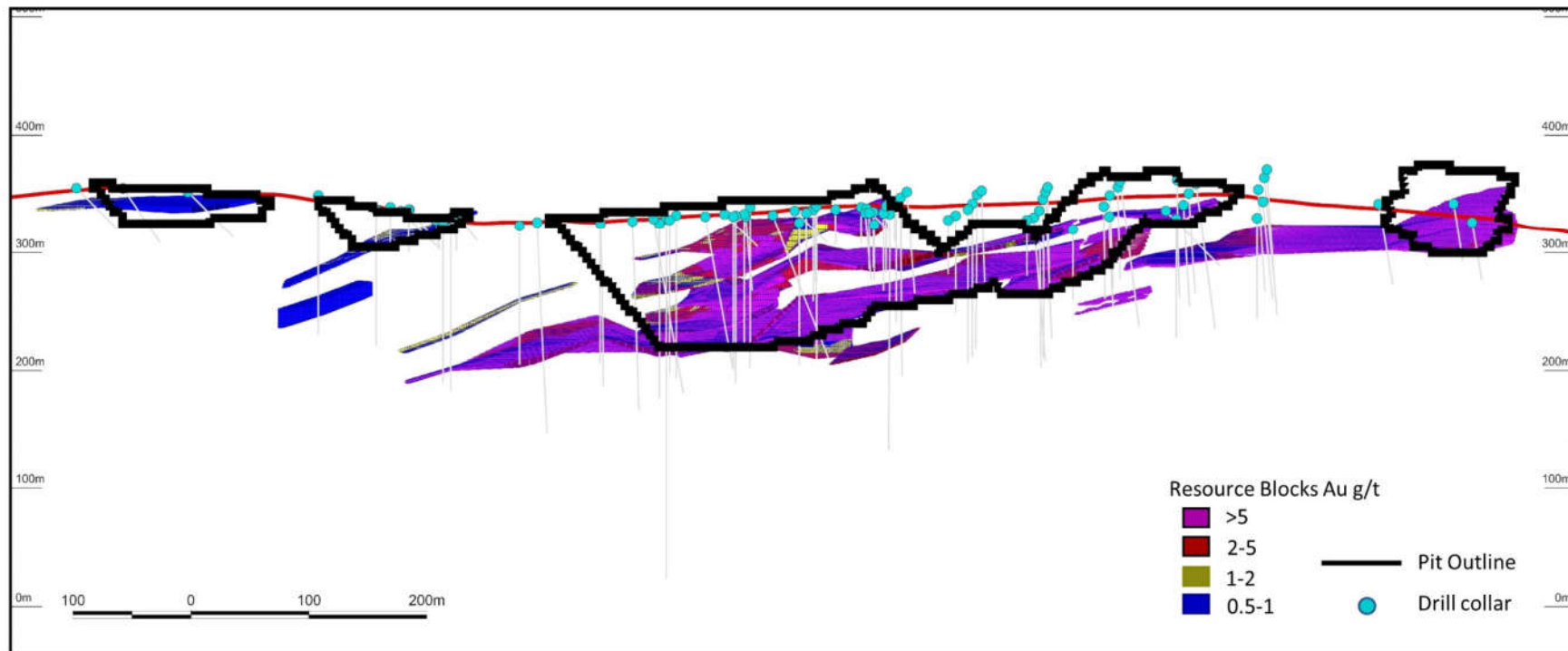
# APPENDIX 7

## Window Glass Hill



# APPENDIX 8

## Window Glass Hill – Pit Section



# APPENDIX 9

## Here come the Australians

### OVER \$3BN SPENT BY AUSTRALIAN GROUPS IN NORTH AMERICA DURING THE PAST 18 MONTHS

#### Limited opportunities in Australia has encouraged movement abroad

- Strong valuation on ASX
- Limited number of new discoveries/development assets locally
- Current development assets are well understood with potential legacy issues

#### Change in TSX investor appetite

- Focus on new growth industries (Crypto and Marijuana)
- Funding difficult for TSX companies has resulted in limited spending on exploration in past decade

#### Canada – a world-class jurisdiction for resource project

- Low geopolitical risk
- Skilled workforce
- Well understood mining regulatory environment



St Barbara Limited proposed acquisition of (\$768m);

Newcrest Mining Limited acquisition of Imperial Metals Corp's Red Chris mine (\$1.1bn);

Northern Star Resources Limited acquisition of Sumitomo Corp's Pogo gold mine (\$347m).

In 2018, Hancock entered the register of Riversdale, through a placement for 19.99% of the company at a weighted average subscription price of \$1.70 per share, for a total cost of approximately \$100M.

Should the Offer result in Hancock achieving 100% ownership of Riversdale, the cost of the Offer will total approximately \$644M, for a total Hancock investment of approximately \$744M, at a weighted average price of \$2.50 per share.





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