



Matador successfully completes \$8.7 million placement

Highlights

- The Company has successfully completed an \$8.7 million Placement (“Placement”), issuing 21.4 million shares at a price of \$0.405 per share – a 44.5 % premium to the 15-day VWAP.
 - The Company received strong demand for the Placement from Australian and international institutional investors.
 - Proceeds from the Placement will be used to fund exploration activities at the Company’s 100% owned Cape Ray Gold Project in Newfoundland, Canada, where a 12,000m drill campaign and a major greenfield exploration program will commence shortly.
 - Funded for the next two exploration seasons (2020 and 2021).
 - Site preparation are underway, with drilling to start in the coming weeks.
 - Shares issued at a premium price as “flow through shares” under the *Income Tax Act (Canada)* (“Act”), facilitated by Canadian leading flow-through share dealer, Peartree Securities Inc.
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Matador Mining Limited (ASX: MZZ, MZZO) (“Matador” or the “Company”) is pleased to announce that it has raised proceeds of \$8.7 million (before costs) from the placement of 21.43 million shares at a price of \$0.405 per share which represents:

- A 28.5% premium to the last 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, as they were issued as Canadian charity flow-through shares, which provides tax incentives to those investors for expenditures that qualify as flow through mining expenditures under the Act.

The Company will commence a 12,000m drill program together with a major greenfields exploration program later this month. A detailed overview of this year’s exploration program and strategy will be released shortly. Together with existing cash, anticipated proceeds from the exercise of listed options and completion of the Placement, based on current forecast work programs and budget estimates, the Company expects to be funded to complete the 2020 and 2021 exploration programs.

The term “flow-through share” is a defined term in the Act and is not a special type of share under corporate law. In this case, the term “flow-through share” refers to an ordinary share that will be issued by the Company to an investor under a written agreement with the investor whereby the Company agrees to incur flow through mining expenditure, and to renounce tax losses associated with that expenditure to the investor. If the Company and the investor comply with the rules in the Act, the investor will be entitled to deduct the amount renounced in computing the investor’s income for Canadian income tax purposes and as a result, the flow-through shares are issued at a higher price.

Placement details

The issue of 21,428,571 ordinary shares at \$0.405 per share under the Placement ("**New Shares**") will utilise Matador's issuance capacity under ASX Listing Rules 7.1 and 7.1A, with:

- 18,590,000 New Shares issued under Matador's Listing Rule 7.1 issuance capacity; and
- 2,838,571 New Shares issued under Matador's Listing Rule 7.1A issuance capacity.

Accordingly, no shareholder approval is required in connection with the Placement. The New Shares will rank equally with the Company's existing fully paid ordinary shares.

ASX Listing Rule 7.1A Disclosure

In accordance with ASX Listing Rule 3.10.5A, the Company provides the following information with respect to the shares issued under ASX Listing Rule 7.1A.

- a) The dilutive effect of the Placement on existing shareholders is as follows:

	Shares	Dilution
Shares on issue before Placement	126,753,032	
Shares issued under ASX Listing Rule 7.1	18,590,000	14.70%
Shares issued under Listing Rule 7.1A	2,838,571	2.24%
Total shares on issue after Placement	148,181,603	
Total dilution		16.94%

- b) The 2,838,571 New Shares issued under Listing Rule 7.1A were issued to PearTree Securities Inc as agent, under a placement and not a pro-rata issue as it was considered to be the most efficient mechanism for raising capital for the Company at the time. No fees are payable by the Company to PearTree.
- c) There was no underwriting agreement entered into in relation to the Placement.
- d) Shaw and Partners Limited acted as advisor to the Placement under a financial advisory mandate.

About the Company

Matador Mining Limited (ASX: MZZ) is a gold exploration company with tenure covering 120km of continuous strike along the highly prospective, yet largely under-explored Cape Ray Shear in Newfoundland, Canada. The Company released a Scoping Study in May 2020 which outlined an initial 7-year mine life, with a strong IRR (51% post Tax), rapid payback (1.75 year) and LOM AISC of US\$776 / oz Au. The Company has planned a 12,000m drill program through 2020 and a major greenfields exploration program.

This announcement has been authorised for release by the Company's Board of Directors. To learn more about the Company, please visit www.matadormining.com.au, or contact:

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Reference to previous ASX announcements

The information in this announcement 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.