



## Matador Provides Exploration Strategy Update

**Matador Mining Limited (ASX:MZZ | OTCQB:MZZMF)** (“Matador” or the “Company”) is pleased to provide a corporate update regarding its exploration strategy following a comprehensive summer program that generated positive results and benefited from significant engagement with world-renowned external geological experts. Additionally, the Company completed a detailed analysis of existing data within the resource corridor to identify encouraging new Brownfields targets.

### Highlights

- Several new advanced stage exploration targets identified within the resource corridor to complement a suite of Greenfield targets.
- Future exploration work to include a balance of Brownfields and Greenfields exploration involving diamond drilling and bottom-of-hole and basal till sampling, ensuring the complete project pipeline is being assessed.
- Review of structural geology by external experts has led to historic theories being challenged, in turn opening the entire Cape Ray Shear Zone (“CRSZ”) as a new exploration search space presenting several new opportunities.
- Matador’s unique Australian-Canadian hybrid exploration approach is positioning the Company as a leader in Newfoundland’s fast growing exploration sector.

### Matador’s Managing Director and CEO, Sam Pazuki comments

“The last 18 months at Matador has seen significant positive changes to the Company. This progress has positioned us as a premier exploration company within Canada, using our innovative and systematic, hybrid Australian-Canadian approach to exploration, with the clear objective being to discover the next tier one gold deposit in Newfoundland.

When I first joined the Company in May 2022, our strategy shifted to exploration on untested, yet highly prospective areas along the belt that we continue to believe have the right attributes to host multi-million-ounce deposits. I initially believed only incremental gains were likely in the Brownfields areas, however, the knowledge we have gained through this year’s Mineral Resource estimate update and associated internal desktop analysis,

along with input from external geological experts from B2Gold and other external experts, has revealed many untested areas and potential mineralised zones in the resource corridor.

The Company's exploration strategy going forward will include elements of both Brownfields and Greenfields exploration, to assess a balanced project pipeline. Over the near-term, we will refine our exploration plans with targets being categorised as 'early stage', 'intermediate stage' and 'advanced stage', with the work we will carry out on the targets to be commensurate with the stage of the targets.

Each of our properties along the CRSZ and Hermitage Flexure possesses unique attributes that make them all highly prospective. We will continue to use what we consider a best-in-class systematic approach to exploration as a key enabler for major mineral discoveries. This is particularly important in a jurisdiction like Newfoundland that has little outcrop and is largely undercover, like many areas of Western Australia where major concealed discoveries such as Gruyere and Hemi have been made in recent years.

We look forward to continued support from our valued shareholders to do the right thing by deploying capital with the intention of delivering the highest risk-adjusted returns possible, and in doing so, setting us up to unlock significant value in the business over the long-term."

### **Summer Site Visits**

Over the course of the Canadian summer, Matador hosted site visits with several top B2Gold exploration executives who, collectively spent nearly one month in Newfoundland. Additionally, the Company retained consultancy services of Brett Davis, a world-renowned structural geologist, who spent two weeks on site. During these visits, the expert visitors had an opportunity to review the geology of the CRSZ, resource corridor and targets within the Greenfields setting.

Through this work, external experts challenged previous theories and interpretations developed over the past thirty years, resulting in new targets being identified in the Brownfields and Greenfields areas, while existing targets within such areas as Grandy's and Malachite were confirmed to be highly prospective.

The main scope of the structural work was to define the geometry, kinematics, and timing of the main gold structural event(s), to refine the working structural exploration model (**FIGURE 1**). Through this work, it has been determined that gold was emplaced during a regional sinistral event, much later and with opposite sense of motion compared to prevailing thought. This has important implications for targeting as it opens several new targets with interpreted or observed sinistral structures, and younger host lithologies that have previously been untested as they were believed to be "post-gold" or after gold mineralisation. The scope of work utilised ultra-detailed aeromagnetic data, regional outcrop, oriented diamond drill core and exposed areas within the deposits to provide context to the interpretations (**FIGURE 2**).

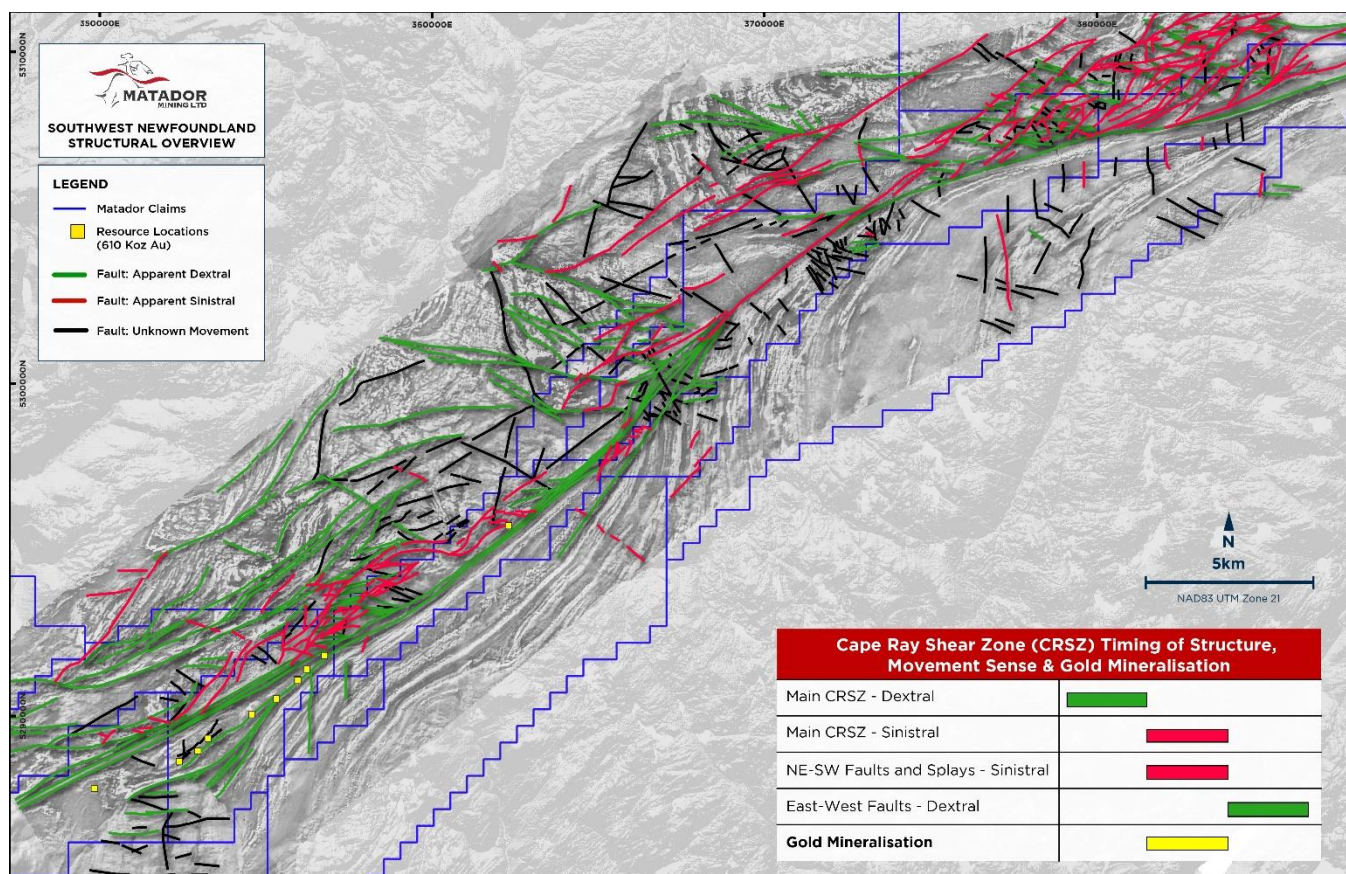
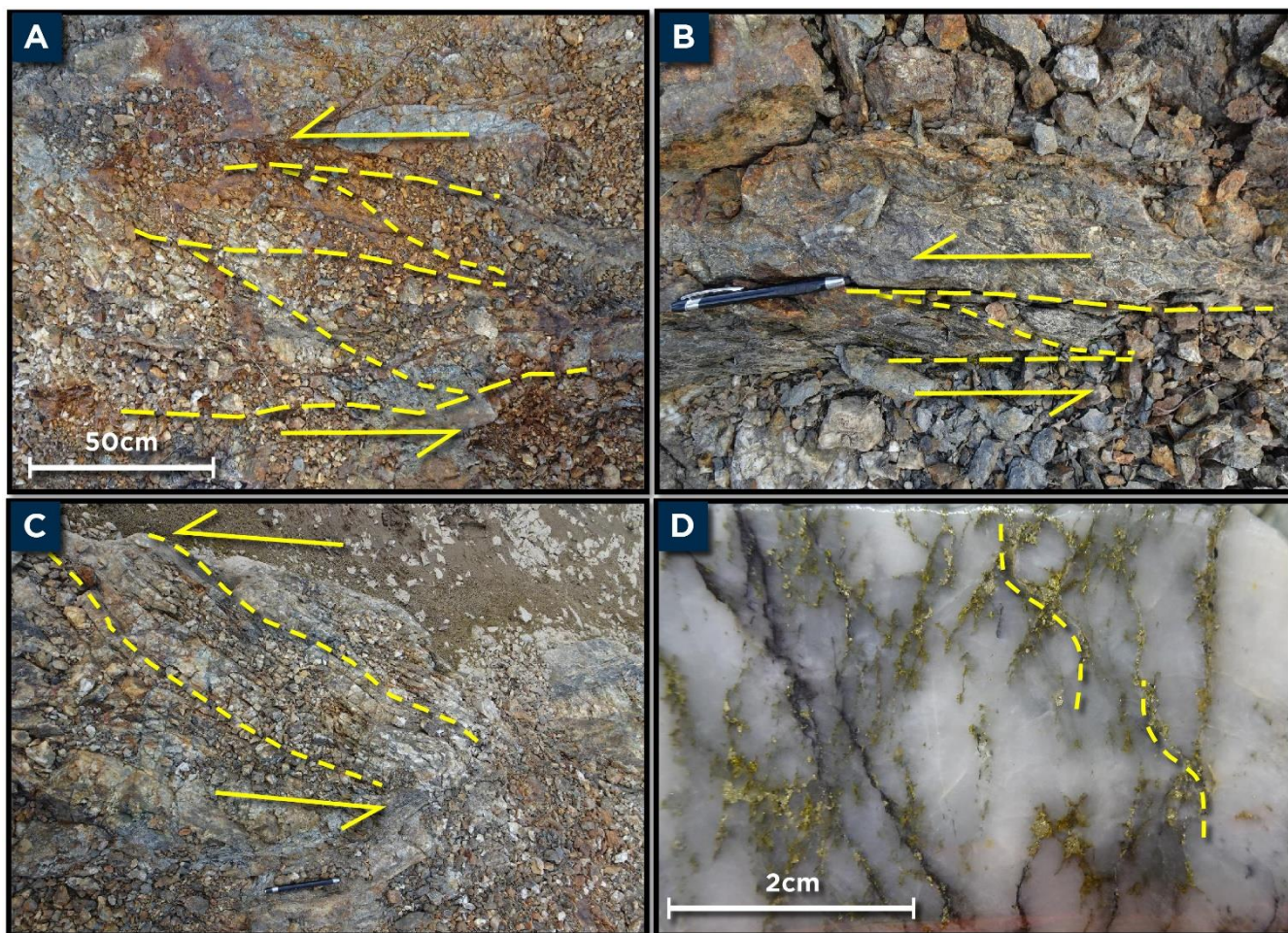


FIGURE 1: STRUCTURAL STUDY RESULTS



**FIGURE 2: A: FOLIATION ASYMMETRIES DISPLAYING SINISTRAL MOVEMENT (ZONE 51 TRENCH). B: FRACTURE ASYMMETRIES DISPLAYING SINISTRAL MOVEMENT (ZONE 51 TRENCH). C: FRACTURE ASYMMETRIES DISPLAYING SINISTRAL MOVEMENT (ZONE 51 TRENCH). D: PYRITE AND CHALCOPYRITE DISPLAYING S-C FABRICS INDICATING SULPHIDE MINERALISATION COEVAL WITH DUCTILE DEFORMATION OF THE HOST VEIN (CRD162: ISLE AUX MORTS DEPOSIT).**

## Exploration Strategy

As a result of the internal and external analysis, and the results to-date from the Company's Greenfields exploration program, the go forward strategy will include a balanced mix of both Brownfields and Greenfields activities, with return on investment continuing to be a key driver for capital allocation and decision making.

Moreover, the Company will categorise exploration targets into three categories: advanced stage, intermediate stage and early stage and focussed on building a pipeline of opportunities to advance targets to diamond drill-ready status. Expected activities for each exploration stage could include:

1. Advanced stage targets to be tested predominantly with diamond drilling and continual update of 3D geological and mineralisation models.

2. Intermediate stage targets to be tested with bottom-of-hole RC sampling and basal-till sampling, ground-based geophysics such as surface Induced Polarised (“IP”) or Electromagnetics (“EM”).
3. Early stage targets to be tested with regional programs, incorporating activities such as prospecting, mapping, surficial geochemistry, and regional geophysics (e.g.: magnetics, gravity, airborne EM).

All programs will be driven by results and achieving defined success criteria, and not just on meeting pre-defined exploration metrics such as “volume of metres drilled”. Should the Company identify a target with a potential to host a large, mineralised footprint, the exploration program will be scaled up accordingly, to rapidly progress discoveries to development stage.

### **Brownfields Exploration**

Following nearly an 18-month hiatus from physical exploration work within the resource corridor, the Company is planning increased exploration expenditure and capital allocation on advanced and intermediate staged exploration targets in the Brownfields regions (**FIGURE 3**). Target areas include:

- Along strike of the current Central zone deposits between the PW and Big Pond deposits.
- The footwall of the Central zone deposits assessing potential repeat mineralised zones.
- The “pressure window” areas at the east and west extremities of the Window Glass Hill Granite (“WGHG”).
- Specific structural and stratigraphic targets north of Central Zone to Stag Hill.

These new targets can be categorised as structural, geophysical, and geochemical anomalies and include identified outcropping, gold-bearing quartz veins.

Specific target examples include:

- Window Glass Hill (“WGH”) – northeast extension to WGH identified as a strong geophysical IP anomaly within the WGHG proximal to historical high-grade surface rock chips up to 11.17 g/t gold located 270 metres away from historic drilling. This target could represent a new high-grade ore shoot within the granite, near the existing resource.
- Big Pond – the deposit sits on a mineralised trend open to the south that is folded by a regional synform. Where the mineralised trend intersects this structure, historic soil geochemistry contains values of up to 710 ppb gold. Potential for multiple high-grade shoots at the intersection of potential mineralised shears cross-cutting regional folded stratigraphy.

- Central Zone – test the potential of the footwall for structural repetition creating parallel loads, which has never previously been tested. This conceptual target is further validated by historic gold in soil anomalies hundreds of meters into the footwall and up to 280 ppb gold.

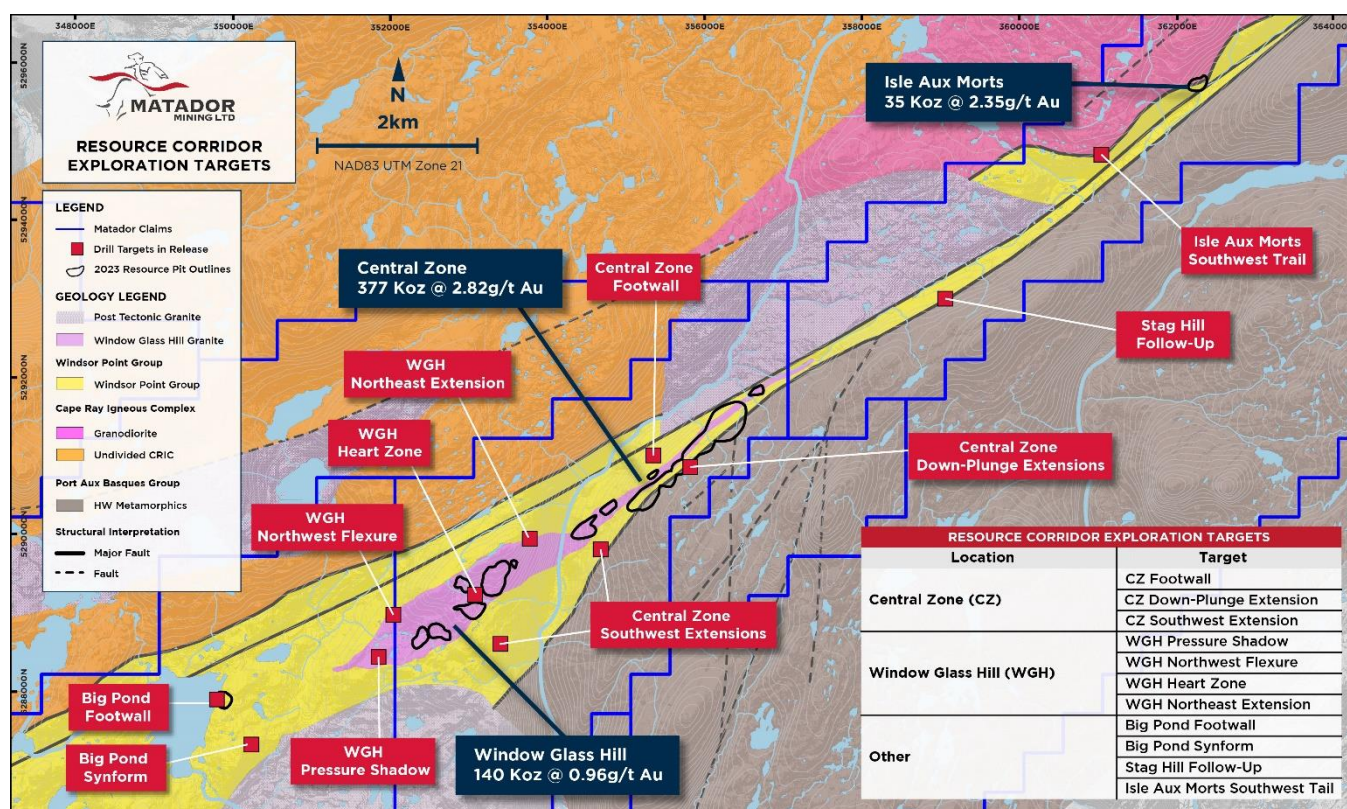


FIGURE 3: RESOURCE CORRIDOR EXPLORATION TARGETS

## Greenfield Exploration

The Company maintains high conviction in identifying multi-million-ounce deposits within each of the properties along the CRSZ and Hermitage Flexure. Each property possesses geological complexity and several attributes conducive to hosting large-scale mineralised gold systems. The Company currently considers the Malachite<sup>1</sup> and Hermitage areas<sup>2</sup> as top priority areas and will continue to advance specific targets including the major breakout structure splaying of the CRSZ at Malachite and Grandy's, and continued target generation at Hermitage, currently the largest antimony and arsenic anomaly in Newfoundland. Other key greenfield areas include Long Range<sup>3</sup>, Bunker Hill<sup>4</sup> and Intersection.

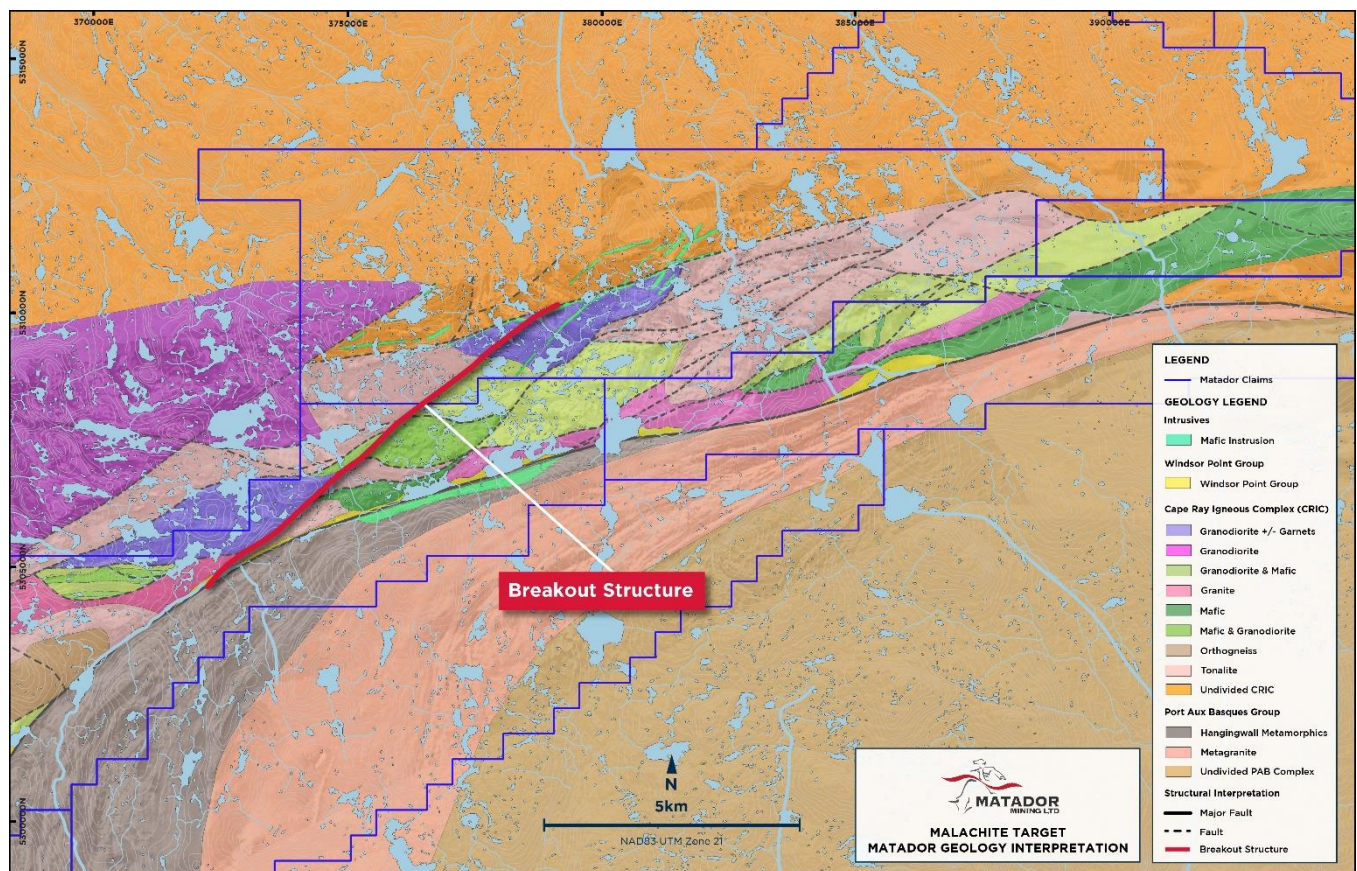
<sup>1</sup> ASX Announcements 24 January 2023 & 11 December 2022

<sup>2</sup> ASX Announcements 12 September 2023 & 17 May 2023

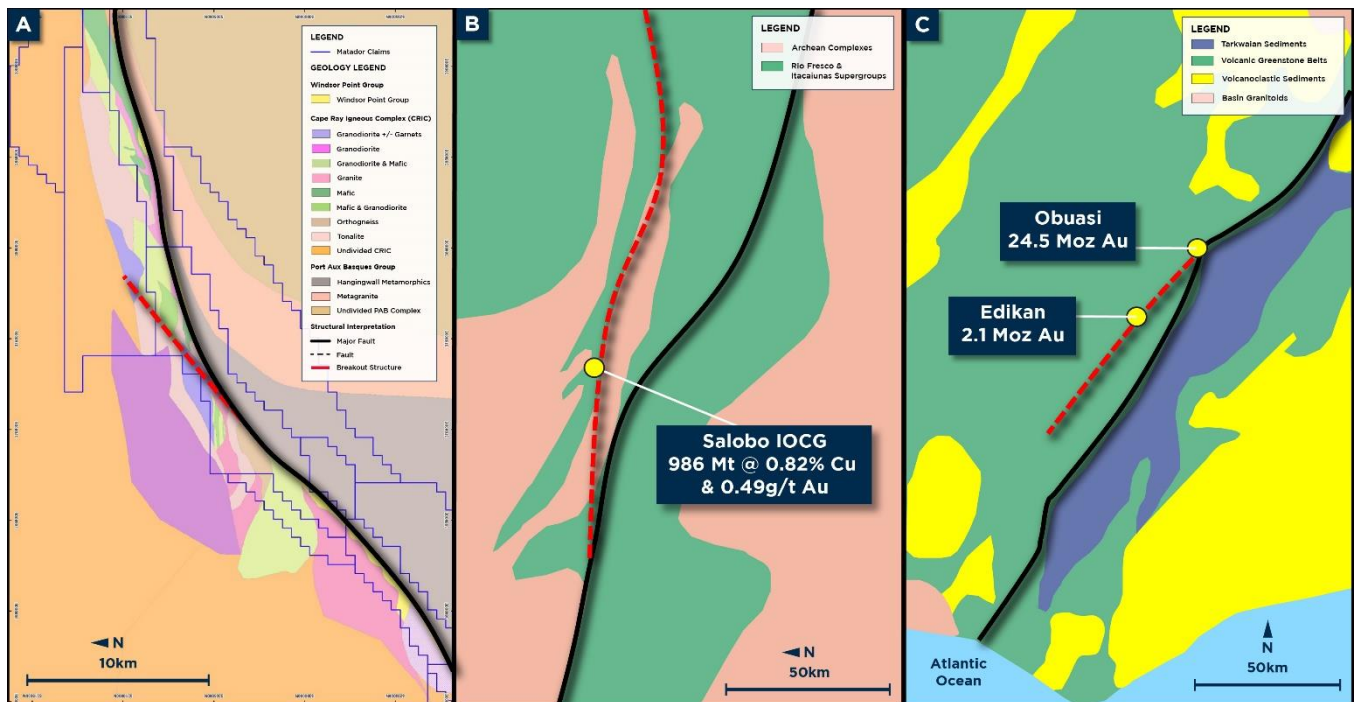
<sup>3</sup> ASX Announcements 23 August 2023 & 22 February 2023

<sup>4</sup> ASX Announcement 21 March 2023

Historic exploration along the belt has almost exclusively focused directly on the main CRSZ. Many orogenic gold deposits globally are located on second and third order splays off the major regional shear zones. The Company's exploration strategy is to explore into the footwall and hanging wall of the CRSZ to test these highly prospective structures in a systematic approach to maximise return on investment. An example of this is the "Breakout Structure" at Malachite (**FIGURE 4**) at the structural bend of the CRSZ. The structural geometry is consistent with other massive hydrothermal deposits such as Vale's Salobo IOCG deposit in Brazil, and AngloGold Ashanti's Obuasi deposit in Ghana. The Company is planning for a potential gravity geophysical survey and/or a comprehensive bottom-of-hole and basal-till sampling program in this area during the winter months to improve local scale drill targeting.



**FIGURE 4: MALACHITE TARGET OVERVIEW WITH MATADOR'S GEOLOGICAL & STRUCTURAL INTERPRETATION HIGHLIGHTING THE MAJOR SECOND ORDER "BREAKOUT" STRUCTURE IN RED.**



**FIGURE 5: A: LARGE SECOND ORDER "BREAKOUT" STRUCTURE THAT SPLAYS OFF THE CRSZ AT MALACHITE. B: SALOBO MINE (VALE) SITUATED ON A LATE BRITTLE HOST STRUCTURE THAT SPLAYS OFF THE CINZENTO AHEAR ZONE. C: OBUASI MINE (ANGLOGOLD ASHANTI) AND EDIKAN MINE (PERSEUS) SITUATED ON A MAJOR SECOND ORDER STRUCTURE FROM THE ASHANTI SHEAR.**

At Hermitage, the Company will continue with prospecting activities to identify areas for future exploration work, be it more defined prospecting, geophysics, and bottom-of-hole / basal till sampling. The Hermitage property is vast and underexplored, however given the similar geological attributes to world-class mining jurisdictions such as Bendigo and prolific gold mines such as Fosterville, the Company ranks this prospect highly and will continue to generate targets to advance through the pipeline to diamond drill-ready status.

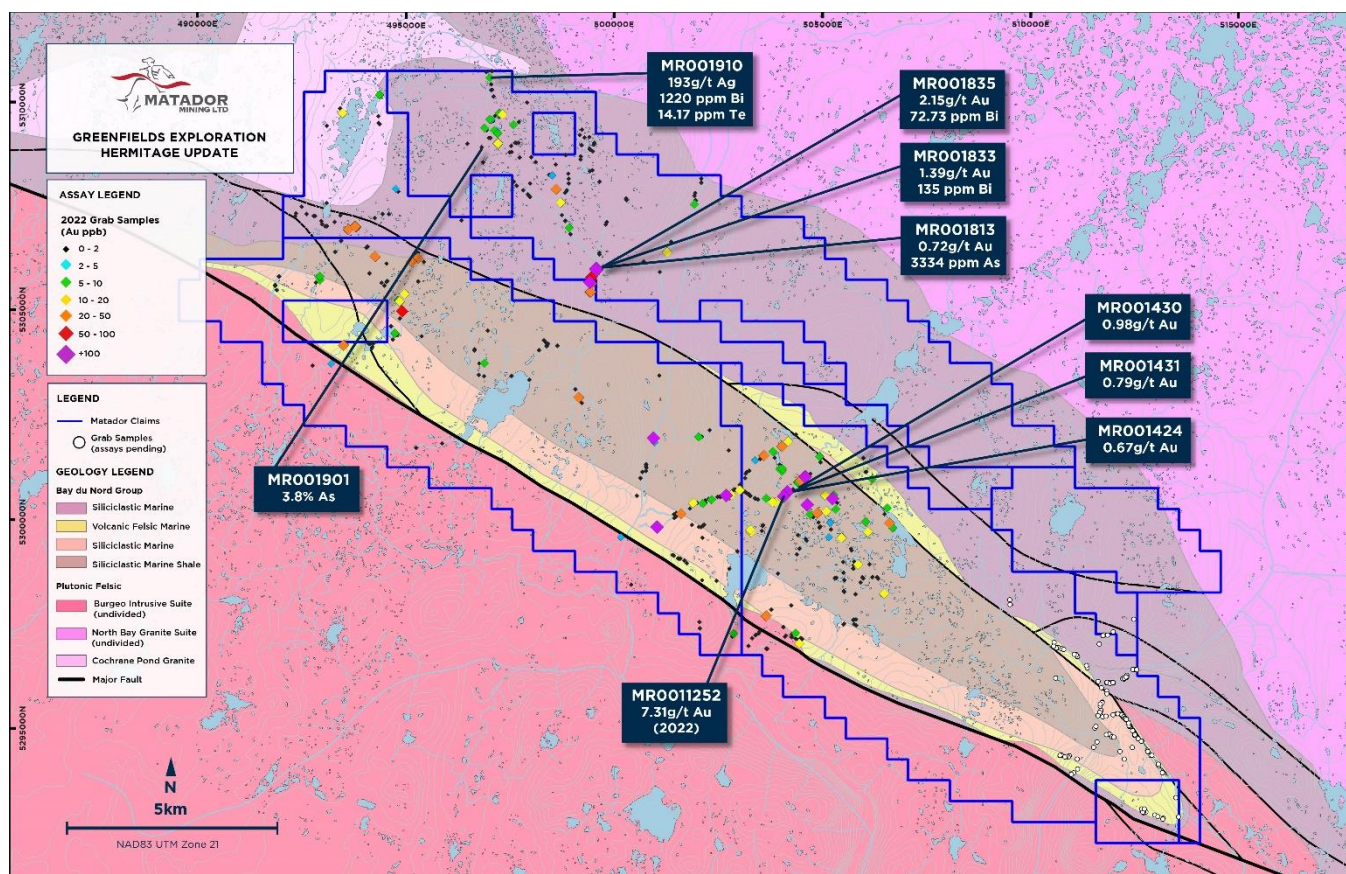


FIGURE 6: HERMITAGE PROSPECTING RESULTS (PREVIOUSLY REPORTED 18 MAY 2023)

## Webcast

The Company will host a webcast to discuss results to date, plans going forward, and answer questions guests have regarding the business. To join the webcast, please register and use the following links:

Wednesday, 4 October 2023, 10:30 AM Australia Eastern Standard Time (Sydney time) / Tuesday, 3 October 2023, 8:30 PM Eastern Daylight Time (US and Canada)

[https://us06web.zoom.us/webinar/register/WN\\_cMHfZjRkOrSBhdAVIFLg](https://us06web.zoom.us/webinar/register/WN_cMHfZjRkOrSBhdAVIFLg)

– ENDS –

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](http://www.matadormining.com.au), or contact:

**Sam Pazuki, Managing Director & CEO**

**Canada Phone:** +1 416 915 3178

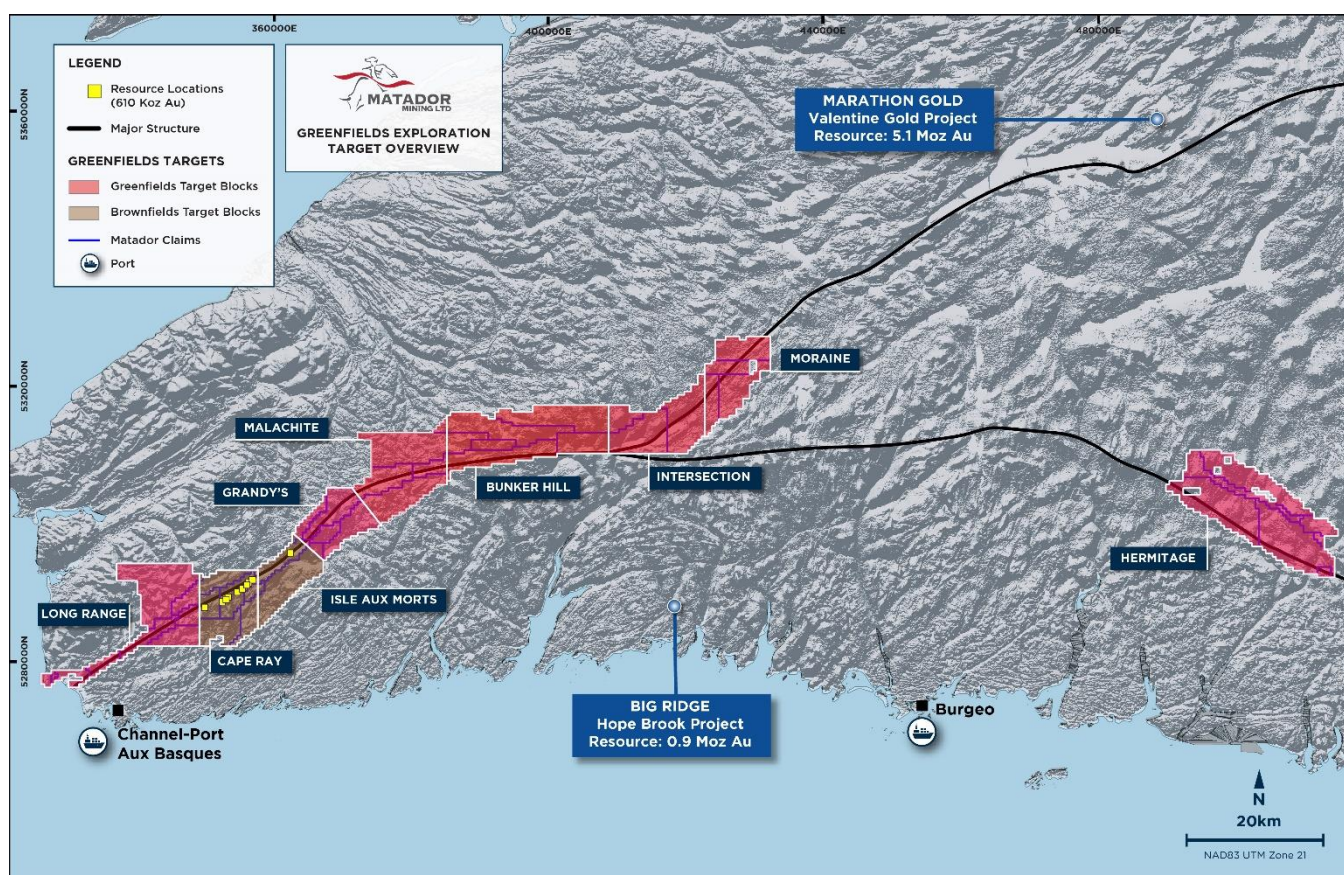
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## About the Company

Matador Mining Limited (**ASX:MZZ | OTCQB:MZZMF**) is an exploration company focused on making gold discoveries in Newfoundland, Canada. The Company is one of only four gold companies with a defined gold Mineral Resource, currently 610,000 ounces grading 1.96 grams per tonne. Matador is well positioned with an extensive land package comprising 120-kilometres of continuous strike along the under-explored, multi-million-ounce Cape Ray Shear, a prolific gold structure in Newfoundland that currently hosts several major mineral deposits. Additionally, the Company holds 27-kilometres of continuous strike at the Hermitage prospect which is located on the highly prospective Hermitage Flexure.

Matador acknowledges the financial support of the Junior Exploration Assistance Program, Department of Industry, Energy and Technology, Provincial Government of Newfoundland and Labrador, Canada.



### **Reference to Previous ASX Announcements**

In relation to the Mineral Resource estimate announced on 30 May 2023, the Company confirms that all material assumptions and technical parameters underpinning the estimates in that announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

## Appendix 1 Historical Sample Information

**Table 1 – Sample Locations and Gold (ppb) Assays**

| Sample No. | Sample Type | X (NAD83) | Y (NAD83) | Au (ppb)      | Company     |
|------------|-------------|-----------|-----------|---------------|-------------|
| 1DLPH1918  | Soil        | 349768    | 5287126   | <b>710</b>    | Dolphin     |
| M1109      | Soil        | 354916    | 5290394   | <b>280</b>    | Dolphin     |
| 11416_PT   | Rock        | 353941    | 5289923   | <b>11,171</b> | Cornerstone |

## Appendix 2 JORC Code 2012 Table 1 Reporting

### Section 1. Sampling Techniques and Data

| Criteria                     | Explanation                                                                                                                                                                                                                                                                                                                     | Commentary                                                                                                                                |
|------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Sampling Techniques</b>   | Nature and quality of sampling (e.g., cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling. | <b>Rock chip samples discussed in this release:</b><br><br>Rock chip samples reported were collected during historic reconnaissance work. |
|                              | Aspects of the determination of mineralisation that are Material to the Public Report.                                                                                                                                                                                                                                          | N/A                                                                                                                                       |
| <b>Drilling Techniques</b>   | Drill type (e.g., core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (e.g., core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).                                       | N/A                                                                                                                                       |
| <b>Drill Sample Recovery</b> | Method of recording and assessing core and chip sample recoveries and results assessed.                                                                                                                                                                                                                                         | N/A.                                                                                                                                      |
|                              | Measures taken to maximise sample recovery and ensure representative nature of the samples.<br><br>Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.                                                             | N/A                                                                                                                                       |
| <b>Logging</b>               | Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.                                                                                                                               | Rock chip samples were geologically logged during historic work by previous companies.                                                    |

| Criteria                                              | Explanation                                                                                                                                                                                                                      | Commentary                                                                                                                            |
|-------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------|
| <b>Logging</b>                                        | Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.                                                                                                                           | N/A                                                                                                                                   |
|                                                       | The total length and percentage of the relevant intersections logged.                                                                                                                                                            | N/A                                                                                                                                   |
| <b>Sub-Sampling techniques and sample preparation</b> | If core, whether cut or sawn and whether quarter, half or all core taken.                                                                                                                                                        | N/A                                                                                                                                   |
|                                                       | If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.                                                                                                                                    | N/A                                                                                                                                   |
|                                                       | For all sample types, the nature, quality, and appropriateness of the sample preparation technique.                                                                                                                              | <b>Rock chip samples discussed in this release:</b><br>Rock chip samples reported were collected during historic reconnaissance work. |
|                                                       | Quality control procedures adopted for all sub-sampling stages to maximise representativity of samples.                                                                                                                          | N/A                                                                                                                                   |
|                                                       | Measures taken to ensure that the sampling is representative of the in-situ material collected, including for instance results for field duplicate/second-half sampling.                                                         | N/A                                                                                                                                   |
| <b>Quality of assay data and laboratory tests</b>     | The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.                                                                                 | N/A                                                                                                                                   |
|                                                       | For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc. | No new geophysical surveys are reported in this release.                                                                              |
|                                                       | Nature of quality control procedures adopted (e.g., standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (e.g., lack of bias) and precision have been established.               | N/A                                                                                                                                   |

| Criteria                                                       | Explanation                                                                                                                                                                                                                   | Commentary                                                                                                                                                                                                                      |
|----------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Verification of sampling and assaying</b>                   | The verification of significant intersections by either independent or alternative company personnel.                                                                                                                         | All assays are reviewed by Matador Mining. All significant results are checked by senior geologist and the Competent Person.                                                                                                    |
|                                                                | The use of twinned holes.                                                                                                                                                                                                     | N/A                                                                                                                                                                                                                             |
|                                                                | Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.                                                                                                    | N/A                                                                                                                                                                                                                             |
|                                                                | Discuss any adjustment to assay data.                                                                                                                                                                                         | N/A                                                                                                                                                                                                                             |
| <b>Location of data points</b>                                 | Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.                                                   | N/A                                                                                                                                                                                                                             |
|                                                                | Specification of the grid system used                                                                                                                                                                                         | N/A                                                                                                                                                                                                                             |
|                                                                | Quality and adequacy of topographic control                                                                                                                                                                                   | SRTM (satellite) DEM data provides approximately 5m topographic elevation precision across the entire project. LiDAR survey coverage provides <1m topographic elevation precision across the main Cape Ray Shear Zone corridor. |
| <b>Data spacing and distribution</b>                           | Data spacing for reporting of Exploration Results.                                                                                                                                                                            | Rock chip sample spacing is ad-hoc based on the availability of outcrop (which is patchy and limited).                                                                                                                          |
|                                                                | Whether the data spacing, and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied. | N/A historic data are not used for the purposes of Mineral Resource estimation.                                                                                                                                                 |
|                                                                | Whether sample compositing has been applied.                                                                                                                                                                                  | N/A – for rock chip samples                                                                                                                                                                                                     |
| <b>Orientation of data in relation to geological structure</b> | Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.                                                                    | N/A – for historic data reporting                                                                                                                                                                                               |
|                                                                | If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.                    | N/A – for historic data reporting                                                                                                                                                                                               |
| <b>Sample Security</b>                                         | The measures taken to ensure sample security.                                                                                                                                                                                 | N/A                                                                                                                                                                                                                             |

| Criteria                 | Explanation                                                           | Commentary                                             |
|--------------------------|-----------------------------------------------------------------------|--------------------------------------------------------|
| <b>Audits or reviews</b> | The results of any audits or reviews of sampling techniques and data. | No audits/reviewed conducted on historic data reported |



| Criteria                                       | JORC Code explanation                                                                                                                    | Commentary                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |           |             |                |                       |
|------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|-------------|----------------|-----------------------|
|                                                |                                                                                                                                          | <b>035822M</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Cape Ray  | 38          | 9.5            | Pegged 14 March 2023  |
|                                                |                                                                                                                                          | <b>036567M</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Hermitage | 44          | 11             | Pegged 29 August 2023 |
|                                                |                                                                                                                                          | <b>Total</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |           | <b>4234</b> | <b>1058.50</b> |                       |
|                                                |                                                                                                                                          | <p>The most proximate Aboriginal community to the Project site is the Miawpukek community in Bay d'Espoir, formerly known as "Conne River". It is approximately 230 kilometres to the east of the Cape Ray Project and approximately 88km east of the Hermitage Project. It is not known at this time if the Project site is proximate to any traditional territories, archaeological sites, lands or resources currently being used for traditional purposes by Indigenous Peoples. This information will be acquired as part of future environmental baseline studies.</p> <p>The Crown holds all surface rights in the Project area. None of the property or adjacent areas are encumbered in any way. The area is not in an environmentally or archeologically sensitive zone and there are no aboriginal land claims or entitlements in this region of the province.</p> <p>There has been no commercial production at the property as of the time of this report.</p> <p>Royalty Schedule legend:</p> <p>a) 1.75% net smelter returns royalty (NSR) held by Alexander J. Turpin pursuant to the terms of an agreement dated June 25, 2002, as amended February 27, 2003 and April 11, 2008. The agreement between Alexander J. Turpin, Cornerstone Resources Inc. and Cornerstone Capital Resources Inc., of which 1.0% NSR can be repurchased for \$1,000,000 reducing such royalty to a 0.75% NSR. The agreement which royalty applies to Licences 14479M, 17072M, 9338M, 9339M and 9340M covering 229 claims, all as described in the foregoing agreements.</p> <p>b) 0.25% net smelter returns royalty (NSR) held by Cornerstone Capital Resources Inc. and Cornerstone Resources Inc. (collectively the "Royalty Holder") pursuant to the terms of an agreement dated December 19, 2012, as amended June 26, 2013, between the Royalty Holders and Benton, which royalty applies to Licence 017072M, as described in the foregoing agreement.</p> <p>c) Sliding scale net smelter returns royalty (NSR) held by Tenacity Gold Mining Company Ltd. pursuant to the terms of an agreement dated October 7, 2013 with Benton Resources Inc.:</p> <p>i. 3% NSR when the quarterly average gold price is less than US\$2,000 per ounce (no buy-down right);</p> <p>ii. 4% NSR when the quarterly average gold price is equal to or greater than US\$2,000 per ounce but less than US\$3,000 per ounce with the right to buy-down the royalty from 4% to 3% for CAD\$500,000; and</p> <p>iii. 5% NSR when the quarterly average gold price is equal to or greater than US\$3,000 per ounce with the right to buy-down the royalty from 5% to 4% for CAD \$500,000; On Licences 7833M, 8273M, 9839M and 9939M as described in Schedule C of the foregoing agreement.</p> <p>d) 1.0% net smelter returns royalty (NSR) held by Benton Resources Inc pursuant to the terms of the sale agreement between Benton and Matador of which 0.5% NSR can be repurchased for \$1,000,000 reducing such royalty to a 0.5% NSR. The agreement which the royalty applies to covers Licences 025854M, 025855M, 025858M, 025856M and 025857M covering 131 claims.</p> |           |             |                |                       |
| <b>Mineral tenement and land tenure status</b> | The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area. | <p>The claims are in good standing.</p> <p>Permits that will potentially be required for exploration work include a Surface Lease and Mineral Exploration Approval both issued by the Newfoundland Department of Natural Resources, Mineral Development Division. A Water Use Licence has been acquired from the Newfoundland Department of the Environment and Conservation, Water Resources Division, as well as a Certificate of Approval for Septic System for water use and disposal for project site facilities.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |           |             |                |                       |
| <b>Exploration done by other parties</b>       | Acknowledgment and appraisal of exploration by other parties.                                                                            | <p>Cape Ray Project: initially discovered in 1977 by Rio Canada Exploration Limited (Riocanex). Since that period the area has been the subject of numerous academic and government geological studies, and exploration by various mining companies. Historical work is summarised in Matador Announcement 19 July 2018.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |           |             |                |                       |

| Criteria       | JORC Code explanation                                          | Commentary                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
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|                |                                                                | <p>Initial exploration began in 1957 when Buchans Mining Company carried out reconnaissance geologic surveys, noting rhyolite-hosted scheelite and arsenopyrite. In 1979, Hudson's Bay Oil and Gas Ltd. Carried out regional geological and geochemical surveys, whilst that same year Falconbridge Nickel Mines Ltd. conducted an airborne EM and magnetometer survey. Any anomalies identified by airborne EM were followed up on via gridding, VLF, magnetic, geological, and geochemical surveys. One borehole was drilled in 1981 to test a conductor and intersected graphitic shales with minor pyrrhotite. Noranda Exploration Co. Ltd. Carried out reconnaissance geochemical and geological surveys with negative results in 1985. In 1989 IETS staked the area and conducted geological and geochemical surveys. That same year, the Newfoundland Department of Mines and Energy released Au analyses from lake bottom samples. Further work was conducted in 1989 by Tec Exploration Limited and included a systematic geochemical survey. In 2003 Cornerstone Resources Inc. carried out a compilation of historic work which was later followed up on in 2004 with reconnaissance prospecting. In 2005 Pathfinder Resources Ltd. completed airborne geophysical surveys to identify potential Uranium targets in the area. No further exploration has been conducted since.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| <b>Geology</b> | Deposit type, geological setting, and style of mineralisation. | <p>The Cape Ray Project lies within the Cape Ray Fault Zone (CRFZ), which acts as a major structural boundary and hosts the Cape Ray Gold Deposits (CRGD); zones 04, 41 and 51 (Central Zone), Window Glass, Big Pond, and Isle Aux Morts.</p> <p>The CRFZ is approximately 100km long and up to 1km wide extending from Cape Ray in the southwest to Granite Lake to the Northeast.</p> <p>Areas along and adjacent to the southwest portion of the Cape Ray Fault Zone have been subdivided into three major geological domains. From northwest to southeast they include: The Cape Ray Igneous Complex (CRIC), the Windsor Point Group (WPG) and the Port aux Basques gneiss (PABG). These units are intruded by several pre-to late tectonic granitoid intrusions.</p> <p>The CRIC comprises mainly large mafic to ultramafic intrusive bodies that are intruded by granitoid rocks. Unconformably overlying the CRIC is the WPG, which consists of bimodal volcanics and volcanoclastics with associated sedimentary rocks. The PABG is a series of high grade, kyanite-sillimanite-garnet, quartzofeldspathic pelitic and granitic rocks intercalated with hornblende schist or amphibolite.</p> <p>Hosted by the CRFZ are the Cape Ray Gold Deposits consisting of three main mineralised zones: the 04, the 41 and the 51 Zones, which have historically been referred to as the "Main Zone". These occur as quartz veins and vein arrays along a 1.8 km segment of the fault zone at or near the tectonic boundary between the WPB and the PABG.</p> <p>The gold bearing quartz veins are typically located at or near the southeast limit of a sequence of highly deformed and brecciated graphitic schist. Other veins are present in the structural footwall and represent secondary lodes hosted by more competent lithologies.</p> <p>Gold bearing quartz veins at the three locations are collectively known as the "A vein" and are typically located at (41 and 51 Zones) or near (04 Zone) the southeast limit of a sequence of highly deformed and brecciated graphitic schists of the WPG. The graphitic schists host the mineralisation and forms the footwall of the CRFZ. Graphitic schist is in fault contact with highly strained chloritic schists and quartz-sericite mylonites farther up in the hanging wall structural succession.</p> <p>The protolith of these mylonites is difficult to ascertain, but they appear to be partly or totally retrograded PABG lithologies. Other veins (C vein) are present in the structural footwall and represent secondary lodes hosted by more competent lithologies.</p> <p>In the CRGD area, a continuous sequence of banded, highly contorted, folded and locally brecciated graphitic schists with intercalations of chloritic and sericite-carbonate schists and banded mylonites constitutes the footwall and host of the mineralised A vein. The banded mylonites are characterized by cm-wide siderite-muscovite-quartz-rich bands within graphitic chlorite-quartz-muscovite schist. The</p> |

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|                               |                                                                                                                                                                                                                               | <p>mylonites are commonly spatially associated with local Au-mineralised quartz veins, vein breccias and stringer zones.</p> <p>The graphitic schist unit becomes strongly to moderately contorted and banded farther into the footwall of the fault zone, but cm- to m-wide graphitic and/or chloritic gouge is still common. The graphitic schist unit contains up to 60% quartz or quartz-carbonate veins. At least three mineralised quartz breccias veins or stockwork zones are present in the footwall of the 41 Zone and these are termed the C vein. The thickness of the graphitic-rich sequence ranges from 20-70m but averages 50-60 m in the CRGD area.</p> <p>The CRGD consists of electrum-sulphide mineralisation that occurs in boudinaged quartz veins within an auxiliary shear zone (the “Main Shear”) of the CRFZ. The boudinaged veins and associated mineralisation are hosted by chlorite-sericite and interlayered graphitic schists of the WPG (Table 7.1), with sulphides and associated electrum occurring as stringers, disseminations, and locally discrete massive layers within the quartz bodies.</p> <p>The style of lode gold mineralisation in the CRGD has several characteristics in common with mesothermal gold deposits. The relationship of the different mineral zones within a major ductile fault zone, the nature of quartz veins, grade of metamorphism, and alteration style are all generally compatible with classic mesothermal lode gold deposits.</p> <p>The Hermitage Project area occurs on the east trending Hermitage Flexure (HF), which runs from southwest Newfoundland to the Facheux Bay area. The HF forms a major structural boundary between volcano-sedimentary rocks of the Dunnage and Gander tectonostratigraphic zones.</p> <p>The regional bedrock geology is comprised of the lower to middle Ordovician Bay du Nord Group (BNG), which has been intruded by the Silurian to Devonian North Bay Granite Suite (NBGS) in the north, and the Silurian Burgeo Intrusive Suite (BIS) in the south. Both intrusive suites occur outside of the main project area.</p> <p>The BNG exhibits local recumbent folds that have been further deformed by upright tight folds with a northeast trend. The BNG is subdivided into three unnamed units in the area; a phyllitic zone with local thin siltstone and fine-grained sandstone beds; a fine-grained felsic tuff, quartz-feldspar lapilli tuffs, and minor volcanic breccias containing interbedded graphitic pelite unit and psammitic, semipelitic, and pelitic unit containing minor sandstone, conglomerate, graphitic pelite, and amphibolite.</p> <p>Little significant mineralisation has been found historically in the region, due to the thick glacial till cover. However, despite the cover numerous small mineral occurrences are listed on the Government of Newfoundland and Labrador mineral occurrence database. Mineralisation in the region primarily consists of base metals including Cu, W, Fe Sn, As, Pb, and Mo hosted in shales, magmatic-hydrothermal systems, and structurally controlled veins.</p> |
| <b>Drill hole Information</b> | A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:<br><br>-easting and northing of the drill hole collar | N/A                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |

| Criteria                        | JORC Code explanation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Commentary |
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|                                 | <p>-elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</p> <p>-dip and azimuth of the hole</p> <p>-down hole length and interception depth</p> <p>-hole length.</p> <p>If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.</p>                                                                                                          |            |
| <b>Data aggregation methods</b> | <p>In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g., cutting of high grades) and cut-off grades are usually Material and should be stated.</p> <p>Where aggregate intercepts incorporate short lengths of high-grade results and longer lengths of low-grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.</p> <p>The assumptions used for any reporting of metal equivalent values should be clearly stated.</p> | <p>N/A</p> |

| Criteria                                                                | JORC Code explanation                                                                                                                                                                                                                                                                                                                                                                               | Commentary                                                     |
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| <b>Relationship between mineralisation widths and intercept lengths</b> | <p>These relationships are particularly important in the reporting of Exploration Results.</p> <p>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</p> <p>If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g., 'down hole length, true width not known').</p> | <p>N/A</p>                                                     |
| <b>Diagrams</b>                                                         | <p>Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.</p>                                                                                                                           | <p>N/A</p>                                                     |
| <b>Balanced reporting</b>                                               | <p>Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced avoiding misleading reporting of Exploration Results.</p>                                                                                                                                                                    | <p>All rock chip samples have been reported in Appendix 1.</p> |

| Criteria                                  | JORC Code explanation                                                                                                                                                                                                                                                                                                                                                                 | Commentary                                                                                       |
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| <b>Other substantive exploration data</b> | Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances. | All relevant/material data has been reported.                                                    |
| <b>Further work</b>                       | <p>The nature and scale of planned further work (e.g., tests for lateral extensions or depth extensions or large-scale step-out drilling).</p> <p>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</p>                               | Follow up work is currently being prepared by the geology team and will be reported in due time. |