



Quarterly Report



FOR THE QUARTER ENDED

30 June 2023

Matador Mining Ltd and Controlled Entities

ABN 45 612 912 393

Matador Mining Limited (**ASX:MZZ / OTCQB:MZZMF / FSE:MA3**) (“Matador” or the “Company”) is pleased to provide its Quarterly Activities Report for the quarter ended 30 June 2023. All dollar amounts are Canadian dollars unless stated otherwise.

Matador is exploring primarily for precious metals in Newfoundland, Canada. Its flagship tenements are continuous and located along a 120 kilometres of strike length, covering the proven, yet under-explored multi-million-ounce regional-scale Cape Ray Shear Zone (“**CRSZ**”) (Figure 1). Additionally, the Company holds tenements over a 27-kilometre continuous strike at its Hermitage property located on the Hermitage Flexure (Figure 1).

The Company’s primary tenements along the CRSZ are also subject to a JORC 2012 Mineral Resource Estimate (reported in May 2023) of 610,000 ounces of gold grading 1.96 g/t. The bulk of the mineral resource estimate is constrained within several optimised resource pit shells while the remainder is reported external to the pit shells and within continuous potentially extractable underground stope shapes

Highlights

Corporate

- Exited the quarter with \$5.5 million (A\$6.2 million) in cash on-hand.
- Operating cash outflow was \$1.3 million and outflow from exploration activities was \$1.4 million.
- The Company is well funded to complete its 2023 exploration program.
- Ryan Finkelstein appointed Interim Chief Financial Officer.
- The Company has decided a reverse take-over (“RTO”) process to expand access in capital markets is overly complex and will continue to explore alternative Canadian listing options.

Exploration

- Commenced exploration field work in late May 2023 with diamond drilling commencing in early June 2023.
- As at the quarter end, the Company had completed five drill holes at Long Range and was drilling on the Grandy’s targets. Assays are pending.
- Prospecting activities also approximately 400 rock samples from the Hermitage Project. Assays are pending.
- Reported Hermitage high-grade surface gold samples from limited 2022 prospecting program.
- Updated Mineral Resource estimate (“MRE”) was completed with the total Mineral Resource now estimated to be 9.7 million tonnes of ore grading 1.96 g/t for a total of 610,000 ounces of gold, inclusive of Indicated and Inferred Resources.

- Overall grade comparable to the 2020 MRE gold grade despite the decrease in open pit and underground cut-off grades from a higher assumed gold price and higher input costs.
- Additional mineral licence staked within the Bunker Hill target area to consolidate the entire target area.

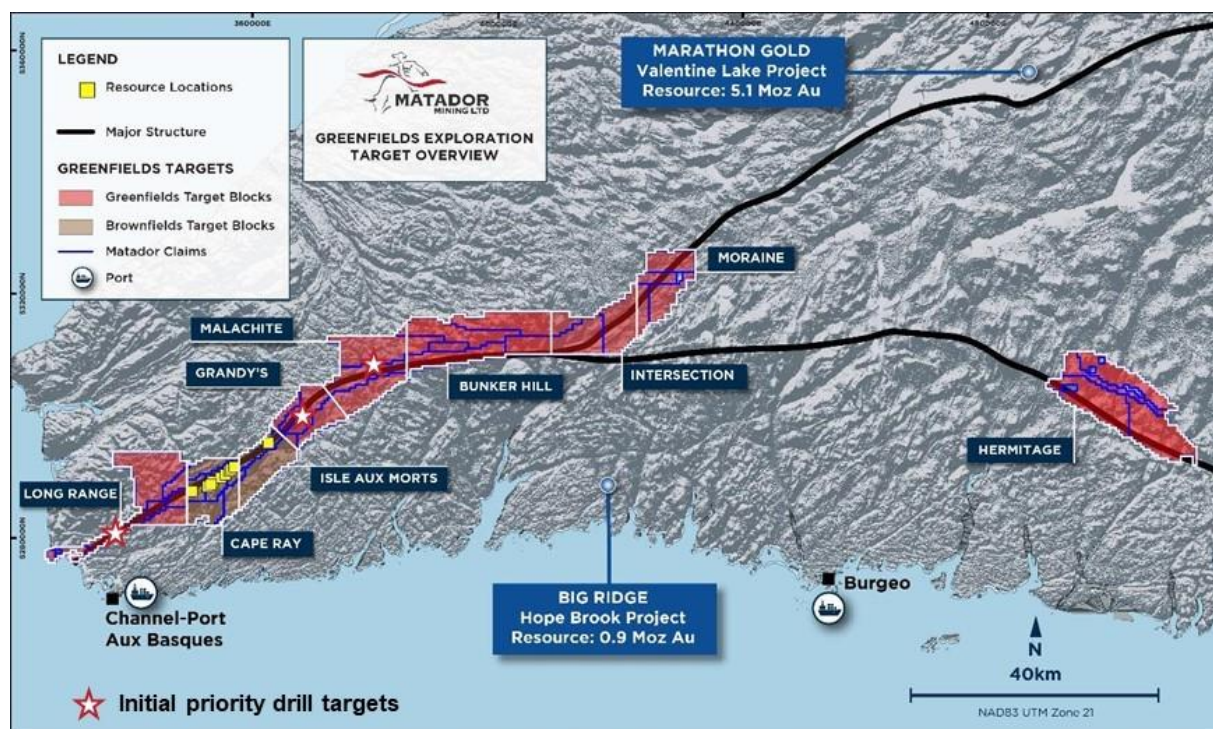


FIGURE 1: MATADOR TENEMENT OVERVIEW WITH DIAMOND DRILL TARGETS

Overview

On 22 May 2023, the Company commenced its 2023 exploration field season with prospecting at the Hermitage Project. This followed high-grade gold samples discovered through a limited five-day prospecting activity conducted in 2022, the first time the Company had explored this property. As at the end of the June 2023 quarter, the Company had collected approximately 400 rock samples (in-situ and float collectively) from Hermitage during the 2023 program. Assays remain pending.

Diamond drilling planned for 2023 is a reconnaissance style drill program testing specific targets within the Long Range, Grandy's and Malachite areas. This program is designed in two phases with the second phase of drilling to be based off results from the first phase which is expected to be completed in late July 2023.

On 5 June 2023, the Company commenced diamond drilling with inaugural drilling at the Long Range area near historic high-grade gold outcropping gold samples. In the second quarter, the Company completed all five planned drill holes with assays pending.

The Company commenced inaugural drilling at the Grandy's area with two of four drill holes completed by end of quarter. Assays are pending.

In the June 2023 quarter, the Company updated its MRE inclusive of 259 diamond drill holes for 36,000 metres completed since the previous MRE published in May 2020. Unlike the 2020 MRE, the 2023 MRE was economically constrained using optimised pit shells and underground stope shapes, included enhanced geological interpretation and modelling, and used estimated input costs (e.g. mining unit costs, etc.) derived from industry benchmarking of more recent project studies.

The change in methodology to estimate Mineral Resources better aligns with the JORC Code 2012 for Reasonable Prospects of Eventual Economic Extraction ("RPEEE") and with the Canadian National Instrument "NI" 43-101 methodology.

This work was also designed to better understand the structural controls of the CRSZ that would then enhance the Company's understanding of the controlling geological structures. Through this process, the Company identified new opportunities for future exploration targeting extensions and potential new mineralised areas within the resource corridor.

The Company has planned to incorporate innovative bottom of hole drilling as part of its 2023 exploration program using a specialised RC drill rig. The Company is expecting the permits required to commence this work over the near-term.

As previously flagged, the Company was evaluating opportunities to expand access to additional capital markets, mainly through a listing on the TSX Venture Exchange ("TSXV"). One option under consideration was a reverse take-over of a Canadian shell company. Ongoing work identified that the RTO process presents unnecessary challenges and complexities that may impede a successful transaction. As such, the Company will not proceed with an RTO.

The Company will continue to evaluate other options to expand capital markets access as a means to creating value for shareholders. There are no specific timelines driving this initiative.

During the quarter, the Company continued restructuring of the business to right-size the employee base and ensure all exploration works were carried out closer to operations. With these changes, all exploration now falls under the leadership of the Vice President, Exploration, Crispin Pike, who is based in St. John's, Newfoundland.

In the quarter, the Company fully severed all ties and obligations to Matador Capital. This included a change to the Company's registered office.

Financial Overview

Cash

As at 30 June 2023, the Company had a cash balance of approximately \$5.5 million (A\$6.2 million). This compares to a cash balance of \$7.2 million (A\$8.0 million) in the previous quarter.

The Company is well-funded to complete its 2023 exploration program.

Cash Flow Discussion

Operating cash outflow for the quarter was \$1.7 million with the majority of the cash outflows related to the increase in exploration activities following the start of exploration drilling and prospecting.

Exploration activities are expected to continue during the third quarter with a pause in diamond drilling between phase one and phase two while awaiting assay results. The Company expects limited exploration activities in the fourth quarter of the year.

Additional corporate costs related to the Company's restructuring including redundancy payments, committed payments to Matador Capital as per a shared services agreement and legal costs associated with evaluating the potential of an RTO.

Share Capital

As at 30 June 2023, the Company had 315,359,035 ordinary fully paid shares on issue.

As at 30 June 2023, there were approximately 10,847,431 options outstanding. As at 26 July 2023, the Company had 8,847,431 options outstanding due to a number of options expiring in early July 2023.

Payments to Related Parties

During the quarter, the Company made payments to related parties of \$161,000 which were made to directors' fees and the salary of the Managing Director.

Stakeholder Engagement

During the quarter, the Company sponsored and attended the Port aux Basques Chamber of Commerce 2023 Lifestyle Expo, a large community event to highlight local economic activities and provide businesses with the opportunity to engage with local stakeholders.

In early August 2023, the town of Port aux Basques will be hosting the Astrolabe Festival celebrating the culture and heritage of southwestern Newfoundland. Matador will be a proud major sponsor of and participant in this event.

Exploration Activities

Hermitage Exploration

The Company commenced its 2023 field exploration activities on 22 May 2023 with the start of a comprehensive prospecting, sampling and mapping program at the Hermitage property located on the Hermitage Flexure. As at the end of the second quarter, the Company had collected approximately 400 rock samples (in-situ and float) from the 2023 program.

These activities at Hermitage will continue through the duration of the Canadian summer and are designed to identify specific areas along the 27-kilometres strike area for the Company to focus on for future drilling programs.

2022 Prospecting Results

In the second quarter, the Company announced high-grade results from a limited prospecting and sampling program at Hermitage during the Canadian autumn 2022. These results confirmed the first-known presence of significant gold in bedrock mineralisation with the broader mineral licences. Sample results identified an anomalous gold trend 400 metres across strike and located over five kilometres along strike from historic grab samples.

The Company collected a total of 101 field samples during a five-day prospecting campaign. Samples were analysed for either gold mineralisation, pathfinder elements or whole-rock geochemistry classification.

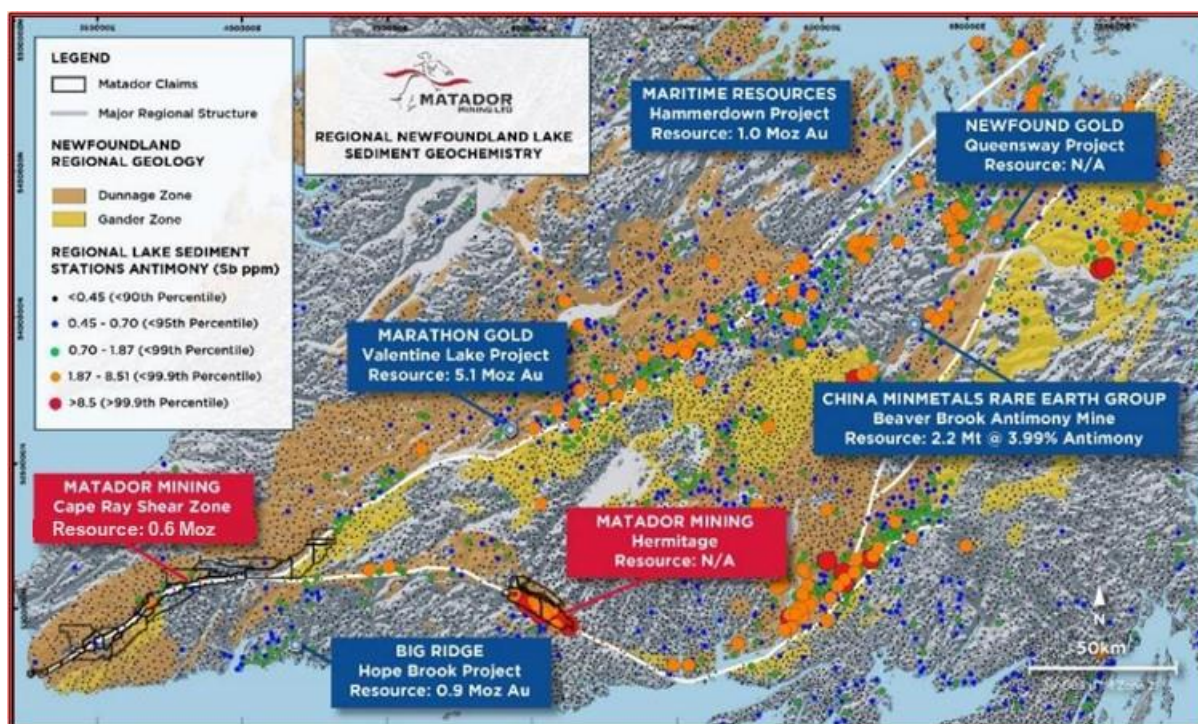


FIGURE 2: HERMITAGE PROPERTY OVERVIEW

Key anomalous gold mineralisation prospecting samples include the following:

- **7.31 g/t** (MR001252 – in situ sample)
- **2.10 g/t** (MR000861 – in situ sample)
- **1.04 g/t** (MR001259 – in situ sample)

Leading up to the 2022 prospecting campaign, the Company completed a comprehensive historical data review of the Hermitage area including reprocessing of magnetic data, interpretation of publicly available geology maps and integration of the geochemical datasets which formed the basis of the prospecting traverses.

Due to the extensive glaciated cover at Hermitage, Matador personnel traversed approximately 45 kilometres along a series of rivers cutting across the eastern side of the Hermitage property. The primary goal of these activities was to seek outcropping evidence of hydrothermal gold-bearing systems within the incised rivers. Secondary to this, the Company sought to gain a better understanding of the Hermitage terrain to allow for the adequate planning of future exploration programs.

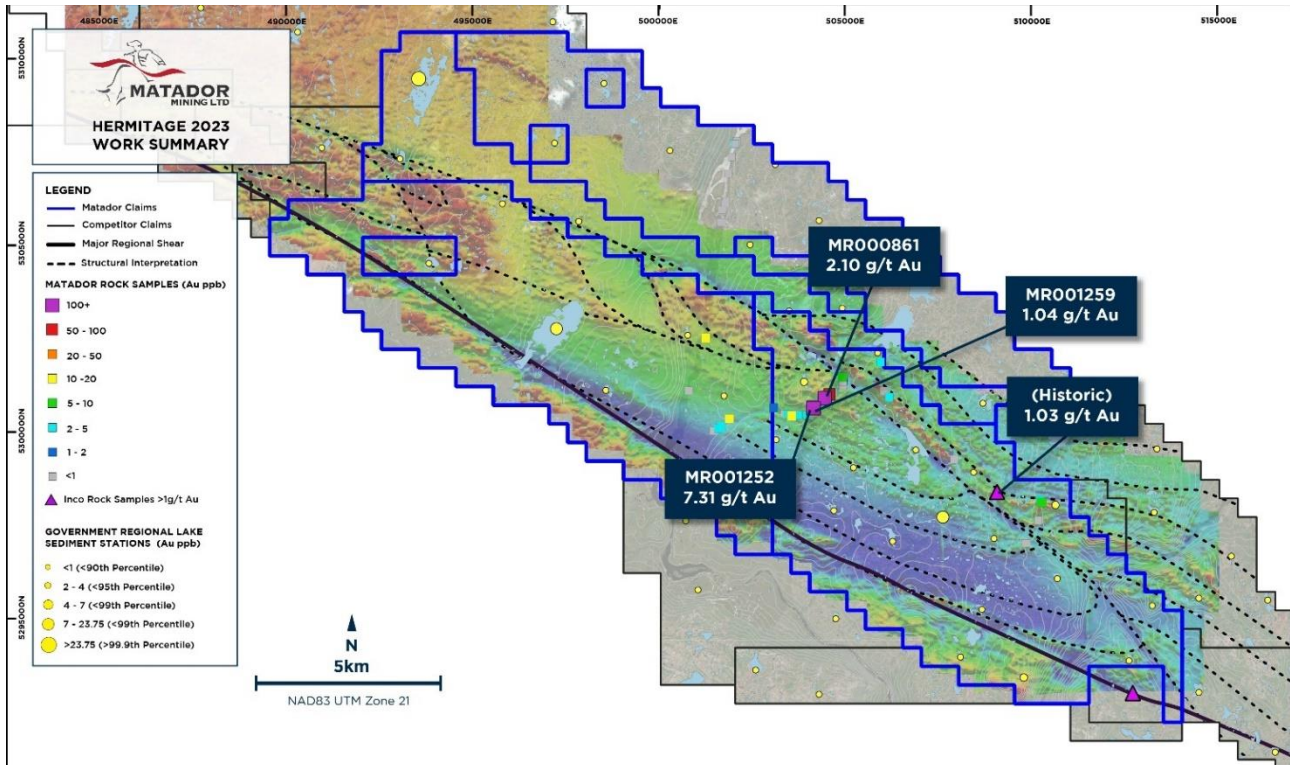


FIGURE 3: 2023 WORK SUMMARY AT THE HERMITAGE PROPERTY



FIGURE 4: PHOTOGRAPHS OF THE MULTI-GRAM GOLD SAMPLES AND PERSONNEL WORKING ON THE HERMITAGE PROPERTY

2023 Diamond Drilling Program

The Company began its 2023 diamond drill program in early June 2023 with initial drilling at the Long Range area. The diamond drill program for the year is designed as a reconnaissance style program focused primarily on structural and lithological targets at specific Greenfield areas along the CRSZ.



FIGURE 5: INAUGURAL DIAMOND DRILL HOLE AT THE LONG RANGE TARGET AREA

The Company's diamond drill program will be conducted in two phases with the first phase planned for drilling primarily at Malachite to test structural and lithological targets (Figure 6). Additionally, the Company's 2023 plan includes inaugural diamond drilling at both the Long Range and Grandy's areas, respectively. With mineralisation typically shallow along the CRSZ, each drill hole is expected to range between 100 and 200 metres in length.

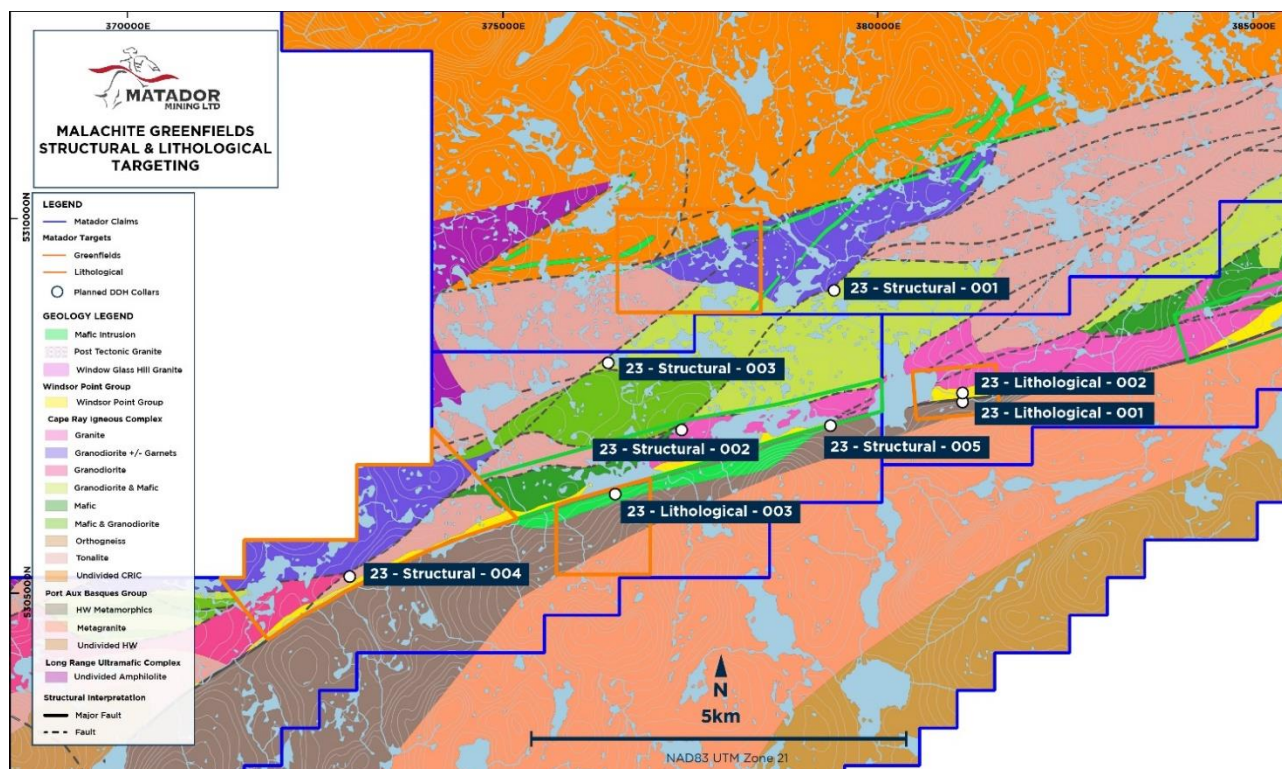


FIGURE 6: PLANNED LITHOLOGICAL AND STRUCTURAL HOLES AT MALACHITE

At the Long Range area, located only seven kilometres away from Port aux Basques, the Company completed first phase of inaugural drilling that included five holes that were designed to test specific areas in proximal to historic multigram gold outcrops that previously returned 11.6 g/t and 4.2 g/t gold. The 2022 prospecting samples located eight kilometres from the drilling revealed coincident key gold pathfinder elements, particularly tellurium and bismuth that recorded levels 10 to 100 times higher than the same pathfinder element associations observed within the resource corridor. Assays are pending on the diamond drill holes.

The Grandy's mineral licence contains the largest structural bend of the CRSZ and includes historic, high-grade bottom-of-hole and rock chip samples. In 2021, the Company's power auger activities at Grandy's identified gold anomalism associated with a favourable structural position analogous to the location of the Isle aux Morts deposit located four kilometres to the southwest.

The results from the auger program outlined multiple gold anomalies including 520 ppb gold in a blind bottom-of-hole sample, while prospecting returned high-grade gold rock chip samples up to 25.4 g/t gold. Additionally, the Grandy's area has historically yielded multiple high-grade rock samples on surface including a boulder that returned 191 g/t gold. As at the end of the second quarter, the Company had completed two out of the four planned holes at Grandy's and expects to complete drilling here in July 2023. Assays are pending.

A second phase of diamond drilling is planned for the Canadian summer of 2023 which will be guided by the results from phase one. This years' diamond drill program is effectively scalable, and the Company has capacity to increase the amount of diamond drilling depending on success criteria being met.

The Company continues to seek additional bottom-of-hole sampling with the use of a specialised RC drill rig. The timing of this work will be dependent on timing of receipt of permits, which is expected in the near-term.

Mineral Resource Update¹

At the end of May 2023, the Company announced an updated MRE for the Cape Ray Gold Project. The updated MRE was inclusive of approximately 36,000 metres of diamond drilling since the last published estimate from May 2020. Unlike the 2020 MRE, the 2023 MRE was mine constrained, included enhanced geological interpretation and modelling, and used estimated input costs (e.g. mining unit costs, etc.) from industry benchmarking of more recent project studies.

The change in methodology to estimate Mineral Resources now better aligns with the JORC Code 2012 for RPEEE and with the Canadian National Instrument "NI" 43-101 methodology, the Company is in the process of reconciling the JORC methodologies to that of NI 43-101. No material changes are expected.

With this update, the Company's MRE now stands at 9.7 million tonnes of ore grading an average 1.96 g/t for a total of 610,000 ounces of gold, inclusive of Indicated and Inferred Resources. The 2023 MRE gold grade was comparable to the 2020 MRE gold grade despite the decrease in open pit and underground cut-off grades from a higher assumed gold price and higher input costs.

¹ See ASX announcement dated 30 May 2023

TABLE 1: UPDATED 2023 MINERAL RESOURCE ESTIMATE

2023 Mineral Resource Estimate				
	Cut-off Grade	Tonnes	Grade	Contained Metal
	g/t Au	Mt	g/t Au	koz Au
OPEN PIT – TOTAL INDICATED & INFERRED MINERAL RESOURCES				
Central Zone	0.30	4.2	2.82	377
Window Glass Hill	0.30	4.5	0.96	140
Isle Aux Morts	0.30	0.5	2.35	35
Big Pond	0.30	0.1	3.01	9
TOTAL OPEN PIT	0.30	9.3	1.88	560
UNDERGROUND – TOTAL INDICATED & INFERRED MINERAL RESOURCES				
Central Zone	2.00	0.4	3.80	49
TOTAL UNDERGROUND	2.00	0.4	3.80	49
OVERALL – TOTAL INDICATED & INFERRED MINERAL RESOURCES				
TOTAL RESOURCE		9.7	1.96	610

Mineral Resource Notes

- Mineral Resources are reported using a cut-off grade of 0.30 g/t gold for open pit and 2.00 g/t gold for underground, and a gold price of US\$1750 based on the assumptions presented in Appendix 1 -Section 3 – Mining Factors or Assumptions.
- The open pit Mineral Resource is constrained using an optimised pit that has been generated using Lerchs Grossman algorithm with parameters outlined in in Appendix 1 -Section 3 – Mining Factors or Assumptions.
- The underground Mineral Resources are constrained using a 2.00 g/t gold grade shell below the optimised pit based on the assumptions summarised in Appendix 1 -Section 3 – Mining Factors or Assumptions.
- The Mineral Resource Statement for the Cape Ray Gold Project has been prepared by Trevor Rabb, P.Geo. who is a Competent Person as defined by JORC (2012).
- Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability.
- The Mineral Resources for the Cape Ray Gold Project has been prepared in accordance with JORC (2012)
- The number of metric tonnes and contained gold ounces are rounded to the nearest thousand. Any discrepancies in the totals are due to rounding.
- Mineral Resources for the Cape Ray Gold Project have an effective date of 22 February 2023.

Total MRE decreased from the May 2020 MRE by nearly 3.2 million tonnes and approximately 227,000 ounces of gold related to the application of constraints demonstrating economic potential per JORC 2012 RPEEE requirements. Central Zone open pit grade increased 34% from 2.11 g/t to 2.82 g/t while underground resource increased 13% from 3.36 g/t to 3.80 g/t despite the decrease in open pit cut-off grades.

The Window Glass Hill (“WGH”) Mineral Resource decreased to 140,000 ounces (from 232,000 ounces) while grade decreased (from 1.55 g/t to 0.96 g/t) due to geological re-interpretation of mineralisation controls and decreased cut-off grade. The Company added approximately 50,000 ounces of gold through discovery of Angus and contact zones at WGH and PW at Central Zone.

TABLE 2: COMPARISON OF 2023 AND 2020 MINERAL RESOURCES

	Cut-off Grade	Tonnes	Grade	Contained Metal	Cut-off Grade	Tonnes	Grade	Contained Metal	Tonnes	Grade	Contained Metal
	g/t Au	Mt	g/t Au	koz Au	g/t Au	Mt	g/t Au	koz Au	Mt	g/t Au	koz Au
OPEN PIT – TOTAL INDICATED & INFERRED RESOURCES											
Central Zone											
Zone 4 & 41	0.30	2.3	3.15	236	0.50	3.4	2.32	252	(31%)	36%	(6%)
Zone 51	0.30	0.6	4.90	94	0.50	0.8	4.18	104	(25%)	17%	(10%)
H Zone	0.30	0.1	1.22	3	0.50	0.2	1.11	8	(63%)	10%	(64%)
PW	0.30	1.2	1.17	43	0.25	2.2	1.12	80	(48%)	45	(46%)
TOTAL CENTRAL	0.30	4.2	2.82	377	0.50	6.6	2.11	443	(37%)	34%	(15%)
Window Glass Hill	0.30	4.5	0.96	140	0.50	4.7	1.55	232	(3%)	(38%)	(40%)
Isle Aux Morts	0.30	0.5	2.35	35	0.50	0.8	2.39	60	(42%)	(2%)	(42%)
Big Pond	0.30	0.1	3.01	9	0.25	0.1	5.30	19	(12%)	(43%)	(55%)
TOTAL OPEN PIT	0.30	9.3	1.88	560		12.1	1.93	754	(24%)	(3%)	(26%)
UNDERGROUND – TOTAL INDICATED & INFERRED RESOURCES											
Central Zone											
Zone 4 & 41	2.00	0.2	2.98	22	2.00	0.4	3.01	40	(41%)	(1%)	(44%)
Zone 51	2.00	0.2	4.92	27	2.00	0.4	3.71	43	(58%)	33%	(38%)
TOTAL CENTRAL	2.00	0.4	3.80	49	2.00	0.8	3.34	83	(49%)	13%	(40%)
TOTAL UNDERGROUND	2.00	0.4	3.80	49	2.00	0.8	3.34	83	(45%)	10%	(37%)
CONSOLIDATED OPEN PIT AND UNDERGROUND – TOTAL INDICATED & INFERRED RESOURCES											
TOTAL RESOURCE	0.3 & 2.0	9.7	1.96	610	0.25 & 0.50 & 2.00	12.9	2.02	837	(25%)	(3%)	(27%)

Mineral Resource Notes

- Mineral Resources are reported using a cut-off grade of 0.30 g/t gold for open pit and 2.00 g/t gold for underground, and a gold price of US\$1750, based on the assumptions presented in Appendix 1 -Section 3 – Mining Factors or Assumptions.
- The open pit Mineral Resource is constrained using an optimized pit that has been generated using Lerchs Grossman algorithm with parameters outlined in in Appendix 1 -Section 3 – Mining Factors or Assumptions.
- The underground Mineral Resources are constrained using a 2.00 g/t gold grade shell below the optimized pit based on the assumptions summarised in Appendix 1 -Section 3 – Mining Factors or Assumptions.
- The Mineral Resource Statement for the Cape Ray Gold Project has been prepared by Trevor Rabb, P.Geo. who is a Competent Person as defined by JORC (2012).
- Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability.
- The Mineral Resources for the Cape Ray Gold Project has been prepared in accordance with JORC (2012)
- The number of metric tonnes and contained gold ounces are rounded to the nearest thousand. Any discrepancies in the totals are due to rounding.
- Mineral Resources for the Cape Ray Gold Project have an effective date of 22 February 2023.

Following the update to the Cape Ray Mineral Resources, the Company has identified key areas of interest within the resource corridor worthy of follow-up diamond drilling. The Company may include diamond drilling at these targets while awaiting assay results for Malachite and Long Range.

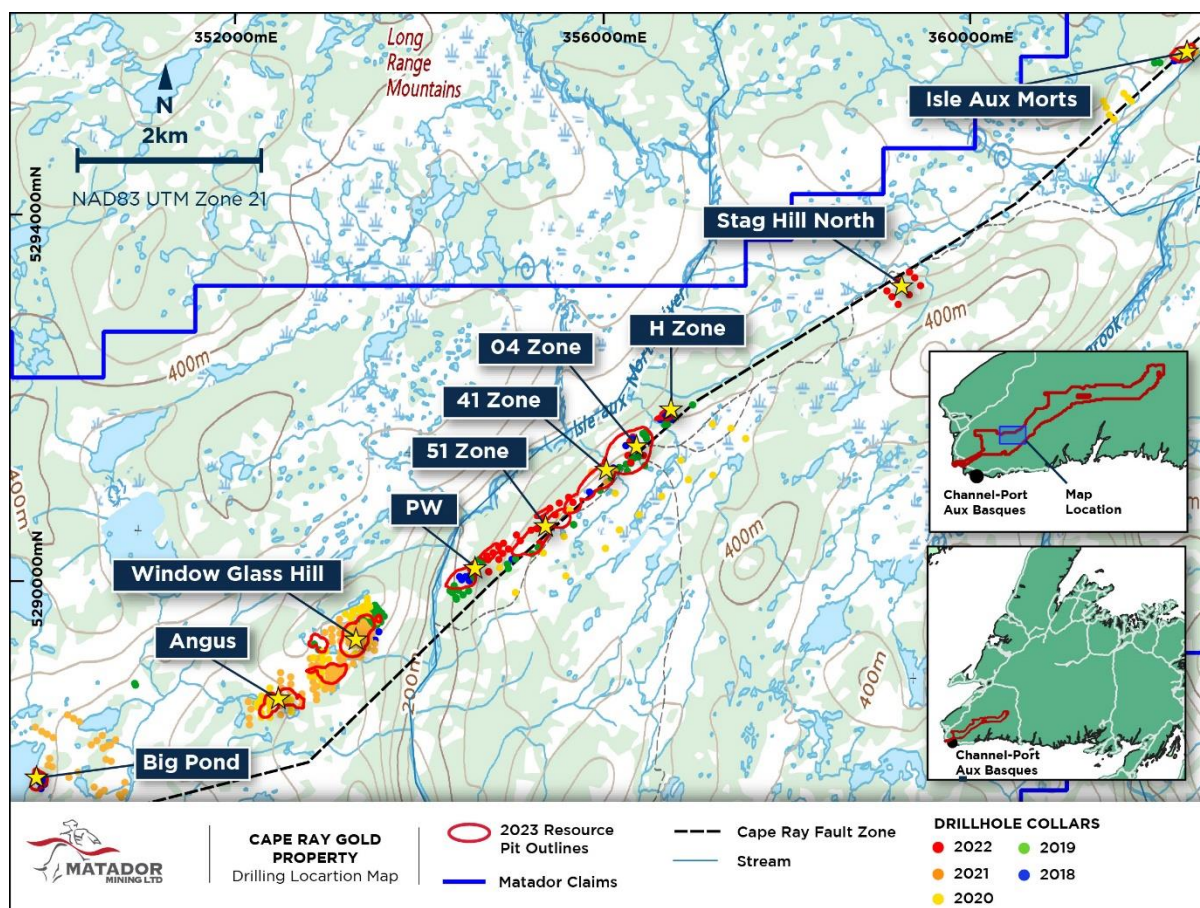


FIGURE 7: OVERVIEW MAP OF MINERAL RESOURCE LOCATIONS

Bunker Hill Target Area Land Consolidation

Early in the second quarter, the Company announced that it staked an additional mineral licence within the Bunker Hill target area. With the additional licence, the Company now holds all six of the mineral licences in the Bunker Hill target area (Figure 8).

The amalgamation of this land package through the east-west portion of the CRSZ is an important milestone for the Company allowing for the consolidation of the along strike structural trend that's proximal to the high-grade rock samples identified in the BHL01 target. In addition to this, the eastward continuation of the complex structural trend from the Malachite target area is also wholly under ownership of the Company.

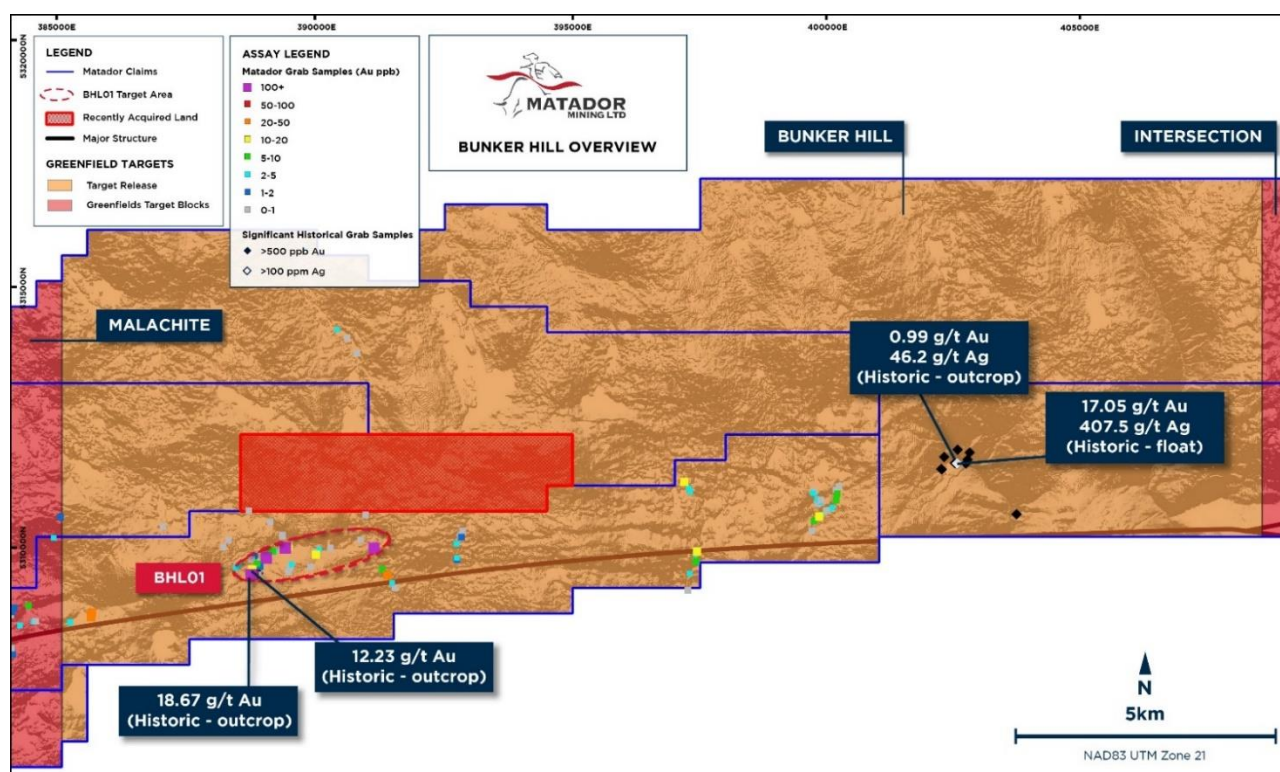


FIGURE 8: BUNKER HILL TARGET AREA OVERVIEW INCLUDING MATADOR RESULTS AND HISTORIC RESULTS

Tenement Interests

Subsequent to the quarter end, the Company increased its land holding through the staking of a mineral licence within the Bunker Hill target area. Table 3 below shows the Company's tenement interests as at 30 June 2023.

TABLE 3: TENEMENT INTERESTS AS AT 30 JUNE 2023

Holder	Licence No.	Project	No. of Claims	Area (km2)	Comments
Cape Ray Mining Limited	025560M	Cape Ray	20	5.00	
Cape Ray Mining Limited	025855M	Cape Ray	32	8.00	Royalty (d)
Cape Ray Mining Limited	025856M	Cape Ray	11	2.75	Royalty (d)
Cape Ray Mining Limited	025857M	Cape Ray	5	1.25	Royalty (d)
Cape Ray Mining Limited	025858M	Cape Ray	30	7.50	Royalty (d)
Cape Ray Mining Limited	026125M	Cape Ray	190	47.50	
Cape Ray Mining Limited	030881M	Cape Ray	255	63.75	
Cape Ray Mining Limited	030884M	Cape Ray	255	63.75	
Cape Ray Mining Limited	030889M	Cape Ray	50	12.50	
Cape Ray Mining Limited	030890M	Cape Ray	118	29.50	
Cape Ray Mining Limited	030893M	Cape Ray	107	26.75	
Cape Ray Mining Limited	030996M	Cape Ray	205	51.25	
Cape Ray Mining Limited	030997M	Cape Ray	60	15.00	Royalty (d)
Cape Ray Mining Limited	031557M	Cape Ray	154	38.5	
Cape Ray Mining Limited	031558M	Cape Ray	96	24	
Cape Ray Mining Limited	031559M	Cape Ray	32	8	

Holder	Licence No.	Project	No. of Claims	Area (km2)	Comments
Cape Ray Mining Limited	031562M	Cape Ray	37	9.25	
Cape Ray Mining Limited	032060M	Cape Ray	81	20.25	Royalties (a) (b) (c)
Cape Ray Mining Limited	032061M	Cape Ray	76	19	Royalties (a) (b) (c)
Cape Ray Mining Limited	032062M	Cape Ray	72	18	Royalties (a) (b) (c)
Matador Canada Pty Ltd.	032764M	Hermitage	256	64	Pegged 20 May 2021
Matador Canada Pty Ltd.	032770M	Hermitage	252	63	Pegged 20 May 2021
Matador Canada Pty Ltd.	032818M	Hermitage	95	23.75	Pegged 22 May 2021
Matador Canada Pty Ltd.	032940M	Cape Ray	255	63.75	Pegged 28 May 2021
Matador Canada Pty Ltd.	032941M	Cape Ray	256	64	Pegged 28 May 2021
Matador Canada Pty Ltd.	033080M	Cape Ray	190	47.5	Pegged 14 June 2021
Matador Canada Pty Ltd.	033083M	Cape Ray	256	64	Pegged 14 June 2021
Matador Canada Pty Ltd.	033085M	Cape Ray	256	64	Pegged 14 June 2021
Matador Canada Pty Ltd.	033110M	Hermitage	183	45.75	Pegged 18 June 2021
Cape Ray Mining Limited	034316M	Cape Ray	247	61.75	Pegged 18 March 2022
Spencer Vatcher (Consultant) – staked on behalf of Matador Mining Ltd.	035822M	Cape Ray	38	9.5	Pegged March 14, 2023
Total			4170	1042.5	

⁽⁵⁾ 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 Project site. 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.

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.

There has been no commercial production at the property as of the time of this report.

Royalty Schedule legend:

- (a) 1.75% NSR held by Alexander J. Turpin pursuant to the terms of an agreement dated 25 June 2002, as amended 27 February 2003 and 11 April 2008. The agreement between Alexander J. Turpin, Cornerstone Resources Inc., and Cornerstone Capital Resources Inc., of which 1.0% NSR can be repurchased or \$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.
- (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 19 December 2012, as amended 26 June 2013, between the Royalty Holders and Benton, which royalty applies to Licence 017072M, as described in the foregoing agreement.
- (c) Sliding scale net smelter returns royalty (NSR) held by Tenacity Gold Mining Company Ltd. pursuant to the terms of an agreement dated 7 October 2013 with Benton Resources Inc.:
 - i. 3% NSR when the quarterly average gold price is less than US\$2,000 per ounce (no buy-down right).
 - ii. 4% 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.
- (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.

This Quarterly Activities Report 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

In relation to the exploration results included in this announcement, the dates of which are referenced, the Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements.

In relation to the Mineral Resource estimate announced on 30 May 2023 (Table 1), Matador confirms that it is not aware of any new information or data that materially affects the information included in that announcement and that all material assumptions and technical parameters underpinning the Mineral Resource estimate in the announcement of 30 May 2023 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.

Other

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

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

Matador Mining Limited

ABN

45 612 912 393

Quarter ended ("current quarter")

30 June 2023

Consolidated statement of cash flows	Current quarter \$CAD'000	Year to date (6 months) \$CAD'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	-	-
(b) development	-	-
(c) production	-	-
(d) staff costs	(296)	(508)
(e) administration and corporate costs	(319)	(610)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	9	9
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	71	71
1.8 Other (Business development activities)	(168)	(218)
1.9 Net cash from / (used in) operating activities	(703)	(1,256)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant, and equipment	(2)	(21)
(d) exploration & evaluation	(932)	(1,366)
(e) investments	-	-
(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$CAD'000	Year to date (6 months) \$CAD'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant, and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (Refund of deposit)	66	66
2.6	Net cash from / (used in) investing activities	(868)	(1,321)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	(39)	(47)
3.7	Transaction costs related to loans and borrowings	(1)	(2)
3.8	Dividends paid	-	-
3.9	Other (Funds received in advanced for shares yet to be issued)	-	-
3.10	Net cash from / (used in) financing activities	(40)	(49)

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	7,229	8,326
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(703)	(1,256)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(868)	(1,321)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(40)	(49)

Consolidated statement of cash flows		Current quarter \$CAD'000	Year to date (6 months) \$CAD'000
4.5	Effect of movement in exchange rates on cash held	(105)	(187)
4.6	Cash and cash equivalents at end of period	5,513	5,513

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$CAD'000	Previous quarter \$CAD'000
5.1	Bank balances	5,513	7,229
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	5,513	7,229

6.	Payments to related parties of the entity and their associates	Current quarter \$CAD'000
6.1	Aggregate number of payments to related parties and their associates included in item 1 *	161
6.2	Aggregate number of payments to related parties and their associates included in item 2	-
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		

*Payments to Directors for Director fees and the salary of the Managing Director

7.	Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$CAD'000	Amount drawn at quarter end \$CAD'000
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (Motor vehicle financing)	109	109
7.4	Total financing facilities	109	109
7.5	Unused financing facilities available at quarter end		-
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well. The group has a facility with the Royal Bank of Canada for motor vehicle financing. The facility is secured by the underlying assets being financed, with a fixed interest rate of 4.49% and monthly repayments until August 2026.		

8.	Estimated cash available for future operating activities	\$CAD'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(703)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(932)
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(1,635)
8.4	Cash and cash equivalents at quarter end (item 4.6)	5,513
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	5,513
8.7	Estimated quarters of funding available (item 8.6 divided by item 8.3)	3.4
	<i>Note: if the entity has reported positive relevant outgoings (e.g., a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8	If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
	N/A	
8.8.2	Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
	N/A	

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

N/A

Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 26 July 2023

Authorised by: The Board
 (Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – e.g., Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.