MATADOR DELINEATES MAIDEN JORC RESOURCE OF 750,000 oz AT CAPE RAY

Highlights

- The Cape Ray Gold Project delivers maiden indicated and inferred JORC (2012) compliant resource of 750,000oz Au and 2,700,000oz Ag (13.35mt at 1.75gpt Au and 6.3gpt Ag)
- 56% of JORC resource in indicated category 423,000oz Au at 2gpt Au
- A higher grade component of 3.3mt at 4.0gtp Au for 421,000oz Au exists, utilizing a higher (2 gpt) cutoff grade
- Resource remains open in all directions with significant scope for quick expansion on strike and at depth with drilling to commence immediately
- Additional mineralisation identified in sampling of unassayed historical core not included in this current resource
- Initial brownfields exploration target around known resources defined (23km of strike)
- Upcoming news flow for 2nd half 2018 include
  - Commencement of drilling – August 2018
  - Geochemical assay results from ongoing brown field exploration – Q3 2018
  - Drill results from maiden drill program – early Q4 2018
  - Resampling of unassayed drill core – ongoing
  - Regional greenfields exploration to commence on remaining [46]km of untested strike
  - Upgraded resource Q4 2018

Matador Mining Limited (ASX: MZZ "Matador" or "the Company") is pleased to announce its maiden Mineral Resource for the Cape Ray Mineral Resource that has been verified and reported accordance with the JORC Code (2012). The Assessment and Reporting Criteria in accordance with JORC Code 2012 is presented in Appendix 1.

JORC (2012) Resource

The Cape Ray Gold Project ("the Project)" is located within the regional-scale gold-bearing Cape Ray Shear Zone that transects the island of Newfoundland, Canada, for over a strike length of 200km. Six known gold deposits, Zones 04, 41, 51, Window Glass Hill, Isle aux Mort and Big Pond, have been drill-tested over a strike length of about 15 km with 560 diamond core holes for a total of 85,000m drilling.

The central part of the known mineralised sector, that encompasses the 04, 41, 51 Zones and Window Glass Hill deposits formally had a foreign resource estimate of 6.9 Mt at 2.4 g/t Au for 525,000 ounces Au (at a 1.0 gpt cut off grade) conforming to the CIM Mineral Resource and Mineral Reserve definitions, referred to in NI 43-101, Standards of Disclosure for Mineral Projects.

In addition to the 04, 41, 51 Zones, and Window Glass Hill Deposits, Matador has now completed maiden resource estimates for the Isle aux Mort and Big Pond deposits.

The Cape Ray Gold Project resource estimate, as at August 2018, is presented in Table 1 and Table 2, is classified in accordance with CIM and JORC 2012.

TABLE 1: CAPE RAY GOLD PROJECT, JORC 2012 CLASSIFIED RESOURCE SUMMARY

Classification	Tonnes	Au (g/t)	Oz (Au)	Ag (g/t)	Oz (Ag)
Indicated	6,533,444	2.0	422,719	7.7	1,616,113
Inferred	6,821,131	1.5	327,442	5.0	1,093,872
Total	**13,354,575**	**1.7**	**750,161**	**6.3**	**2,709,985**

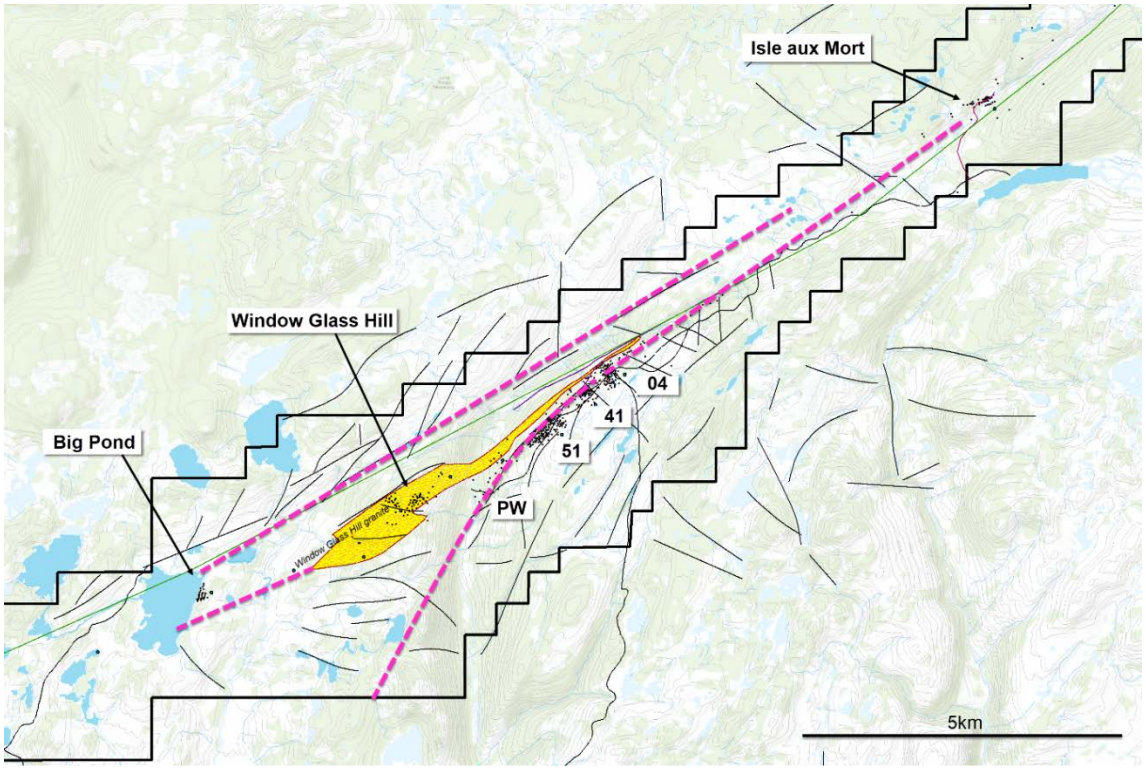
Note: reported at 0.5 g/t Au cutoff grade

Managing Director, Paul Criddle stated, “This maiden JORC 2012 compliant resource is a significant milestone for the company as we prepare to commence with our maiden drill programme to continue exploring this productive shear hosted gold system. 56% of the resource base has been classified as indicated resource within the maiden resource which positions the project well to further grow the resource with confidence as we progress towards developing a world class mineral province."

The Mineral Resource Estimate, originally published by Matador as a “foreign resource estimate” and previously by Benton Resources Ltd on SEDAR under the NI43-101 guidelines, is entitled “NI 43-101 Technical Report: Update of Preliminary Economic Assessment for the Cape Ray Property; 04, 41, 51, and Window Glass Hill Deposits, Isle aux Morts area, Newfoundland and Labrador, Canada” dated March 25, 2017. Matador confirms that is has verified the foreign resource estimate, in accordance with ASX listing rule 5.6 (JORC).

On review of the information, it is in the opinion of the Company (and the Competent Person for this announcement), that the data quality and validation criteria, as well as the resource methodology and check procedures, are reliable and consistent with criteria as defined by JORC 2012.

FIGURE 1: CAPE RAY DEPOSITS LOCATION MAP



Mineral Resource Description and Methodology

Geology and Geological Interpretation

The Cape Ray Shear Zone forms a structural boundary between the Late Precambrian – Early Palaeozoic Dunnage and Gander tectonostratigraphic zones that define the geology of western Newfoundland.

Mineralisation in the main, drilled portion of the project area occurs as quartz veins and vein arrays either along or as splays off the Cape Ray Shear Zone. The gold bearing quartz veins, which are tabular, locally stacked and dip steeply towards the south-east, are typically developed within sediments at or near the contact with footwall graphitic schist or granitoids. Mineralisation extends to the surface with little or no overburden present in what is essentially a glacial-stripped terrain. At Window Glass Hill gold-mineralisation is present in flat-lying sheets that are developed within a large altered granitic intrusive known as the Window Glass Hill Granite.

Key rock types identified by geological mapping together with logging and multi-element geochemistry allowed the creation of a geological interpretation of the mineralised domains that were used for resource estimation. The interpretation is consistent with other shear-hosted and granite-hosted gold deposits elsewhere in the world.

Drilling Techniques

Sampling specific to resource estimation of the Cape Ray Gold Project has been carried out using diamond drilling (DD) exclusively. A total of 85,276m drilling has been completed

in 560 holes that are distributed amongst the deposits. The core diameter is predominantly NQ 47.6mm) with BQ (36.5mm) used at times. Drill spacing is typically 25mx25m along the shear zone with downhole inclinations averaging -50 degrees towards the north-west i.e. perpendicular to geological strike. Drilling at Window Glass Hill is mostly vertical.

Sampling and Sub Sampling Techniques

The majority of historical drill hole core sampling was done using either half core mechanical splitting, half core cutting or whole core sampling. Sampling of diamond core was based on geological intervals with the average sample width of 1.05m over 22,044 assay intervals.

Sample Analysis Method

The majority of the assays were carried out at Eastern Analytical Laboratories, Newfoundland. The sample preparation of diamond core involved oven drying, coarse crushing of the half core sample down to -10 mesh followed by riffle splitting of a 300g sample that was then ring milled 98% passing 150 mesh. Small variations to the split sample size and fine grind occurred at times. In 2018 Matador undertook a comprehensive sampling program of the historic drill core in order to obtain QAQC verification of the historic assays and to assay previously unsampled intervals.

Sample Analysis Method

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Criteria used for Classification and Estimation Methodology

Gold and silver grades were estimated using Ordinary Kriging (OK). Samples were composited to 1m and coded by wireframe/rock code domain. Assay outliers were controlled using top-cutting where appropriate. Variogram analysis was carried out on the gold and silver composites within each deposit and domain. Variograms were modelled to provide an assessment of the sill of the variogram, downhole variograms were modelled to determine the nugget, and directional variograms were modelled to identify the three main directions of continuity. The size and orientation of the search ellipsoid for the estimation process was based on the variogram parameters modeled for gold and silver for all deposits.

The Mineral Resource is classified as either Indicated or Inferred based on the variogram ranges of the second structure. The average distance of composites from the block centre was utilized as the classification criteria. Essentially, an average distance of composites utilized for grade estimation of equal or less than 40m resulted in Indicated Resources, and Inferred Resources for longer average distances.

The Mineral Resource of the Window Glass Hill, Isle au Mort and Big Pond deposits were classified as Inferred based on the relatively fewer drill holes available and their wider spacing in this area

Cutoff Grade, Mining and Metallurgical Parameters

Historic metallurgical test work shows that extractable gold is reported to be as high as 98% and extractable silver between 50 and 70% with conventional cyanide leach. Gravity recoverable gold has shown potential to be greater than 80%.

It has been assumed that, subject to permitting, a combination of conventional open cut and underground mining methods will be utilised at Cape Ray based on orebody geometry and orebody depth from surface. The proximity to the surface and geometries of the deposits warrant an open pit mine scenario. Zones 04, 41, Isle aux Mort and Big Pond deposits could be amenable to open cut mining followed by underground mining using a long hole stope method. A reporting cut grade of 0.5g/tAu for open pit resources is considered appropriate, and in line with local peers.

TABLE 2: CUT OFF GRADE SENSITIVITY

Cut-off (g/tAu)	Indicated					Inferred					Total				
	Tonnes (M)	Au (g/t)	Oz (Au) x1000	Ag (g/t)	Oz (Ag) x1000	Tonnes (M)	Au (g/t)	Oz (Au) x1000	Ag (g/t)	Oz (Ag) x1000	Tonnes (M)	Au (g/t)	Oz (Au) x1000	Ag (g/t)	Oz (Ag) x1000
0.5	6.5	2.0	422.7	7.7	1,616.1	6.8	1.5	327.4	5.0	1,093.9	13.4	1.7	750.2	6.3	2,710
1.0	4.1	2.8	366.9	9.8	1,301.7	3.5	2.1	244.1	5.2	594.3	7.7	2.5	611.0	7.7	1,896
1.5	2.8	3.5	313.2	11.7	1,044.6	1.9	3.1	184.0	7.2	429.8	4.6	3.3	497.3	9.9	1,474
2.0	2.0	4.2	269.4	13.1	839.9	1.3	3.7	151.8	7.6	310.6	3.3	4.0	421.1	11.0	1,150

Based on the data presented above, it appears that there is a high grade component of the deposit that presents using a higher cut off grade. This is something that will be explored further in the upcoming drilling campaigns and modelling exercises.

Brownfields Exploration Target

An initial Brownfields Exploration Target comprising 30 to 36 million tonnes at a grade range of 1.4 and 2.4g/t Au for1.3Moz to 2.4Moz has been estimated at the Cape Ray Project. This target is limited to only extensional areas surrounding current resources (23km of strike) and doesn't include the remaining 42km of relatively untested portions of the Cape Ray Shear.

The potential quantity and grade of the Exploration Target is conceptual in nature and therefore is an approximation. There has been insufficient exploration to estimate a Mineral Resource across the entire Project and it is uncertain if further exploration will result in the estimation of a Mineral Resource.

The Exploration Target is based on the current geological understanding of the mineralised geometry, sub-surface geochemistry provided an extensive historic drill hole database coupled with the understanding of the host stratigraphic sequence.

The Exploration Target does not account for geological complexity, possible mining method or metallurgical recovery factors. However, the Exploration Target has been developed in the vicinity of the existing classified indicated and inferred resource that have the potential to be mined by a combination of open pit and underground methods.

The Exploration Target was estimated in order to provide the market with an assessment of the potential scale of the Cape Ray Gold Project.

The Company intends to test the Exploration Target with drilling based on the outcomes of further geochemical surveys together with additional drilling. These activities have commenced and are expected to extend over a period of approximately 18 months.

Basis of Exploration Target

Matador's Cape Ray Project covers a total 65km of the mineralised Cape Ray Shear Zone. The initial Exploration Target has been estimated over the central 23km strike length of the Cape Ray Shear Zone for which there is sufficient data. Exploration activities are currently underway to obtain data that will support an expanded exploration target over the entire project strike length.

The combined classified resources within this 23km amount of 750,000 ounces of gold over a cumulative strike of 2.3km (10% of the prospective strike length) and to an average depth from surface of 120m. The remaining 20.7km of prospective host stratigraphy and structures, has been either partially tested by drilling, with some encouraging results (Table 3) or has not yet to be explored.

Drillhole intersections that occur within the 20.7km of partially tested strike length and which are located external to the classified resources are shown in Table 3. The exploration target is supported by anomalous gold in soil geochemistry values that form trends either along or parallel to the Cape Ray Shear Zone and which have not been drill-tested (Figure 2).

TABLE 3: SIGNIFICANT DRILLHOLE INTERSECTIONS WITHIN EXPLORATION TARGET

HOLE-ID	From (m)	To (m)	Au (g/tAu)	Ag(g/t)
PB14-387	68.00	69.80	0.94	0.92
PB14-387	80.00	82.00	0.83	1.45
PB14-387	87.30	87.93	1.50	32.50
PB14-387	92.00	92.60	0.66	5.50
PB14-387	101.00	102.00	0.81	1.90
PB14-387	109.00	114.00	0.90	9.90
PB14-387	117.50	120.00	9.66	23.24
PB77-002	36.58	44.20	1.80	2.15
PB77-007	103.65	109.60	1.03	0.00
PB77-007	118.29	118.90	1.37	0.00
PB77-012	84.29	90.85	3.05	5.56
PB78-079	10.36	10.67	8.91	0.00
PB78-079	19.51	25.91	1.44	1.63
PB79-128	27.43	53.34	1.82	0.77
PB79-128	62.48	64.01	0.69	0.00
PB79-128	83.82	91.44	2.21	4.20
PB79-128	94.49	102.11	0.95	0.00
PB79-128	106.68	107.29	0.69	0.00
PB79-133	50.81	51.08	1.03	52.46
PB79-133	73.15	82.30	0.69	0.00
PB79-133	85.34	88.70	0.91	0.00
PB79-133	92.87	93.88	18.52	45.91

PB86-176	112.01	116.95	0.90	0.65
PB86-176	123.29	124.60	0.68	7.59
WGH-04-02	9.40	13.00	2.84	23.23
WGH-04-02	37.80	40.90	0.92	12.02
WGH-04-02	47.10	48.40	0.58	0.20
WGH-04-06	13.50	13.80	0.88	1.70
WGH-04-06	17.00	17.40	6.06	2.40
WGH-04-06	29.10	29.80	8.17	1.60
WGH-04-07	8.90	9.14	3.94	7.88
WGH-04-07	24.40	26.90	1.49	1.81
WGH-04-07	41.00	42.00	0.83	0.20

The classified resource total tonnage of 13.3Mt over a cumulative 2.3km strike length represents approximately 5,800t per strike-metre to an average depth of 120m. The exploration target is estimated on the basis that 30% of the 20.7km partially and un-tested strike, is potentially mineralised (Table 4, Figure 3).

TABLE 4: CAPE RAY: INITIAL NEAR RESOURCE EXPLORATION TARGET

Tonnage (Mt)		Grade (g/t Au)		Ounces Au (M)	
Lower Bound	Upper Bound	Lower Bound	Upper Bound	Lower Bound	Upper Bound
30	36	1.4	2.4	1.3	2.4

- *Grade range: +20% and -20% of estimated resource average grade*
- *Tonnage range: 25% and 30% of total extrapolated tonnage*

FIGURE 2: INITIAL BROWNFIELD EXPLORATION TARGET LOCATION MAP

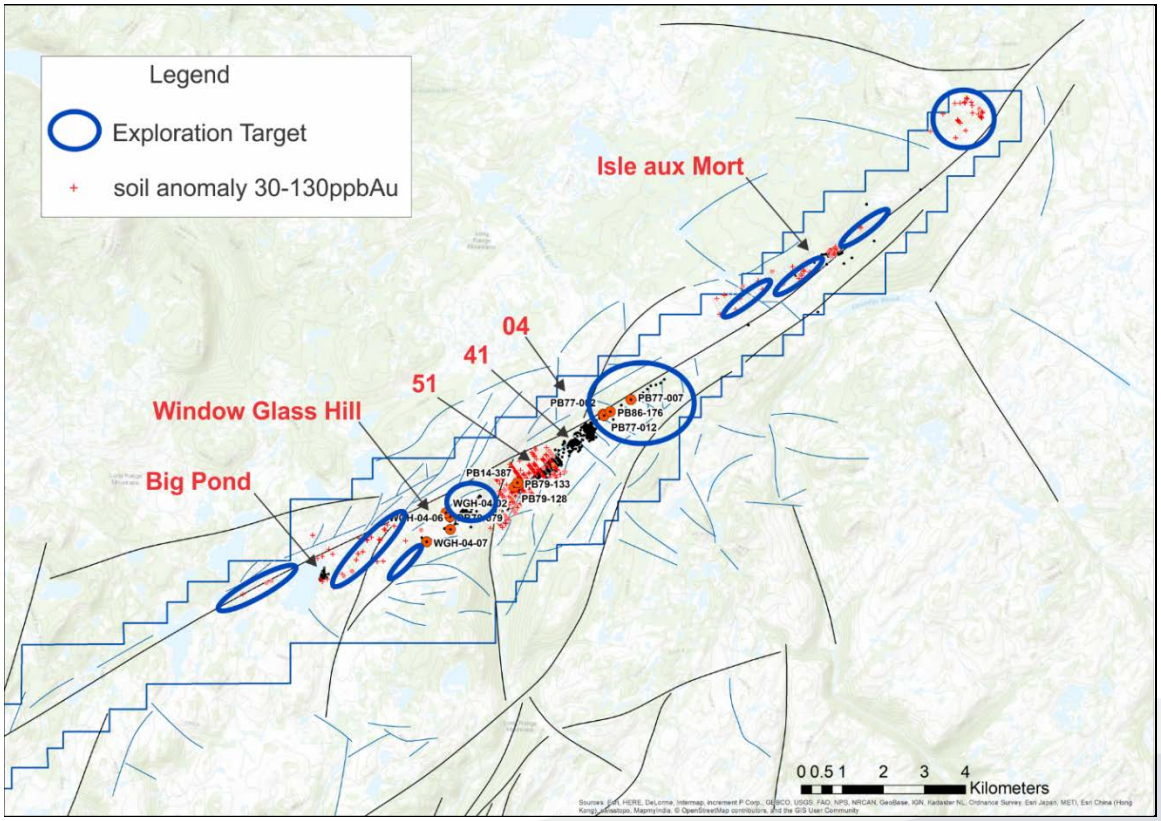
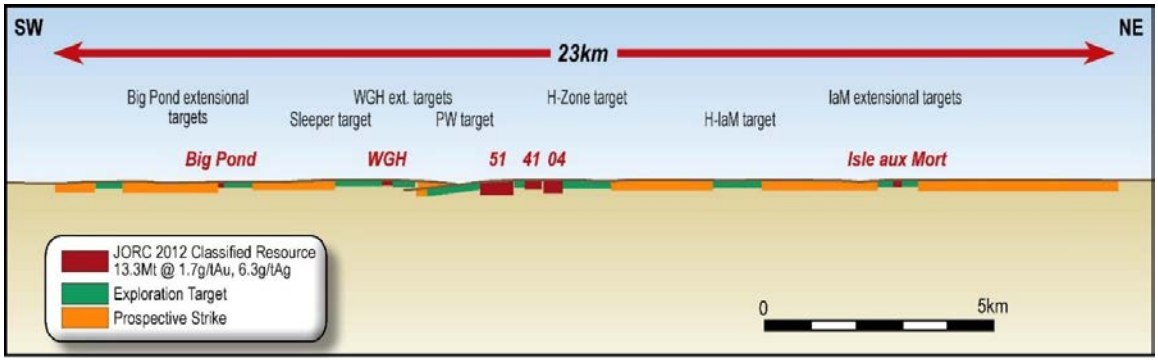


FIGURE 3: LONGITUDINAL SECTION SHOWING LOCATION OF EXPLORATION TARGET



Exploration Program

Activities at the Cape Ray Project have ramped up considerably in the last month.

Two soil geochemical survey teams are currently on site and undertaking a comprehensive sampling program with the objective of defining additional drilling targets within the limits of the exploration target. This work is initially concentrating around the known resources, with a view to identify a repeatable geological signature that can be used to delineate drilling targets along the broader shear package.

The company's maiden drill program will commence in the next week. Logan Drilling Contractors. (Newfoundland) has mobilised to site and will commence drilling shortly. The initial program will contemplate 4,000m of diamond drilling aimed at extending existing zones of mineralisation.

As discussed in our last announcement, resampling of historic core is ongoing with the aim of identifying further zones of unsampled mineralisation for incorporation into our updated resource later in the year.

Competent Persons Statement

The information contained in this announcement that relates to mineral resource estimates for 04, 41, 51 and Window Glass Hill is based on, and fairly reflects, information compiled by Mr. Marc Jutras, an independent consultant to Matador Mining Limited. Mr. Marc Jutras is a (P.Eng., Association of Professional Engineers and Geoscientist of British Columbia) and was engaged as a consultant to Matador to sign off on the JORC (2012) resource. Mr. Jutras has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr. Jutras consents to the inclusion in this announcement of the matters based on his information in the form and context in which it appears.

The information contained in this announcement that relates to mineral resource estimates for Isle aux Mort and Big Pond and exploration target estimate, is based on, and fairly reflects, information compiled by Mr. Alfred Gillman, an independent consultant to Matador Mining Limited. Mr. Alfred Gillman is a Fellow and Chartered Professional of the Australian Institute of Mining and Metallurgy and was engaged as a consultant to Matador Mining Limited to complete the JORC (2012) resource. Mr. Gillman has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr. Gillman consents to the inclusion in this announcement of the matters based on his information in the form and context in which it appears.

All parties have consented to the inclusion of their work for the purposes of this announcement. The interpretations and conclusions reached in this announcement are based on current geological theory and the best evidence available to the authors at the time of writing. It is the nature of all scientific conclusions that they are founded on an assessment of probabilities and, however high these probabilities might be, they make no claim for absolute certainty. Any economic decisions which might be taken on the basis of interpretations or conclusions contained in this announcement will therefore carry an element of risks.

Appendix 1
JORC Code, 2012 Edition Table 1

Section 1 Sampling Techniques and Data

Criteria	Explanation	Commentary
Sampling Techniques	Nature and quality of sampling (eg 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.	Sampling specific to resource estimation of the Cape Ray Gold Project has been carried out using diamond drilling (DD). Historical exploration activities are summarised in Appendix 2. **Pre-2004 Exploration works:** Between 1977 and 2004, 484 diamond drillholes were drilled by various companies including Rio Tinto Canada Exploration (Riocanex), Mascot Gold Mines Ltd. Dolphin Exploration Ltd., Tenacity Gold Mining Company, Terra Nova, Cornerstone Capital Resources Inc. Core sizes were either BQ (36.5 mm) or NQ (47.6 mm). **Cornerstone Capital Resources Inc. (Cornerstone),** 2004-2006: 28 NQ diamond drillholes as well as undertaking rock chip sampling and soil sampling. A total of 189 rock samples, including 13 channel samples, were collected in 2004. **Benton Resources Inc. (Benton),** 2013-2015: Completed an exploration program consisting of line-cutting, IP geophysical survey, prospecting/mapping, and geochemical rock/soil sampling. A total of 96 rock samples and 588 soil samples were collected within the licence 17072M. A mini bulk sample was collected from an old trench which exposed the 51 Zone. Between January, 2014 and November, 2014, Benton Resources Inc. completed a 19-hole diamond drill program, a bulk sampling program, a line-cutting program, and a geochemical rock and soil sampling program. A total of 941 core samples were collected. Diamond drillcore was logged and half core samples were collected using a rock saw and submitted for analysis. Detailed descriptions of drilling orientation relative to deposit geometries, and sample nature and quality are given below. **Nordmin, 2016:** completed 29 NQ diamond drillholes the 04, 41, and 51 Deposits. Diamond drillcore was logged and half core samples were collected using a rock saw and submitted for analysis. Detailed descriptions of drilling orientation relative to deposit geometries, and sample nature and quality are given below. **Matador Mining Ltd:** has part completed a program of core re-sampling comprising half-cut core using a diamond saw blade. Prior to cutting and sampling the core is logged and photographed.

	Aspects of the determination of mineralisation that are Material to the Public Report.	Pre-2004 Exploration works Diamond drilling was completed using either a BQ (36.5 mm) or NQ (47.6 mm) drill bit for all holes. Riocanex did selective sampling of drill core based on geological criteria such as visible mineralisation or the presence of quartz veining. Core sample intervals were typically laid out based on visually determined mineralized zone limits or lithologic boundaries, with individual samples ranging from less than 50 cm for well mineralized intercepts to several metres in graphitic schist and less mineralized veined intervals. Continuous sampling was not typically carried out over longer logged sections of non-mineralized lithologies. Limited information is available for the samplings methods used by Tenacity Gold Mining Company, and Terra Nova, but sampling was based on visually determined mineralised zone limits or lithological boundaries and ranged in length from 50 cm to several metres. Continuous sampling was not typically carried out of longer logged sections of non-mineralised lithologies. Guidance appears to have been based on visual recognition of alteration changes and associated sulphide mineralisation. Generally, most of the historical core was split in half using mechanical splitting. Dolphin submitted whole core samples for numerous holes in an attempt to overcome possible sampling problems associated with gold deposits. Evaluating available resources for precious metal deposits, especially gold, is hampered by a number of risks. These include: "High grade" actually being represented by minute quantities of a particular precious metal. The use of smaller diameter drill core make representative sampling of such minute quantities difficult, especially when only a half of the core is actually submitted for analysis. The use of manual splitting rather than the use of a diamond saw commonly results in biased sampling as more or less material than intended is included in the actual sample. The reliance of using only a 30 gram sample is based on the assumption that the material being analysed has been thoroughly homogenised. Ductile metals, such as gold, typically fail to be homogenised and thus the 30 gram sample commonly can be biased high or low. As precious metals are difficult even under the best of conditions to be seen by the naked eye and as they may or may not be associated with other minerals that are easily recognised it is imperative that sampling not be selective. All drill core should be sampled to ensure mineralisation is not missed. The majority of historical drilling done on the Cape Ray Gold Project suffers from all of the above, in particular, the non-continuous sampling based solely on visual characterisation of the core. As a result, gold-bearing rock may not have been sampled. By necessity all non-sampled intervals in-between sampled intervals must be assigned a zero grade which can introduce a negative bias. Cornerstone: The 2004 and 2006 drilling programs by Cornerstone were completed using a NQ drill bit for all holes. NQ drill core intervals selected for sampling and analysis were marked by the geologist during the core logging process. In most cases, core samples did not exceed a recommended length of 1.20 m and a minimum sample length of 0.5m was generally applied. The core was sampled by sawing it in half longitudinally using a diamond bladed core saw. Drill core was continuously sampled through the entire mineralised zone identified by geological logging. Benton: The 2014 diamond drilling was completed using a NQ drill bit for all holes. Selective sampling of drill core was based on geological criteria such as visible

Criteria	Explanation	Commentary
		mineralisation or the presence of quartz veining. Samples were generally no greater than 1.5 metres in length and no shorter than 0.3 metres, with the average length being 1.1 metres. Core was cut in half using a rock saw. Nordmin: The 2016 diamond drilling was completed using a NQ drill bit for all holes. Selective sampling of drill core was based on geological criteria such as visible mineralisation or the presence of quartz veining. Samples were generally no greater than 1.5 metres in length and no shorter than 0.3 metres, with the average length being 1.1 metres. The core was sawn on site with a rock saw.
Drilling techniques **Drill Sample Recovery**	Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg 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).	Pre-2004 Exploration works: Diamond drillcore is either BQ (36.5 mm) or NQ (47.6 mm).The Royal Oak drillcore was oriented, but details regarding methodology have not been sighted by Matador at this stage. Details regarding orientation methodology of other historical drillholes have not been sighted by Matador at this stage. Cornerstone: The 2004 drilling program by Cornerstone included the diamond drilling of 18 holes which was carried out by Petro Diamond Drilling Ltd. (a division of Cabo Drilling Corp.) of Springdale, NL. An EZY-Mark device was also used to obtain oriented drill core when ground conditions permitted. The 2006 drilling program by Cornerstone included the diamond drilling of 10 holes by Lantech Drilling Services Ltd. of Dieppe, New Brunswick. Drill holes were near vertical (-80º to -87º inclination) and ranged from 50 to 179 m in length. Benton: Diamond drilling was carried out in two (2) phases. Cabo Drilling Ltd. (Cabo) of Springdale, NL, carried out the first phase of diamond drilling using a Nodwell-mounted Boyles B15 diamond drill rig equipped to drill NQ sized core from June to August 2014. West Bottom Drilling Inc. completed the second phase of diamond drilling using a skid-mounted Duralite 500 diamond drill. Nordmin: NQ-sized (47.6 mm diameter) core drilling program was carried out by Lantech Drilling Services Ltd. of Dieppe, New Brunswick. Two drill rigs of type DDM(EF50) were used to complete the campaign. Holes were inclined at -65º to -50º inclination and ranged from 117 to 237 m in length. Details regarding drillhole orientated methodology have not been sighted by Matador.
	Method of recording and assessing core and chip sample recoveries and results assessed.	• The original Riocanex drill hole logs show that core loss through poor recovery was commonly identified but was not determined to be problematic. • Much of the early exploration drilling carried out by Riocanex and Corona-Dolphin recovered BQ size drill core (36.4 mm diameter) in the mineralized zones and this would generally be expected to show greater loss in areas of broken or disrupted ground (i.e. fault zones) than the larger NQ (47.6 mm) core that was favoured later in the project's history. • Where present, core recoveries were recorded in the log as a percentage. • Details regarding how the core recovery % was calculated in the historical drilling is not known at this stage. Nordmin: Drillhole recoveries for the 2016 diamond drillholes were recorded during geotech logging by physically measuring by tape measure the length of core recovered per 3m core run. Core recovery was calculated as a percentage recovery of actual core length divided by expected core length.

Section 2 Reporting of Exploration Results

<table>
<tr><th>Criteria</th><th>Explanation</th><th>Commentary</th></tr>
<tr><td>Mineral tenement and land tenure status</td><td>Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.</td><td>Matador has entered into a Sale agreement to acquire an 80% initial interest in the Cape Ray Gold Project, which is located approximately 20km northeast of Port aux Basques, Newfoundland, Canada.
<table>
<tr><th>Licence No.</th><th>Known Deposit</th><th>No. of Claims</th><th>Area (km2)</th><th>Royalty*</th></tr>
<tr><td>017072M</td><td>Window Glass Hill (WGH) and 51</td><td>183</td><td>45.7</td><td>(a) & (b)</td></tr>
<tr><td>007833M</td><td>-</td><td>1</td><td>0.25</td><td>none</td></tr>
<tr><td>008273M</td><td>Isle aux Morts (IaM)</td><td>7</td><td>1.75</td><td>(c)</td></tr>
<tr><td>009839M</td><td>Big Pond (BP)</td><td>26</td><td>6.5</td><td>(c)</td></tr>
<tr><td>009939M</td><td>04 and 41</td><td>12</td><td>3.0</td><td>(c)</td></tr>
<tr><td>024125M</td><td>-</td><td>14</td><td>3.5</td><td>none</td></tr>
<tr><td>024359M</td><td>-</td><td>7</td><td>1.75</td><td>none</td></tr>
<tr><td>025560M</td><td>-</td><td>20</td><td>5.0</td><td>none</td></tr>
<tr><td>025854M</td><td>-</td><td>53</td><td>13.25</td><td>(d)</td></tr>
<tr><td>025855M</td><td>-</td><td>32</td><td>8.0</td><td>(d)</td></tr>
<tr><td>025858M</td><td>-</td><td>30</td><td>7.5</td><td>(d)</td></tr>
<tr><td>025856M</td><td>-</td><td>11</td><td>2.75</td><td>(d)</td></tr>
<tr><td>025857M</td><td>-</td><td>5</td><td>1.25</td><td>(d)</td></tr>
<tr><td colspan="2">Total</td><td>401</td><td>100.2</td><td></td></tr>
</table>
Refer to Announcement for Royalty Schedule
The most proximate Aboriginal community to the Project site is the Miawpukek community in Bay d'Espoir, formerly known as the "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.</td></tr>
<tr><td></td><td>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.</td><td>The claims are in good standing
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 may also be required 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.</td></tr>
<tr><td>Exploration done by other parties
Geology</td><td>Acknowledgment and appraisal of exploration by other parties.</td><td>The Cape Ray Gold Deposit was 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.
Appendix 2 provides an overview of past exploration on the Cape Ray property.</td></tr>
</table>

	Deposit type, geological setting and style of mineralisation	• The Cape Ray Project lies within the Cape Ray Fault Zone (CRFZ), which acts as a major structural boundary host the Cape Ray Gold Deposits consisting of the 04, the 41, the 51 Zones, Window Glass, Big pond and Isle Aux Morts. • The CRFZ is approximately 100km long and up to 1km wide extending from Cape Ray in the southwest to Granite Lake to the Northeast. • 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. • The Cape Ray Igneous Complex comprises mainly large mafic to ultramafic intrusive bodies that are intruded by granitoid rocks. Unconformably overlying the Cape Ray Igneous Complex is the Windsor Point Group, which consists of bimodal volcanics and volcanoclastics with associated sedimentary rocks. The Port aux Basques gneiss is a series of high grade, kyanite-sillimanite-garnet, quartzofeldspathic pelitic and granitic rocks intercalated with hornblende schist or amphibolite. • Hosted by the Cape Ray Fault Zone 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 Windsor Point Group and the Port aux Basques gneiss. • 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. • 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 schist 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. • 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. • In the CRGD area, a continuous sequence of banded, highly contorted, folded and locally brecciated graphitic schist 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 mylonites are commonly spatially associated with local Au-mineralised quartz veins, vein breccias (C vein) and stringer zones. • 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. • 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.

Criteria	Explanation	Commentary
		The style of lode gold mineralisation in the CRGD has a number of characteristics in common with mesothermal gold deposits. The relationship of the different mineral zones with 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.

Section 3 Estimation and Reporting of Mineral Resources

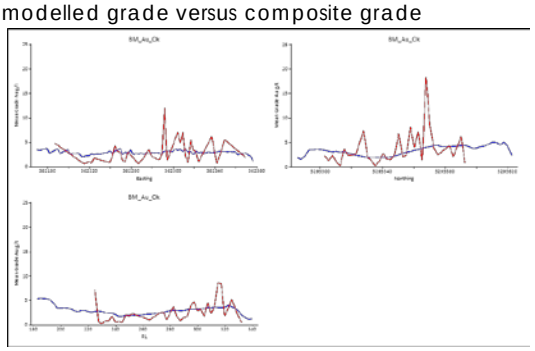
Criteria	Explanation	Commentary
Database integrity	Measures taken to ensure that data has not been corrupted by, for example, transcription or keying errors, between its initial collection and its use for Mineral Resource estimation purposes.	• A total of 225 surface drillhole sample records, lithological logs, available assay laboratory results, and associated drill hole information for all drill programs completed by Riocanex, Corona-Dolphin, Royal Oak and Cornerstone were digitally compiled by Cornerstone and were validated by Mercator in 2012 against original source documents available through the NLDNR online database, and both consistency and accuracy of such records were assessed. Checks included validation of collar coordinates, down hole survey values, hole depths, sample intervals, assay values and lithocoding in the digital database compiled by Cornerstone with original source documents for 20% of the database. • In 2015, Benton compiled all available data on the exploration programs completed on the area and created a standardized digital database converted from local grid to UTM (NAD27) projection.
	Data validation procedures used.	For the 2017 Mineral Resource estimate, drillhole data was validated by Nordmin. Details of Nordmin's drillhole database process are not described in the relevant NI 43-101 report.
Site Visits	Comment on any site visits undertaken by the Competent Person and the outcome of those visits.	Mr Alfred Gillman, a consultant to Matador Mining Ltd, conducted site visits during January and May 2018 during which a representative number of drill collars were verified. Mr Gillman also inspected core at the site core yard and the Government core library in Pasadena, Newfoundland.
Geological interpretation	Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit.	The control on mineralization of the 51 Zone consists of a single shear zone associated with a graphitic schist unit. This vein-type orebody is oriented at an azimuth of approximately 50° and dipping at approximately 60° to the southeast. The modeling process comprises of the interpretation of geologic units in combination with the gold and silver grades. These interpretations were digitized and snapped to drill holes on northwest-southeast sections, and then linked together in 3-D as a wireframe in the Vulcan® software. The control on mineralization of the 04 Zone consists of four parallel shear zones associated with a graphitic schist unit. These vein-type orebodies are oriented at an azimuth of approximately 50° and dipping at approximately 60° to the southeast. The modeling process comprises of the interpretation of geologic units in combination with the gold and silver grades. These interpretations were digitized and snapped to drill holes on northwest-southeast sections, and then linked together in 3-D as wireframes in the Vulcan® software. The controls on mineralization of the 41 Zone consist of 3 types of mineralized orebodies: a set of parallel veins made of 2 larger veins and 7 smaller veins, a chloritic schist located on the periphery of the mineralized area, and a graphitic schist located in the core of the mineralized area. These mineralized units are oriented at an azimuth of approximately 50° and dipping at approximately 60° to the southeast. The modeling process comprises of the interpretation of geologic units in combination with the gold and silver grades. These interpretations were snapped to drill holes and then linked together in 3-D as wireframes in the Leapfrog® software.

		The control on mineralization at the Window Glass Hill deposit consists of 3 main orebodies: Fault Block 1, Fault Block 2, and Fault Block 3. Fault Block 1 is located at the bottom eastern half of the area of interest, while Fault Block 2 is located at the top eastern half on top of Fault Block 1, and Fault Block 3 occupies the western half of the mineralized area. A NW-SE fault separates Fault Block 3 from Fault Blocks 1 and 2. This fault is oriented at an azimuth of 149° dipping at an angle of -60° to the southwest. The modeling process comprises of the interpretation of geologic units in combination with the gold and silver grades. These interpretations were snapped to drill holes, and then linked together in 3-D as wireframes in the Leapfrog® software. Gold mineralization at the Isle aux Morts deposit is associated with a zone of quartz veining, silicification and pyritization spatially related to the contact between the Cape Ray granite/tonalite and sedimentary rocks of the Windsor Point Group; the mineralization/quartz vein is primarily (i.e. >95%) hosted in the sedimentary rocks. The gold zone strikes 055° and dips between -72° at the SW end, flattening to -45 to -50° in the center and begins to steepen to -58° at the NE end; the overall dip of the zone averages -58° to the SE. It varies from ~2 meters to 21 m true width with the entire resource section of the vein averaging 7.8 m true width. The vein splits into two to three sub-zones at times and has been traced by trenching and diamond drilling for ~200 m along strike and to a maximum vertical depth of 125m below surface. The Big Pond vein occurs in sulfide-rich quartz veins that cut a tightly folded sedimentary rock sequence of the Windsor Point Group dominated by chlorite and chlorite-sericite schists with interbedded gabbros. A thin lens of graphite schist is spatially associated with the Big Pond vein. Granite north of Big Pond is believed to be equivalent to the Windowglass Hill granite. A northeast trending zone of siliceous hydrothermal breccia marks the possible trace of the Cape Ray Fault which extends under the north part of Big Pond . The east shoreline of Big Pond appears to be fault-bounded by a splay off the Cape Ray Fault. Based on the data available the QP has reasonable confidence in the geological interpretation.
	Nature of the data used and of any assumptions made.	Drillhole data was primarily used to build the geological model of the deposits, which has been aided by geophysical data and geological mapping. At Isle aux Mort trench mapping and sampling was used to correlate the up-dip extensions to surface. However, the trench assay data itself was excluded from the grade estimation. All missing samples were replaced with a 0.0 g/t value for gold and silver on the assumption that all unsampled intervals are barren. No other assumptions have been made.
	The effect, if any, of alternative interpretations on Mineral Resource estimation.	No alternative interpretations have been considered.
	The use of geology in guiding and controlling Mineral Resource estimation.	The modelling process comprises of the interpretation of geologic units in combination with the gold and silver grades. The control on mineralisation is associated with both structure and lithology. The use of geology (structure and lithology) has been used in guiding and controlling the wireframe modelling process in all of the deposits estimated.
	The factors affecting continuity both of grade and geology.	The Cape Ray Fault Zone, which hosts the deposits (Zone 04, 41, 51, Isle aux Mort and Big Pond), is the main control over geological continuity. Mineralisation occurs within quartz veins, vein breccia, fault fill veins, and vein arrays hosted by a graphitic schist within the CRGD, which control grade continuity. The orientation and geometry of these deposits is controlled by a NE trending fault/shear zone that dipping moderately to

		the SE. The Window Glass Hill mineralisation occurs predominantly in a set of flat-lying sulphide-rich quartz veins hosted in the relatively un-deformed Window Glass Hill Granite near the CRFZ. Two sets of sulphide-bearing quartz veins at the WGHD cut the Window Glass Hill Granite, with the first set hosting the majority of the Au, Ag, Pb and Zn mineralisation. The second set of veins, which strike northeast and dip steeply southeast at approximately 80°, post-date those of the first set and are mineralised only where they intersect mineralised veins of the first set Grade and geological continuity is controlled by NS quartz veins that are west dipping and associated with north trending shear zone, and the second stage of NE veining.
Dimensions	The extent and variability of the Mineral Resource expressed as length (along strike or otherwise), plan width, and depth below surface to the upper and lower limits of the Mineral Resource.	51 Zone: The extent of Au-Ag mineralization of the 51 Zone includes a strike length of approximately 685 m and aggregate down-dip extent of approximately 300 m, with an average thickness of 4-5 m. 04 Zone: The 04 Zone occurs along a northeast-trending fault within the CRFZ system, which dips moderately (50-60º) to the southeast. This zone consists of tabular zones of quartz veins, fault gouge and wall rock fragments, range from several cm to a few metres in width, and correlate laterally for up to 360m along strike. In section, the 04 Zone shows ESE to SE plunges and locally show down-dip extension of up to 300 m. 41 Zone: The 41 Zone occurs along a northeast-trending fault within the CRFZ system, which dips moderately (50-60°) to the southeast. The 41 Zone extends for approximately 150 m along strike, and in section, shows a ESE to SE plunge and local down-dip extension of up to 300 m. Window Glass Hill: The mm- to cm-wide veins strike generally north-south, generally dip moderately (25°) to the west, parallel to a joint set in the granite, and are spaced from 1 cm to several tens of cm apart. Window Glass Hill has been subdivided into two main regions within the Window Glass Hill Granite, with significant vein-hosted mineralization, these being (1) the "Main Zone" with an aggregate strike length of approximately 265 m and an aggregate down-dip extent of approximately 400 m from surface, and (2) the "Camp Zone" with a strike length of approximately 85 m and down-dip extent of approximately 95 m. Isle aux Mort: Steep south-easterly dip over 200m strike length extending to a depth of 155m, homogenous grade distribution in two main lenses footwall lens and hangingwall lens Big Pond: Moderate 50° dip towards the east over 190m strike length with down-dip extents of 150m. Continuous footwall lode over full strike length with two "floating" lodes in the hangingwall.
Resource Estimation	The nature and appropriateness of the estimation technique(s) applied and key assumptions, including treatment of extreme grade values, domaining, interpolation parameters and maximum distance of extrapolation from data points. If a computer assisted estimation method was chosen include a	• Resource estimation for 04,41,51 and WGH was carried out by Mr Mark Jutras (Ginto Consulting Inc using Vulcan® software • Resource estimation for Isle aux Mort, Big Pond was carried out by Auralia Mining Consultants (Perth) using Surpac software • Gold and silver grades were estimated using Ordinary Kriging (OK). Block model and estimation parameters: • 04,41,51 and WGH: rotated block model (X axis along 51° azimuth) with a block size of 3 m (X) x 3 m (Y) x 3 m (Z). • Isle aux Mort, Big Pond: unrotated, 5 m (X) x 10 m (Y) x 5 m (Z). • Samples were composited to 1m. • Samples were coded by wireframe/ rock code domain prior to compositing. • Extreme samples were controlled using top-cutting (see following section for details). • Variogram analysis was carried out on the gold and silver composites within each deposit and domain (if applicable). Omni-directional

	description of computer software and parameters used.	variograms were modelled to provide an assessment of the sill of the variogram, downhole variograms were modelled to determine the nugget, and directional variograms were modelled to identify the three main directions of continuity. • The size and orientation of the search ellipsoid for the estimation process was based on the variogram parameters modeled for gold and silver for all deposits. • For the across strike and dip direction of the 51, 04 and 41 Zone estimates, the parameters from the down-the-hole variogram were utilized for the across strike and dip direction due to the restricted number of composites available along this direction. • No other restrictions, such as a minimum number of informed octants, a minimum number of holes, a maximum number of samples per hole, etc., were applied to the estimation process. • The block models were assigned rock codes using generated wireframes. • Hard boundaries were applied to all domain boundaries. • Grade was interpolated into parent cells and sub-celling was not utilized for the 04, 41,51 and WGH estimates. Sub-blocking to 2.5m(X) x1.25m (Y) x 1.25m (Z) was used for Isle aux Mort and Big Pond. The grade estimation process consisted of either a 3-pass or 4-pass approach. The estimation parameters of the second and third passes are the same, with the exception of an enlarged search ellipsoid by 1.5 times and 3.0 times, respectively, of the dimensions from the first pass.
	The assumptions made regarding recovery of by-products.	Both gold and silver grades have been interpolated. It is assumed silver will be recovered during processing.
	Estimation of deleterious elements or other non-grade variables of economic significance (eg sulphur for acid mine drainage characterisation).	No deleterious elements or other non-grade variables have been estimated.
	In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed.	The block size relative to drillhole spacing (detailed elsewhere) is small. Typically, the drill spacing encountered at 04, 41, 51 and WGH would warrant a slightly larger block size. In this case, the block size was selected based on ore body geometry (narrow, moderately dipping veins). Block sizes were increased for the more recent estimates for Isle aux Mort and Big Pond.
	Any assumptions about correlation between variables	The deposits display a moderate to strong correlation between gold and silver. The exception being Window Glass Hill, which shows a weak to moderate correlation between gold and silver. Gold and silver grades have been interpolated into the mineralisation envelopes defined by a nominal 0.5g/tAu cut off.
	Description of how the geological interpretation was used to control the resource estimates.	Gold and silver grades were interpolated into wireframes that were developed based on first principles and generated based on interpretation of geologic units in combination with the gold and silver grades.
	Discussion of basis for using or not using	Samples were top-cut prior to grade interpolation (see below table for cut-off grades applied) to minimise the effect of outliers, which resulted in a reduction in CV.

	grade cutting or capping.	Gold and silver grades were examined with two different tools, the probability plot, and the cutting statistics utility, to determine what top-cuts to apply. For the probability plot method, the capping value is chosen at the location where higher grades depart from the main distribution. For the cutting statistics utility, the selection of the capping value is identified at the cut-off grade where there is no correlation between the grades above this cut-off. **Deposit** / **Domain** / **Cut-off Grade (Au g/t)** / **Cut-off Grade (Ag g/t)** **51 Zone** / All / 40 / 130 **04 Zone** / A Vein / 30 / 90 B Vein / 10 / 80 HW Vein / 7 / 30 FW Vein / 1.8 / 20 **41 Zone** / Vein / 50 / 170 Chlorite & Graphitic Schist / 15 / 70 **Window Glass Hill** / Fault Blocks 1, 2, 3 / 16 / 80 Big Pond: no top cut applied Isle aux Mort: 18.4g/tAu top cut applied
	The process of validation, the checking process used, the comparison of model data to drill hole data, and use of reconciliation data if available.	Validation tests were carried out on the estimates to examine the possible presence of a bias and to quantify the level of smoothing/variability. Visual Inspection: A visual inspection of the block estimates with the drill hole grades on plans, and northwest-southeast cross-sections was performed as a first check of the estimates. Observations from stepping through the estimates along the different sections indicated that there was overall a good agreement between the drill hole grades and the estimates. The orientations of the estimated grades were also according to the projection angles defined by the search ellipsoid. Global Bias Test: The comparison of the average gold and silver grades from the declustered composites and the estimated block grades examines the possibility of a global bias of the estimates. As a guideline, a difference between the average gold and silver grades of more than ± 10% would indicate a significant over- or under-estimation of the block grades and the possible presence of a bias. It would be a sign of difficulties encountered in the estimation process and would require further investigation. Results of this average gold and silver grade comparison indicate that Window Glass Hill estimated grades were within acceptable limits, whilst Zone 51 and 04 were generally underestimating grades in comparison to the declustered composites. Zone 41 estimated grades were within acceptable limits for gold, but not for silver. Local Bias Test: A comparison of the grade from composites within a block with the estimated grade of that block provides an assessment of the estimation process close to measured data. Pairing of these grades on a scatterplot gives a statistical valuation of the estimates. It is anticipated that the estimated block grades should be similar to the composited grades within the block, however without being of exactly the same value. Thus, a high correlation coefficient will indicate satisfactory results in the interpolation process, while a medium to low correlation coefficient will be indicative of larger differences in the estimates and would suggest a further review of the interpolation process. Results indicate a strong correlation coefficient in all estimates. Grade Profile Plots: The comparison of the grade profiles of the declustered composites with that of the estimates allows for a visual verification of an over- or under-estimation of the block estimates at the global and local scales. A qualitative assessment of the smoothing/variability of the

		estimates can also be observed from the plots. The output consists of three graphs displaying the average grade according to each of the coordinate axes (east, north, elevation). The ideal result is a grade profile from the estimates that follows that of the declustered composites along the three coordinate axes, in a way that the estimates have lower high-grade peaks than the composites, and higher low-grade peaks than the composites. A smoother grade profile for the estimates, from low to high grade areas, is also anticipated in order to reflect that these grades represent larger volumes than the composites. The grade profile plots illustrate that overall the block estimates globally perform well against the declustered composites. However, as anticipated, some smoothing of the block estimates can be seen in the profiles, where estimated grades are higher in lower grade areas and lower in higher grade areas due to the use of OK. Example of modelled grade versus composite grade 
Moisture	Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content.	Tonnages have been estimated on a dry basis.
Cut-off parameters	The basis of the adopted cut-off grade(s) or quality parameters applied.	Matador considers 0.5 and 1.0g/tAu to be appropriate based on similar deposits and operations. Resources are reported on a 100% basis.
Mining factors or assumptions	Assumptions made regarding possible mining methods, minimum mining dimensions and internal (or, if applicable, external) mining dilution. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential mining methods, but the assumptions made regarding	It has been assumed that, subject to permitting, a combination of conventional open cut and underground mining methods will be utilised at Cape Ray based on orebody geometry and orebody depth from surface. The relative location and geometry WGH deposit to surface warrant an open pit mine scenario, whilst the 04, 41, 51, Isle aux Mort and Big Pond deposits could be amenable to open cut mining followed by underground mining using a longhole stope method. No allowances for dilution or mining recovery were made in the Mineral Resource Estimate.

	mining methods and parameters when estimating Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the mining assumptions made.	
Metallurgical factors or assumptions	The basis for assumptions or predictions regarding metallurgical amenability. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential metallurgical methods, but the assumptions regarding metallurgical treatment processes and parameters made when reporting Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the metallurgical assumptions made.	Nordmin envisioned the process plant to include conventional crushing, grinding, gravity, and cyanide leach. A gold and silver doré would be produced on site. These predictions by Nordmin were based on metallurgical testwork results received to date. Historical metallurgical test campaigns align well with recent bench scale test campaigns. At a lab scale level, extractable gold is reported to be as high as 98% and extractable silver between 50 and 70% with cyanide leach. Gravity recoverable gold has shown potential to be greater than 80%. Further work is required for flowsheet development and optimization.
Environmental factors or assumptions	Assumptions made regarding possible waste and process residue disposal options. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider the potential environmental impacts of the mining and processing	Nordmin envisioned process reagents would be removed from the plant tailings prior to placement in a tailings management facility. Surface waste dumps will be used to store waste material from mining. Environmental baselines studies were initiated in 2016, but Environmental Assessment and Impact reviews have not been completed at this stage. 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 are no known designated environmentally sensitive or cultural heritage sites within the Project lands. Aboriginal consultation, as well as biological and archaeological assessment work that is planned as part of the EA process will identify any environmentally sensitive sites and cultural heritage sites.

	operation. While at this stage the determination of potential	
Bulk density	Whether assumed or determined. If assumed, the basis for the assumptions. If determined, the method used, whether wet or dry, the frequency of the measurements, the nature, size and representativeness of the samples. The bulk density for bulk material must have been measured by methods that adequately account for void spaces (vugs, porosity, etc), moisture and differences between rock and alteration zones within the deposit Discuss assumptions for bulk density estimates used in the evaluation process of the different materials.	An SG value of 2.84 was assigned to 04, 41, 51 and WGH as reported in the February 2017 Mineral Resource Estimate. No substantive dataset of density or specific gravity (SG) values exists for the Cape Ray Property at present but a total of 44 laboratory SG determinations, 22 from each deposit area, were available from the 2012 Mercator check sampling program. For the 51 Zone subset, values range between 2.79 g/cm3 and 3.32 g/cm3, the latter reflecting a significant sulphide component. To remove a sample selection bias toward higher grade sulphide–bearing samples, an average value of 2.84 g/cm3 was calculated from six samples falling below the 25th percentile and was used as a global value assigned to all deposits. An assigned SG of 3.05 (median of minimum and maximum) was used for Isle aux Mort and Big Pond due to the higher sulphide content.
Classification	The basis for the classification of the Mineral Resources into varying confidence categories.	The Mineral Resources for 04, 41 and 51 were classified as either Indicated or Inferred based on the variogram ranges of the second structure. The average distance of composites from the block center was utilized as the classification criterion. An average distance of composites utilized for grade estimation of equal or less than 40m resulted in Indicated Resources, and Inferred Resources for longer average distances. The Mineral Resource of the Window Glass Hill, Isle au Mort and Big Pond deposits are classified as Inferred.
	Whether appropriate account has been taken of all relevant factors (ie relative confidence in tonnage/grade estimations, reliability of input data, confidence in continuity of geology and metal values, quality, quantity and	Drillhole spacing, accuracy of data location, grade and geological continuity have been used in combination for the classification of resources at Cape Ray. Resource tonnages calculated accounted for the block fraction within the mineralized zone's wireframe, as well as the block fraction below the topography surface.

	distribution of the data).	
	Whether the result appropriately reflects the Competent Person's view of the deposit.	The Competent Person considers the results to be a reasonable estimate of the resource as defined by drilling.
Audits or reviews	The results of any audits or reviews of Mineral Resource estimates.	Matador has not undertaken an independent review or audit of the Mineral Resource estimates.
Discussion of relative accuracy/confidence	Discussion of relative accuracy/confidence Where appropriate a statement of the relative accuracy and confidence level in the Mineral Resource estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the resource within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors that could affect the relative accuracy and confidence of the estimate.	Industry-standard techniques and methodologies have been applied throughout resource estimation process. The relative accuracy of the Mineral Resource estimate is reflected in the reporting of the Mineral Resources under the guidelines of JORC(2012).
	The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made	The Mineral Resource Estimates are global estimates. The confidence intervals have been based on estimates at the parent block size.

	and the procedures used.	
	These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.	No production data is available. No commercial production has taken place at Cape Ray.

Appendix 2

Resource Summary by Deposit and Cut Off Grade

Deposit	Cut-off (g/tAu)	Indicated					Inferred					Total				
		Tonnes	Au (g/t)	Oz (Au)	Ag (g/t)	Oz (Ag)	Tonnes	Au (g/t)	Oz (Au)	Ag (g/t)	Oz (Ag)	Tonnes	Au (g/t)	Oz (Au)	Ag (g/t)	Oz (Ag)
04	0.5	3,303,888	1.9	196,512	7.1	753,117	1,315,761	1.1	46,110	4.2	175,979	4,619,649	1.6	242,622	6.3	929,096
41	0.5	1,997,437	1.5	98,255	7.4	472,010	513,833	1.2	20,155	9.9	162,888	2,511,270	1.5	118,410	7.9	634,898
51	0.5	1,232,119	3.2	127,952	9.9	390,986	481,280	2.1	32,804	6.5	99,804	1,713,399	2.9	160,756	8.9	490,790
WGH	0.5						3,635,015	1.2	134,399	4.8	564,474	3,635,015	1.2	134,399	4.8	564,474
Big Pond	0.5						112,885	5.4	19,707	3.6	13,029	112,885	5.4	19,707	3.6	13,029
Isle aux Mort	0.5						762,357	3.0	74,266	3.2	77,698	762,357	3.0	74,266	3.2	77,698
Total		6,533,444	2.0	422,719	7.7	1,616,113	6,821,131	1.5	327,442	5.0	1,093,872	13,354,575	1.7	750,161	6.3	2,709,985

Deposit	Cut-off (g/tAu)	Indicated					Inferred					Total				
		Tonnes	Au (g/t)	Oz (Au)	Ag (g/t)	Oz (Ag)	Tonnes	Au (g/t)	Oz (Au)	Ag (g/t)	Oz (Ag)	Tonnes	Au (g/t)	Oz (Au)	Ag (g/t)	Oz (Ag)
04	1	2,071,751	2.5	167,853	8.7	582,157	453,604	1.8	25,667	5.9	86,481	2,525,355	2.4	193,520	8.2	668,638
41	1	1,108,486	2.2	77,692	10.4	372,067	287,703	1.6	15,170	13.6	125,613	1,396,189	2.1	92,862	11.1	497,680
51	1	967,665	3.9	121,333	11.2	347,511	321,250	2.8	28,610	7.6	78,289	1,288,915	3.6	149,943	10.3	425,800
WGH	1						1,707,510	1.6	88,385	5.4	294,801	1,707,510	1.6	88,385	5.4	294,801
Big Pond	1						105,483	5.4	18,415	3.3	1,954	105,483	5.4	18,415	3.3	1,954
Isle aux Mort	1						659,608	3.2	67,862	3.3	7,200	659,608	3.2	67,862	3.3	7,200
Total		4,147,902	2.8	366,878	9.8	1,301,735	3,535,158	2.1	244,109	5.2	594,338	7,683,060	2.5	610,987	7.7	1,896,073

Deposit	Cut-off (g/tAu)	Indicated					Inferred					Total				
		Tonnes	Au (g/t)	Oz (Au)	Ag (g/t)	Oz (Ag)	Tonnes	Au (g/t)	Oz (Au)	Ag (g/t)	Oz (Ag)	Tonnes	Au (g/t)	Oz (Au)	Ag (g/t)	Oz (Ag)
04	1.5	1,355,892	3.2	139,497	10.3	449,879	190,692	2.5	15,327	8.0	48,802	1,546,584	3.1	154,824	10.0	498,681
41	1.5	639,204	2.9	59,187	13.6	279,903	114,867	2.4	8,716	21.5	79,216	754,071	2.8	67,903	14.8	359,119
51	1.5	788,324	4.5	114,560	12.4	314,787	214,671	3.6	24,571	9.1	62,462	1,002,995	4.3	139,131	11.7	377,249
WGH	1.5						678,771	2.3	49,320	7.6	164,764	678,771	2.3	49,320	7.6	164,764
Big Pond	1.5						112,349	5.4	19,680	3.6	12,955	112,349	5.4	19,680		12,955
Isle aux Mort	1.5						545,354	3.8	66,415	3.5	61,645	545,354	3.8	66,415		61,645
Total		2,783,420	3.5	313,244	11.7	1,044,569	1,856,704	3.1	184,029	7.2	429,844	4,640,124	3.3	497,273	9.9	1,474,413

Deposit	Cut-off (g/tAu)	Indicated					Inferred					Total				
		Tonnes	Au (g/t)	Oz (Au)	Ag (g/t)	Oz (Ag)	Tonnes	Au (g/t)	Oz (Au)	Ag (g/t)	Oz (Ag)	Tonnes	Au (g/t)	Oz (Au)	Ag (g/t)	Oz (Ag)
04	2	929,378	3.9	115,935	11.5	343,323	80,801	3.6	9,300	10.0	25,926	1,010,179	3.9	125,235	11.4	369,249
41	2	404,870	3.6	46,340	16.0	208,400	54,826	3.0	5,323	25.5	44,931	459,696	3.5	51,663	17.1	253,331
51	2	655,607	5.1	107,078	13.7	288,140	190,136	3.8	23,168	9.6	58,379	845,743	4.8	130,246	12.7	346,519
WGH	2						399,656	2.6	33,922	8.9	114,615	399,656	2.6	33,922	8.9	114,615
Big Pond	2						110,884	5.5	19,596	3.6	12,855	110,884	5.5	19,596		12,855
Isle aux Mort	2						436,757	4.3	60,480	3.8	53,894	436,757	4.3	60,480		53,894
Total		1,989,855	4.2	269,353	13.1	839,863	1,273,060	3.7	151,789	7.6	310,600	3,262,915	4.0	421,142	11.0	1,150,463