



## Further shallow high grade results continue to expand mineralisation at Cape Ray gold project

### Highlights

- **Outstanding assay results received show continued high grade mineralisation, whilst extending the known mineralised zones at the 04 and Isle aux Morts deposits**
- **Of the 22 holes completed and reported to date (36 hole program), all but one has intersected significant gold mineralisation, along strike of the existing 750,000 oz resource**
- **Extensional and infill drilling in the 04 deposit (Central Sector), delivers numerous high-grade results. Significant assay results include:**
  - CRD014: 2.0m @ 10.8 g/t Au
  - CRD015: 4.9m @ 4.8 g/t Au
  - CRD014: 3.0m @ 2.4 g/t Au  
and build upon impressive historic results from the same area;
  - PB77-008: 2.8m @ 14.7 g/t Au<sup>1</sup>
  - PB77-018: 3.7m @ 12.8 g/t Au<sup>1</sup>
- **Infill drilling at the Isle aux Morts deposit (Northern Sector), delivers continuity in mineralisation in wide intercepts. Significant assay results include:**
  - IAM CRD023: 10.6m @ 2.26 g/t Au (including 5.6m @ 3.72 g/t Au)
  - IAM CRD024: 27.8m @ 1.18 g/t Au
  - IAM CRD025: 3.0m @ 1.68 g/t Au  
and build upon impressive historic results from the same area;
  - IMR02-03: 6.8m @ 18.2 g/t Au<sup>1</sup>
  - IMR02-02: 2.1m @ 19.6 g/t Au<sup>1</sup>
- **Inaugural 4,000m diamond drill campaign now completed. Further results to follow in the coming weeks**

**Matador Mining Limited (ASX: MZZ, MZZO)** ("Matador" or "the Company") is pleased to provide an update on the progress on its 4,000m diamond drilling program at the Cape Ray Gold Project ("Cape Ray") in Newfoundland, Canada. Cape Ray has a JORC resource of 750,000oz Au and 2,700,000oz Ag (13.35mt at 1.75 g/t Au and 6.3 g/t Ag). This resource is hosted within only a small central portion, totaling approximately 3km of the consolidated 65km, of highly prospective ground along the Cape Ray Shear.

### Matador Managing Director Paul Criddle commented:

*"These are further strong results from our inaugural drilling campaign, as all but one drill hole (from the 22 assay results received) has intersected gold mineralisation. This is pleasing as it indicates we remain on track with our target of this program of growing our existing JORC resource of 750,000 oz Au."*

<sup>1</sup> As per Matador's announcement dated 5 April 2018. Matador confirms that it is not aware of any new information or data that materially affects the information included in the original announcement.

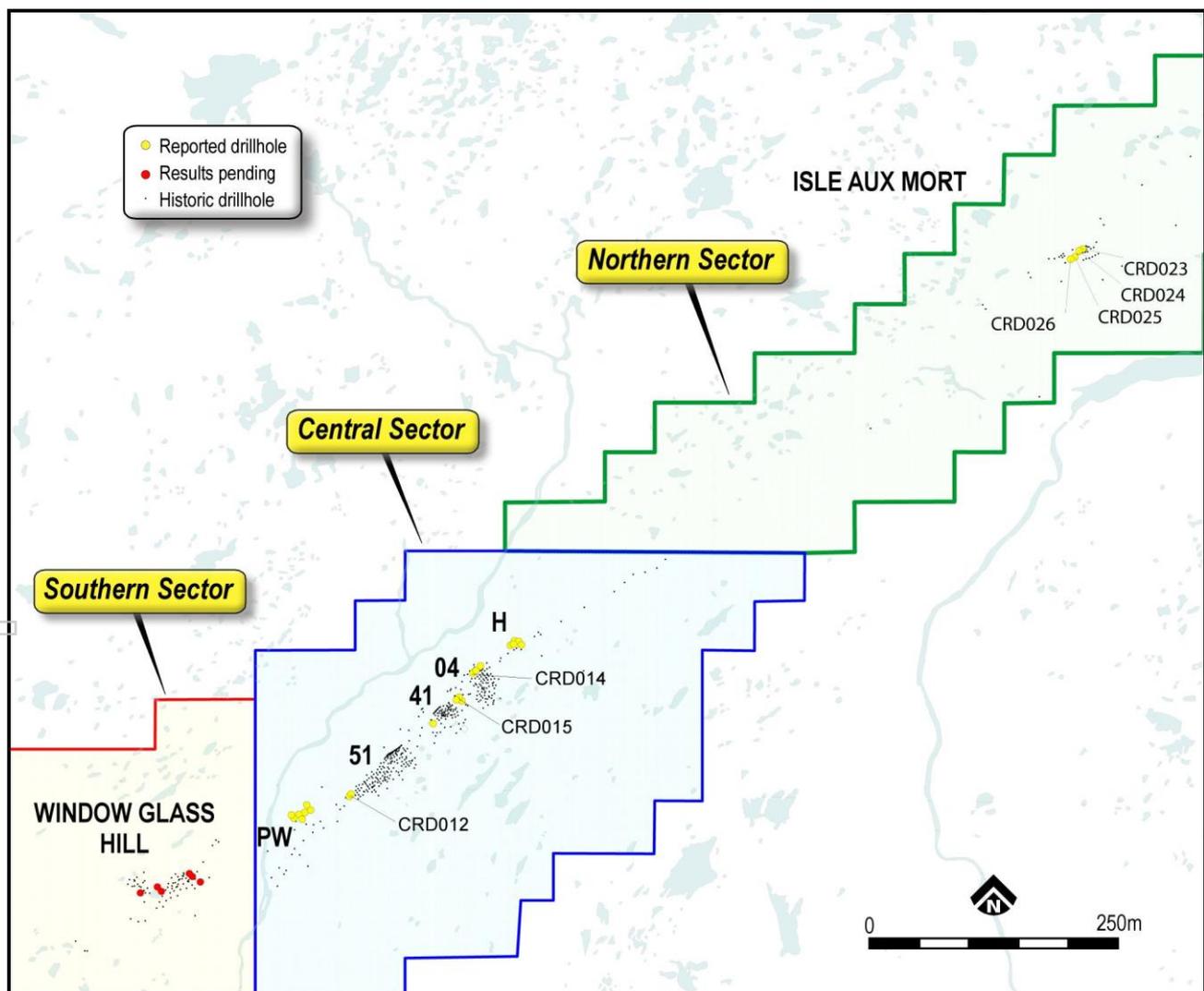
"The results from the 04 Zone provide validation and extension of the deposit with a high-grade tenor observed in widths in line with the resource. We also note the grade of the assay results are higher than that of the current resource at this deposit, being 1.60 g/t Au.

"Isle aux Morts is an early stage, however higher-grade deposit (resource grade 3 g/t Au). Results received are encouraging, as significant widths were encountered, indicating the possibility to expand on volume and inventory at this deposit further. We look forward to providing further results from the other targets drilled in this campaign in the coming weeks."

**Diamond drilling program progress at the Cape Ray Gold Project**

The inaugural drill program at Cape Ray is now completed and results from the final batches of drilling are due in the coming weeks. Once all results have been received, Matador will process and analyse all results to understand what the growth has been and to assess where the next round of targets to continue that growth story would be.

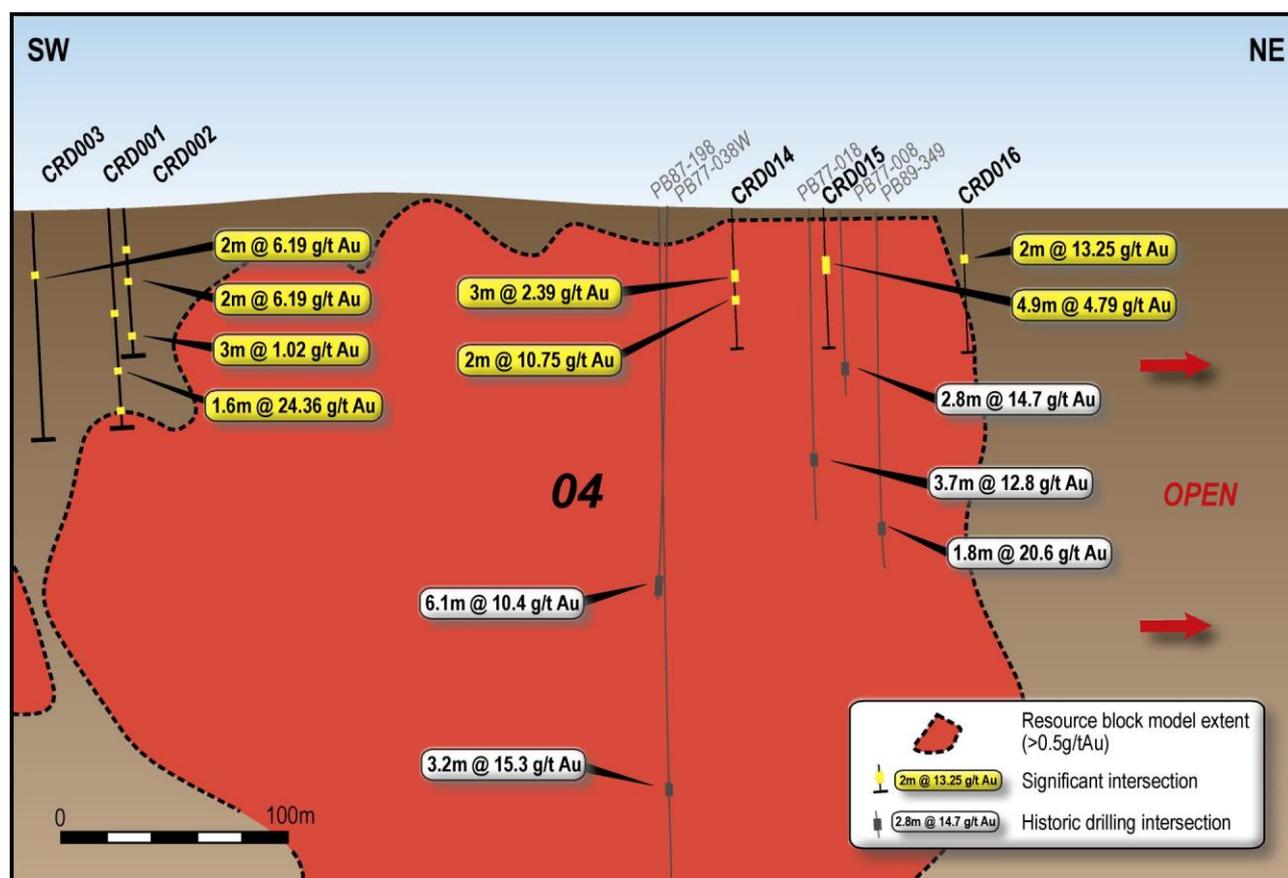
**FIGURE 1: DRILL HOLE LOCATIONS**



## 04 Zone Deposit

The 04 deposit is the largest deposit identified to date (242,622 oz at 1.6 g/t Au) and is located in the Central Sector on Cape Ray. Drilling in this area was designed to improve the understanding and confidence around near surface high grade components of the deposit and potentially extend areas of it close to surface.

**FIGURE 2: LONG SECTION OF 04 ZONE DRILLING**



Significant results from this program at this deposit, include:

- CRD001: 1.6m @ 24.36 g/t Au from 128.2m<sup>2</sup>
- CRD016: 2.0m @ 13.3 g/t Au from 41m
- CRD014: 2.0m @ 10.8 g/t Au from 78m
- CRD015: 4.9m @ 4.8 g/t Au from 63m
- CRD014: 3.0m @ 2.4 g/t Au from 69m

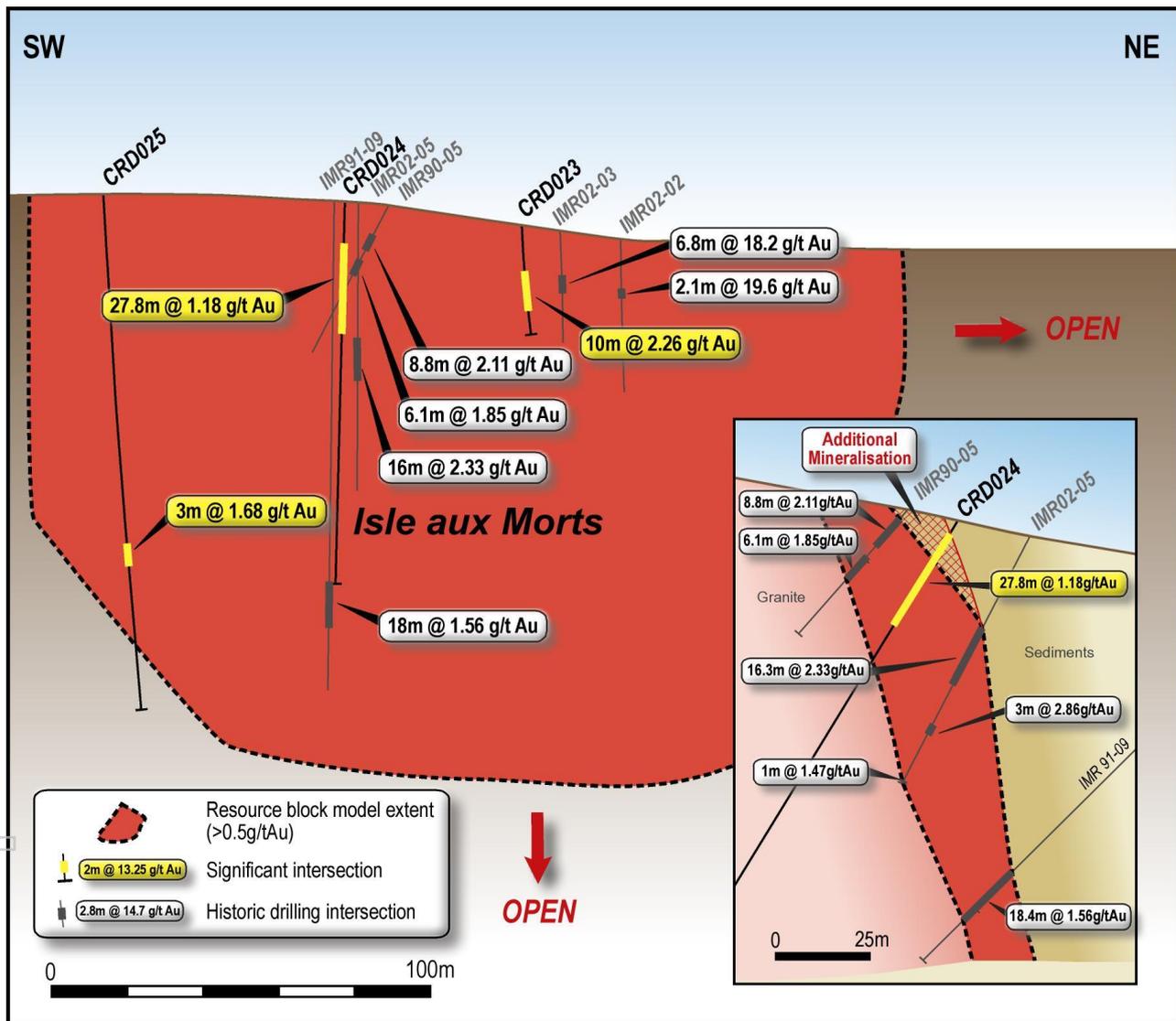
The results are positive and are generally in line with, or at a higher grade than, the existing resource in this area. Results returned indicate an extension of mineralisation at the top of the 04 deposit while also building on confidence and drill density in the near surface parts of the deposit. For all results from the program, please refer to Appendix 1.

<sup>2</sup> As per Matador's announcement dated 20 November 2018, Matador confirms that it is not aware of any new information or data that materially affects the information included in the original announcement.

**Isle aux Morts Deposit**

The most northern of our deposits, Isle aux Morts, is at an early stage of development, with the resource entirely classified in the inferred category (74,266 at 3 g/t Au), however is one our higher-grade deposits. The current program was designed to better understand the geometry and structural setting for the high grade mineralisation of the deposit.

**FIGURE 3: LONG SECTION OF ISLE AUX MORTS DRILLING**



The results have been positive with all but one hole intersecting mineralisation. Encouragingly, in the case of CRD023 and CRD024, the significant widths of 10.6m and 27.8m respectively, indicate the possibility to expand on volume and inventory at the deposit.

Significant results returned from the program at this deposit, include:

- CRD023: 10.6m @ 2.26 g/t Au from 9m (including 5.6m @ 3.72 g/t Au from 14m)

- CRD024: 27.8m @ 1.18 g/t Au from 5m
- CRD025: 3.0m @ 1.68 g/t Au from 92m
- IMR02-05: 16m @ 2.33 g/t Au from 28m<sup>3</sup>

For all results from the program, please refer to Appendix 1.

## About the Company

Matador Mining Limited (ASX: MZZ) is a gold exploration company with tenure covering 65km of continuous strike along the Cape Ray Shear in Newfoundland, Canada. Within the package is a 2.7km zone of drilled strike which hosts a JORC resource of 750,000oz Au and 2,700,000oz Ag (13.35mt at 1.75 g/t Au and 6.3 g/t Ag). The exploration opportunity at Cape Ray is very exciting with less than 3km of the 65km strike drilled, and high-grade gold occurrences observed along trend. The Company is currently completing a large-scale exploration program to unlock the value in this considerable package.

**TABLE 1: CAPE RAY 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
<b>Total</b>	<b>13,354,575</b>	<b>1.7</b>	<b>750,161</b>	<b>6.3</b>	<b>2,709,985</b>

*Note: reported at 0.5 g/t Au cutoff grade.*

To learn more about the Company, please visit [www.matadormining.com.au](http://www.matadormining.com.au), or contact:

Paul Criddle    Managing Director    +61 8 6143 6710

<sup>3</sup> As per Matador's announcement dated 5 April 2018. Matador confirms that it is not aware of any new information or data that materially affects the information included in the original announcement.

### Competent Person's Statement

The information in this announcement that relates to Inferred and Indicated Mineral Resources at the Cape Ray Project was first reported by the Company in an announcement to the ASX on 7 August 2018. The historical exploration result was first reported by the Company in an announcement to the ASX on 5 April 2018. 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, and in the case of estimates of Mineral Resources, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

The information contained in this announcement that relates to mineral resource estimates for Isle aux Mort and Big Pond and exploration results, 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.

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# Appendix 1

## Drill Results

The Company provides the following information in accordance with Listing Rule 5.7.2.

Prospect	Hole ID	Easting	Northing	Elevation	Azimuth	Dip	Final depth (m)	From (m)	To (m)	Interval (m)	Grade (Au g/t)
04	CRD014	356177	5291268	320	322	55	101	69.0	72.0	3.0	2.4
								78.0	80.0	2.0	10.8
								86.0	87.0	1.0	2.7
04	CRD015	356211	5291295	320	322	50	80	63.0	67.9	4.9	4.8
04	CRD016	356255	5291340	320	322	55	77	41.0	43.0	2.0	13.3
IAM	CRD023	362286	5295550	327	335	-50	32	9.0	19.6	10.6	2.26
							includes	14.0	19.6	5.6	3.72
IAM	CRD024	362247	5295530	331	330	-60	113	5.0	32.8	27.8	1.18
								37.0	37.7	0.7	2.84
IAM	CRD025	362207	5295469	328	330	-65	140	92.0	95.0	3.0	1.68
								104.0	107.0	3.0	0.84
IAM	CRD026	362163	5295446	326	330	-60	119	NSR			

## Appendix 2 JORC Code, 2012 Edition Table 1

### Section 1 Sampling Techniques and Data

Criteria	Explanation	Commentary
<b>Sampling Techniques</b>	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.	Matador Mining has completed 4,000m of surface diamond drilling utilising track and skid mounted drill rigs. Drill rigs are supplied by Logan Drilling Pty Ltd. Samples are assayed at Eastern Analytical Ltd, Springdale, NL.  For historic drill results methodology and reporting standards, refer to Matador's announcement dated 5 April 2018.
	Aspects of the determination of mineralisation that are Material to the Public Report.	Core samples are selected based on geological criteria (presence of quartz veining and sulphide mineralisation). Sample lengths are between 0.3 and 1.2m. A 250g sub-sample is crushed/pulverised and gold determined by fire assay/AAS based on a 30g charge.
<b>Drilling techniques</b>	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	NQ-sized (47.6 mm diameter) core drilling has been completed by Logan Drilling Pty Ltd utilising a Duralite 500 rig mounted on tracks or skids. Standard tube drilling methods were conducted throughout with triple tube drilling methods in areas of poor recovery. Drill core is oriented using a Reflex ACT III core orientation tool.

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	oriented and if so, by what method, etc).	
<b>Drill Sample Recovery</b>	Method of recording and assessing core and chip sample recoveries and results assessed.	Drill hole recoveries were recorded during logging by measuring 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.
	Measures taken to maximise sample recovery and ensure representative nature of the samples. Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.	Triple tube core barrels were used in areas of expected poor recovery through the main fault zones. Some sample bias may have occurred in zones of poor recovery due to the loss of fine material.
<b>Logging</b>	Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.	All drill core is logged onsite by geologists to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.
	Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.	Logging of drill core is qualitative and records colour, grain size, texture, lithology, weathering, structure, strain intensity, alteration, veining and sulphides. Geotechnical logging records core recovery, RQD, fracture counts and fracture sets. Density measurements are recorded for each core box using standard dry/wet weight techniques. All drill core is digitally photographed wet, and where possible dry.
	The total length and percentage of the relevant intersections logged.	All drill holes are logged in full.
	Sub-Sampling techniques and sample preparation If core, whether cut or sawn and whether quarter, half or all core taken.	Core samples are selected at intervals 0.3-1.2m in length. Where core recovery is poor, composite samples of up to 3m are taken. Core samples are labelled with a sample tag and aluminium tag recording the hole number, depth and sample number. Core samples are cut in half using a rock saw, with half of the sample retained in the core box and half inserted into a plastic sample bag.
	If non-core, whether riffled, tube sampled,	All samples are collected from diamond drill holes.

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	rotary split, etc and whether sampled wet or dry.																
	For all sample types, the nature, quality and appropriateness of the sample preparation technique.	Core sample preparation at Eastern Analytical Laboratories consists of crushing to 80% passing -10 mesh, splitting 250 grams, and pulverizing to 95% passing -150 mesh.  The sample preparation procedures carried out are considered acceptable.															
	Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.	All half core samples are selected from the same side to remove sample bias.															
	Measures taken to ensure that the sampling is representative of the in-situ material collected, including for instance results for field duplicate/second-half sampling.	No field duplicates are submitted. Half core is retained on site for further test work.															
<b>Quality of assay data and laboratory tests</b>	The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.	All core samples were assayed for gold by fire-assay with AAS finish at Eastern Analytical Laboratory Ltd. in Springdale, Newfoundland with Ag, Cu, Pb, Zn by ICP-MS completed on all samples returning gold assays >0.5 g/t.															
	For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.	No handheld XRF instruments, or downhole geophysical tools, or spectrometers were used during the diamond drilling programs.															
	Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks)	Certified reference material (CRM) samples (CDN-GS-12 sourced from CDN Resource Laboratories were inserted at 25 sample intervals <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th>Standard ID</th> <th>Au_ppm</th> <th>Cu_ppm</th> <th>Pb_ppm</th> <th>Zn_ppm</th> </tr> </thead> <tbody> <tr> <td>CDN-BL-10</td> <td>0.005</td> <td>109</td> <td>4</td> <td>45</td> </tr> <tr> <td>CDN-GS-1U</td> <td>0.911</td> <td>230</td> <td>179</td> <td>146</td> </tr> </tbody> </table>	Standard ID	Au_ppm	Cu_ppm	Pb_ppm	Zn_ppm	CDN-BL-10	0.005	109	4	45	CDN-GS-1U	0.911	230	179	146
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CDN-BL-10	0.005	109	4	45													
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	and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.	CDN-GS-4H	5.069	322	106	666
<b>Verification of sampling and assaying</b>	The verification of significant intersections by either independent or alternative company personnel.	All assays are reviewed by Matador Mining and significant intercepts are calculated as composites >0 5g/t Au with up to 3m internal dilution.				
	The use of twinned holes.	No twin holes have been drilled.				
	Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.	All drill hole logging is completed on paper logging sheets and entered into spreadsheets. The spreadsheets are uploaded and validated in a central database.				
	Discuss any adjustment to assay data.	No assay data was adjusted and no averaging was employed.				
<b>Location of data points</b>	Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.	Drill hole collars are located using handheld GPS with 3-5m accuracy. A Reflex EZ Trac downhole survey tool is used to record drill hole deviation. All downhole surveys are corrected to True Azimuth based on magnetic declination of 18.5 degrees.				
	Specification of the grid system used	Drill hole collars are recorded in UTM NAD 27 Zone 21N				
	Quality and adequacy of topographic control	A topography surface was constructed using historical drill hole collars and current drill hole elevations adjusted to fit the topographic surface.				
<b>Data spacing and distribution</b>	Data spacing for reporting of Exploration Results.	Drill hole spacing is variable due to neighbouring historical drill holes and is on average 50m sections x 25m spacing on section.				
	Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity	The drill hole spacing is considered sufficient to establish the required degree of geological and grade continuity for the estimation of mineral resources				

	appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.	
	Whether sample compositing has been applied.	Samples have been composited to produce a weighted grade interval using a cut off 0.5g/t Au and a maximum of 3m internal dilution.
<b>Orientation of data in relation to geological structure</b>	Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.	Drill holes are oriented perpendicular to the strike of geology and shallow dips of drilling are used to intersect the structures at a high angle.
	If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.	As drill holes were generally drilled perpendicular to the strike of mineralisation, there has not been any sampling bias introduced based on the current understanding of the structural orientations and the dip and strike of mineralisation.
<b>Sample Security</b>	The measures taken to ensure sample security.	All core sample intervals are labelled in the core boxes with sample tags and aluminium tags. Core samples are collected in plastic bags labelled with the sample number and a sample tag. Plastic sample bags are collected in large rice bags for despatch with 10 samples per rice bag. Rice bags are labelled with the company name, sample numbers and laboratory name, and are delivered to the lab directly by Matador personnel, or collected by personnel from Eastern Analytical.
<b>Audits or reviews</b>	The results of any audits or reviews of sampling techniques and data.	All QAQC data is reviewed to ensure quality of assays; batches containing standards that report greater than 2 standard deviations from expected values are re-assayed.

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## Section 2 Reporting of Exploration Results

Criteria	Explanation	Commentary																																																																									
<b>Mineral tenement and land tenure status</b>	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.	<p>Matador holds an 80% interest in the Cape Ray Gold Project, which is located approximately 20km northeast of Port aux Basques, Newfoundland, Canada.</p> <ul style="list-style-type: none"> <li>Refer to Announcement for Royalty Schedule</li> </ul>																																																																									
		<table border="1"> <thead> <tr> <th>Licence No.</th> <th>Known Deposit</th> <th>No. of Claims</th> <th>Area (km2)</th> <th>Royalty*</th> </tr> </thead> <tbody> <tr> <td>017072M</td> <td>Window Glass Hill (WGH) and 51</td> <td>183</td> <td>45.7</td> <td>(a) &amp; (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" style="text-align: center;"><b>Total</b></td> <td><b>401</b></td> <td><b>100.2</b></td> <td></td> </tr> </tbody> </table> <p>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.</p> <p>The Crown holds all surface rights in the Project area. None of the property or adjacent areas are encumbered in any way. The area is not in an environmentally or archeologically sensitive zone and there are no aboriginal land claims or entitlements in this region of the province.</p> <p>There has been no commercial production at the property as of the time of this report.</p>	Licence No.	Known Deposit	No. of Claims	Area (km2)	Royalty*	017072M	Window Glass Hill (WGH) and 51	183	45.7	(a) & (b)	007833M	-	1	0.25	none	008273M	Isle aux Morts (IaM)	7	1.75	(c)	009839M	Big Pond (BP)	26	6.5	(c)	009939M	04 and 41	12	3.0	(c)	024125M	-	14	3.5	none	024359M	-	7	1.75	none	025560M	-	20	5.0	none	025854M	-	53	13.25	(d)	025855M	-	32	8.0	(d)	025858M	-	30	7.5	(d)	025856M	-	11	2.75	(d)	025857M	-	5	1.25	(d)	<b>Total</b>		<b>401</b>
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	The security of the tenure held at the time of reporting along with any known impediments to obtaining a	<p>The claims are in good standing</p> <p>Permits that will potentially be required for exploration work include a Surface Lease and Mineral Exploration Approval both issued by the Newfoundland Department of Natural Resources, Mineral Development Division. A Water Use Licence may also be required from the Newfoundland Department of the Environment and Conservation, Water Resources Division, as well as a</p>																																																																									

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	licence to operate in the area.	Certificate of Approval for Septic System for water use and disposal for project site facilities.
<b>Exploration done by other parties</b>	Acknowledgment and appraisal of exploration by other parties.	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.
<b>Geology</b>	Deposit type, geological setting and style of mineralisation	<ul style="list-style-type: none"> <li>• 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.</li> <li>• The CRFZ is approximately 100km long and up to 1km wide extending from Cape Ray in the southwest to Granite Lake to the Northeast.</li> <li>• 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.</li> <li>• 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.</li> <li>• 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.</li> <li>• 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.</li> <li>• 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.</li> <li>• 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.</li> <li>• 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.</li> </ul>

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		<ul style="list-style-type: none"> <li>• 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.</li> <li>• 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.</li> <li>• 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.</li> </ul>
<b>Drill hole Information</b>	<p>A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:</p> <p>easting and northing of the drill hole collar elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar dip and azimuth of the hole down hole length and interception depth hole length.</p>	<p>The first drill hole completed on the property was in 1977 by Riocanex. Between 1977 and 2006, 512 holes were drilled totalling 77,008.54 metres. In 2014 Benton has drilled 19 holes totalling 3204.6 metres and in 2016 Nordmin drilled 29 drill holes totalling 5,003 m.</p>
<b>Data aggregation methods</b>	<p>In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated</p>	<p>Weighted average grades calculated with a 1g/t Au lower cut off with minimum 2m internal dilution. No top applied.</p>

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<p><b>Relationship between mineralisation widths and intercept lengths</b></p>	<p>These relationships are particularly important in the reporting of Exploration Results. If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported. If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').</p>	<p>51 Zone: 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.</p> <p>Drill holes are orientated along a 320°-330° azimuth with dips varying between -30° to -60°.</p> <p>04 Zone: The control on mineralization of the 04 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.</p> <p>Drill holes are orientated along a 315°-330° azimuth with dips varying between -30° to -65°.</p> <p>41 Zone: 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.</p> <p>Drill holes are orientated along a 315°-330° azimuth with dips varying between -30° to -65°.</p> <p>Window Glass Hill deposit: 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.</p> <p>Drill holes are orientated with 4 main directions; 50°-55° azimuth, 70°-90° azimuth, 120°-140° azimuth, and 320°-325° azimuth. Dips vary from -30° to -90°.</p> <p>All drill hole drill orientations are generally perpendicular to the main mineralisation zone and drilling direction is considered to have low directional biases.</p>
<p><b>Diagrams</b></p>		<p>Refer to body of announcement for figures.</p>
<p><b>Balanced reporting</b></p>	<p>Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.</p>	<p>Assay results for all drill holes and significant intercepts can be located in the aforementioned NI 43-101 repots available on SEDAR.</p>
<p><b>Other substantive exploration data</b></p>	<p>Other exploration data, if meaningful and material, should be reported</p>	<p><b>Metallurgical Testing</b></p> <ul style="list-style-type: none"> <li>1981, Rio Algom retained Lakefield Research of Canada Ltd. to conduct metallurgical testing on a bulk sample from the Cape Ray 41-A vein. Three whole ore bench flotation tests were completed to produce a lead</li> </ul>

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	<p>including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</p>	<p>concentrate. An additional test of flotation of cyanide residue yielded 97% gold recovery and 84% silver recovery. Settling tests of cyanide leach residue displayed settling rates of 0.13-0.15 m/tonne of dry solids</p> <ul style="list-style-type: none"> <li>• 1989, Dolphin Explorations Ltd., wholly owned by Corona Resources Ltd., retained Lakefield for bench testing on a composite made from Cape Ray 51 and Cape Ray 04 deposits drill core rejects. The sample was subject to 12 cyanide roll tests at a grind size of 86% passing 200 mesh (74 µm). Gold extraction was 97% with a cyanide consumption rate of 0.6 kg/t and lime consumption rate of 1.0 kg/t lime. Settling test results of cyanide residue were 0.35 m<sup>2</sup>/tonne/day. Locked cycle tests were conducted to establish if recycling pre-aeration solution and barren solution would have an adverse effect on leach extraction. Once equilibrium was achieved 96.2% gold extraction was observed at a cyanide consumption rate of 0.4 kg/t. Cyanide destruction test revealed that both total and free cyanide levels can be reduced to less than 1 mg/L.</li> <li>• 2013, Benton Resources commissioned Met-Solve Laboratories Inc. in Langley, BC for test work on dense media separation (DMS) and gravity with a bulk trench sample from Cape Ray 51 deposit. The sample was subject to heavy liquid separation to determine the specific gravity (SG) cut point of the sample at two different crush sizes (-10 mm and -6.7 mm); dense media separation (DMS) at two different SG cut points (2.83 and 2.93) and gravity concentration on products. A Bond ball work index test was completed</li> <li>• 2014, Nordmin Engineering Ltd. selected ALS Laboratories of Kamloops, BC, under partnership with Benton Resources, who conducted tests consisting of whole ore flotation, whole ore leach and gravity recoverable gold on Cape Ray 04 deposit, Cape Ray 51 deposit and a grab sample from a stockpile drawn from the Cape Ray 41 deposit. The bulk sampling program included drilling two diamond drill holes and sampling the complete core from the holes.</li> <li>• The Cape Ray 04 and the Cape Ray 51 composite samples were tested for flotation response. Grind size for the samples was 80% passing 95 µm for 04 and 80% passing 98 µm for the 51 deposit. Overall rougher and cleaner recoveries for the 51 deposit 95% for gold, 89% for silver, 60% for lead, 52% for zinc and 92% for copper. Both Cape Ray 04 and 51 showed good recovery for gold in the bulk rougher stage. For 04, this value was a 91% recovery and for the 51 sample, 75% gold was recovered.</li> <li>• For the three samples, gravity recovery was between 73 and 86%. Silver gravity recovery was not as good with a range of 33-49% for the three samples.</li> <li>• Each sample as subjected to bench scale bottle roll cyanide leach test on whole ore. The samples were sparged with oxygen and lime was used for pH adjustment targets of 11-11.5. The samples were leached for a total of 48 hours with the liquor sampled at hour 2, 6, 24 and 48. Grind sizes (K80) were between 95-105 µm. Initial sodium cyanide concentrations of 1,000 ppm were used for all samples. However, due to the higher consumption rates of the 51 deposit, three additional tests at 750 ppm, 500 ppm, and 250 ppm were conducted to observe the effect on gold and silver extraction. At 24 hours, there is a greater than 96% extraction of gold for all samples except the 250 ppm concentration. The highest silver extraction was with the Cape Ray deposit 04 at 70-74%, and the lowest was the Cape Ray 41 stockpile sample at 50-52% extraction. The Cape Ray deposit 51 achieved 62- 64% extraction, even at the lower sodium cyanide concentrations. The addition of 200 ppm PbNO<sub>3</sub> to aid in increasing the silver recovery but did not show any significant effect.</li> <li>• QUEMSCAN results indicate Chalcopyrite is the primary copper bearing mineral with minor amounts of bornite and chalcocite and trace</li> </ul>
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		<p>amounts of covellite and tennantite/enargite. The sulphide content measured 2.7 wt% for the 04 and 2.2 wt% for the 51 deposit. Liberation of the copper minerals in the two-dimensional field was 41% for 90 µm K80 primary grind for the 04 deposit. This was higher for the 51 deposit which showed 70% liberation for copper minerals at 111 µm K80. This indicates that there is availability for optimization of the target grind size should flotation be the primary recovery method, as a target of 50-55% liberation is recommended for performance. In the Cape Ray 04 composite, there was evidence of chalcopyrite disease, which is when very fine grains of chalcopyrite are dotted within a sphalerite particles making liberation of both minerals difficult at all grind sizes. Galena liberation was 55% for the sample</p> <p><b>Geophysical Surveys</b></p> <ul style="list-style-type: none"> <li>• Phillips Management Inc. carried out a large airborne electromagnetic and magnetic survey in 1975 flown with both 200m and 400m line spacings with the aim of identifying areas of economic interest.</li> <li>• Riocanex carried out several geophysical surveys between 1977 to 1983. Starting in 1977, VLF-EM and fluxgate ground magnetometer surveys were conducted over the original survey grid from near the centre of the 51 Zone to east of the 4 Zone. A total of 137 line km of VLF-EM and 48 line km of magnetic data were collected by 1979, followed by 32 line km of induced polarization (IP) data. VLF-EM data was collected at 30 m station intervals along grid lines spaced at 122 m (400 feet), and magnetometer data was collected at 15 m station intervals. Both methods detected prominent responses representing the CRFZ and confirmed regional structural elements and geological contacts. The induced polarization (IP) survey was primarily intended to explore the Window Glass Hill Granite and to overlap the Main Shear (CRFZ). The CRFZ was shown to be marked by high but variable chargeability responses and low resistivity responses</li> <li>• Between 1986 and 1989, Dolphin Exploration Ltd. Carried out 45 line km of magnetometer and VLF-EM ground geophysical surveys, 4.82 line km of Max-Min EM geophysical surveying over the 4 Zone, and 10.6 line km of IP surveying over the WGH, as well as further VLF-EM surveys.</li> <li>• In 1998, Royal Oak completed re-establishment of 45 km of grid lines and 22.73 km of ground Mag-VLF was completed in the Big Pond prospect and Sleeper Zone areas.</li> <li>• In 2003, Cornerstone contracted Fugro Airborne Surveys to conduct a fixed-wing horizontal gradiometer aeromagnetic survey over the Cape Ray Property. The survey totalled 6,135 line km on 100 m spaced lines and covered a 7-10 km wide by approximately 112 km long area along the CRFZ. Tie-line spacing was 2,000 m with a mean terrain clearance of 100 m. The horizontal gradient aeromagnetic survey was successful in identifying the main CRFZ as well as second and third order fault structures related to the regional fault system. In addition to identifying structures, the survey was also helpful in better interpreting the geology along the fault zone and resulted in identification of 13 prospective areas for follow-up work such as IP surveying. It was not possible from the magnetic data alone to recognize the WPG or to determine discrete target areas for drilling.</li> <li>• In 2004, Cornerstone carried out a dipole-dipole/ IP-resistivity survey covering the WGH to identify drilling targets for follow-up diamond drilling. The IP-Resistivity survey covered a total of 18.85 line km using a 25 m spaced dipole-dipole array and the equipment used to carry out the survey included an ELREC IP-6 receiver, a Phoenix IPT-1 transmitter, and a Phoenix MG-2, 2.5 Kw generator. Data was uploaded to a computer and processed using Geosoft IP software. Interpretation of the results</li> </ul>
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		<p>indicated several areas of anomalous chargeability and/or resistivity.</p> <ul style="list-style-type: none"> <li>In 2013, an IP geophysical survey was carried out by Benton which consisted of 18.1-line kilometres.</li> </ul> <p>These surveys were aimed at identifying the geophysical signatures of known mineralisation styles in order to aid further targeting.</p> <p><b>Geochemical Surveys</b></p> <ul style="list-style-type: none"> <li>A number of geochemical surveys were carried out by various previous operators including soil sampling, stream sediment sampling, till sampling, and lake sediment sampling.</li> </ul> <p>These surveys were successful at outlining prospective target areas for both gold and silver.</p> <p>In 2018, soil sampling has been conducted on 200m x 25m grid spacing using a hand auger to obtain material from the overburden/fresh rock interface. Where insufficient sample is obtained at a sample point due to thick overburden or poor sample recovery, a composite sample of multiple points within 10m is collected. Sample points are located using handheld GPS with GPX files of gridded sample points. Soil sample points are moved as required based on drainage or where better samples are able to be obtained. Samples are submitted to Eastern Analytical Ltd, Springdale, NL, and are dried, split/pulverised then assayed for Au by fire assay/AAS finish from a 30g sub-sample, and a 34 element suite by ICP-MS (Ag, Al, As, Ba, Be, Bi, Ca, Cd, Ce, Co, Cr, Cu, Fe, In, K, La, Mg, Mn, Mo, Na, Ni, P, Pb, S, Sb, Se, Sn, Sr, Tu, U, V, W, Zn, Zr) from a 200mg sub-sample.</p> <p><b>Geotechnical Analysis</b></p> <p>Geotechnical analysis results indicate rock conditions on site are very poor to good (mean Q rating between 0.6 and 32), in moderately strong rock (mean UCS 25-50 MPa). Structural conditions are assumed to be consistent across site, dominated by foliation dipping at approximately 55° to the southeast and a sub-horizontal set (J1) dipping at about 20 degrees to the northwest.</p> <p><b>Trenching</b></p> <ul style="list-style-type: none"> <li>Between 1977 to 1983, Riocanex also completed trenching in the 41 Zone and 51 Zone areas perpendicular to strike, which exposed significant sulphide mineralization plus sheared and boudinaged quartz veins from &lt;30 cm to 4 m in width. Additional trenching completed in 1981 exposed mineralization in the 51 Zone.</li> <li>Dolphin carried out trenching in 1988 and 1989.</li> <li>In 2004, Cornerstone carried out rock and channel sampling of old trenches.</li> <li>In 2015, trenching was undertaken along the 51 and 41 Zones. The 51 Zone was exposed for a strike length of approximately 200 meters and a total of 104 saw-cut samples, ranging in length from 0.4 to 1.2 meters, were cut at intervals ranging from 7.5 to 15 meters in 23 separate section lines within the exposed trench. The trenching efforts over the 41 Zone consisted of two separate trenches over a strike length of approximately 125m, although flooding restricted exposure to about 85m. A total of 100 saw-cut samples, ranging in length were cut at intervals ranging from 3.0 to 16 meters in 15 separate section lines within the exposed trench.</li> </ul> <p><b>Underground Exploration</b></p> <ul style="list-style-type: none"> <li>In 1984, carried out an underground exploration program on the 41 Zone. The underground investigation was centered on an interval located between significant mineralized intersections in Riocanex drill holes PB-41 and PB-150 and consisted of a 152 m decline to a vertical depth of 27 m and 69 m of drifting along the "A vein". As part of the underground</li> </ul>
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		<p>development, New Venture retrieved several face samples along the drift for assay analyses.</p> <ul style="list-style-type: none"> <li>• In 1987, Dolphin extended the 41 Zone decline, originally developed by New Venture, an additional 525 m for a total length of 677 m and to a vertical depth of 72 m. Dolphin also carried out 25 m of drifting along the A vein, as well as 60 m of crosscutting, and 47 m of lateral development to recover a 307 tonne bulk sample from the 41 Zone.</li> <li>• In 1989, Dolphin dewatered the 41 Zone underground workings and extended the decline an additional 91m for a total distance of 769 m and to a vertical depth of 82 m. Dolphin carried out test stoping on the 41 Zone "A vein" between the 72 m and 27 m level, together with 211 m of lateral development and 77 m of raising. Dolphin accessed a second vein (C vein) via a 96 m crosscut from the bottom of the ramp and completed an 18 m raise on the C vein from the 82 m level, plus 20 m of drifting on the vein at the same level</li> </ul> <p>Additional details regarding all historical exploration activities can be located in the aforementioned NI 43-101 repots available on SEDAR.</p>
<b>Further work</b>	The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).	<p>The following exploration activities are planned at Cape Ray</p> <ul style="list-style-type: none"> <li>• Review of exploration results</li> <li>• Review data for next seasons target generation</li> <li>• Planning of geophysical exploration programs across the project areas</li> <li>• Follow up extensional drilling around resource</li> </ul>