MATADOR MINING LTD

Completion of maiden drill program at the Cape Ray Gold Project

Highlights

- **Drill program completed with all assay results received which show extended gold mineralisation at the Cape Ray Gold Project**
- **Of the 32 holes completed in the program, 28 have intersected gold mineralisation**
- **Encouraging extensional results received include:**
  - 04/41 CRD001: 1.6m @ 24.36 g/t Au
  - 04 CRD014: 2.0m @ 10.8 g/t Au
  - 04/41 CRD002: 2.0m @ 6.19 g/t Au
  - 04 CRD015: 4.9m @ 4.8 g/t Au
  - BP CRD030: 1.0m @ 4.37 g/t Au
  - H Zone CRD021: 3.2m @ 3.5 g/t Au
  - PW Zone CRD008: 2.0m @ 3.10 g/t Au
  - PW Zone CRD009: 1.0m @ 2.48 g/t Au
  - IAM CRD023: 10.6m @ 2.26 g/t Au (including 5.6m @ 3.72 g/t Au)
  - BP CRD028: 10.0m @ 1.76 g/t Au
  - H Zone CRD018: 4.0m @ 1.7 g/t Au
  - IAM CRD024: 27.8m @1.18 g/t Au
- **Resource Update planned for Q1 2019**
- **Metallurgy testwork per deposit underway with results expected Q1 2019 and permitting process in Newfoundland ongoing**

Matador Mining Limited (ASX: MZZ, MZZO) ("Matador" or "the Company") is pleased to announce the completion of its maiden 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:

"The purpose of our maiden drill program was to test the strike extent of our known deposits, with a view to extend the mineralised envelope (and resource) of those deposits. We expect that much of the drilling may be included in future resource updates and that such drilling could support revised estimates at or above the current resource average.

"Equally, we are very pleased that several of our new targets, without JORC resources allocated, have responded well to testing. Both PW and H drilling programs have been successful in growing the mineralised envelopes and increasing drill density. As a result of the drilling, we plan to undertake resource estimations in relation to these targets in the first quarter of 2019.

"The results achieved illustrate the responsiveness to the drill bit at Cape Ray. From infilling the gap between the 04 and 41 zones with high grade intercepts, to hitting mineralised widths significantly

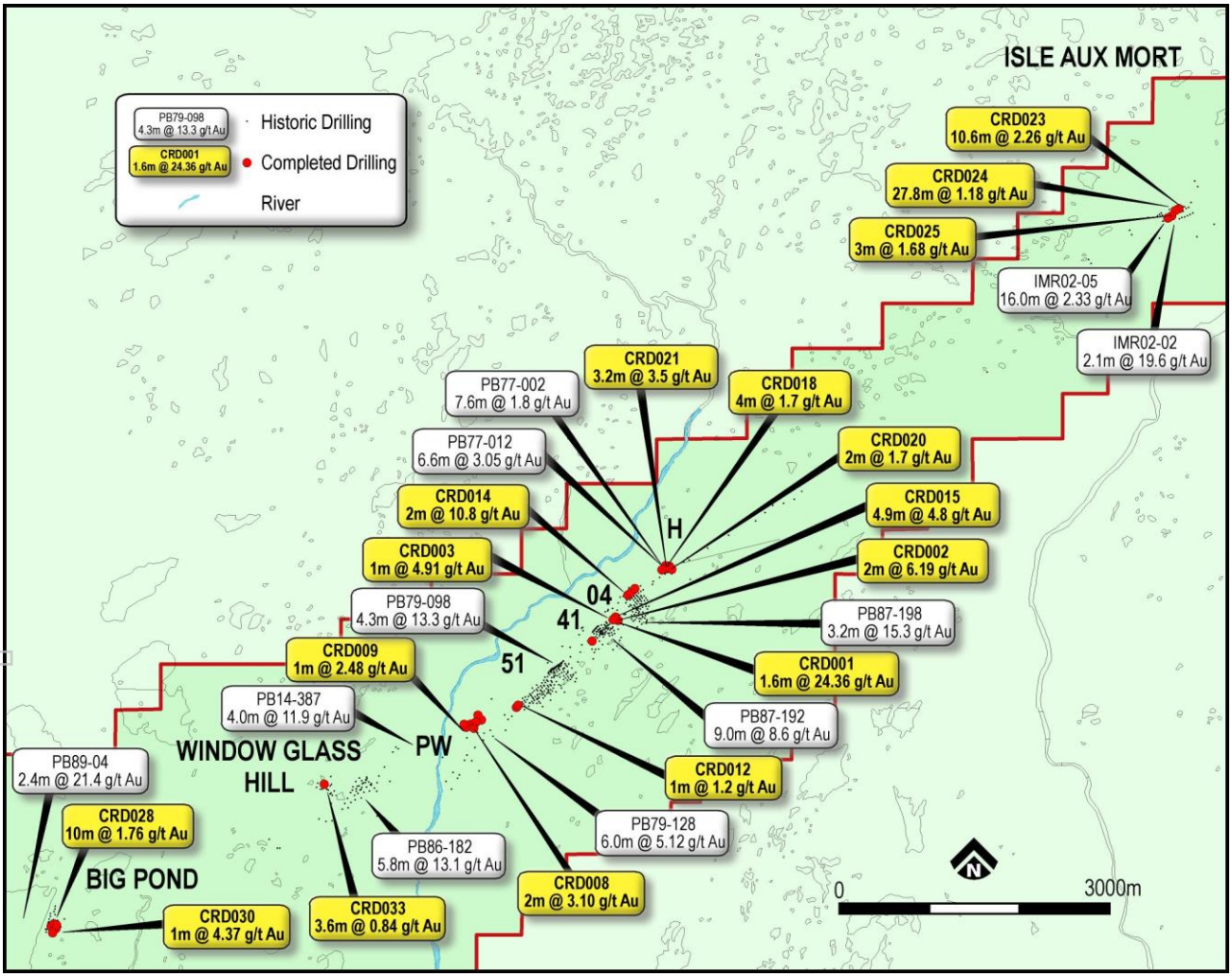
greater than the current resource at Isle aux Morts, to delineating new mineralised inventories at PW and H, it shows that the system at Cape Ray is open to being grown in a multitude of areas.

"We now look forward to assessing the information at hand, with the aim of restating the JORC resource in Q1, 2019. Meanwhile, the team will reinterpret the historical geophysical data on the project to better enhance the planning of the next phases of growth in drilling programs at Cape Ray."

Diamond drilling program at the Cape Ray Gold Project

The inaugural drill program at Cape Ray is now completed with all results received. Matador will now process and analyse these results to understand what growth has been realised and to assess where the next round of targets to continue the growth story will be.

FIGURE 1: DRILL HOLE LOCATIONS



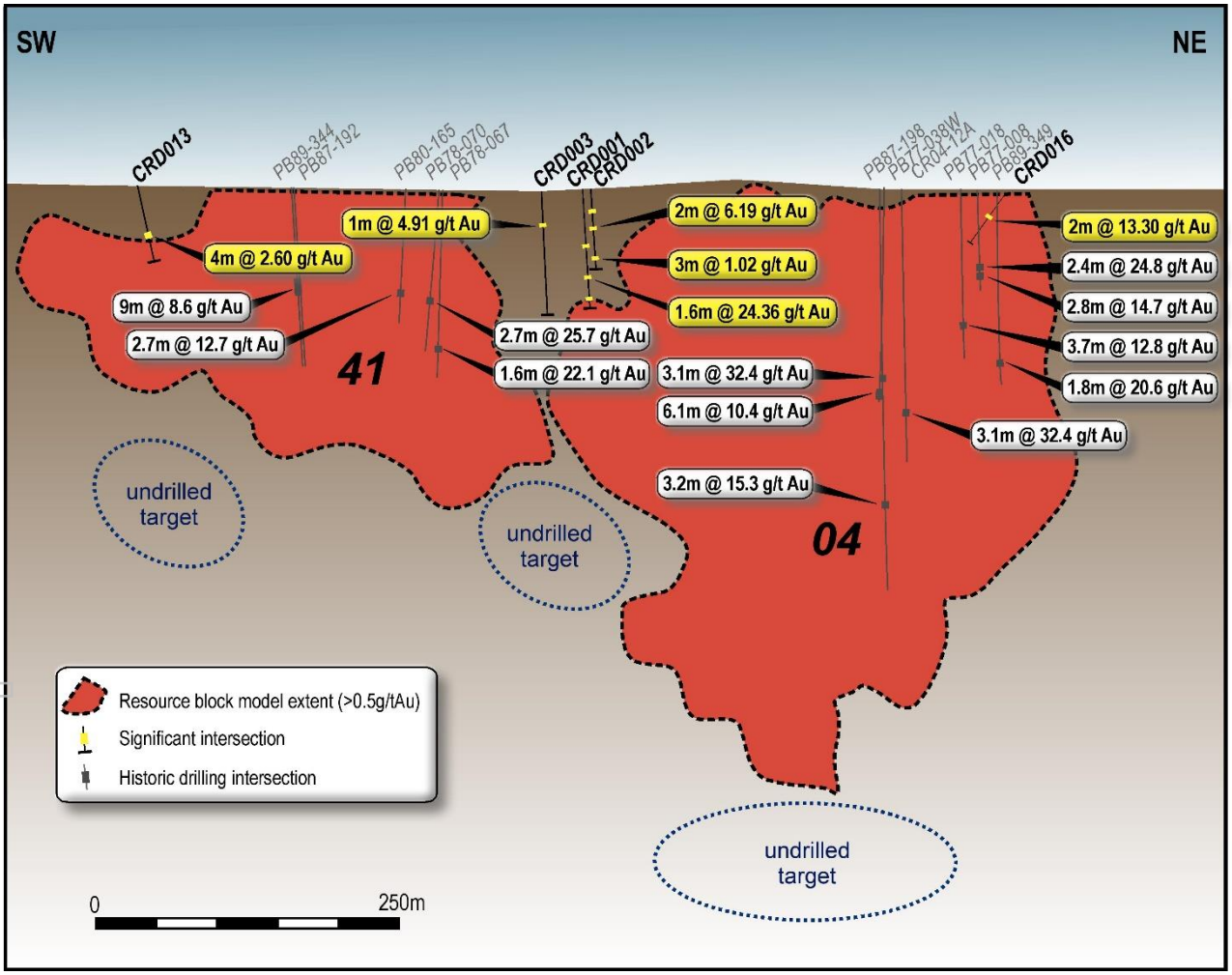
Drilling confirms extensions of resource areas

A key purpose of this program was to extend the resource wireframes at Cape Ray, which was undoubtedly achieved at many of the deposits. Illustrated in Figure 2 and 3, are results from 04 and 41 Zones as well as Isle aux Morts. In addition to true extensions, there have been many cases of increasing drill density and grade confidence in areas of existing resource wireframes.

An example of this is at the gap between 04 and 41:

- CRD001: 1.6m @ 24.36 g/t Au from 128.2m
- CRD002: 2.0m @ 6.19 g/t Au from 118m
- CRD003: 1.0m @ 4.91 g/t Au from 56m

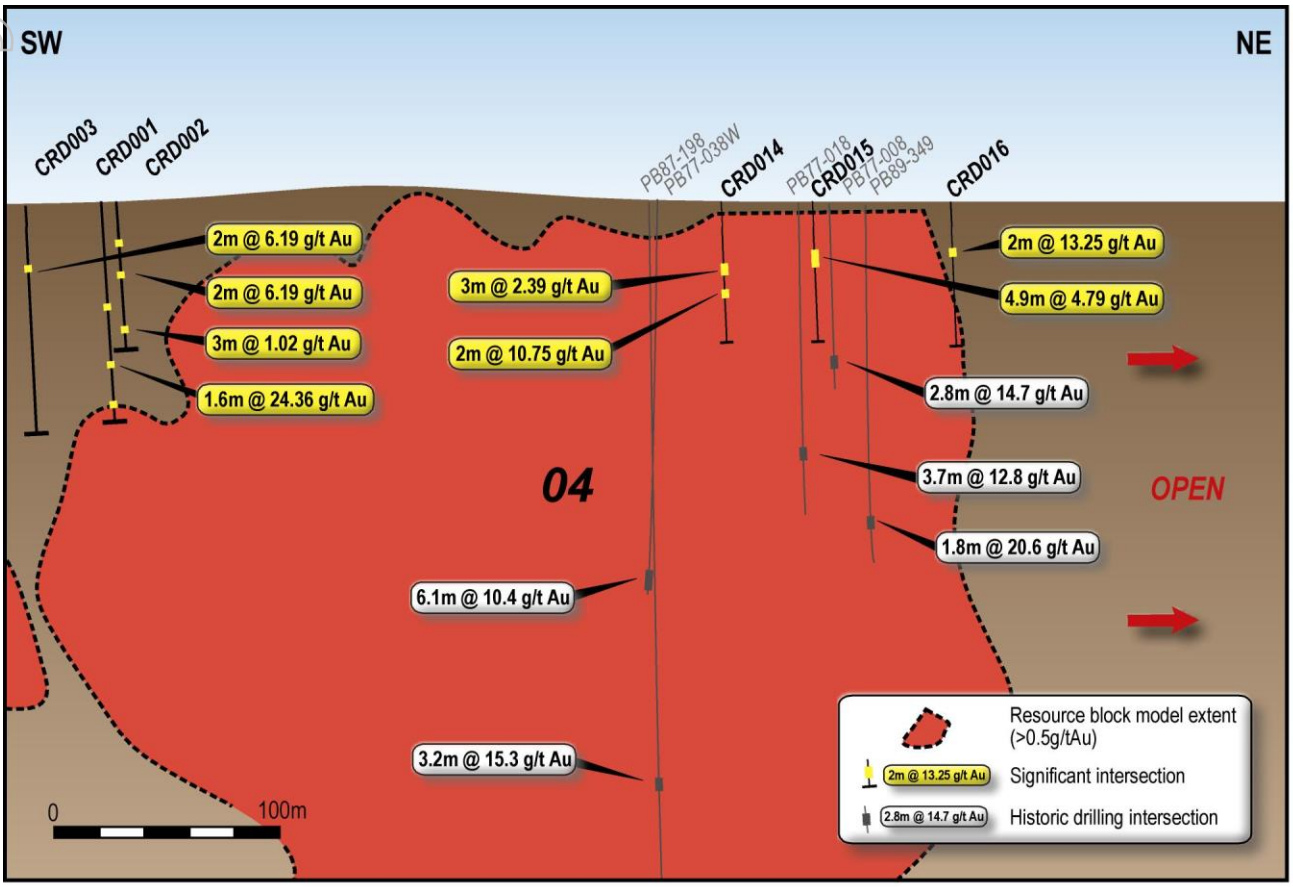
FIGURE 2: DRILLING AT 04/41 ZONE GAP



Similarly, at the 04 Zone, CRD016 illustrated similar extension through:

- CRD016: 2.0m @ 13.3 g/t Au from 41m

FIGURE 3: DRILLING AT 04 ZONE



In addition to extending the existing resource base along strike, the program has been successful in continuing to grow early stage resources in Isle aux Morts and Big Pond. Highlight results from these programs include:

- IAM CRD023: 10.6m @ 2.26 g/t Au from 9m
- IAM CRD025: 3.0m @ 1.68 g/t Au from 92m
- IAM CRD024: 27.8m @1.18 g/t Au from 5m
- BP CRD030: 1.0m @ 4.37 g/t Au from 114m
- BP CRD028: 10.0m @ 1.76 g/t Au from 86m

These results illustrate that the deposits are open in all directions and in cases amenable to increases in thickness in areas.

FIGURE 4: DRILLING AT ISLE AUX MORTS

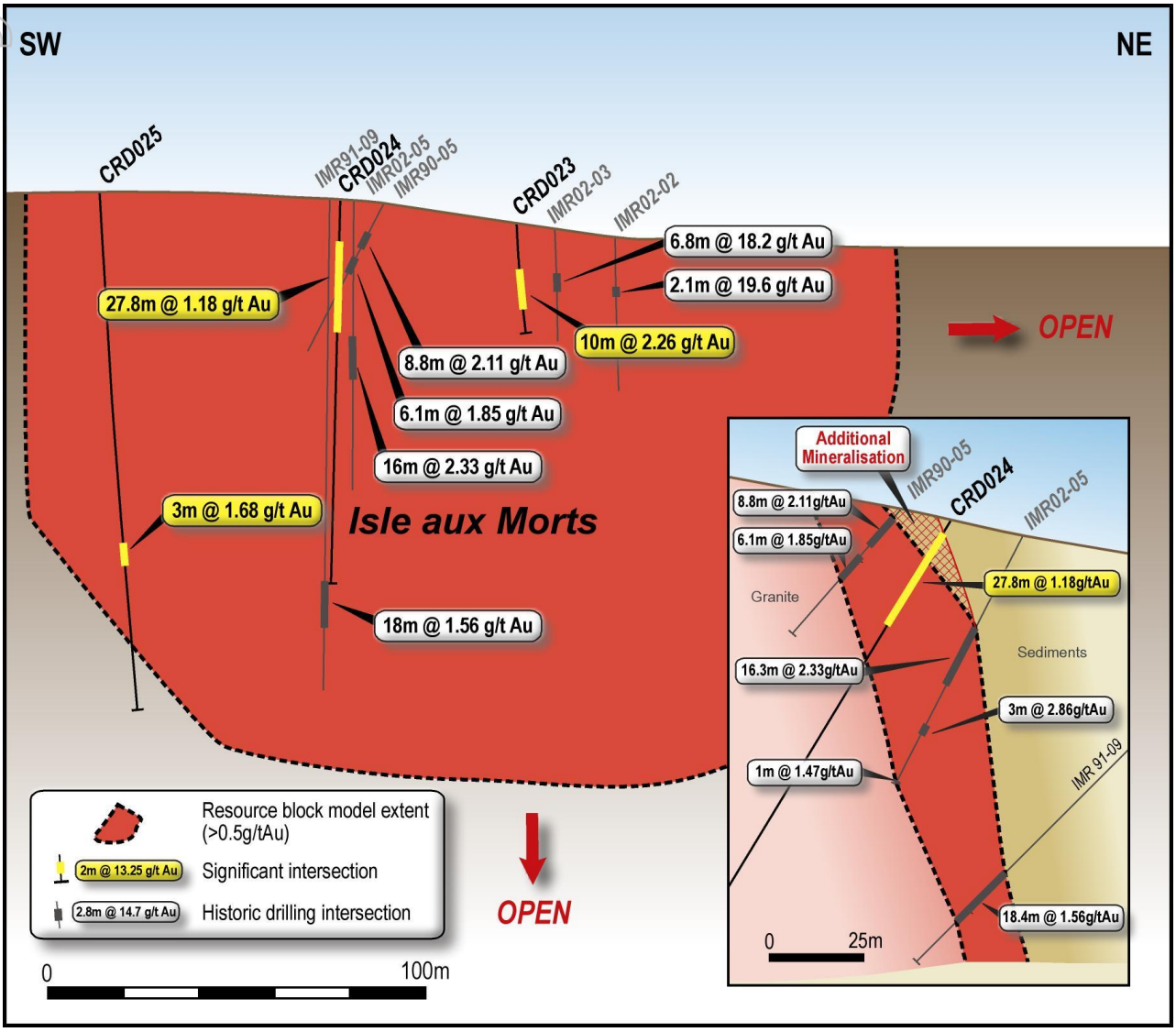
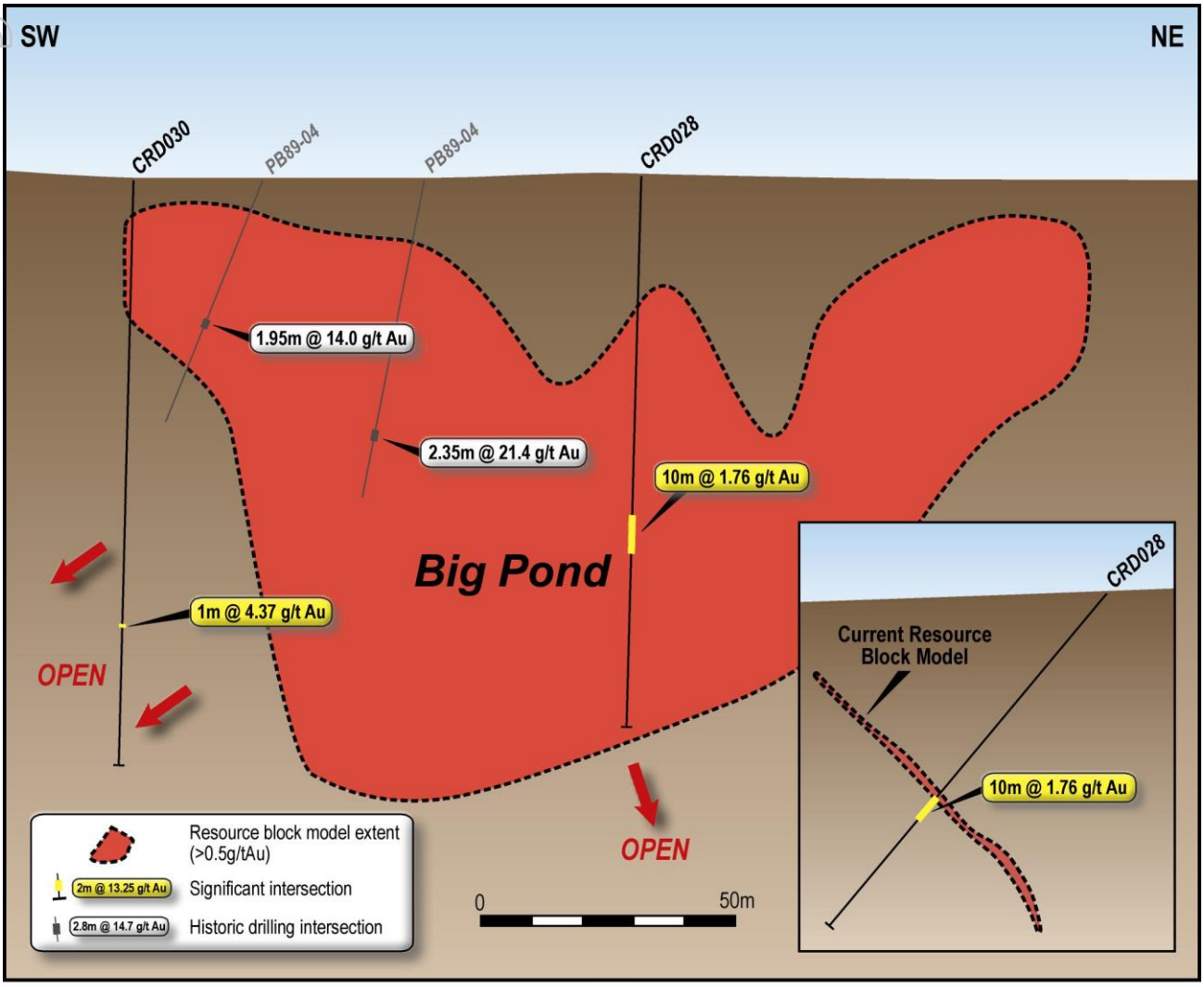


FIGURE 5: DRILLING AT BIG POND

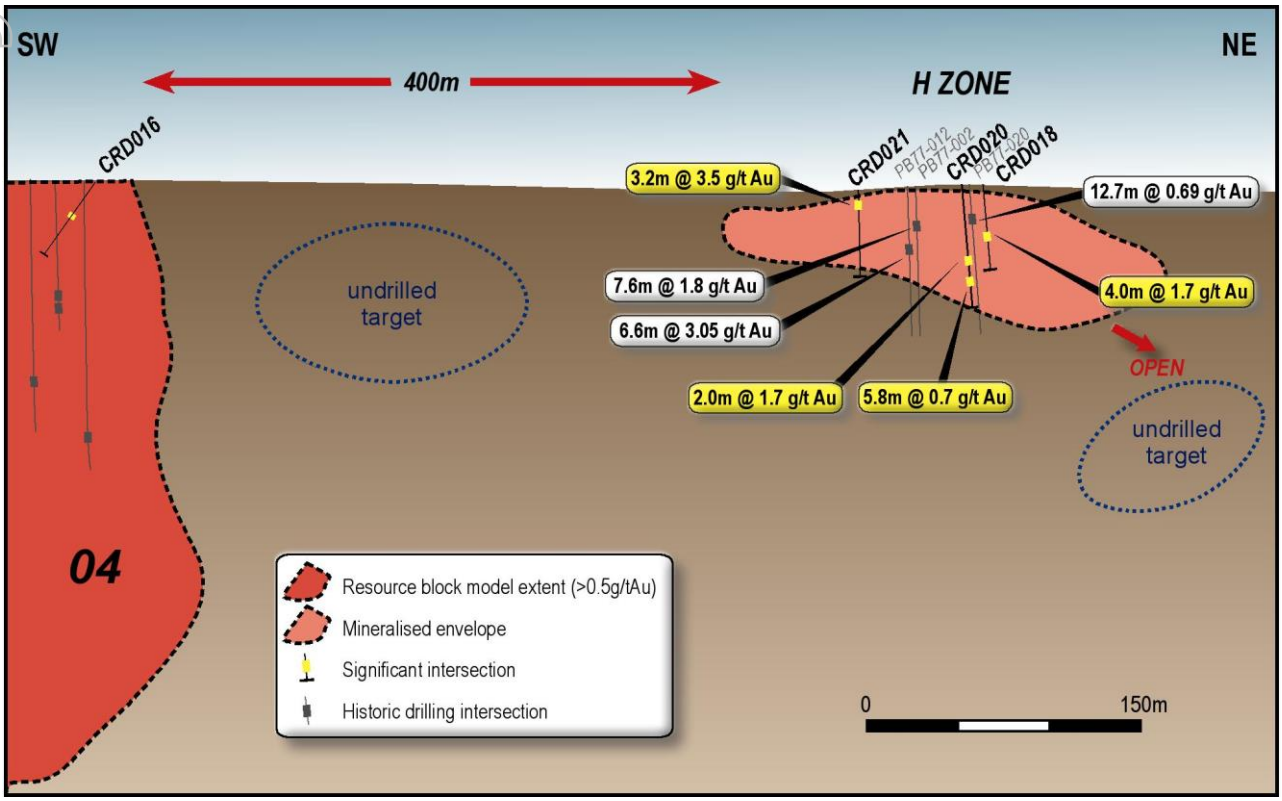


New deposits delineated

One of the other objectives of the program was to move along the growth curve some high conviction exploration targets in PW and H zones. The results received have been encouraging and are highlighted below;

- H CRD021: 3.2m @ 3.5 g/t Au from 7m
- H CRD018: 4.0m @ 1.7 g/t Au from 45m
- H CRD020: 2.0m @ 1.7 g/t Au from 77m
- PW CRD008: 2.0m @ 3.10 g/t Au from 36m
- PW CRD009: 1.0m @ 2.48 g/t Au from 89m
- PW CRD010: 2.3m @ 1.70 g/t Au from 19.9m
- PW CRD009: 14m @ 0.75 g/t Au from 55m

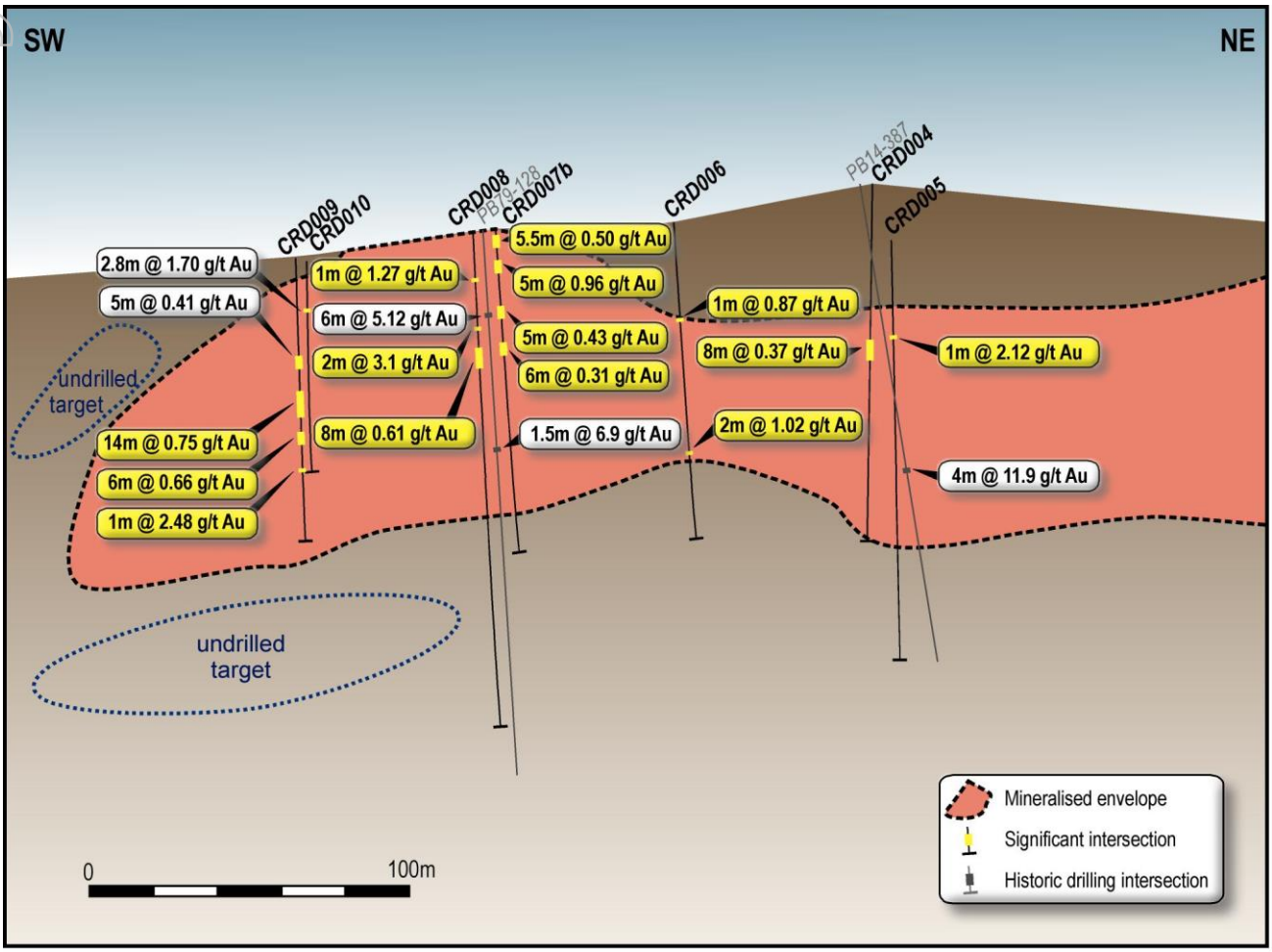
FIGURE 6: DRILLING AT H ZONE



The drilling has intersected mineralisation that will provide a basis on which to assess future estimates on each target, subject to further modelling. The density of drilling has also been improved, which will better define the controls for further drilling campaigns at the target.

We are confident that H Zone, in particular, will feature in future drilling campaigns at Cape Ray and look forward to continuing to progressing these targets towards a resource estimate.

FIGURE 7: DRILLING AT PW ZONE



Steps Forward

With the information obtained from the maiden 4,000m diamond drilling program at Cape Ray, Matador will now look to take the data and knowledge gathered to assess its resource estimates and consider the best locations for our next programs.

Similarly, with the results and increased dataset we now have at Cape Ray, we can begin to best apply that to the regional setting and combine the information with our recent geochemical survey and structural programs and begin to layout a geophysics program to test the extensive 65 km of strike we have at Cape Ray.

In addition, the Company intends to advance early works project activities. Permitting discussions are ongoing with the regulators in Newfoundland and the Company is also advancing baseline study planning and metallurgy testwork from this inaugural drilling program.

The company expects to progress the following scopes in the coming months;

- Review of drilling results and subsequent modelling;
- Receipt of results from Geochemical and Structural programs and review;

- Preliminary Resource Update (following 4000m program);
- Review of historical geophysical data at Cape Ray; and
- Design of second phase of expansion drilling at Cape Ray, utilising current interpretive techniques.

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
Total	**13,354,575**	**1.7**	**750,161**	**6.3**	**2,709,985**

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

To learn more about the Company, please visit www.matadormining.com.au, or contact:

Paul Criddle Managing Director +61 8 6143 6710

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 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 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.

Appendix 1

Drill Results of 4,000m program

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)
41-04	CRD001	356070	5290987	333	320	50	296	95.0	96.0	1.0	2.41
								128.2	129.8	1.6	24.36
41-04	CRD002	356040	5291025	328	320	50	245	50.0	51.0	1.0	2.16
								118.0	120.0	2.0	6.19
								172.0	175.0	3.0	1.02
41	CRD003	356013	5290996	334	320	55	278	56.0	57.0	1.0	4.91
PW	CRD004	354554	5289885	247	320	50	146	65.0	73.0	8.0	0.37
PW	CRD005	354516	5289937	229	320	50	173	39.0	40.0	1.0	2.12
PW	CRD006	354493	5289860	235	320	50	131	95.0	97.0	2.0	1.02
PW	CRD007	354436	5289841	233	320	50	7.65	abandoned			
PW	CRD007B	354436	5289841	233	320	50	131	2.5	8.0	5.5	0.50
								13.0	18.0	5.0	0.96
								32.0	37.0	5.0	0.43
PW	CRD008	354469	5289793	241	320	50	200	17.0	18.0	1.0	1.27
								28.0	29.0	1.0	0.50
								36.0	38.0	2.0	3.10
								45.0	53.0	8.0	0.61
PW	CRD009	354386	5289803	225	320	50	119	42.0	47.0	5.0	0.41
								55.0	69.0	14.0	0.75
								73.0	79.0	6.0	0.66
								89.0	90.0	1.0	2.48
PW	CRD010	354362	5289836	222	320	50	83	19.9	22.2	2.3	1.70
51	CRD011	354942	5290024	294	320	50	148	NSR			
51	CRD012	354961	5290048	294	320	50	152	71.0	72.0	1.0	1.15
41	CRD013	355781	5290759	333	323	50	179	81.0	85.0	4.0	2.56
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	13.25
H	CRD018	356638	5291588	307	322	45	80	45.0	49.0	4.0	1.66
H	CRD019	356595	5291594	304	322	45	41	21.5	23.0	1.5	1.0

Prospect	Hole ID	Easting	Northing	Elevation	Azimuth	Dip	Final depth (m)	From (m)	To (m)	Interval (m)	Grade (Au g/t)
H	CRD020	356665	5291553	317	322	45	110	77.0	79.0	2.0	1.72
H								83.0	88.8	5.8	0.68
H	CRD021	356585	5291560	312	322	45	61	6.8	10.0	3.2	3.54
H	CRD022	356555	5291548	308	322	45	62	33.0	35.0	2.0	0.74
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			
BP	CRD027	349783	5287599	279	285	-50	86	NSR			
BP	CRD028	349815	5287625	281	285	-50	140	79.0	80.0	1.0	0.56
								86.0	96.0	10.0	1.76
								132.0	133.3	1.3	0.59
								137.0	138.0	1.0	1.29
BP	CRD029	349839	5287575	281	285	-50	146	NSR			
BP	CRD030	349800	5287526	281	285	-60	146	114.0	115.0	1.0	4.37
BP		349844	5287612	282	285	-70					
WGH	CRD031	353450	5289160	335	250	-80	62	17.0	21.0	4.0	0.45
								26.0	27.0	1.0	0.51
								48.0	49.0	1.0	0.52
WGH	CRD032	353370	5289215	340	250	-80	79.3	55.0	56.0	1.0	1.08
								64.2	65.0	0.8	1.43
WGH	CRD033	353340	5289245	345	250	-80	60.2	31.0	34.6	3.6	0.84
								50.5	52.0	1.5	0.81

MATADOR MINING LTD

Appendix 2
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.	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.
Drilling techniques	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.

	oriented and if so, by what method, etc).	
Drill Sample Recovery	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.
Logging	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.

	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.
Quality of assay data and laboratory tests	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

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

	and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.	CDN-GS-4H | 5.069 | 322 | 106 | 666
Verification of sampling and assaying	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.
Location of data points	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.
Data spacing and distribution	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.
Orientation of data in relation to geological structure	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.
Sample Security	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.
Audits or reviews	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.

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 holds an 80% 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>
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</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</td></tr>
</table>

	licence to operate in the area.	Certificate of Approval for Septic System for water use and disposal for project site facilities.
Exploration done by other parties	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.
Geology	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. 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.
Drill hole Information	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: 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.	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. The drill hole information relating to the 4,000 metre program is set out in Appendix 1.
Data aggregation methods	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	Weighted average grades calculated with a 1g/t Au lower cut off with minimum 2m internal dilution. No top applied.

Relationship between mineralisation widths and intercept lengths	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').	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. Drill holes are orientated along a 320°-330° azimuth with dips varying between -30° to -60°. 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. Drill holes are orientated along a 315°-330° azimuth with dips varying between -30° to -65°. 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. Drill holes are orientated along a 315°-330° azimuth with dips varying between -30° to -65°. 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. 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°. All drill hole drill orientations are generally perpendicular to the main mineralisation zone and drilling direction is considered to have low directional biases.
Diagrams		Refer to body of announcement for figures.
Balanced reporting	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.	Assay results for all drill holes and significant intercepts can be located in the aforementioned NI 43-101 repots available on SEDAR. All drill hole information is set out in Appendix 1, no information has been omitted.
Other substantive exploration data	Other exploration data, if meaningful and material, should be reported	**Metallurgical Testing** • 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

	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.	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 • 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 m2/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. • 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 • 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. • 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. • 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. • 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 PbNO3 to aid in increasing the silver recovery but did not show any significant effect. • QUEMSCAN results indicate Chalcopyrite is the primary copper bearing mineral with minor amounts of bornite and chalcocite and trace

		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 **Geophysical Surveys** • 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. • 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 • 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 WGHD, as well as further VLF-EM surveys. • 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. • 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. • In 2004, Cornerstone carried out a dipole-dipole/ IP-resistivity survey covering the WGHD 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

		indicated several areas of anomalous chargeability and/or resistivity. • In 2013, an IP geophysical survey was carried out by Benton which consisted of 18.1-line kilometres. These surveys were aimed at identifying the geophysical signatures of known mineralisation styles in order to aid further targeting. **Geochemical Surveys** • A number of geochemical surveys were carried out by various previous operators including soil sampling, stream sediment sampling, till sampling, and lake sediment sampling. These surveys were successful at outlining prospective target areas for both gold and silver. 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. **Geotechnical Analysis** 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. **Trenching** • 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 <30 cm to 4 m in width. Additional trenching completed in 1981 exposed mineralization in the 51 Zone. • Dolphin carried out trenching in 1988 and 1989. • In 2004, Cornerstone carried our rock and channel sampling of old trenches. • 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. **Underground Exploration** • 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

		development, New Venture retrieved several face samples along the drift for assay analyses. • 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. • 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. Additional details regarding all historical exploration activities can be located in the aforementioned NI 43-101 repots available on SEDAR.
Further work	The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).	The following exploration activities are planned at Cape Ray • Review of exploration results • Review data for next seasons target generation • Planning of geophysical exploration programs across the project areas • Follow up extensional drilling around resource