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MATADOR MINING LTD
ABN 45 612 912 393
AND CONTROLLED ENTITIES

ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED
30 JUNE 2020



**MATADOR MINING LTD ABN 45 612 912 393
AND CONTROLLED ENTITIES**

TABLE OF CONTENTS

Corporate Directory	3
Chairman’s Letter to Shareholders	4
Directors’ Report.....	6
Corporate Governance Statement.....	32
Auditor’s Independence Declaration	33
Statement of Profit or Loss and Other Comprehensive Income.....	34
Statement of Financial Position	35
Statement of Changes in Equity.....	36
Statement of Cash Flows	38
Notes to the Financial Statements.....	39
Directors’ Declaration	67
Independent Auditor’s Report	68
ASX Additional Information	73

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**MATADOR MINING LTD ABN 45 612 912 393
AND CONTROLLED ENTITIES**

CORPORATE DIRECTORY

Directors	Mr Ian Murray – Executive Chairman Mr Justin Osborne – Non-executive Director Mr Mick Wilkes – Non-executive Director Mr Keith Bowes – Executive Director (resigned 28 September 2020) Mr Adam Kiley – Executive Director (resigned 14 May 2020) Mr Grant Davey – Non-executive Director (resigned 2 June 2020)
Company secretary	Mr Stuart McKenzie
Principal registered office in Australia	Level 1 Emerald House, 1202 Hay Street West Perth WA 6005 Phone: (8) 6117 0478 Email: info@matadormining.com.au
Share register	Automic Registry Services Level 5, 126 Philip Street Sydney NSW 2000 Tel: (02) 9698 5414
Auditor	Bentleys Audit & Corporate (WA) Pty Ltd London House, Level 3, 216 St Georges Terrace PERTH WA 6000 Tel: (08) 9226 4500 Fax: (08) 9226 4300
Securities exchange listings	The shares of Matador Mining Limited are listed on the Australian Securities Exchange (ASX) under the code MZZ
Website address	http://www.matadormining.com.au

**MATADOR MINING LTD ABN 45 612 912 393
AND CONTROLLED ENTITIES**

CHAIRMAN'S LETTER TO SHAREHOLDERS

Dear Shareholders,

On behalf of your Board of Directors, I am pleased to introduce the 2020 Annual Report for Matador Mining Limited for the year ended June 2020. This has clearly been a transitional year for the Company as we continued to advance the Cape Ray Gold Project and to position the Company for future success.

I was pleased to join the Board in May this year, and delighted that shortly after my appointment, Justin Osborne and Mick Wilkes agreed to join as Non-Executive Directors. The depth of experience that both Mr Osborne and Mr Wilkes bring in discovery, development and operation of multiple gold projects throughout the world has significantly strengthened our Board capabilities. They also strengthen our Board from the very important independence perspective.

In addition, Warren Potma recently joined the management team as Exploration Manager. Mr Potma has a wealth of experience in greenfield exploration discovery and, in his short time with us, has prioritized our work and focused the team as we embark on a significant exploration program across our substantial, but under-explored landholding at Cape Ray.

We have bolstered our balance sheet through the completion of an equity placement in July 2020 that raised \$8.7 million. The shares were issued at a premium of approximately 40% to the then share price. The Company was able to achieve this by utilising the Canadian charity flow-through shares scheme- to be one of the first companies in Australia to complete such a placement is testament to the Matador team. More importantly, we are now fully funded for our next two exploration seasons.

During this financial year the Company completed a 12,000 metre drilling program, the largest exploration program ever undertaken at the Cape Ray Project. This resulted in an increase in the mineral resource, most notably at Window Glass Hill which now stands as the second largest deposit at Cape Ray and is a major target in the 2020 exploration program that is under way.

Following this last program we released a positive Scoping Study, which outlined a possible initial seven-year mine life, with potentially strong economic returns. These returns were driven by low operating costs underpinned by the relatively high-grade open-pit ore mined. More importantly, the study did not identify any significant 'red flags' and allowed us to clearly define our corporate objectives as we move toward the goal of future development and gold production. Matador has the aim to discover sufficient gold resources to support production rates of approximately 100,000 ounces per year over an initial 10 year life of mine.

With a highly capable Board and management team, a strong financial position, existing mineral resource of approximately 837,000 ounces of gold at 2.0g/t Au, and a highly prospective greenfield exploration portfolio, we look forward to delivering further value for our shareholders and local communities alike. Matador has consolidated the largest continuous landholding along the Cape Ray Shear, the majority of which has seen little to no drilling, and with the team and the funding in place, we are well positioned to deliver the objectives we have set ourselves.

I would like to thank the government of Newfoundland and Labrador, the local communities of Port aux Basques and Isle aux Morts, the Qalipu and Miawpukek First Nation's communities and the other local stakeholders for their ongoing assistance and support to our Company.

**MATADOR MINING LTD ABN 45 612 912 393
AND CONTROLLED ENTITIES**

CHAIRMAN'S LETTER TO SHAREHOLDERS

Finally, the Board would like to thank all shareholders for your continued support. This is an exciting time for your company, and we look forward to keeping you updated as we continue our progress at Cape Ray.

Yours faithfully



Ian Murray

Executive Chairman

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**MATADOR MINING LTD ABN 45 612 912 393
AND CONTROLLED ENTITIES**

DIRECTORS' REPORT

The Directors present their report together with the annual financial report of Matador Mining Ltd ("**Matador**", "**Group**" or the "**Company**"), for the year ended 30 June 2020.

Directors

The following persons were Directors of Matador Mining Ltd during the whole of the financial year and up to the date of this report, unless otherwise stated:

Ian Murray (Executive Chairman) – appointed 14 May 2020
Justin Osborne (Non-Executive Director) – appointed 2 June 2020
Mick Wilkes (Non-Executive Director) – appointed 20 July 2020
Keith Bowes (Executive Director) – resigned 28 September 2020
Adam Kiley (Executive Director) – resigned 14 May 2020
Grant Davey (Non-Executive Director) – resigned 2 June 2020

Principal activities

The principal activities of the Company are mining and mineral exploration. No significant change in the nature of these activities occurred during the year.

Dividends

There were no dividends paid during the year.

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**MATADOR MINING LTD ABN 45 612 912 393
AND CONTROLLED ENTITIES**

DIRECTORS' REPORT

Review of Operations

Cape Ray Gold Project, Canada

Matador (ASX: MZZ) owns 100% of the Cape Ray Gold Project (**Cape Ray** or the **Project**) in Newfoundland, Canada. Newfoundland is an island on the east coast of Canada. Matador holds 120km of continuous strike along the Cape Ray Shear, making the Company the largest holder of continuous ground along the Cape Ray Shear, one of the more prospective, yet under explored regions in Canada.

During the year, an extensive drilling program of 12,600m was completed, with work focused on exploration at Central Zone and Window Glass Hill.

Central Zone – 2019 Exploration Overview

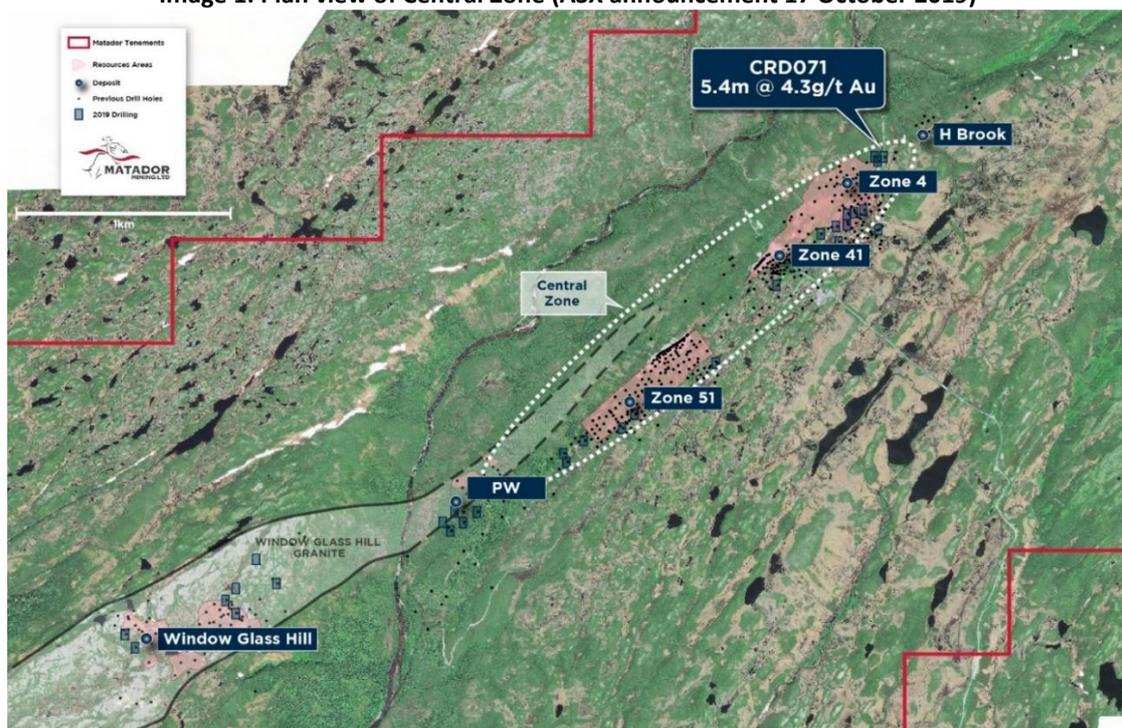
Central Zone is the most advanced project at Cape Ray as it hosts a current JORC 2012 mineral resource of 526,000oz at 2.2g/t Au and is the major source of production for the Scoping Study. Drilling at Central Zone targeted three key opportunities:

- A. Testing potential extensions – PW Zone
- B. High-grade potential, which remains open at depth – Zone 51
- C. Testing the “gaps” between the deposits

Test potential extensions along strike – PW Zone

The PW Deposit, which is located at the southern extension of Central Zone, hosts a small, lower grade resource (0.7Mt at 1.2g/t – 28,000oz Au, ASX announcement 30th January 2019), with minimal historical drilling having been completed.

Image 1: Plan view of Central Zone (ASX announcement 17 October 2019)



**MATADOR MINING LTD ABN 45 612 912 393
AND CONTROLLED ENTITIES**

DIRECTORS' REPORT

Hole CRD052 intercepted 16m @ 3.1g/t Au from 148.2m (ASX Announcement 1st October 2019), the most significant intercept at the PW Deposit to date. The Company tested this structure up-dip to determine if it continues to surface and hole (CRD088) intercepted 5.8m at 2.1g/t Au from 57m (ASX announcement 19th November 2019).

The mineralisation associated with the shearing within the PW granites has been defined over a trend length of 380m, with two mineralised positions interpreted (footwall and hanging wall). Whereas other deposits at Central Zone are hosted in a graphitic schist, the mineralisation at PW is interpreted to be hosted in the same granite body that hosts the Window Glass Hill mineralisation, located approximately 1km to the south-west. This presents a potential opportunity for further discoveries along this body.

High-grade potential, which remains open (New footwall lode at Zone 51)

Drilling targeted deeper interpreted structural northern trend-extends around Central Zone, where hole CRD045 intersected mineralisation (4.0m @ 1.4g/t Au) within quartz veining in an interpreted footwall position to the main lode (ASX announcement 9th September 2019).

Following a review of all previous drilling in the area, numerous coherent high-grade intercepts were identified which had not been modelled in the current mineral resource. These results included (ASX announcement 30th January 2019):

- PB88-295 – 1.8m @ 23.1g/t Au from 196m
- PB88-270 – 2.2m @ 13.7g/t Au from 87.4m
- PB88-305 – 4m @ 4.5g/t Au from 273m
- PB79-089 – 1.4m @ 13g/t Au from 85m

The Company subsequently identified and sampled historical core within this footwall region, which was not previously sampled, the results of which included:

- PB79-133 – 1m at 5.4g/t Au from 136m
- PB79-132 – 0.9m at 3.4g/t Au from 149m
- PB79-108 – 3.4m at 1.1g/t from 130m

These results confirmed a multi-lode system similar to the 04 and 41 Deposits, both of which sit along strike just to the north of Zone 51.

The Company also completed a number of deeper holes targeting some of these potential deeper extensions at Central Zone. The main area of focus was at the 04 Deposit, where assay results included (ASX announcements 18 July 2019 and 8 August 2019):

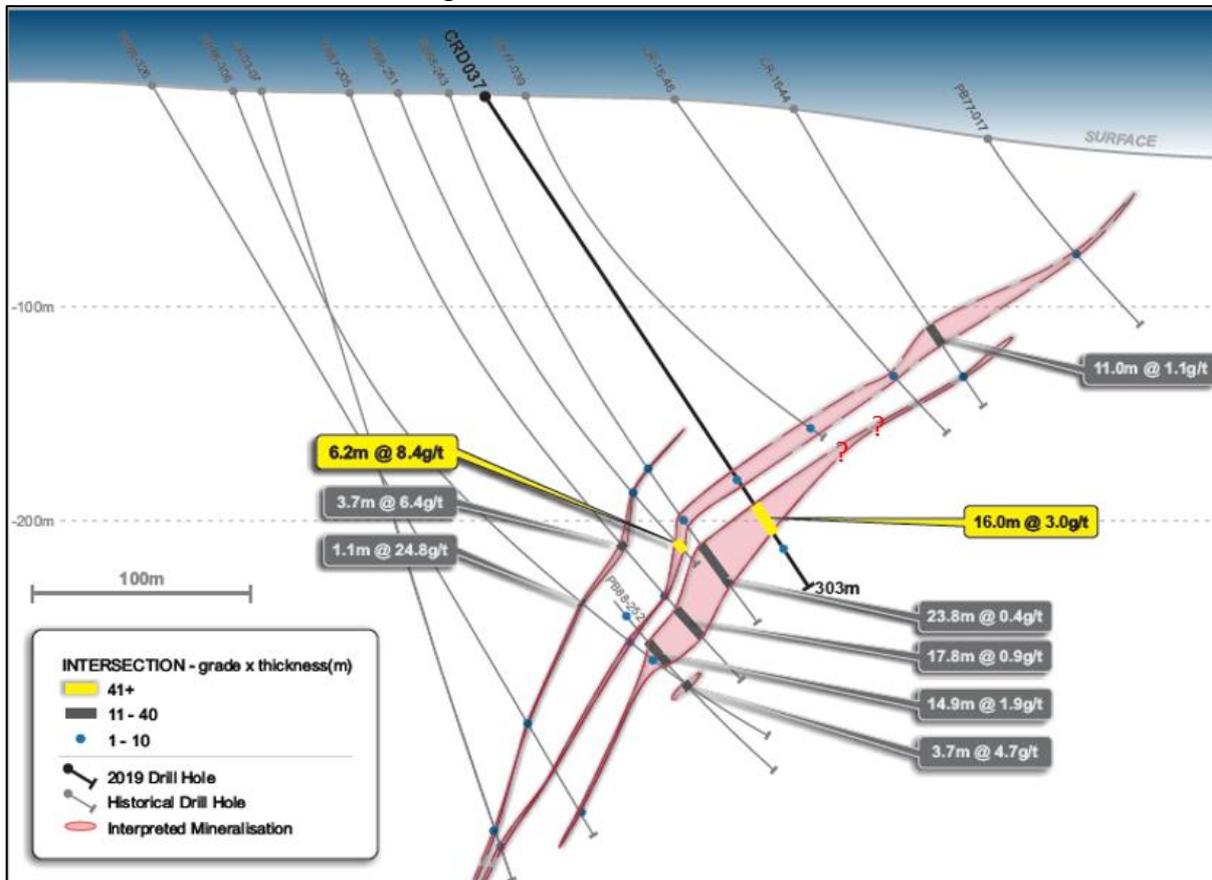
- CRD037 - 16m at 3.0g/t Au, from 229m, including 6m @ 5.0g/t Au from 239m (Image 8)
- CRD035 - 7.2m at 2.2g/t, from 225m
- CRD036 - 0.5m at 2.2 g/t from 222.5m (hole lifted off target)
- CRD041 - 15m at 1.8g/t Au, from 222m, including 4m at 4.9/t Au from 233m
- CRD043 - 3m at 4.5 g/t Au, from 202.4m including 0.4m at 30g/t Au from 203.6m
- CRD038 - 2m at 2.2 g/t Au from 209m

Whilst the Company strategy moving forward is to target the development of an open pit operation, the Company was encouraged by these deeper drill results, which show the potential for an underground operation in the future.

**MATADOR MINING LTD ABN 45 612 912 393
AND CONTROLLED ENTITIES**

DIRECTORS' REPORT

Image 2 - Cross Section Hole CRD037



Testing the “gaps” between known deposits

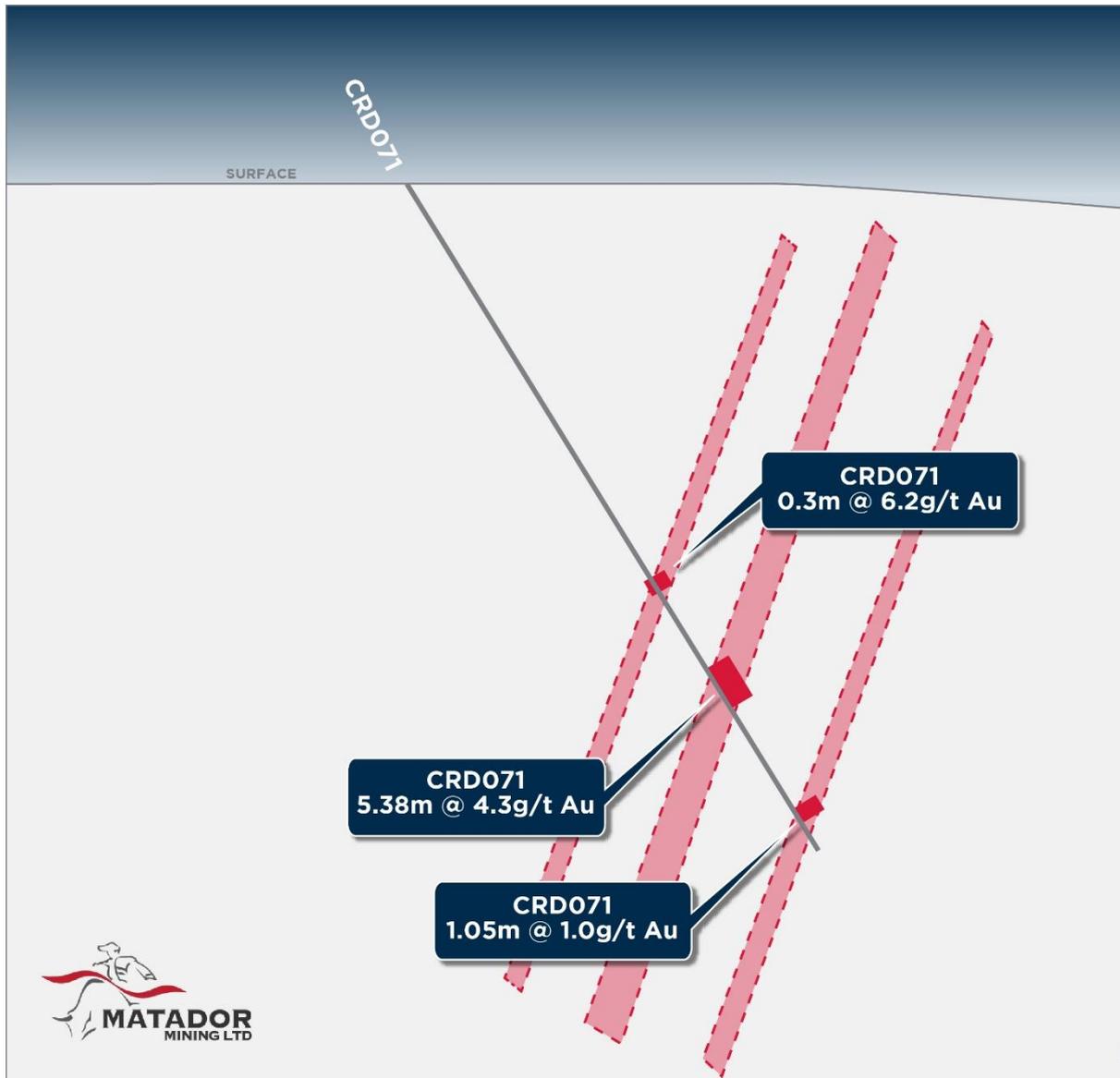
The 2019 exploration program sought to test “gaps” between known deposits, specifically around Central Zone, with a major target area identified between the Zone 4 and H Brook Deposits, at the northern extension of Central Zone.

In hole CRD071, which was located approximately 80m from the Zone 4 Deposit and 120m from the H Brook Deposit, the high-grade intercept and the stacked nature of the mineralisation (ASX announcement 17th October 2019) closely resembles the style of mineralisation seen at the O4 Deposit.

- CRD071 - 5.4m at 4.3g/t Au (incl. 2.5m at 8.8 g/t) from 74m
- CRD071 - 0.3m at 6.2g/t Au from 61m
- CRD071 - 1.05m at 1.0g/t Au from 94m

DIRECTORS' REPORT

Image 3: Cross Section of CRD071



Window Glass Hill – 2019 Exploration Overview

Window Glass Hill (WGH), which hosts an inferred resource of 232,000oz Au grading 1.55g/t Au is located approximately 1km east from Central Zone. The exploration strategy at WGH in 2019 targeted shallow lateral extensions of the existing resource, with 30 drill holes for 3,540m at an average depth of 118m completed. Highlights included (ASX announcements 19th November 2019 and 17th December 2019):

- CRD105 – 5m at 3.5g/t Au from 77m
- CRD103 – 3.8m at 3.2g/t Au from 4m
- CRD091 – 29m at 1.9g/t Au from 64m
- CRD087 – 21m at 1.3g/t Au from 38m
- CRD086 – 13m at 1.0g/t Au from 89m
- CRD058 – 22.8m at 1.1g/t Au from 58m

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**MATADOR MINING LTD ABN 45 612 912 393
AND CONTROLLED ENTITIES**

DIRECTORS' REPORT

- CRD085 – 8.2m 1.2g/t Au from 70m
- CRD084 – 4.2m at 2.2g/t Au from 61m

The Company has had significant success with this strategy, having grown the mineralised footprint from approximately 500m to more than 1.2km, while mineralisation remains open. Importantly, the average depth of this new mineralisation was between 40m to 70m from surface. Image 4 shows the strike and depth of the WGH mineralisation (ASX announcement 17th December 2019).

Image 4: Current Resource and Interpreted Mineralisation at Window Glass Hill



Image 4 also highlights the stacked nature of the WGH Deposit, where continuous narrower vein sets are visible, which are interpreted to be related to shearing between the northern and central vein regions.

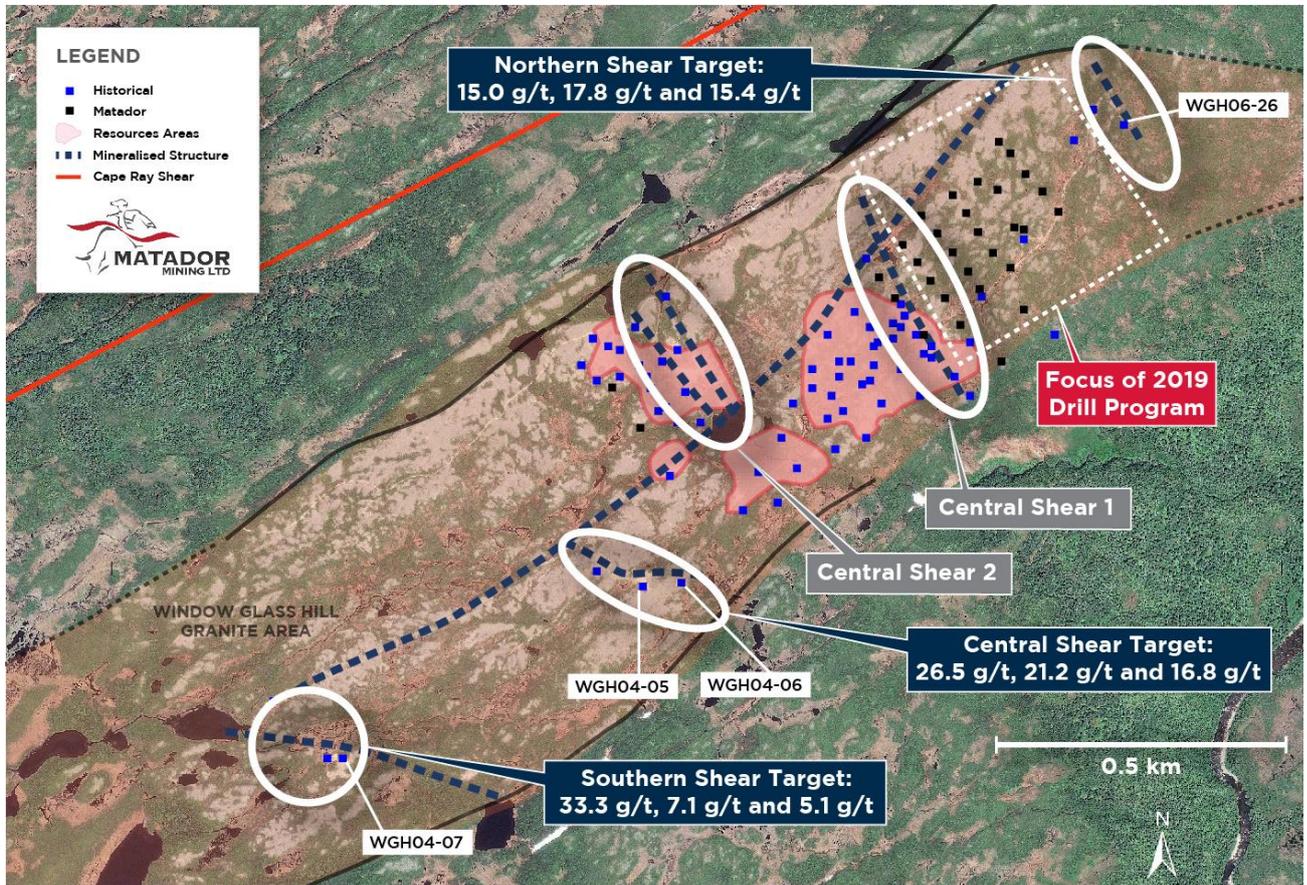
In addition, five vein sets, or second order splays were identified over the WGH Deposit which also had high-grade rock chips over these areas. These shears and the rock chip grades are highlighted below, with their location shown in Image 5 (ASX announcement 6th December 2019). These include:

- Northern Shear Target – 15.0 g/t, 17.8g/t and 15.4g/t over a 150m strike;
- Central Shear Target – 26.5 g/t, 21.2 g/t and 16.8 g/t over 200m;
- Southern Shear Target – 33.3 g/t, 7.1 g/t and 5.1 g/t Au;
- Central Shear 1 – 47.8 g/t, 19.16g/t and 10.4g/t over 150m of strike (over existing WGH resource); and
- Central Shear 2 – 32.9 g/t, 30.7g/t and 26.6 g/t over 300m of strike (over existing WGH resource).

**MATADOR MINING LTD ABN 45 612 912 393
AND CONTROLLED ENTITIES**

DIRECTORS' REPORT

Image 5: Structural Mapping, Rock Chips and Historical Drilling



These results highlight the potential for additional shallow plunging vein systems at these targets similar to those encountered in the known resource region.

Key drilling intercepts included (ASX announcement 30th January 2019):

- Northern Shear Target – 4.5m at 3.1g/t Au (from 1.5m) and 2.4m at 1.53g/t Au (from 11.1m) in WGH06-26
- Central Shear Target – 7.9m at 0.7g/t Au (from 9.5m) and 2.2m at 2.8g/t (from 27.6m) in WGH04-06 and 1.5m at 1.2g/t Au (from 13.5m) in WGH04-05; and
- Southern Shear Target – 2.5m at 2.6g/t Au (from 24.4m) in WGH04-07.

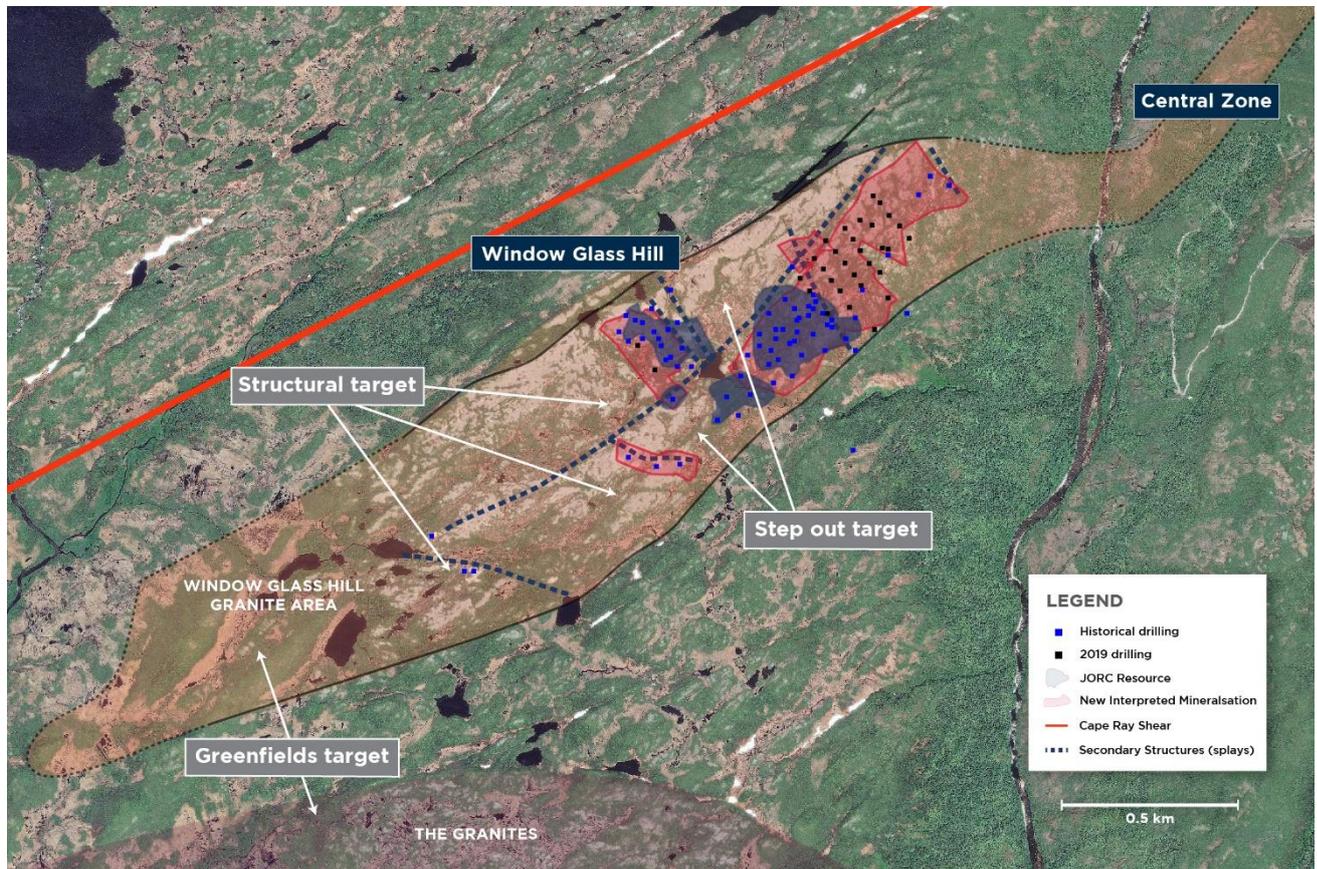
Three key areas at Window Glass Hill have been identified as opportunities to deliver resource growth in 2020. These targets and their locations are highlighted in Image 6 below.

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MATADOR MINING LTD ABN 45 612 912 393
AND CONTROLLED ENTITIES

DIRECTORS' REPORT

Image 6: Exploration Targets for 2020



- 1) Two “step out” drill targets identified from interpreted mineralisation extensions. The northern extents of the Central Shear 2, combined with recent drill results (CRD105 – 5m@ 3.5g/t from 77m), highlights the potential for further resource growth in these areas.
- 2) Three brownfield targets have been identified through structural mapping (second order splays), high-grade rock chips as well as historical drill results.
- 3) Untested greenfield potential – outside of the interpreted mineralised area, only three drill holes on the southern portion of this granite unit have been drilled. This area stretches for approximately 2km of potential strike.

Scoping Study

In May 2020, the Company announced the results of a Scoping Study on the Project. The Study was based on a proposed 1.2 Mtpa standalone mining and processing operation and was completed to an overall +/- 35% accuracy (Class 5) using the key parameters and assumptions set out in Table 1.

The preliminary economics indicate that the Project has positive financial metrics over an initial potential mine life of 7 years. The potentially robust returns are driven by the high-grade open pit ore that is proposed to be mined and processed during the first two years (average 2.72g/t Au) and first four years (average 2.5g/t Au) of production.

The results of the Scoping Study are shown in the table below.

**MATADOR MINING LTD ABN 45 612 912 393
AND CONTROLLED ENTITIES**

DIRECTORS' REPORT

Summary of Project Economics (Estimated) @ US\$1,550/Oz

Post-Tax Financial output	LOM total / Avg.
NPV (8%) (A\$ m)	194
NPV (8%) (C\$ m)	168
IRR (%)	51
Payback (Years)	1.75
Undiscounted Cumulative Cashflow (C\$ m)	253
Pre-Tax Financial output	LOM total / Avg.
NPV (8%) (A\$ m)	295
NPV (8%) (C\$ m)	256
IRR (%)	61
Undiscounted Cumulative Cashflow (C\$ m)	583
Financial Inputs	LOM total / Avg.
Gold Price (US\$/ oz)	\$1,550
Silver Price (US\$/ oz)	\$18
Exchange rate (US\$: C\$)	0.70
Exchange rate (C\$: A\$)	0.87
General	LOM total / Avg.
Mine Life (Yrs)	7
Ramp up period (Yrs)	0.75
Processing Facility Throughput (Mt)	1.2
Total Ore Mined (Mt)	7.8
Total Material Mined (Mt)	92.7
Strip Ratio (Operational)	9.6
Total Gold Mined (Au koz)	504
Production	LOM total / Avg.
Mill Head Grade (Au g/t)	2.0
Au Mill Recovery (%)	96%
Mill Head Grade (Ag g/t)	6.1
Ag Mill Recovery (%)	56%
Av. Annual Production (1-4) (Au koz)	88
LOM Production (Au koz)	483
Operating costs	LOM total / Avg.
Mining Costs - OP (C\$ / t mined)	2.80
Mining Costs - UG (C\$ / t mined)	90
Processing Costs (C\$ / t processed)	21.35
G&A Costs (C\$ / t processed)	4.94
Royalty rate (%)	1.9
C1 Cash costs (C\$ / oz)	1,013
C1 Cash costs (US\$ / oz)	709
AISC (C\$ / oz)	1,108
AISC (US\$ / oz)	776
Capital cost estimates	LOM total / Avg.
Initial Capital (exc. Mine Development) (C\$ m)	125 - 160
Mine Development (Initial) (C\$ m)	8.7
Mine Development – OP (Sustaining) (C\$ m)	28.2
Mine Development – UG (C\$ m)	12.2
Other Sustaining Capital (C\$ m)	6.9

The Scoping Study was based on a proposed 1.2 Mtpa standalone mining and processing operation and was completed to an overall +/- 35% accuracy (Class 5) using the above key parameters and assumptions.

In order to enhance the development opportunity at Cape Ray, the Company's primary objective is to expand the resource base – with a focus on shallow open pit deposits – prior to completing the next phase of project study.

**MATADOR MINING LTD ABN 45 612 912 393
AND CONTROLLED ENTITIES**

DIRECTORS' REPORT

Financial Results

The loss of the Company after providing for income tax for the period ending 30 June 2020 was \$2,489,692 (30 June 2019: \$3,321,601). During the year, total expenses amounted to \$2,505,559 (30 June 2019: \$3,386,219).

Cash and cash equivalents amounted to \$2,364,440 as at 30 June 2020 (30 June 2019: \$2,956,176).

Significant changes in state of affairs

There were no significant changes in the state of affairs of the Company during the financial year.

Events after the reporting period

No matter or circumstance has arisen since the end of the financial year, which will significantly affect, or may significantly affect, the state of affairs or operations of the reporting entity in future financial periods other than the following:

- On 1 July 2020, following shareholder approval the company issued 2,350,000 shares to Directors at \$0.20 raising \$470,000 before costs. \$270,000 was received by the company before the period end date.
- On 8 July 2020, the company issued 21,428,571 shares at \$0.405 raising \$8,678,571 before costs.
- On 20 July 2020, the company appointed Mr Mick Wilkes as a Non-Executive Director.
- On 30 July 2020, the company commenced its 2020 drilling program at its 100% owned Cape Ray Project.
- On 12 August 2020, the company appointed Mr Warren Potma as the new full-time Exploration Manager.
- Subsequent to the reporting date \$4,340,000 was raised from the exercise of listed and unlisted options.
- The impact of the Coronavirus (COVID-19) pandemic is ongoing and while it has had no significant impact on the consolidated entity up to 30 June 2020, it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

Likely developments and expected results of operations

Information on likely developments in the operations of the Company and the expected results of operations have not been included in this report because the Directors believe it would be likely to result in unreasonable prejudice to the Company.

Environmental Regulation

The Company's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a state or territory.

**MATADOR MINING LTD ABN 45 612 912 393
AND CONTROLLED ENTITIES**

DIRECTORS' REPORT

Information on Directors

Ian Murray (Executive Chairman) – appointed 14 May 2020

Experience and expertise

Mr Murray is a Chartered Accountant, a Member of Australian Institute of Company Directors, and holds an Executive degree in Advanced Management & Leadership from the University of Oxford, Saïd Business School. With over 25 years' mining industry experience in senior leadership positions, including the position of Executive Chairman and Managing Director of Gold Road Resources Ltd (ASX: GOR) and DRD Gold Ltd (NYSE & JSE: DRD), he has also held executive positions with international 'Big Four' accounting firms.

Mr Murray brings a wealth of financial, corporate, project development and operational experience to the Board and most recently led Gold Road as it transitioned from explorer to large scale gold producer. Mr Murray has been the recipient of many awards during his leadership of Gold Road, including the Gavin Thomas award for leadership, the Diggers and Dealers Deal of the year award in 2017, after winning the best emerging company award in 2011 as well as the CEO of the year award from CEO Magazine.

Other current directorships

Black Rock Mining Limited – Non-executive Director

Geopacific Resources Limited - Non-executive Director

Todd River Resources – Non- executive Director

Former directorships in last 3 years

Gold Road Resources – Managing Director

Gascoyne Resources Limited

Interests in shares and options

1,000,000 ordinary shares

4,000,000 unquoted options

Keith Bowes (Executive Director) – resigned 28 September 2020

Experience and expertise

Mr Bowes is a process engineer with over 20 years' experience in metallurgy, project management and operations. He has worked in Africa, South America and Australia for major mining houses on projects and plants covering a wide range of commodities and processes. He led the study team involved in the development of the world class Panda Hill Niobium Project located in Tanzania and is currently involved in a number of new developments including; uranium in South Australia, graphite in Africa and base metal and gold projects in North America and Africa.

Other current directorships

Nil

Former directorships in last 3 years

Nil

Interests in shares and options

1,873,854 ordinary shares (includes 1,683,854 shares which are to be transferred from Maple Mining Pty Ltd (an entity controlled by Mr Grant Davey) to Mikenty Pty Ltd (an entity controlled by Mr Keith Bowes) under an agreement that had not yet been completed. Mikenty Pty Ltd has an economic interest in Matador shares as a result of having an interest in 12.5% of the shares in Maple Mining Pty Ltd. Maple Mining Pty Ltd holds 13,270,834 shares in Matador. Mikenty has agreed to transfer its interest in shares in Maple Mining Pty Ltd to Mr Grant Davey in consideration for 1,683,854 Matador shares. The agreement has not yet been completed).

2,350,000 unquoted options, of which 1,000,000 are held directly and 1,350,000 are held indirectly on trust for Mikenty Pty Ltd, an entity controlled by Mr Keith Bowes.

**MATADOR MINING LTD ABN 45 612 912 393
AND CONTROLLED ENTITIES**

DIRECTORS' REPORT

Justin Osborne (Non-Executive Director) – appointed 2 June 2020

Experience and expertise

Justin has over 30 years' experience as an exploration geologist and is a fellow of the Australasian Institute of Mining and Metallurgy and holds a Bachelor of Science, Honours (First Class) from La Trobe University of Victoria.

In addition to his role at Matador, Justin is an Executive Director at Gold Road Resources Ltd (GOR.ASX) and played a pivotal role in the rapid and effective resource development of the world class Gruyere Gold Deposit (6.6Moz Au) which currently produces approximately 300,000oz Au per annum.

Mr Osborne has also previously held senior positions on the exploration executive team of Gold Fields Ltd, including Vice President Development Strategy – Growth and International Projects, and General Manager Near Mine Exploration covering all international mining operations. He played an instrumental role in the development of the Damang Superpit project in Ghana, which yielded potential resources in excess of 6M oz within two years, and had considerable discovery success as Mineral Resource Manager at the St Ives Gold Mine, making the discoveries of the Athena and Hamlet deposits among other significant Reserve additions

Other current directorships

Gold Road Resources Limited – Executive Director

Former directorships in last 3 years

Nil

Interests in shares and options

350,000 ordinary shares

Mr Mick Wilkes – Non-executive Director - appointed 20 July 2020

Experience and expertise

Mr Wilkes is a highly experienced mining executive, with a successful career spanning over 35 years. He was most recently the CEO and President of dual listed (ASX/TSX) OceanaGold Corporation, where he served for a decade, prior to leaving from the position during early 2020. During his time at OceanaGold, Mr Wilkes transformed the company from a junior gold producer in New Zealand to a multinational mid-tier gold producer with a market capitalisation of \$2 billion when he departed. Under Mr Wilkes' watch OceanaGold acquired and successfully developed the 3 million ounce Haile Gold Mine in South Carolina, USA. Mr Wilkes holds a bachelor's degree in mining engineering from the University of Queensland and an MBA from Deakin University

Other current directorships

Kingston Resources Limited – Non-Executive Director

Former directorships in last 3 years

Oceana Gold Corporation – Managing Director

Interests in shares and options

Nil

**MATADOR MINING LTD ABN 45 612 912 393
AND CONTROLLED ENTITIES**

DIRECTORS' REPORT

Grant Davey – Non-Executive Director (resigned 2 June 2020)

Experience and expertise

Mr Davey is a mining engineer with over 25 years of senior management and operational experience in the construction and operation of mines in Africa, Australia, South America and Russia. He was previously responsible for the Vaal Reefs South Uranium plant between 2005 and 2008 when it produced up to 6 million pounds of uranium per year and was one of the largest uranium producers in the southern hemisphere at the time.

Other current directorships

Cradle Resources Limited – Non-Executive Director

Superior Lake Resources Limited – Executive Director

Former directorships in last 3 years

Graphex Mining Limited – Non-Executive Director

Boss Resources Limited – Executive Director

Interests in shares and options

19,940,234 ordinary shares (includes 1,683,854 shares which are the subject of an agreement under which those shares are to be transferred from Maple Mining Pty Ltd (a company controlled by Mr Grant Davey) to Mikenty Pty Ltd, an entity controlled by Mr Keith Bowes, that has not been completed (see disclosures for Mr Bowes above).

10,695,834 unquoted options are held indirectly (includes 1,350,000 unquoted options held on trust for Mikenty Pty Ltd, an entity controlled by Mr Keith Bowes).

Adam Kiley – Non-Executive Director (resigned 14 May 2020)

Experience and expertise

Mr Kiley has over 15 years' experience in the mining sector with a depth of experience in providing corporate and financial advisory services to ASX listed companies in both Australia and the United Kingdom.

Other current directorships

Nil

Former directorships in last 3 years

Nil

Interests in shares and options

12,000 ordinary shares held directly

1,100,000 ordinary shares and 3,156,000 unquoted options are held indirectly

Other current directorships' quoted above are current directorships for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

Former directorships (last 3 years)' quoted above are directorships held in the last 3 years for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

Company Secretary

Stuart McKenzie

Mr McKenzie has over 30 years of experience in senior commercial roles with Marvel Gold Limited, Anvil Mining Limited, Ok Tedi Mining Limited, Ernst and Young and HSBC. Stuart holds a Bachelor of Laws a Bachelor of Economics and is a member of the Governance Institute of Australia.

**MATADOR MINING LTD ABN 45 612 912 393
AND CONTROLLED ENTITIES**

DIRECTORS' REPORT

Directors' Meetings

During the financial year, nine meetings of Directors were held. Attendances by each Director during the year were as follows:

	Directors' Meetings	
	Eligible to Attend	Attended
Ian Murray - appointed 14 May 2020	2	2
Keith Bowes – resigned 28 September 2020	9	9
Adam Kiley - resigned 14 May 2020	7	7
Grant Davey - resigned 2 June 2020	7	7
Justin Osborne - appointed 2 June 2020	2	2
Mick Wilkes - appointed 20 July 2020	-	-

Remuneration Report - AUDITED

The information provided in this remuneration report has been audited as required by section 308(3C) of the Corporations Act 2001.

Remuneration policy

In determining competitive remuneration rates, the Board seeks independent advice on local and international trends among comparative companies and industry generally.

Independent advice may be obtained to confirm that executive remuneration is in line with market practice and is reasonable in the context of Australian executive reward practices.

Performance-based remuneration

The Board recognises that the Company operates in a global environment. To prosper in this environment the Company must attract, motivate and retain key executive staff.

The principles supporting the remuneration policy are that:

- rewards reflect the competitive global market in which the Company operates;
- rewards to executives are linked to creating value for shareholders;
- remuneration arrangements are equitable and facilitate the development of senior management across the Company;
- where appropriate, senior managers receive a component of their remuneration in equity to align their interests with those of the shareholders; and
- long term incentives are used to ensure that remuneration of key management personnel reflects the Company's financial performance, with particular emphasis on the Company's growth and the consequence of the Company's performance on shareholder wealth.

**MATADOR MINING LTD ABN 45 612 912 393
AND CONTROLLED ENTITIES**

DIRECTORS' REPORT

Additional information for consideration of shareholder wealth

This table summarises the earnings of the consolidated entity and other factors that are considered to affect shareholder wealth.

	2020	2019
Loss after income tax attributable to shareholders (\$)	(2,489,692)	(3,321,601)
Share price at financial year end (\$)	0.30	0.18
Movement in share price for the year (\$)	0.12	(0.13)
Total dividends declared (cents per share)	-	-
Basic loss per share (cents per share)	(2.34)	(5.85)

Market Comparisons

Consistent with attracting and retaining talented executives, the Board endorses the use of incentives under the Employee Securities Incentive Plan. The Board continues to seek external advice to ensure reasonableness in remuneration scale and structure, and to compare the Company's position with the external market. The impact and high cost of replacing senior employees and the competition for talented executives requires the Board to reward key employees when they deliver consistently high performance.

Board Remuneration

The Board determines fees paid to Directors and reviews their remuneration annually based on independent external advice with regard to market practice, relativities, and the duties and accountabilities of Directors. A review of Directors' remuneration is conducted annually to benchmark overall remuneration including retirement benefits.

Directors' Fees

Executive

The objective of the Company's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with achievement of strategic objectives and the creation of value for shareholders.

The Board ensures that executive reward satisfies the following key criteria for good reward corporate governance practices:

- Competitiveness and reasonableness;
- Acceptability to shareholders;
- Performance linkage/alignment of executive compensation;
- Transparency; and
- Capital management.

The Company has structured an executive framework that is market competitive and complementary to the reward strategy for the organisation.

The Board's policy for determining the nature and amount of remuneration for Board members and executives of the Company is as follows:

- All executives receive a fee, part of which may be taken as superannuation, and from time to time, options. Options issued to Directors are subject to approval by Shareholders. The Board reviews executive packages regularly by reference to the Company's performance, executives' performance and comparable information from industry sectors and other listed companies in similar industries. The

**MATADOR MINING LTD ABN 45 612 912 393
AND CONTROLLED ENTITIES**

DIRECTORS' REPORT

Board may in its discretion establish a performance based bonus system to provide reward in addition to the base salary level to the executives on such terms as the Board may determine.

- Salaried executive Directors and specified executives are allocated superannuation guarantee contributions as required by law, and do not receive any other retirement benefits. From time to time, some individuals may choose to sacrifice their salary or consulting fees to increase payments towards superannuation.
- All remuneration paid to Directors and specified executives is valued at the cost to the Company and expensed. Options are valued using either the ASX trading price (for listed options issued) or the Black-Scholes methodology (for unlisted options issued).

Service Agreements

A summary of service agreements entered into with Executives is set out below:

Executive	Term of Agreement	Base salary per annum including any superannuation ¹ (Non-performance based)	Termination Conditions	Proportion of elements of remuneration related to performance
Mr Ian Murray	No specified term	\$300,000	3-month notice	n/a ²
Mr Keith Bowes	No specified term	\$120,000	6-month notice period	n/a ²

¹ Base salary quoted is the position as at 30 June 2020; salaries are reviewed annually.

² Base package is not subject to performance criteria. Performance criteria is set for equity-based compensation as outlined below.

Non-Executive Remuneration

Shareholders approve the maximum aggregate remuneration for non-executive Directors. The maximum aggregate remuneration approved for Non-Executive Directors is currently \$300,000.

It is recognised that Non-Executive Director remuneration is ideally structured to exclude equity-based remuneration. However, whilst the Company remains small and not generating income it is in shareholders' interests to remunerate Director with equity incentives rather than primarily as cash salaries or fees.

Bonus or Profit Participation Plan

Performance incentives may be offered to Executive Directors and Senior Management of the Company through the operation of Employee Securities Incentive Plan at the ultimate discretion of the Board.

Management Options

During the year ended 30 June 2020, there were 4,669,525 unlisted options granted to Directors and key management personnel (2019: 13,200,000).

The options below were issued to the following Directors and key management personnel during the year ended 30 June 2020 as part of their performance-based remuneration:

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**MATADOR MINING LTD ABN 45 612 912 393
AND CONTROLLED ENTITIES**

DIRECTORS' REPORT

	Type	Number of options issued	Exercise price	Total value of options (\$)	Options expensed in 2020 (\$)
Mr. Adam Kiley	STI, LTI and LTI with Share price conditions	456,000	\$0.00	102,159	63,172
Mr. Ian Murray	Sign on options	4,000,000	\$0.00	692,800	15,817
Mr. Stuart McKenzie	STI, LTI and LTI with Share price conditions	213,525	\$0.00	48,187	33,445
Total		4,669,525		843,146	112,434

Please refer to the table on page 25 for detailed movements in options held by KMP.

Vesting conditions

Vesting conditions – STI

The vesting conditions include:

- Completion of drilling program on time and on budget;
- Successful resources upgrade;
- Ensuring the Company is adequately funded; and
- Identification, drilling and additional ounces from new targets in 2020.

Vesting conditions – LTI

The vesting conditions include:

- Completion of permit assessment and submitted to regulators;
- Completion of Scoping Study that demonstrates economic viability of the Cape Ray Gold Project; and
- New targets identified to support a material increase in Mineral Resource.

Vesting conditions – LTI (share price conditions)

The vesting conditions include:

- Less than 40 cents: Nil
- Between 40 cents and 50 cents: 50% of objective achieved
- Between 50 cents and 50 cents: 75% of objective achieved
- Above 60 cents: 100% of objective achieved

Vesting conditions – Executive Chairman sign on options

The vesting conditions include:

- 1,000,000 options which vest on completion of a capital raising or capital raisings that ensure the Company is adequately funded to deliver its strategy;
- 1,000,000 zero priced options that vest subject to a restructure of the Board to include the appointment of two respected, independent Non-Executive Directors, who shall replace the Company's existing Executive Directors and a share price, based on a 30 day volume weighted average price, of not less than \$0.30.
- 1,000,000 vest on the achievement of an independently verified JORC Code 2012 compliant resource at Cape Ray Gold Project of at least 1,500,000 ounces of contained gold metal; and

**MATADOR MINING LTD ABN 45 612 912 393
AND CONTROLLED ENTITIES**

DIRECTORS' REPORT

- 1,000,000 vest on the achievement of an independently verified JORC Code 2012 compliant resource at Cape Ray Gold Project of at least 2,000,000 ounces of contained gold metal.

Details of remuneration for year ended 30 June 2020

Details of the remuneration of the Directors and Key Management Personnel ("KMP") of the Company (as defined in AASB 124 *Related Party Disclosures*) are set out in the following tables.

	Salary, Fees and Commission \$	Super- annuation Contribution \$	Non-cash Benefits \$	Share-based payments \$	Total \$
Key Management Person					
Mr. Ian Murray ²	37,643	3,118	-	15,817	56,578
Mr. Justin Osborne ⁴	3,632	345	-	-	3,977
Mr. Keith Bowes ⁵	120,000	-	-	-	120,000
Mr. Adam Kiley ¹	105,000	-	-	63,172	168,172
Mr. Grant Davey ³	110,000	-	-	-	110,000
Mr. Stuart McKenzie	71,639			33,445	105,084
Total	447,914	3,463	-	112,434	563,811

¹ Mr. Adam Kiley resigned 14 May 2020

² Mr. Ian Murray was appointed 14 May 2020

³ Mr. Grant Davey resigned 2 June 2020

⁴ Mr. Justin Osborne was appointed 2 June 2020

⁵ Resigned 28 September 2020

Details of remuneration for year ended 30 June 2019

	Salary, Fees and Commission \$	Super- annuation Contribution \$	Non-cash Benefits \$	Share-based payments \$	Total \$
Key Management Person					
Mr. Grant Davey ¹	90,000	-	-	1,632,300	1,722,300
Mr. Keith Bowes ²	50,000	-	-	136,300	186,300
Mr. Adam Kiley ²	50,000	-	-	95,410	145,410
Mr. Paul Criddle ^{3,4}	168,353	14,173	-	370,750	553,276
Mr. Marat Abzalov ⁴	19,178	1,822	-	-	21,000
Mr. Peter Woods ⁴	19,178	1,822	-	-	21,000
Mr. Scott Patrizi ⁵	-	-	-	-	-
Mr. Patrick Walta ⁵	-	-	-	-	-
Mr. Stuart McKenzie ²	29,656	-	-	-	29,656
Mr. Mathew O'Hara ^{4,7}	4,000	-	-	-	4,000
Ms. Oonagh Malone ⁶	10,000	-	-	-	10,000
Total	440,365	17,816	-	2,234,760	2,692,942

¹ Appointed 3 July 2018

² Appointed 1 February 2019

³ Appointed 20 July 2018

⁴ Resigned 1 February 2019

⁵ Resigned 3 July 2018

⁶ Resigned 22 October 2018

⁷ Appointed 22 October 2018

**MATADOR MINING LTD ABN 45 612 912 393
AND CONTROLLED ENTITIES**

DIRECTORS' REPORT

Equity instrument disclosures relating to KMP

(i) Share holdings

The numbers of shares in the Company held during the financial year ended 30 June 2020 by each Director of Matador and other KMP of the Company, including their personally related parties, are set out below.

2020	Balance at the start of the year	Received during the year on exercise of options	Balance on appointment / (resignation)	Other changes during the year	Balance at the end of the year
Ordinary shares					
Mr. Keith Bowes ^{5 6}	40,000	-	-	150,000	190,000
Mr. Adam Kiley ¹	112,000	-	(1,112,000)	1,000,000	-
Mr. Ian Murray ²	-	-		1,000,000	1,000,000
Mr. Grant Davey ^{3 5}	2,736,900	-	(4,939,400)	2,202,500	-
Mr. Justin Osborne ⁴	-	-		350,000	350,000
Mr. Stuart McKenzie	-	-	-	31,350	31,350
Total	2,888,900	-	(6,051,400)	4,733,850	

¹ Mr. Adam Kiley resigned 14 May 2020. Balance at the end of the year is at date of resignation.

² Mr. Ian Murray was appointed 14 May 2020. Balance at the start of the year is from date of appointment.

³ Mr. Grant Davey resigned 2 June 2020. Balance at the end of the year is at date of resignation.

⁴ Mr. Justin Osborne was appointed 2 June 2020. Balance at the start of the year is from date of appointment.

⁵ 1,683,854 shares which are the subject of an agreement under which those shares are to be transferred from Mr Davey to Mikenty Pty Ltd, an entity controlled by Mr Keith Bowes, that had not been completed at the date of Mr Davey's resignation. Therefore, beneficial ownership had not transferred to Mr. Bowes or his associates.

⁶ Resigned 28 September 2020

2019	Balance at the start of the year	Received during the year on exercise of options	Balance on appointment / (resignation)	Other changes during the year	Balance at the end of the year
Ordinary shares					
Mr. Grant Davey	-	-	1,165,000	1,571,900	2,736,900
Mr. Keith Bowes	-	-	-	40,000	40,000
Mr. Adam Kiley	-	-	100,000	12,000	112,000
Mr. Paul Criddle	-	-	-	-	-
Mr Scott Patrizi	600,001	-	(550,001)	-	-
Mr Patrick Walta	500,000	-	(500,000)	-	-
Dr Marat Abzalov	500,000	-	(500,000)	-	-
Mr Peter Woods	666,666	-	(666,666)	-	-
Ms Oonagh Malone	250,000	-	(250,000)	-	-
Total	2,516,667	-	(1,201,667)	1,623,900	2,888,900

ii) Option holdings

The numbers of options over ordinary shares in the Company held during the financial year ended 30 June 2020 by each Director of Matador and other KMP of the Company, including their personally related parties, are set out below.

**MATADOR MINING LTD ABN 45 612 912 393
AND CONTROLLED ENTITIES**

DIRECTORS' REPORT

	Type	Award Date	Number of options issued	Fair Value (\$)	Exercise Price (\$)	Expiry Date	Vesting Date	No. Vested during year	No. Lapsed during year	Total value of options (\$)	Options expensed in 2020 (\$)
Mr. Adam Kiley	STI	19/05/2020	192,000	0.26	0.00	15/07/2022	01/07/2020	-	-	44,640	44,513
Mr. Adam Kiley	LTI	19/05/2020	198,000	0.26	0.00	15/07/2024	15/07/2024	-	-	46,035	14,934
Mr. Adam Kiley	LTI with Share price conditions	19/05/2020	66,000	0.23	0.00	15/07/2024	15/07/2024	-	-	11,484	3,725
Mr. Ian Murray	Sign on options	05/06/2020	3,000,000	0.27	0.00	05/06/2023	05/06/2023	-	-	494,100	11,281
Mr. Ian Murray	Sign on options with Share price conditions	05/06/2020	1,000,000	0.20	0.00	05/06/2023	05/06/2023	-	-	198,700	4,537
Mr. Stuart McKenzie	STI	15/07/2019	113,880	0.31	0.00	15/07/2022	01/07/2020	-	-	26,477	26,402
Mr. Stuart McKenzie	LTI	15/07/2019	74,734	0.31	0.00	15/07/2024	15/07/2024	-	-	17,375	5,636
Mr. Stuart McKenzie	LTI with Share price conditions	15/07/2019	24,911	0.23	0.00	15/07/2024	15/07/2024	-	-	4,335	1,406
Total			4,669,525					-	-	843,146	112,434

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**MATADOR MINING LTD ABN 45 612 912 393
AND CONTROLLED ENTITIES**

DIRECTORS' REPORT

2020	Balance at start of the year	Granted as Compensation	Acquired	Lapsed/ Forfeited	Balance on appointment / (resignation)	Balance at end of the year	Vested
Mr. Keith Bowes ^{3 5}	1,000,000	-	-	-	-	1,000,000	1,000,000
Mr. Adam Kiley ¹	700,000	456,000	1,000,000	-	(3,156,000)	-	-
Mr. Ian Murray ²		4,000,000	-	-		4,000,000	-
Mr. Grant Davey ³	10,695,834	-	1,562,500	-	(10,695,834)	10,695,834	-
Mr. Justin Osborne ⁴		-	-	-		-	-
Mr. Stuart McKenzie		213,525	-	-		213,525	-
Total	12,395,834	4,669,525	2,562,500	-	(13,851,834)	15,909,359	1,000,000

¹ Mr. Adam Kiley resigned 14 May 2020. Balance at the end of the year is at date of resignation.

² Mr. Ian Murray was appointed 14 May 2020. Balance at the start of the year is from date of appointment.

³ Mr. Grant Davey resigned 2 June 2020. Balance at the end of the year is at date of resignation. 1,350,000 options which are the subject of an agreement under which those shares are to be transferred from Mr Davey to Mikenty Pty Ltd, an entity controlled by Mr Keith Bowes, that had not been completed at the date of Mr Davey's resignation.

⁴ Mr. Justin Osborne was appointed 2 June 2020. Balance at the start of the year is from date of appointment.

⁵ Resigned 28 September 2020

2019	Balance at start of the year	Granted as Compensation	Acquired	Lapsed/ Forfeited	Balance on appointment / (resignation)	Balance at end of the year	Vested
G Davey ¹	-	9,000,000	-	-	133,334	10,695,834	10,695,834
K Bowes ¹	-	1,000,000	-	-	-	1,000,000	1,000,000
A Kiley	-	700,000	-	-	-	700,000	700,000
P Criddle	-	2,500,000	-	-	(2,500,000)	-	-
S Patrizi	1,366,668	-	-	-	(1,366,668)	-	-
P Walta	1,333,334	-	-	-	(1,333,334)	-	-
M Abzalov	1,333,334	-	-	-	(1,333,334)	-	-
P Woods	1,333,334	-	-	-	(1,333,334)	-	-
O Malone	416,667	-	-	-	(416,667)	-	-
Total	5,783,337	13,200,000	-	-	(8,150,003)	12,395,834	12,395,834

¹ 1,350,000 options which are the subject of an agreement under which those shares are to be transferred from Mr Davey to Mikenty Pty Ltd, an entity controlled by Mr Keith Bowes, that had not been completed as at year end

iii) Shares provided on exercise of remuneration options

During the reporting period, no shares were issued to Directors or KMP on the exercise of options previously granted as remuneration.

**MATADOR MINING LTD ABN 45 612 912 393
AND CONTROLLED ENTITIES**

DIRECTORS' REPORT

iv) Other transactions with related parties

Mr. Grant Davey, who was a non-executive Director of the company (resigned 2 June 2020) is a Director and shareholder of Matador Capital Pty Ltd (**Matador Capital**). The Company makes payments to Matador Capital under a Shared Services Agreement in which Matador Capital provides working capital, office space, technical staff including geologists and project management, and general office costs to the Company at cost plus 2%. Mr. Davey was also a Director of Marvel Gold Limited (formerly Graphex Mining Limited) during the period (resigned 25 September 2019), an ASX listed company that has a Shared Services Agreement with the Company for the provision of company secretarial, accounting and administration services to the Company. Payments made under these arrangements for the year are set out below.

	2020	2019
	\$	\$
Related party transactions		
Payments to Matador Capital Pty Ltd	2,148,452 ¹	136,594
Payments to Graphex Mining Limited	307,186	94,122
	2,455,638	230,716

¹ An amount of \$1,263,087 was provided to the Company as a working capital facility during the period that was subsequently repaid prior to period end. The working capital facility was provided under the Shared Services Agreement at a cost of 2%.

Former Director Mr. Davey shareholdings includes 1,683,854 shares which are the subject of an agreement under which those shares are to be transferred from Mr Davey to Mikenty Pty Ltd, an entity controlled by Mr Keith Bowes, that had not been completed at the date of Mr Davey's resignation. Mr Davey's holdings of unquoted options also includes 1,350,000 unquoted options held on trust for Mikenty Pty Ltd.

All related party transactions are on normal arms' length terms.

This concludes the remuneration report, which has been audited.

**MATADOR MINING LTD ABN 45 612 912 393
AND CONTROLLED ENTITIES**

DIRECTORS' REPORT

Shares issued on the exercise of options

The following ordinary shares of Matador were issued during the year ended 30 June 2020 and up to the date of this report on the exercise of options granted:

Up to 30 June 2020:

Type	Exercise price of options	Number of shares issued
Unlisted options	0.20	250,000
Unlisted options	0.23	312,500
Listed options	0.20	380,001
Total		942,501

Subsequent to 30 June 2020:

Type	Exercise price of options	Number of shares issued
Unlisted options	0.00	168,192
Unlisted options	0.23	5,650,000
Listed options	0.20	15,236,364
Total		21,054,556

Indemnity and insurance of officers

The Company has indemnified the Directors and executives of the Company for costs incurred, in their capacity as a Director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the Company paid a premium in respect of a contract to ensure the Directors and executives of the Company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

Indemnity and insurance of auditor

The Company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by the auditor.

During the financial year, the Company has not paid a premium in respect of a contract to insure the auditor of the company or any related entity.

Proceedings on behalf of the Company

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

Non-audit services

There were no amounts paid or payable to the auditor for non-audit services provided during the financial year by the auditor.

Officers of the Company who are former partners of Bentleys

There are no officers of the Company who are former partners of Bentleys.

**MATADOR MINING LTD ABN 45 612 912 393
AND CONTROLLED ENTITIES**

DIRECTORS' REPORT

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 33.

Auditor

Bentleys continues in office in accordance with section 327 of the Corporations Act 2001.

This report is made in accordance with a resolution of Directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

Annual Statement of Mineral Resources

Mineral Resource Estimate (Gold Resource only)¹

Applied Cut-off Grade (g/t)	Deposit	Indicated			Inferred			Total		
		Mt	Au (g/t)	Koz (Au)	Mt	Au (g/t)	Koz (Au)	Mt	Au (g/t)	Koz (Au)
Open Pit 0.25 ² /0.5 ³ g/t Au	Central	3.06	3.06	302	3.5	1.25	141	6.6	2.01	443
	Isle Aux Mort	-	-	-	0.8	2.39	60	0.8	2.39	60
	Big Pond	-	-	-	.01	5.30	19	0.1	5.30	19
	WGH	-	-	-	4.7	1.55	232	4.7	1.55	232
	Total	3.06	3.06	302	9.1	1.55	452	12.1	1.93	754
Underground 2.0g/t Au	Central	0.45	3.75	54	0.32	2.77	29	0.77	3.34	83
	Isle Aux Mort	-	-	-	-	-	-	-	-	-
	Big Pond	-	-	-	-	-	-	-	-	-
	WGH	-	-	-	-	-	-	-	-	-
	Total	0.45	3.75	54	0.32	2.77	29	0.77	3.34	83
Total Combined	Central	3.5	3.15	356	3.8	1.38	170	7.4	2.23	526
	Isle Aux Mort	-	-	-	0.8	2.39	60	0.8	2.39	60
	Big Pond	-	-	-	0.1	5.30	19	0.1	5.30	19
	WGH	-	-	-	4.7	1.55	232	4.7	1.55	232
	Total	3.5	3.15	356	9.4	1.60	481	12.9	2.02	837

1. Figures are rounded; reported at 0.5g/t cut-of grade
2. Window Glass Hill and PW Zone
3. Central Zone deposits 04/41, 51 and Isle aux Mort and Big Pond

As part of the Scoping Study and as the Company focuses increasingly on the future development of Cape Ray, Matador reviewed and subsequently updated the Mineral Resource estimate for the 04 and 41 deposits which are part of the Central Zone. Significantly tighter constraints were applied, with the following changes made to each of the deposits:

- Tighter controls on mineralisation interpretation for Zones 04 and 41 to better reflect interpreted geological and grade controls (previous interpretation was based upon a broader leapfrog-derived model) and to ensure consistency of modelling and estimation style.

MATADOR MINING LTD ABN 45 612 912 393 AND CONTROLLED ENTITIES

DIRECTORS' REPORT

- Zones 04 and 41 were converted to the current NAD83 Zone 21 coordinate system. This included updating the drill hole database based upon a detailed review of the historical drilling and assay records. Drill hole drill azimuths were also updated to correctly reflect the UTM azimuths (taking into account magnetic declination to the UTM coordinate system).
- Updated density values and utilising detailed drone topographic controls for Zones 04 and 41, to match those used for Zone 51, PW and WGH.
- Use of Ordinary Kriging for all estimates as opposed to previous use of ID.
- A more practical classification scheme suitable for use in the Scoping Study based upon analysis of the 2019 database QAQC review, results of the topographical survey and the revised drill hole azimuths.

In addition to these changes, a higher cut-off grade (2g/t Au) was applied to mineralisation below the current pit optimisations depths where underground mining potential has been identified. This has been applied to the Zones 51, 04 and 41 deposits, whereas the previous models were reported at a 0.5g/t lower cut-off only.

Competent persons' statements

Mineral Resources

The information in this document that relates to the exploration and drill hole data, and the classification scheme applied to Zones 4 and 41, is based upon information compiled by Mr. Neil Inwood from Sigma Resources Consulting, an independent consultant to Matador Mining Limited. Mr. Inwood is a Fellow of the AUSIMM and 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 December 2012 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources" (JORC Code 2012). Mr. Inwood consents to the inclusion in the report of the matters based upon the information in the form and context in which it appears.

The information contained in this document that relates to mineral resource estimate for Zones 4 and 41 was undertaken by Mr. Brian Wolfe, an independent consultant to Matador Mining Limited, who is a Member of the Australian Institute of Geoscientists. The classification scheme for Zones 4 and 41 was developed by Mr Wolfe and reviewed by Mr Inwood. Mr. Wolfe was engaged as a consultant to Matador Mining Limited and 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 JORC Code 2012. Mr. Wolfe consents to the inclusion in this announcement of the matters based on his information in the form and context in which it appears.

The information in this document that relates to Mineral Resources for H Zone, Big Pond and IAM at the Cape Ray Project was first reported by the Company in an announcement to the ASX on 30 January 2019. 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.

Mineral Resources Governance

Matador reviews its Mineral Resource estimates on an annual basis. The Annual Statement of Mineral Resources is prepared in accordance with the JORC Code 2012 and the ASX Listing Rules.

Competent Persons named by the Company are members of the Australian Institute of Mining and Metallurgy and/or the Australian Institute of Geoscientists and qualify as Competent Persons as defined under the JORC Code 2012.

**MATADOR MINING LTD ABN 45 612 912 393
AND CONTROLLED ENTITIES**

DIRECTORS' REPORT

The Company engages external consultants and Competent Persons to prepare and calculate estimates of its Mineral Resources. These estimates and underlying assumptions are reviewed by the Directors and management for reasonableness and accuracy. The results of the Mineral Resource estimates are then reported in accordance with the JORC Code 2012 and the ASX Listing Rules. Where material changes occur to a project during the period, including the project's size, title, exploration results or other technical information, previous resource estimates and market disclosures are reviewed for completeness. The Company reviews its Mineral Resources as at 30 June each year and where a material change has occurred in the assumptions or data used in previously reported Mineral Resources, a revised estimate will be prepared as part of the annual review process.



Ian Murray
Executive Chairman

Dated this 29th day of September 2020

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**MATADOR MINING LTD ABN 45 612 912 393
AND CONTROLLED ENTITIES**

CORPORATE GOVERNANCE STATEMENT

Matador and the Board are committed to achieving the highest standards of corporate governance. Matador has reviewed its corporate governance practices against the Corporate Governance Principles and Recommendations (3rd edition) published by the ASX Corporate Governance Council.

The 2020 corporate governance statement is dated as at 30 June 2020 and reflects the corporate governance practices in place throughout the 2020 financial year. The 2020 corporate governance statement was approved by the Board on 23 September 2020. A description of the Group's current corporate governance practices is set out in the Group's corporate governance statement which can be viewed on the Company's website at www.matadormining.com.au.

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To the Board of Directors

Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

As lead audit partner for the Audit of the financial statements of Matador Mining Limited for the year ended 30 June 2020, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- any applicable code of professional conduct in relation to the audit.

Yours faithfully



BENTLEYS
Chartered Accountants



CHRIS NICOLOFF CA
Partner

Dated at Perth this 29th day of September 2020

**MATADOR MINING LTD ABN 45 612 912 393
AND CONTROLLED ENTITIES**

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2020**

	Note	2020 \$	2019 \$
Revenue			
Other income	4(a)	15,867	64,618
Total revenue		15,867	64,618
Expenses			
Administration expenses	4(b)	(875,391)	(616,605)
Consultants and management expenses	4(c)	(601,615)	(458,181)
Depreciation and amortisation	11	(19,005)	(10,970)
Share based payments expense	16	(984,522)	(2,234,760)
Business development costs		(25,026)	(65,703)
Total expenses		(2,505,559)	(3,386,219)
Loss before income tax		(2,489,692)	(3,321,601)
Income tax expense	6	-	-
Loss for the year		(2,489,692)	(3,321,601)
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Exchange rate differences on translating foreign operations		(9,998)	-
Total other comprehensive income for the year, net of tax		(9,998)	-
Total comprehensive loss for the year		(2,499,690)	(3,321,601)
Loss attributable to:			
Members of the Company		(2,489,692)	(3,321,601)
Total comprehensive loss attributable to:			
Members of the Company		(2,499,690)	(3,321,601)
Basic and diluted loss per share (cents per share)	22	(2.34)	(5.85)

The accompanying notes form part of these financial statements.

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**MATADOR MINING LTD ABN 45 612 912 393
AND CONTROLLED ENTITIES**

**STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 30 JUNE 2020**

	Note	2020 \$	2019 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	7	2,364,440	2,956,176
Trade and other receivables	8	86,149	352,179
Other current assets	9	74,884	61,780
TOTAL CURRENT ASSETS		2,525,473	3,370,135
NON-CURRENT ASSETS			
Exploration and evaluation assets	10	15,389,903	9,990,300
Property, plant and equipment	11	97,182	69,455
TOTAL NON-CURRENT ASSETS		15,487,085	10,059,755
TOTAL ASSETS		18,012,558	13,429,890
LIABILITIES			
CURRENT LIABILITIES			
Funds received for shares to be issued	12	-	1,253,882
Trade and other payables	13	282,820	510,713
Borrowings	14	-	526,376
TOTAL CURRENT LIABILITIES		282,820	2,290,971
TOTAL LIABILITIES		282,820	2,290,971
NET ASSETS		17,729,738	11,138,919
EQUITY			
Contributed equity	15	25,350,578	13,067,698
Reserves	16	3,753,241	2,805,860
Transactions with minority shareholders	17	(4,175,958)	-
Accumulated losses	18	(7,198,123)	(4,734,639)
TOTAL EQUITY		17,729,738	11,138,919

The accompanying notes form part of these financial statements.

**MATADOR MINING LTD ABN 45 612 912 393
AND CONTROLLED ENTITIES**

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2020**

Note	Contributed Equity \$	Options Reserve \$	Foreign currency translation reserve \$	Transactions with minority holders \$	Accumulated Losses \$	Total \$
At 1 July 2019	13,067,698	2,805,604	256	-	(4,734,639)	11,138,919
Loss for the year	-	-	-	-	(2,489,692)	(2,489,692)
Other comprehensive income for the year	-	-	(9,998)	-	-	(9,998)
Total comprehensive loss	-	-	(9,998)	-	(2,489,692)	(2,499,690)
Transactions with owners, in their capacity as owners						
Issue of shares	15 8,144,173	-	-	-	-	8,144,173
Transaction with minority interest	17 4,175,958	-	-	(4,175,958)	-	-
Exercise of options	15 198,811	(935)	-	-	-	197,876
Expiry of options	16 -	(26,208)	-	-	26,208	-
Share based payments	16 -	984,522	-	-	-	984,522
Share issue costs	15 (236,062)	-	-	-	-	(236,062)
	12,282,880	957,379	(9,742)	(4,175,958)	26,208	9,090,509
Balance at 30 June 2020	25,350,578	3,762,983	(9,742)	(4,175,958)	(7,198,123)	17,729,738

The accompanying notes form part of these financial statements.

**MATADOR MINING LTD ABN 45 612 912 393
AND CONTROLLED ENTITIES**

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2020**

Note	Contributed Equity \$	Options Reserve \$	Foreign currency translation reserve \$	Accumulated Losses \$	Total \$
At 1 July 2018	8,328,517	186,144	-	(1,413,038)	7,101,623
Loss for the year	-	-	-	(3,321,601)	(3,321,601)
Other comprehensive income for the year	-	-	256	-	256
Total comprehensive loss	-	-	256	(3,321,601)	(3,321,345)
Transactions with owners, in their capacity as owners					
Issue of 8,833,000 shares for acquisition of Cape Ray Project	15	2,586,500	-	-	2,586,500
Issue of shares to consultants	15	50,000	-	-	50,000
Placement of shares at \$0.16 per share	15	2,115,333	-	-	2,115,333
Issue of options for the acquisition of Cape Ray	16	-	384,700	-	384,700
Issue of options to Directors and employees	16	-	2,234,760	-	2,234,760
Transaction costs	15	(12,652)	-	-	(12,652)
		4,739,181	2,619,460	-	7,358,641
Balance at 30 June 2019		13,067,698	2,805,604	256	(4,734,639)
		11,138,919			

The accompanying notes form part of these financial statements.

**MATADOR MINING LTD ABN 45 612 912 393
AND CONTROLLED ENTITIES**

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2020**

	Note	2020 \$	2019 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to suppliers and employees		(1,578,473)	(1,034,130)
Other income		15,867	64,618
Net cash used in operating activities	23	(1,562,606)	(969,512)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for expenditure on mining interests		(5,289,235)	(5,837,191)
Payments for acquisition of mining tenements		-	(3,400,000)
Payments for property, plant and equipment		(46,732)	(33,739)
Net cash used in investing activities		(5,335,967)	(9,270,930)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		6,624,690	4,751,836
Share issue transaction costs		(236,062)	(12,655)
Proceeds from shares yet to be issued		-	1,253,882
Proceeds from the exercise of options		197,875	-
Proceeds from borrowings		-	500,000
Repayment of borrowings		(250,000)	-
Transaction costs associated with borrowings		(26,376)	-
Net cash from financing activities		6,310,127	6,493,063
Net increase in cash held		(588,446)	(3,747,379)
Opening cash and cash equivalents		2,956,176	6,707,076
Effects of exchange rate changes on cash and cash equivalents		(3,290)	(3,521)
Cash and cash equivalents at end of year	7	2,364,440	2,956,176

The accompanying notes form part of these financial statements.

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**MATADOR MINING LTD ABN 45 612 912 393
AND CONTROLLED ENTITIES**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

The financial statements and notes represent those of Matador, which is a company limited by shares, incorporated and domiciled in Australia.

The financial statements were authorised for issue on 29 September 2020 by the Directors of Matador.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The Company has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. The adoption of these Accounting Standards and Interpretations has not resulted in a significant or material change to the Company's accounting policies.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The adoption of AASB 16 Leases did not have any significant impact on the financial performance or position of the Company as it only had short term leases of 12 months or less.

Basis of Preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

Historical cost convention

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of financial assets and liabilities at fair value through profit or loss, financial assets at fair value through other comprehensive income, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

Critical accounting estimates

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 2.

Parent entity information

In accordance with the Corporations Act 2001, these financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in Note 19.

Going concern

The financial report has been prepared on the going concern basis, which assumes continuity of normal business activities and realisation of assets and settlement of liabilities in the ordinary course of business.

As at 30 June 2020 the Consolidated Entity had cash assets of \$2,364,440 and had cash outflows from operating activities of \$1,562,606.

**MATADOR MINING LTD ABN 45 612 912 393
AND CONTROLLED ENTITIES**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The Directors have prepared a cash flow forecast, which indicates that the Company will have sufficient cash flows to meet all commitments and working capital requirements for the 12-month period from the date of signing this report.

Based on the cashflow forecasts and other factors referred to below, the Directors are satisfied that the going concern basis of preparation is appropriate given;

- On 1 July 2020, following shareholder approval the company issued 1,000,000 shares at \$0.20 raising \$200,000 before costs.
- On 8 July 2020, the company issued 21,428,571 shares at \$0.405 raising \$8,678,571 before costs.
- Subsequent to the reporting date \$4,340,000 was raised from the exercise of listed and unlisted options.

a. Accounting principles

The financial statements incorporate all of the assets, liabilities and results of the Matador and its subsidiaries.

b. Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Matador ('Company' or 'Parent Entity') as at 30 June 2020 and the results of all subsidiaries for the year then ended. Matador and its subsidiaries together are referred to in these financial statements as the '**Consolidated Entity**' or '**Group**'.

Subsidiaries are all those entities over which the consolidated entity has control. The consolidated entity controls an entity when the consolidated entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the consolidated entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the consolidated entity.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Non-controlling interest in the results and equity of subsidiaries are shown separately in the statement of profit or loss and other comprehensive income, statement of financial position and statement of changes in equity of the consolidated entity. Losses incurred by the consolidated entity are attributed to the non-controlling interest in full, even if that results in a deficit balance.

Where the consolidated entity loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The consolidated entity recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

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**MATADOR MINING LTD ABN 45 612 912 393
AND CONTROLLED ENTITIES**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)

c. Foreign current translation

The financial statements are presented in Australian dollars, which is group's functional and presentation currency.

Foreign currency transactions

Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign operations

The assets and liabilities of foreign operations are translated into Australian dollars using the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated into Australian dollars using the average exchange rates, which approximate the rates at the dates of the transactions, for the period. All resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency reserve in equity.

The foreign currency reserve is recognised in profit or loss when the foreign operation or net investment is disposed of.

d. Income tax

The income tax expense (income) for the year comprises current income tax expense (income) and deferred tax expense (income).

Current income tax expense charged to profit or loss is the tax payable on taxable income. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Current and deferred income tax expense (income) is charged or credited outside profit or loss when the tax relates to items that are recognised outside profit or loss.

Except for business combinations, no deferred income tax is recognised from the initial recognition of an asset or liability, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled and their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability. With respect to non-depreciable items of property, plant and equipment measured at fair value and items of investment property measured at fair value, the related deferred tax liability or deferred tax asset is measured on the basis that the carrying amount of the asset will be recovered entirely through sale. When an investment property that is depreciable is held by the company in a business model whose objective is to consume substantially all of the economic benefits embodied in the property through use over time (rather than through sale), the related deferred tax liability or deferred tax asset is measured on the basis that the carrying amount of such property will be recovered entirely through use.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

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**MATADOR MINING LTD ABN 45 612 912 393
AND CONTROLLED ENTITIES**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)

d. Income tax (*continued*)

Where temporary differences exist in relation to investments in subsidiaries, branches, associates and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where: (a) a legally enforceable right of set-off exists; and (b) the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities, where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

e. Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

f. Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs

Assets and liabilities measured at fair value are classified into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

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**MATADOR MINING LTD ABN 45 612 912 393
AND CONTROLLED ENTITIES**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

f. Fair value measurement (continued)

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

g. Employee Benefits

Share-based payments

Equity-settled and cash-settled share-based compensation benefits are provided to employees.

Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services. Cash-settled transactions are awards of cash for the exchange of services, where the amount of cash is determined by reference to the share price.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using either the Binomial or Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option. Together with non-vesting conditions that determine whether the consolidated entity receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

The cost of equity-settled transactions is initially, and at each reporting date until vested, determined by applying either the Binomial or Black-Scholes option pricing model, taking into consideration the terms and conditions on which the award was granted. The cumulative charge to profit or loss until settlement of the liability is calculated as follows:

- during the vesting period, the liability at each reporting date is the fair value of the award at that date multiplied by the expired portion of the vesting period.
- from the end of the vesting period until settlement of the award, the liability is the full fair value of the liability at the reporting date.

All changes in the liability are recognised in profit or loss. The ultimate cost of cash-settled transactions is the cash paid to settle the liability.

Market conditions are taken into consideration in determining fair value. Therefore, any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, a minimum expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

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**MATADOR MINING LTD ABN 45 612 912 393
AND CONTROLLED ENTITIES**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

g. Employee Benefits (continued)

If the non-vesting condition is within the control of the consolidated entity or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the consolidated entity or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

h. Provisions

Provisions are recognised when the company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

i. Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at-call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown as borrowings in current liabilities on the statement of financial position.

j. Exploration and Evaluation Expenditure Assets

Exploration and evaluation expenditure in relation to separate areas of interest for which rights of tenure are current is carried forward as an asset in the statement of financial position where it is expected that the expenditure will be recovered through the successful development and exploitation of an area of interest, or by its sale; or exploration activities are continuing in an area and activities have not reached a stage which permits a reasonable estimate of the existence or otherwise of economically recoverable reserves. Where a project or an area of interest has been abandoned, the expenditure incurred thereon is written off in the period in which the decision is made.

Costs incurred before the company has obtained the legal rights to explore an area are recognised in the Statement of Profit or Loss and Other Comprehensive Income.

k. Property, plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment over their expected useful lives as follows:

Plant & equipment	20%
Motor vehicles	20%
Computer equipment	25%

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

**MATADOR MINING LTD ABN 45 612 912 393
AND CONTROLLED ENTITIES**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

k. Property, plant and equipment (continued)

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the consolidated entity. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

l. Revenue and Other Income

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. Any consideration deferred for more than one year is treated as the provision of finance and is discounted at a rate of interest that is generally accepted in the market for similar arrangements. The difference between the amount initially recognised and the amount ultimately received is interest revenue.

l. Revenue and Other Income (continued)

Interest revenue is recognised using the effective interest method, which for floating rate financial assets is the rate inherent in the instrument.

Dividend revenue is recognised when the right to receive a dividend has been established.

All revenue is stated net of the amount of goods and services tax.

m. Trade and Other Receivables

Trade and other receivables include amounts due from customers for goods sold and services performed in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Trade receivables are generally due for settlement within 30 days.

n. Trade and Other Payables

Trade and other payables represent the liabilities for goods and services received by the company that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

o. Impairment of non-financial assets

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

p. Contributed Equity

Ordinary shares are classified as equity. Costs directly attributable to the issue of new Shares or Options are shown as a deduction from the equity proceeds, net of any income tax benefit recognised.

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**MATADOR MINING LTD ABN 45 612 912 393
AND CONTROLLED ENTITIES**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

q. Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to the owners of Matador Mining Limited, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

r. Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from financing and investing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

s. Segment Reporting

Operating segments are now reported in a manner that is consistent with the internal reporting to the Chief Operating Decision Maker, which has been identified by the Company as the Executive Chairman and other members of the Board of Directors.

The Company has identified its operating segment based on the internal reports that are reviewed and used by the Board of Directors in assessing performance and determining the allocation of resources. Reportable segments disclosed are based on aggregating operating segments, where the segments have similar characteristics. For the current reporting period, the Company's sole activity was mineral exploration and resource development wholly within Canada, which is its only reportable segment.

t. New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated entity for the annual reporting period ended 30 June 2020. The consolidated entity's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the consolidated entity, are set out below.

Conceptual Framework for Financial Reporting (Conceptual Framework)

The revised Conceptual Framework is applicable to annual reporting periods beginning on or after 1 January 2020 and early adoption is permitted. The Conceptual Framework contains new definition and recognition criteria as well as new guidance on measurement that affects several Accounting Standards. Where the consolidated entity has relied on the existing framework in determining its accounting policies for transactions, events or conditions that are not otherwise dealt with under the Australian Accounting Standards, the consolidated entity may need to review such policies under the revised framework. At this time, the application of the Conceptual Framework is not expected to have a material impact on the consolidated entity's financial statements.

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**MATADOR MINING LTD ABN 45 612 912 393
AND CONTROLLED ENTITIES**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

NOTE 2: CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events that management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Exploration and evaluation

Exploration and evaluation costs have been capitalised on the basis that activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves. Key judgements are applied in considering costs to be capitalised which includes determining expenditures directly related to these activities and allocating overheads between those that are expensed and capitalised.

Share-based payment transactions

The consolidated entity measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using either the Binomial or Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

Coronavirus (COVID-19) pandemic

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the consolidated entity based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the consolidated entity operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the consolidated entity unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

**MATADOR MINING LTD ABN 45 612 912 393
AND CONTROLLED ENTITIES**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

Note 3: SEGMENT INFORMATION

The Company's operations are in one reportable business segment, being the exploration for gold. The Company operates in one geographical segment, being Canada.

Operating segments are reported in a manner that is consistent with the internal reporting to the chief operating decision maker ("CODM"), which has been identified by the Group as the Board of Directors.

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components.

At 30 June 2020, the Group had the following segments

	Operating Profit/(Loss)		Total Assets		Total Liabilities	
	30/6/2020	30/6/2019	30/6/2020	30/6/2019	30/6/2020	30/6/2019
	\$	\$	\$	\$	\$	\$
Gold (Canada)	-	-	15,435,311	3,241,987	-	(75,623)
Corporate	(2,489,692)	(3,321,601)	2,577,247	10,187,903	(282,820)	(2,215,348)
	(2,489,692)	(3,321,601)	18,012,558	13,429,890	(282,820)	(2,290,971)

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**MATADOR MINING LTD ABN 45 612 912 393
AND CONTROLLED ENTITIES**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

NOTE 4: LOSS BEFORE INCOME TAX

	2020	2019
	\$	\$
a. Revenue		
Interest received	5,867	24,827
Other income	10,000	39,791
	<u>15,867</u>	<u>64,618</u>
b. Administration expenses		
Administration fees	170,773	195,282
Audit fees	38,240	20,902
Legal fees	14,232	60,577
Occupancy	104,163	82,433
Promotion	170,658	82,798
Compliance	117,140	58,095
Other administration expenses	260,185	116,518
	<u>875,391</u>	<u>616,605</u>
c. Consultants and management expenses		
Directors' fees	421,441	132,000
Salaries, wages, superannuation and company secretarial fees	107,981	282,525
Other consultants and management expenses	72,193	43,656
	<u>601,615</u>	<u>458,181</u>

NOTE 5: AUDITOR'S REMUNERATION

	2020	2019
	\$	\$
Remuneration of the auditor for:		
Audit or review of the financial report	38,240	20,902
	<u>38,240</u>	<u>20,902</u>

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**MATADOR MINING LTD ABN 45 612 912 393
AND CONTROLLED ENTITIES**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

NOTE 6: TAXATION

	2020	2019
	\$	\$
The prima facie tax receivable on loss before income tax is reconciled to the income tax expense as follows:		
a. Income tax benefit/(expense)		
Prima facie benefit on operating loss at 27.5% (2019: 27.5%)	684,665	913,440
Tax losses not brought to account	(684,665)	(913,440)
Income tax benefit attributable to operating loss	-	-

The Group has tax losses carried forward, resulting in a deferred tax asset amounting to approximately \$2,511,489 (2019: \$2,237,489) not being recognised. The tax losses have not given rise to a deferred tax asset at reporting date because the Directors do not believe it is appropriate to realise a deferred tax asset as probable at this point in time. This benefit will only be obtained if:

- the Company derives future assessable income of a nature and of an amount sufficient to enable the benefits from the deduction for the losses to be realised;
- the Company continues to comply with the conditions for deductibility imposed by tax legislation; and
- no changes in tax legislation adversely affect the Company in realising the benefit from the deduction for the losses.

NOTE 7: CASH AND CASH EQUIVALENTS

	2020	2019
	\$	\$
Cash at bank and on hand	2,364,440	2,956,176
	2,364,440	2,956,176

NOTE 8: TRADE AND OTHER RECEIVABLES

	2020	2019
	\$	\$
Sundry debtors	12,687	1,048
GST/HST refundable	73,462	351,131
	86,149	352,179

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**MATADOR MINING LTD ABN 45 612 912 393
AND CONTROLLED ENTITIES**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

NOTE 9: OTHER ASSETS

	2020	2019
	\$	\$
Prepayments	19,884	11,780
Security deposit	55,000	50,000
	<u>74,884</u>	<u>61,780</u>

NOTE 10: EXPLORATION AND EVALUATION ASSETS

	2020	2019
	\$	\$
Opening balance	9,990,300	3,800,000
Tenement acquisition costs	16,536 ¹	2,952,200 ²
Capitalised exploration expenditure	5,383,067	3,238,100
	<u>15,389,903</u>	<u>9,990,300</u>

¹ Paid via the issue of 54,641 shares (\$0.30 per share). Refer to note 15b.

² Shares and options issued for the acquisition of the Cape Ray Gold Project

	\$
Issue of 8,000,000 shares at \$0.285 per share	2,280,000
Issue of 833,333 shares at \$0.345 per share	287,500
Issue of 833,333 options at fair value \$0.1434 per option	119,500
Issue of 1,000,000 options at fair value \$0.164 per option	164,000
Issue of 666,667 options at fair value \$0.1518 per option	101,200
	<u>2,952,200</u>

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**MATADOR MINING LTD ABN 45 612 912 393
AND CONTROLLED ENTITIES**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

NOTE 11: PLANT AND EQUIPMENT

	Plant & Equipment \$	Motor Vehicles \$	Computer Equipment \$	Total \$
At 30 June 2020				
At cost	29,168	15,987	82,924	128,079
Accumulated depreciation	(12,162)	(6,736)	(11,999)	(30,897)
Carrying value	<u>17,006</u>	<u>9,251</u>	<u>70,925</u>	<u>97,182</u>

Movements in carrying value

Year ended 30 June 2020

Balance 1 July 2019	22,839	12,448	34,168	69,455
Additions	-	-	46,732	46,732
Disposals	-	-	-	-
Depreciation expense for the year	(5,833)	(3,197)	(9,975)	(19,005)
Balance at 30 June 2020	<u>17,006</u>	<u>9,251</u>	<u>70,925</u>	<u>97,182</u>

	Plant & Equipment \$	Motor Vehicles \$	Computer Equipment \$	Total \$
At 30 June 2019				
At cost	29,168	15,987	36,193	81,347
Accumulated depreciation	(6,329)	(3,539)	(2,024)	(11,892)
Carrying value	<u>22,839</u>	<u>12,448</u>	<u>34,169</u>	<u>69,455</u>

Movements in carrying value

Year ended 30 June 2019

Balance 1 July 2018	28,673	15,644	2,369	46,686
Additions	-	-	33,739	33,739
Disposals	-	-	-	-
Depreciation expense for the year	(5,834)	(3,197)	(1,940)	(10,970)
Balance at 30 June 2019	<u>22,839</u>	<u>12,448</u>	<u>34,168</u>	<u>69,455</u>

NOTE 12: FUNDS RECEIVED FOR SHARES TO BE ISSUED

	2020 \$	2019 \$
Funds received during the year relating to shares issued post year end	-	1,253,882 ¹
	<u>-</u>	<u>1,253,882</u>

¹ On the 2 July 2019 and 5 July 2019 the Company completed the issue of 18,029,167 shares at an issue price of \$0.16 for total subscriptions before costs of \$2,897,292. Of the total subscriptions received, an amount of \$1,253,882 was received prior to 30 June 2019 and hence recognised as a liability.

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**MATADOR MINING LTD ABN 45 612 912 393
AND CONTROLLED ENTITIES**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

NOTE 13: TRADE AND OTHER PAYABLES

	2020	2019
	\$	\$
Trade creditors	199,151	334,295
Accrued expenses	64,700	167,264
PAYG payable	18,969	9,154
	282,820	510,713
	282,820	510,713

NOTE 14: BORROWINGS

	2020	2019
	\$	\$
Principle amount	-	500,000
Capitalised accrued interest	-	26,376
	-	526,376
	-	526,376

During the previous financial year, the company borrowed \$500,000 from Davey Management Pty Ltd (Davey Management). Mr. Grant Davey who was a Non-executive director of the Matador Mining Ltd (resigned as Director 2 June 2020) is a shareholder and Director of Davey Management. On 5 July 2019 the Company repaid the loan via a payment of \$276,376 in cash and the issue of 1,562,500 shares at a price of \$0.16 with a total value of \$250,000.

NOTE 15: CONTRIBUTED EQUITY

a. Share capital

	2020	2019
	\$	\$
124,403,032 (2019: 67,104,167) fully paid ordinary shares	25,350,578	13,067,698
Total share capital	25,350,578	13,067,698
	25,350,578	13,067,698

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Share buy-back

There is no current on-market share buy-back.

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**MATADOR MINING LTD ABN 45 612 912 393
AND CONTROLLED ENTITIES**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

NOTE 15: CONTRIBUTED EQUITY (continued)

b. Movements in ordinary share capital:

2020

Date	Details	Number of shares	Issue Price	\$
30 Jun 2019	Balance as at 30 June 2019	67,104,167		13,067,698
2 Jul 2019	Placement	16,466,667	0.16	2,647,292
5 Jul 2019	Shares issued to retire related party debt	1,562,500	0.16	250,000
15 Jul 2019	Acquisition of minority shareholders project level shareholding	13,470,834	0.31	4,175,958
19 Sep 2019	Acquisition of the Antler tenements	54,641	0.30	16,536
14 Oct 2019	Exercise of options	250,000	0.20	50,000
10 Dec 2019	Exercise of options	300,000	0.20	60,000
26 Feb 2020	Placement	21,484,622	0.20	4,296,924
27 Feb 2020	Placement	300,000	0.20	60,000
3 Mar 2020	Placement	200,000	0.20	40,000
18 May 2020	Issue of cleansing prospectus shares	100	0.20	20
18 May 2020	Placement	2,817,000	0.20	563,400
2 Jun 2020	Exercise of options	30,000	0.20	6,000
12 Jun 2020	Exercise of options	312,500	0.23	71,875
30 Jun 2020	Exercise of options	50,001	0.20	10,000
30 Jun 2020	Transfer fair value of options	-	-	936
	Less: Transaction costs	-	-	(236,062)
1 July 2020 ¹	Funds received for shares to be issued	-		270,000
30 June 2020	Balance as at 30 June 2020	<u>124,403,032</u>		<u>25,350,578</u>

¹ Shares were issued on 1 July 2020; however, funds were received in March 2020.

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**MATADOR MINING LTD ABN 45 612 912 393
AND CONTROLLED ENTITIES**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

NOTE 15: CONTRIBUTED EQUITY (continued)

b. Movements in ordinary share capital (continued):

2019

Date	Details	Number of shares	Issue Price	\$
30 June 2018	Balance as at 30 June 2018	44,850,001		8,328,517
3 July 2018	Shares issued in consideration for the project right for the acquisition of the Cape Ray Gold Project	8,000,000	\$0.29	2,320,000
6 July 2018	Shares issued in consideration for the project right for the acquisition of the Cape Ray Gold Project	833,000	\$0.345	287,500
6 July 2018	Issue of shares to corporate advisor	200,000	\$0.25	50,000
8 April 2019	Placement of shares	13,220,833	\$0.16	2,115,333
	Less: Transaction costs	-		(12,652)
30 June 2019	Balance as at 30 June 2019	67,104,167		13,067,698

NOTE 16: RESERVES

	2020 \$	2019 \$
a. Reserves		
Foreign currency translation reserve	(9,742)	256
Options reserve	3,762,983	2,805,604
	<u>3,753,241</u>	<u>2,805,860</u>

Movements:

Foreign currency translation reserve

Opening balance	256	-
Exchange rate differences on translating foreign operations	(9,998)	256
Closing balance	<u>(9,742)</u>	<u>256</u>

Options reserve

Opening balance	2,805,604	186,144
Share based payment for Cape Ray acquisition	-	384,700
Share based payments to Key Management Personnel	112,434	2,234,760
Share based payments to Employees and consultants	872,088	-
Options expired	(26,208)	-
Transfer of fair value to contributed equity	(935)	-
Closing balance	<u>3,762,983</u>	<u>2,805,604</u>

Foreign currency translation reserve

The foreign currency translation reserve records exchange rate differences on translating foreign operations.

Options reserve

The option reserve records items recognised as expenses on the valuation of share options.

**MATADOR MINING LTD ABN 45 612 912 393
AND CONTROLLED ENTITIES**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

NOTE 16: RESERVES (continued)

	Unlisted Options		Listed Options	
	2020 Number	2019 Number	2020 Number	2019 Number
Movement in options:				
Opening balance	22,950,000	7,250,000	15,900,001	15,900,001
Granted	10,584,948 ¹	15,700,000	-	-
Free attaching options issued	31,250,000 ²		-	-
Exercised	(562,500) ³	-	(380,001)	-
Expired	(7,000,000)	-	-	-
Closing balance	<u>57,222,448</u>	<u>22,950,000</u>	<u>15,520,000</u>	<u>15,900,001</u>
Options exercisable at year end	51,181,500	22,950,000	15,520,000	15,900,001

¹ The total number of options granted during the year includes 4,000,000 options which were granted to Ian Murray (Executive Chairman) following shareholder approval at the general meeting on 5 June 2020. The amount recognised in this financial year is a representation of the vesting period elapsed during the reporting period. The options were issued subsequent to the reporting period on 1 July 2020.

² Free and attaching options issued pursuant to a placement.

³ The weighted average share price at the date of exercise of these options was \$0.27.

For the options granted during the current financial year, the fair value was determined by using the Black-Scholes model. The valuation model inputs used to determine the fair value at the grant date, are as follows.

	ESS STI 2020	ESS LTI	ESS LTI share price conditions	Corporate Advisor Tranche 1	Corporate Advisor Tranche 2	Corporate Advisor Tranche 3	Corporate Advisor Tranche 4
Underlying value of the security	\$0.31	\$0.31	\$0.31	\$0.31	\$0.31	\$0.31	\$0.31
Exercise price	Nil	Nil	Nil	\$0.35	\$0.40	\$0.45	\$0.50
Valuation date	15/07/19	15/07/19	15/07/19	15/07/19	15/07/19	15/07/19	15/07/19
Vesting date	17/07/20	15/07/22	15/07/22	15/07/19	15/07/19	15/07/19	15/07/19
Expiry date	17/07/22	17/07/24	17/07/24	01/07/22	01/07/22	01/07/22	01/07/22
Probability of vesting	75%	75%	100%	100%	100%	100%	100%
Volatility	100%	100%	100%	85%	85%	85%	85%
Risk free rate	1%	1.08%	1.09%	0.96%	0.96%	0.96%	0.96%
Number of Options	795,337	592,208	197,403	1,250,000	1,250,000	1,250,000	1,250,000
Valuation per Option	\$0.31	\$0.31	\$0.23	\$0.16	\$0.15	\$0.14	\$0.13
Expense during the year	184,391	44,666	11,142	198,992	186,853	176,119	166,542

**MATADOR MINING LTD ABN 45 612 912 393
AND CONTROLLED ENTITIES**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

NOTE 16: RESERVES (continued)

	Executive Chairman Options	Executive Chairman Options	Executive Chairman Options	Executive Chairman Options
Underlying value of the security	\$0.27	\$0.27	\$0.27	\$0.27
Exercise price	Nil	Nil	Nil	Nil
Valuation date	05/06/20	05/06/20	05/06/20	05/06/20
Vesting date	05/06/23 ¹	05/06/23 ¹	05/06/23 ¹	05/06/23 ¹
Expiry date	05/06/23	05/06/23	05/06/23	05/06/23
Probability of vesting	100%	100%	50%	33%
Volatility	100%	86.34%	100%	100%
Risk free rate	0.28%	0.28%	0.28%	0.28%
Number of Options	1,000,000	1,000,000	1,000,000	1,000,000
Valuation per Option	\$0.27	\$0.20	\$0.27	\$0.27
Expense during the year	\$6,164	\$4,537	\$3,082	\$2,034

¹ Subject to performance criteria outlined below that can be satisfied at any time prior to expiry.

The following options were granted to related parties. These options have been included in the table on the previous page.

	Type	Number of options issued	Exercise price	Total value of options	Options expensed in 2020
Mr. Adam Kiley	STI, LTI and LTI Share price conditions	456,000	\$0.00	102,159	63,172
Mr. Ian Murray	Sign-on options	4,000,000	\$0.00	692,800	15,817
Mr. Stuart McKenzie	STI, LTI and LTI Share price conditions	213,525	\$0.00	48,187	33,445
Total		4,669,525		843,146	112,434

Vesting conditions – STI

- Completion of drilling program on time and on budget;
- Successful resources upgrade;
- Ensuring the Company is adequately funded; and
- Identification, drilling and additional ounces from new targets in 2020.

Vesting conditions – LTI

- Completion of permit assessment and submitted to regulators;
- Completion of scoping study that demonstrates economic viability of the Cape Ray Gold Project; and
- New targets identified to support a material increase in Mineral Resource.

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**MATADOR MINING LTD ABN 45 612 912 393
AND CONTROLLED ENTITIES**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

NOTE 16: RESERVES (continued)

Vesting conditions – LTI (share price conditions)

- Less than 40 cents: Nil
- Between 40 cents and 50 cents: 50% of objective achieved
- Between 50 cents and 50 cents: 75% of objective achieved
- Above 60 cents: 100% of objective achieved

Vesting conditions – Executive Chairman Sign-on options

- 1,000,000 options which vest on completion of a capital raising or capital raisings that ensure the Company is adequately funded to deliver its strategy;
- 1,000,000 zero priced options that vest subject to a restructure of the Board to include the appointment of two respected, independent Non-Executive Directors, who shall replace the Company's existing Executive Directors and a share price, based on a 30 day volume weighted average price, of not less than \$0.30.
- 1,000,000 vest on the achievement of an independently verified JORC Code 2012 compliant resource at Cape Ray Gold Project of at least 1,500,000 ounces of contained gold metal; and
- 1,000,000 vest on the achievement of an independently verified JORC Code 2012 compliant resource at Cape Ray Gold Project of at least 2,000,000 ounces of contained gold metal.

Total share-based payment expense recognised during the year was \$984,522 (30 June 2019: 2,234,760).

The weighted average exercise price of options outstanding at the end of the financial year was \$0.27 (2019: \$0.40). The weighted average fair value of options granted during the year was \$0.21 (2019: \$0.1668). The weighted average remaining contractual life of options outstanding at the end of the financial year was 1.44 years (2019: 1.35 years).

**MATADOR MINING LTD ABN 45 612 912 393
AND CONTROLLED ENTITIES**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

NOTE 17: TRANSACTIONS WITH MINORITY SHAREHOLDERS

	2020	2019
	\$	\$
Transactions with Maple Mining Pty Ltd ¹	4,175,958	-
	<u>4,175,958</u>	<u>-</u>

¹On 5 April 2018, the Company entered into an agreement to acquire 80% Cape Ray Gold Project. On 3 July 2018, the Company completed the acquisition of the project.

At the commencement of the reporting period the Company held the project through a subsidiary, Matador Canada Pty Ltd. The Company held an 80% interest in Matador Canada, with the remaining 20% was held by Maple Mining Pty Ltd, an entity controlled by Mr Grant Davey, Non-executive director (resigned 2 June 2020).

On 15 July 2019, the Company issued 13,470,834 shares to Maple Mining as consideration for the acquisition of the remaining 20% interest in Matador Canada. Following completion of the acquisition, the Company increased its interest in the project to 100%, and Matador Canada became a wholly owned subsidiary of the company.

Former Director Mr. Davey shareholdings includes 1,683,854 shares which are the subject of an agreement under which those shares are to be transferred from Mr Davey to Mikenty Pty Ltd, an entity controlled by Mr Keith Bowes, that had not been completed at the date of Mr Davey's resignation. Mr Davey's holdings of unquoted options also includes 1,350,000 unquoted options held on trust for Mikenty Pty Ltd.

NOTE 18: ACCUMULATED LOSSES

	2020	2019
	\$	\$
Accumulated losses at the beginning of the financial year	(4,734,639)	(1,413,038)
Loss after income tax expense for the year	(2,489,692)	(3,321,601)
Transfer expired options to accumulated losses	26,208	
Accumulated losses at the end of the financial year	<u>(7,198,123)</u>	<u>(4,734,639)</u>

NOTE 19: PARENT ENTITY INFORMATION

Set out below is the supplementary information about the parent entity.

	2020	2019
	\$	\$
Statement of profit or loss and other comprehensive income		
Loss after income tax	<u>(2,489,687)</u>	<u>(3,432,451)</u>

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**MATADOR MINING LTD ABN 45 612 912 393
AND CONTROLLED ENTITIES**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

NOTE 19: PARENT ENTITY INFORMATION

Total comprehensive loss	(2,489,687)	(3,432,451)
Statement of financial position		
Total current assets	2,466,596	3,316,248
Total assets	17,911,452	13,243,159
Total current liabilities	282,820	2,215,348
Total liabilities	282,820	2,215,348
Net assets	17,628,632	11,027,811

Guarantees

Matador has no guarantees.

Other Commitments and Contingencies

Matador has no other commitments and contingencies.

Plant and Equipment Commitments

Matador has no commitments to acquire property, plant and equipment.

Significant Accounting Policies

Matador accounting policies do not differ from the consolidated entity as disclosed in the notes to the financial statements.

NOTE 20: COMMITMENTS

The Company must meet the following tenement expenditure commitments to maintain its tenements in good standing until they are joint ventured, sold, reduced, relinquished, exemptions from expenditure are applied or are otherwise disposed of. These commitments are not provided for in the financial statements and are as follows.

	2020	2019
	\$	\$
Not later than one year	209,004	-
After one year but less than five years	485,156	505,982
	694,160	505,982

NOTE 21: CONTINGENT LIABILITIES AND CONTINGENT ASSETS

The Company has no contingent liabilities or contingent assets as at 30 June 2020 (30 June 2019: Nil).

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**MATADOR MINING LTD ABN 45 612 912 393
AND CONTROLLED ENTITIES**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

NOTE 22: LOSS PER SHARE

Loss per share from operations attributable to the ordinary equity holders of the Company	2020 \$	2019 \$
Basic/diluted loss per share in cents from operations	(2.34)	(5.85)
Weighted average number of ordinary shares used in the calculation of basic/diluted loss per share	106,184,338	56,806,975
Loss after income tax	(2,489,692)	(3,321,601)

NOTE 23: CASH FLOW INFORMATION

a. Reconciliation of cash flow from operations with loss after income tax

	2020 \$	2019 \$
Loss after income tax	(2,489,692)	(3,321,601)
Non-cash flows in loss:		
Depreciation	19,005	10,970
Share based payments expense	984,522	2,324,760
Interest expense capitalised	-	26,376
Net exchange differences	3,900	3,777
Changes in assets and liabilities:		
Changes in trade and other receivables	-	(5,201)
Changes in prepayments	(8,111)	(2,312)
Changes in trade and other payables	(72,230)	(3,406,281)
Changes in trade and other payables associated with Cape Ray acquisition	-	3,400,000
Net cash used in operating activities	(1,562,606)	(969,512)

b. Reconciliation of liabilities arising from financing activities

	Liability 1 July 2019	Cash flows Repayment	Non cash changes Conversion to equity	Liability 30 June 2020
Borrowings	526,376	(276,376)	(250,000)	-

**MATADOR MINING LTD ABN 45 612 912 393
AND CONTROLLED ENTITIES**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

NOTE 24: FINANCIAL INSTRUMENTS

Financial Risk Management

The Company's principal financial instruments are cash, receivables, deposits held as security guarantees, and payables.

Overview

The Company has exposure to the following financial risks from their use of financial instruments:

- liquidity risk
- credit risk
- Interest rate risk

This note presents information about the Company's exposure to each of the above risks

Financial Risk Management Policies

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework.

Risk management policies are established by the Board of Directors to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits.

Liquidity Risk and Liquidity Risk Management

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure that it will have sufficient cash to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of credit facilities or other fund raising initiatives.

The Board frequently reviews budget variance analyses that include working capital projections to monitor working capital requirements and optimise cash utilisation.

The Company continuously monitors forecast and actual cash flows and the maturity profiles of financial assets and financial liabilities to manage its liquidity risk.

The following are the contractual maturities of financial liabilities:

	Year	Carrying Amount	Under 6 Months	6 – 12 Months	1 - 2 years	2 – 5 years
Non derivative financial liabilities:						
Trade and other payables (Note 13)	2020	282,820	282,820	-	-	-
Trade and other payables (Note 13)	2019	510,713	510,713	-	-	-

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**MATADOR MINING LTD ABN 45 612 912 393
AND CONTROLLED ENTITIES**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

NOTE 24: FINANCIAL INSTRUMENTS (Continued)

Credit Risk

Credit risk refers to the risk that counterparties will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted the policy of only dealing with credit worthy counterparties and obtaining sufficient collateral or other security where appropriate, as a means of mitigating the risk of financial loss from defaults. Banks and financial institutions are chosen only if they are independently rated parties with a minimum rating of 'A'.

The Company does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics.

The carrying amount of financial assets recorded in the financial statements, net of any provisions for losses, represents the Company's maximum exposure to credit risk without taking account of the value of any collateral or other security obtained.

Interest Rate Risk

Interest rate risk is managed with a mixture of fixed and floating rate debt. The Company's exposure to interest rate risk and the effective weighted average interest rate for each class of financial assets and financial liabilities is set out in the following table:

2020	Weighted Average Interest Rate	Floating Interest Rate	Fixed Interest Maturing in 1 Year or Less	Fixed Interest Maturing in over 1 Year	Non-Interest Bearing	Total
	%	\$	\$	\$	\$	\$
Financial Asset						
Cash and cash equivalents	0.05%	1,913,724	-	-	450,716	2,364,440
Trade and other receivables	-	-	-	-	86,149	86,149
Financial Liabilities						
Trade and other payables	-	-	-	-	(282,820)	(282,820)
Net Financial Assets		1,913,724	-	-	(196,671)	2,167,769

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**MATADOR MINING LTD ABN 45 612 912 393
AND CONTROLLED ENTITIES**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

NOTE 24: FINANCIAL INSTRUMENTS (Continued)

Interest Rate Risk (Continued)

2019	Weighted Average Interest Rate	Floating Interest Rate	Fixed Interest Maturing in 1 Year or Less	Fixed Interest Maturing in over 1 Year	Non-Interest Bearing	Total
	%	\$	\$	\$	\$	\$
Financial Asset						
Cash and cash equivalents	0.40%	2,943,654	-	-	12,522	2,956,176
Trade and other receivables	-	-	-	-	352,179	352,179
Financial Liabilities						
Trade and other payables	-	-	-	-	(510,713)	(510,713)
Net Financial Assets		2,943,654	-	-	(146,012)	2,797,642

The following tables summarises the sensitivity of the Company's financial assets and financial liabilities to interest rate risk:

		-1%		+1%	
	Amount	Profit	Equity	Profit	Equity
	\$	\$	\$	\$	\$
Cash and cash equivalents – June 2020	2,364,440	(23,644)	(23,644)	23,644	23,644
Cash and cash equivalents – June 2019	2,956,176	(16,897)	(16,897)	16,897	16,897

Financial risk management objectives

The Company's overall risk management program seeks to minimise potential adverse effects on the financial performance of the Company. The Company uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate and other price risks, and ageing analysis for credit risk. Risk management is carried out by the Board of Directors. These policies include identification and analysis of the risk exposure of the Company and appropriate procedures, controls and risk limits.

**MATADOR MINING LTD ABN 45 612 912 393
AND CONTROLLED ENTITIES**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

NOTE 25: INTERESTS OF KEY MANAGEMENT PERSONNEL

Refer to the Remuneration Report contained in the Directors' Report for additional details of the remuneration paid or payable to each member of the Company's KMP for the year ended 30 June 2020.

The totals of remuneration paid to KMP of the Company during the year are as follows:

	Short-Term Benefits	Post-Employment Benefits	Termination Payments	Share-Based Payments	Total KMP Compensation
	\$	\$	\$	\$	\$
2020 Total	447,914	3,463	-	112,434	563,811
2019 Total	440,365	17,816	-	2,234,760	2,692,942

Other transactions with Key Management Personnel

For details of other transactions with KMP, refer to Note 26 Related Party Transactions and Balances.

NOTE 26: RELATED PARTY TRANSACTIONS AND BALANCES

The Company's only related entities are the KMP. KMP Personnel are any people having authority and responsibility for planning, controlling and directing the activities of the entity, directly or indirectly, including any Director (whether executive or otherwise). The Company has determined that the only KMP personnel are the Directors and company secretary.

All related party transactions are on normal arms' length terms.

Mr. Grant Davey, who was a non-executive Director of the Company (resigned 2 June 2020) is a Director and shareholder of Matador Capital Pty Ltd (**Matador Capital**). The Company makes payments to Matador Capital under a Shared Services Agreement in which Matador Capital provides working capital, office space, technical staff including geologists and project management, and general office costs to the company at cost plus 2%. Mr. Davey was also a Director of Marvel Gold Limited (formerly Graphex Mining Limited) during the period (resigned 25 September 2019), an ASX listed company that has a Shared Services Agreement with the Company for the provision of company secretarial, accounting and administration services to the Company. Payments made under these arrangements for the year are set out below.

	2020	2019
	\$	\$
Related party transactions		
Payments to Matador Capital Pty Ltd	2,148,452 ¹	136,594
Payments to Graphex Mining Limited	307,186	94,122
	2,455,638	230,716

**MATADOR MINING LTD ABN 45 612 912 393
AND CONTROLLED ENTITIES**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

NOTE 26: RELATED PARTY TRANSACTIONS AND BALANCES (Continued)

¹ An amount of \$1,263,087 was provided to the Company as a working capital facility during the period that was subsequently repaid prior to period end. The working capital facility was provided under the Shared Services Agreement at a cost of 2%.

Former Director Mr. Davey shareholdings includes 1,683,854 shares which are the subject of an agreement under which those shares are to be transferred from Mr Davey to Mikenty Pty Ltd, an entity controlled by Mr Keith Bowes, that had not been completed at the date of Mr Davey's resignation. Mr Davey's holdings of unquoted options also includes 1,350,000 unquoted options held on trust for Mikenty Pty Ltd.

All related party transactions are on normal arms' length terms.

NOTE 27: INTEREST IN SUBSIDIARIES

The consolidated financial statements incorporate the assets, liabilities and results of the following wholly owned subsidiaries in accordance with the accounting policy described in the notes to the financial statements.

Name	Nature of investment	Country of incorporation	Equity interest (%)	
			2020	2019
Matador Canada Pty Ltd	Ordinary shares	Australia	100%	100%
Cape Ray Mining Limited	Ordinary shares	Australia	100%	-

NOTE 28: EVENTS AFTER THE REPORTING PERIOD

No matter or circumstance has arisen since the end of the financial year, which will significantly affect, or may significantly affect, the state of affairs or operations of the reporting entity in future financial periods other than the following:

- On 1 July 2020, following shareholder approval the Company issued 2,350,000 shares to Directors at \$0.20 raising \$470,000 before costs. \$270,000 was received by the Company before the period end date.
- On 8 July 2020, the company issued 21,428,571 shares at \$0.405 raising \$8,678,571 before costs.
- On 20 July 2020, the Company appointed Mr Mick Wilkes as a Non-Executive Director.
- On 30 July 2020, the Company commenced its 2020 drilling program at its 100% owned Cape Ray Project.
- On 12 August 2020, the Company appointed Mr Warren Potma as the new full-time Exploration Manager.
- Subsequent to the reporting date \$4,340,000 was raised from the exercise of listed and unlisted options.
- The impact of the Coronavirus (COVID-19) pandemic is ongoing and while it has had no significant impact on the consolidated entity up to 30 June 2020, it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

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**MATADOR MINING LTD ABN 45 612 912 393
AND CONTROLLED ENTITIES**

DIRECTORS' DECLARATION

In accordance with a resolution of the Directors of Matador Mining Ltd, the Directors of the company declare that:

1. The financial statements and notes are in accordance with the *Corporations Act 2001* and:
 - a. comply with Australian Accounting Standards which, as stated in accounting policy Note 1 to the financial statements, constitutes compliance with International Financial Reporting Standards; and
 - b. give a true and fair view of the financial position as at 30 June 2020 and of the performance for the year ended on that date of the company.
2. In the Directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.



**Executive Chairman
Ian Murray**

Dated this 29th day of September 2020

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Independent Auditor's Report

To the Members of Matador Mining Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Matador Mining Limited ("the Company") and its subsidiaries ("the Consolidated Entity"), which comprises the consolidated statement of financial position as at 30 June 2020, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion:

- a. the accompanying financial report of the Consolidated Entity is in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the Consolidated Entity's financial position as at 30 June 2020 and of its financial performance for the year then ended; and
 - (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.
- b. the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Consolidated Entity in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
<p>Exploration and Evaluation – \$15,389,903</p> <p>(Refer Note 10)</p> <p>Exploration and evaluation is a key audit matter due to:</p> <ul style="list-style-type: none"> ➤ The significance of the balance to the Consolidated Entity's financial position. ➤ The level of judgement required in evaluating management's application of the requirements of AASB 6 <i>Exploration for and Evaluation of Mineral Resources</i>. AASB 6 is an industry specific accounting standard requiring the application of significant judgements, estimates and industry knowledge. This includes specific requirements for expenditure to be capitalised as an asset and subsequent requirements which must be complied with for capitalised expenditure to continue to be carried as an asset. ➤ The assessment of impairment of exploration and evaluation expenditure being inherently difficult. 	<p>Our procedures included, amongst others:</p> <ul style="list-style-type: none"> ➤ Assessing management's determination of its areas of interest for consistency with the definition in AASB 6. This involved analysing the tenements in which the consolidated entity holds an interest and the exploration programmes planned for those tenements; ➤ For each area of interest, we assessed the Consolidated Entity's rights to tenure by corroborating to government registries and evaluating agreements in place with other parties as applicable; ➤ We tested the additions to capitalised expenditure for the year by evaluating a sample of recorded expenditure for consistency to underlying records, the capitalisation requirements of the Consolidated Entity's accounting policy and the requirements of AASB 6; ➤ We considered the activities in each area of interest to date and assessed the planned future activities for each area of interest by evaluating budgets for each area of interest; ➤ We assessed each area of interest for one or more of the following circumstances that may indicate impairment of the capitalised expenditure: <ul style="list-style-type: none"> ➤ the licenses for the right to explore expiring in the near future or are not expected to be renewed; ➤ substantive expenditure for further exploration in the specific area is neither budgeted or planned ➤ decision or intent by the Consolidated Entity to discontinue activities in the specific area of interest due to lack of commercially viable

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Key audit matter	How our audit addressed the key audit matter
	<p>quantities of resources; and</p> <ul style="list-style-type: none"> ➤ data indicating that, although a development in the specific area is likely to proceed, the carrying amount of the exploration asset is unlikely to be recovered in full from successful development or sale. <p>We assessed the appropriateness of the related disclosures in note 10 to the financial statements.</p>
<p>Share based payments – \$984,522</p> <p>(Refer to Note 16)</p> <p>As disclosed in note 16 in the financial statements, during the year ended 30 June 2020, the Company incurred share based payments totalling \$984,522.</p> <p>Share based payments are considered to be a key audit matter due to</p> <ul style="list-style-type: none"> ➤ the value of the transactions; ➤ the complexities involved in recognition and measurement of these instruments; and ➤ the judgement involved in determining the inputs used in the valuation. <p>Management used the Black-Scholes option valuation model to determine the fair value of the options granted. This process involved significant estimation and judgement required to determine the fair value of the equity instruments granted.</p>	<p>Our procedures included, amongst others:</p> <ul style="list-style-type: none"> ➤ Analysing contractual agreements to identify the key terms and conditions of share based payments issued and relevant vesting conditions in accordance with AASB 2 Share Based Payments; ➤ Evaluating management's Black-Scholes Valuation Models and assessing the assumptions and inputs used; ➤ Assessing the amount recognised during the period against the vesting conditions of the options; and ➤ Assessing the adequacy of the disclosures included in the financial report.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Consolidated Entity's annual report for the year ended 30 June 2020, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state in accordance with Australian Accounting Standard *AASB 101 Presentation of Financial Statements*, that the financial report complies with International Financial Reporting Standards.

In preparing the financial report, the directors are responsible for assessing the Consolidated Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Consolidated Entity or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Consolidated Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Consolidated Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Consolidated Entity to cease to continue as a going concern.

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Independent Auditor's Report

To the Members of Matador Mining Limited (Continued)



- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Consolidated Entity to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Consolidated Entity audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2020. The directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with s 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's Opinion

In our opinion, the Remuneration Report of Matador Mining Limited, for the year ended 30 June 2020, complies with section 300A of the Corporations Act 2001.

BENTLEYS
Chartered Accountants

CHRIS NICOLOFF CA
Partner

Dated at Perth this 29th day of September 2020

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**MATADOR MINING LTD ABN 45 612 912 393
AND CONTROLLED ENTITIES**

ASX ADDITIONAL INFORMATION

Additional information required by the Australian Securities Exchange Ltd and not shown elsewhere in this report is as follows. The information is current as at 17 September 2020.

Class of Shares and Voting Rights

The voting rights attached to the fully paid ordinary shares of the Company are:

- a) At a meeting of members or classes of members, each member entitled to vote, may vote in person or by proxy or by attorney; and
- b) On a show of hands, every person present who is a member has one vote, and on a poll, every person present in person or by proxy or attorney has one vote each for each ordinary share held.

Options do not carry any voting rights.

Distribution of Equity Securities

Ordinary Shares

Holding Ranges	Number of Holders	Total Units	% Issued Share Capital
1 - 1,000	38	6,532	0.00%
1,001 - 5,000	236	702,955	0.42%
5,001 - 10,000	154	1,300,577	0.77%
10,001 - 100,000	578	24,511,863	14.56%
Above 100,000	246	141,885,822	84.25%
Totals	1,252	168,407,749	100.00%

There are 40 holders of unmarketable parcels of fully paid ordinary shares comprising a total of 8,548 shares.

Unlisted Options

Holding Ranges	Number of Holders	Total Units	% Issued Share Capital
1 - 1,000	-	-	-
1,001 - 5,000	-	-	-
5,001 - 10,000	1	6,250	0.01%
10,001 - 100,000	14	1,086,525	2.31%
Above 100,000	49	46,006,855	97.68%
Totals	64	47,099,630	100.00%

Twenty Largest Shareholders (as at 17 September 2020)

POSITION	HOLDER NAME	HOLDING	% ISSUED CAPITAL
1	MAPLE MINING PTY LTD	13,270,834	7.88%
2	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	9,299,235	5.52%
3	CITICORP NOMINEES PTY LIMITED	5,047,215	3.00%
4	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	3,984,947	2.37%
5	PRECISION OPPORTUNITIES FUND LTD <INVESTMENT A/C>	3,250,000	1.93%
6	BNP PARIBAS NOMS PTY LTD <DRP>	2,817,013	1.67%
7	PIAMA PTY LTD <FENA SUPER PLAN A/C>	2,437,500	1.45%
8	WINDHAGER HOLDING AG	2,400,000	1.43%

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**MATADOR MINING LTD ABN 45 612 912 393
AND CONTROLLED ENTITIES**

ASX ADDITIONAL INFORMATION

POSITION	HOLDER NAME	HOLDING	% ISSUED CAPITAL
9	NATIONAL NOMINEES LIMITED	2,397,455	1.42%
10	TREASURY SERVICES GROUP PTY LTD <NERO RESOURCE FUND>	2,142,857	1.27%
11	DAVEY MANAGEMENT (AUS) PTY LTD <DAVEY FAMILY SUPER>	2,137,500	1.27%
12	TREASURY SERVICES GROUP PTY LTD <NERO RESOURCE FUND>	2,111,112	1.25%
13	INVIA CUSTODIAN PTY LIMITED <D & E MACKAY-COGHILL SF>	2,100,000	1.25%
14	CS FOURTH NOMINEES PTY LIMITED	2,027,979	1.20%
15	BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	1,966,620	1.17%
16	UBS NOMINEES PTY LTD	1,777,264	1.06%
17	TOPAZ HOLDINGS PTY LTD <MYLES K ERTZEN FAMILY A/C>	1,700,000	1.01%
18	MUTUAL INVESTMENTS PTY LTD <MITCHELL SUPER FUND A/C>	1,562,500	0.93%
19	ARALAD MANAGEMENT PTY LTD <THE TRK SUPER FUND A/C>	1,529,878	0.91%
20	MRS TARA ELIZABETH KILEY & MR ADAM LEE KILEY	1,300,000	0.77%
	TOTAL	65,259,909	38.75%
	TOTAL ISSUED CAPITAL	168,407,749	100.00%

Twenty Largest Holders of Unlisted Options (as at 17 September 2020)

POSITION	HOLDER NAME	HOLDING	% ISSUED CAPITAL
1	DAVEY HOLDING (AUS) PTY LTD	7,200,000	15.29%
2	CG NOMINEES (AUSTRALIA) LIMITED	5,000,000	10.62%
3	IAN MURRAY	4,000,000	8.49%
4	MRS TARA ELIZABETH KILEY & MR ADAM LEE KILEY	2,108,000	4.48%
5	DAVEY MANAGEMENT (AUS) PTY LTD	1,800,000	3.82%
6	CROSSPICK RESOURCES PTY LTD	1,562,500	3.32%
6	MUTUAL INVESTMENTS PTY LTD <MITCHELL SUPER FUND A/C>	1,562,500	3.32%
6	NERO RESOURCE FUND PTY LTD <NERO RESOURCE FUND A/C>	1,562,500	3.32%
6	MR MARK JOHN CLARK	1,562,500	3.32%
6	PIAMA PTY LTD <FENA SUPER PLAN A/C>	1,562,500	3.32%
6	GLYN EVANS & THI THU VAN EVANS	1,562,500	3.32%
6	ROLLASON PTY LTD <THE GIORGETTA SUPER PLAN A/C>	1,562,500	3.32%
6	TOPAZ HOLDINGS PTY LTD <MYLES K ERTZEN FAMILY A/C>	1,562,500	3.32%
7	LIBERTY MANAGEMENT PTY LTD	1,437,500	3.05%
8	MIKENTY PTY LTD	1,408,000	2.99%
9	DAVEY MANAGEMENT (AUS) PTY LTD <DAVEY FAMILY SUPER A/C>	1,262,500	2.68%
10	MR KIM ANDREW MASSEY <MASSEY FAMILY A/C>	1,250,000	2.65%
11	CENQUEST PTY LTD <BLUE COW INVESTMENT A/C>	625,000	1.33%

**MATADOR MINING LTD ABN 45 612 912 393
AND CONTROLLED ENTITIES**

ASX ADDITIONAL INFORMATION

POSITION	HOLDER NAME	HOLDING	% ISSUED CAPITAL
11	ARALAD MANAGEMENT PTY LTD <TRK SUPER FUND A/C>	625,000	1.33%
12	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	500,000	1.06%
12	MR LYNDON GEORGE HOPKINS	500,000	1.06%
13	MRS SARAH ANNE CLARK	418,750	0.89%
14	TADDEI NOMINEES PTY LTD <N + E TADDEI SUPERFUND A/C>	312,500	0.66%
14	GOLDLINK PTY LTD	312,500	0.66%
14	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	312,500	0.66%
14	ENDOW HOLDINGS PTY LTD	312,500	0.66%
14	MRS EMMA PRICE	312,500	0.66%
14	MR BRIAN MCCUBBING & MRS ADRIANNA MARIA MCCUBBING	312,500	0.66%
15	MR MURRAY JOHN JACOB & MRS SARA CAROLINE JACOB	300,000	0.64%
16	LONE JET PTY LTD <INWOOD FAMILY A/C>	228,938	0.49%
17	MRS RUTH MARY MCKENZIE & MR STUART ANDREW MCKENZIE	216,305	0.46%
18	HITMASTER PTY LTD	210,000	0.45%
19	MR KEVIN ANTHONY LEO & MRS LETICIA LEO	200,000	0.42%
19	BYRNE HOLDINGS PTY LTD	200,000	0.42%
19	MR PAUL ANTHONY MOSS	200,000	0.42%
20	YCAGAGF INVESTMENTS PTY LTD	187,500	0.40%
	Total	44,252,493	93.95%
	Total issued capital - selected security class(es)	47,099,630	100.00%

Substantial Holders

Grant Davey and his associates hold 11.84 % of issued and outstanding shares.

Unquoted Securities (as at 17 September 2020)

CLASS	TOTAL HOLDINGS
UNL OPTS @ \$0.40 EXPIRING 6/7/21	3,000,000
UNL OPTS @ \$0.55 EXPIRING 6/7/21	3,000,000
UNL OPTS @ \$0.70 EXPIRING 6/7/21	3,000,000
UNL OPTS @ \$0.23 EXP 02/07/2022	25,712,500
UNL OPTS @ ZERO EXP 01/07/2022	633,519
UNL OPTS @ \$0.40 EXP 02/07/2022	1,700,000
UNL OPTS @ ZERO EXP 01/07/2024	1,053,611
UNL OPTS @ \$0.35 EXP 01/07/2022	1,250,000
UNL OPTS @ \$0.40 EXP 01/07/2022	1,250,000
UNL OPTS @ \$0.45 EXP 01/07/2022	1,250,000
UNL OPTS @ \$0.50 EXP 01/07/2022	1,250,000

**MATADOR MINING LTD ABN 45 612 912 393
AND CONTROLLED ENTITIES**

ASX ADDITIONAL INFORMATION

CLASS	TOTAL HOLDINGS
UNLISTED OPTIONS @ \$0.00 EXP 01/07/23	1,000,000
UNLISTED OPTIONS @ \$0.00 EXP 01/07/23	1,000,000
UNLISTED OPTIONS @ \$0.00 EXP 01/07/23	1,000,000
UNLISTED OPTIONS @ \$0.00 EXP 01/07/23	1,000,000

Unquoted Securities >20% Holders (as at 17 September 2020)

Class	Holder	Number
OPTIONS EXERCISABLE @ \$0.40 EXPIRING 6/7/21	DAVEY HOLDINGS (AUS) PTY LTD	3,000,000
OPTIONS EXERCISABLE @ \$0.55 EXPIRING 6/7/21	DAVEY HOLDINGS (AUS) PTY LTD	3,000,000
OPTIONS EXERCISABLE @ \$0.70 EXPIRING 6/7/21	DAVEY HOLDINGS (AUS) PTY LTD	3,000,000
OPTIONS EXERCISABLE @ \$0.40 EXPIRING 02/07/2022	MIKENTY PTY LTD	1,000,000
OPTIONS EXERCISABLE @ \$0.40 EXPIRING 02/07/2022	KILEY FAMILY A/C	700,000
OPTIONS EXERCISABLE @ \$0.35 EXPIRING 01/07/2022	CG NOMINEES (AUSTRALIA) LIMITED	1,250,000
OPTIONS EXERCISABLE @ \$0.40 EXPIRING 01/07/2022	CG NOMINEES (AUSTRALIA) LIMITED	1,250,000
OPTIONS EXERCISABLE @ \$0.45 EXPIRING 01/07/2022	CG NOMINEES (AUSTRALIA) LIMITED	1,250,000
OPTIONS EXERCISABLE @ \$0.50 EXPIRING 01/07/2022	CG NOMINEES (AUSTRALIA) LIMITED	1,250,000
OPTIONS EXERCISABLE @ \$0.00 EXPIRING 01/07/2023	IAN MURRAY	1,000,000
OPTIONS EXERCISABLE @ \$0.00 EXPIRING 01/07/2023	IAN MURRAY	1,000,000
OPTIONS EXERCISABLE @ \$0.00 EXPIRING 01/07/2023	IAN MURRAY	1,000,000
OPTIONS EXERCISABLE @ \$0.00 EXPIRING 01/07/2023	IAN MURRAY	1,000,000

Schedule of Mining Tenements (as at 17 September 2020)

LICENSE NO.	LOCATION	HOLDER
007833M	Isle aux Morts, Southern NL	Cape Ray Mining Limited
008273M	Burnt Island Pond, Southern NL	Cape Ray Mining Limited
009839M	Isle aux Morts, Southern NL	Cape Ray Mining Limited
009939M	Isle aux Morts, Southern NL	Cape Ray Mining Limited
017072M	Isle aux Morts, Southern NL	Cape Ray Mining Limited
024125M	Grandys Brook, Southern NL	Cape Ray Mining Limited
024328M	Grandys Lake, Southern NL	Cape Ray Mining Limited
024336M	Kangaroo Pond, Southern NL	Cape Ray Mining Limited
024345M	Kangaroo Pond, Southern NL	Cape Ray Mining Limited
024359M	Grand Bay River, Southern NL	Cape Ray Mining Limited
024838M	Grandys Lake, Southern NL	Cape Ray Mining Limited
025560M	Isle aux Morts, Southern Nfld	Cape Ray Mining Limited
025854M	Grand Bay River, Southern NL	Cape Ray Mining Limited
025855M	Cape Ray Area, Southern NL	Cape Ray Mining Limited
025856M	Cape Ray, Southern NL	Cape Ray Mining Limited

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**MATADOR MINING LTD ABN 45 612 912 393
AND CONTROLLED ENTITIES**

ASX ADDITIONAL INFORMATION

LICENSE NO.	LOCATION	HOLDER
025857M	Cape Ray, Southern NL	Cape Ray Mining Limited
025858M	Cape Ray, Southern NL	Cape Ray Mining Limited
026125M	Garia Brook, Southern NL	Cape Ray Mining Limited
030881M	La Poile River, Southern NL	Cape Ray Mining Limited
030884M	La Poile River, Southern NL	Cape Ray Mining Limited
030889M	La Poile River, Southern NL	Cape Ray Mining Limited
030890M	La Poile River, Southern NL	Cape Ray Mining Limited
030893M	La Poile River, Southern NL	Cape Ray Mining Limited

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