



Annual Report

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FOR THE YEAR ENDED
30 June 2022

Matador Mining Ltd and Controlled Entities

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Corporate Directory

Directors

Mr Justin Osborne – Non-executive Chair
Mr Sam Pazuki – Managing Director and CEO
Dr Nicole Adshead-Bell – Non-executive Director
Mr Ian Murray – Non-executive Director
Mr Kerry Sparkes – Non-executive Director

Company secretaries

Ms Carol Marinkovich
Mr Brian Scott

Principal place of business

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140 St Georges Terrace
Perth WA 6000
Tel: +61 8 6117 0478
Email: info@matadormining.com.au

Share registry

Automic Registry Services
Level 5, 126 Philip Street
Sydney NSW 2000
Tel: +61 2 9698 5414 / 1300 288 664
Email: hello@automic.com.au

Auditor

Ernst & Young
11 Mounts Bay Road
Perth WA 6000
Tel: +61 8 9429 2222

Stock exchange listing

Australian Securities Exchange (ASX) – code MZZ
OTCQX in the United States (OTC) – code MZZMF
Frankfurt Stock Exchange (FSE) – code MA3

Website

<http://www.matadormining.com.au>

Matador Mining Limited

ACN 612 912 393

The terms **the Company** and **Matador** are used in this report to refer to Matador Mining Limited and/or its subsidiaries

All dollar figures are expressed in Australian dollars unless otherwise stated.

Chair's Letter to Shareholders

Dear Shareholders,

It is with great pleasure that I reflect on your Company's progress over the 2022 financial year in my first letter serving as Non-executive Chair. This is a role I was honoured to be promoted to on 1 August 2022, having served as Non-executive Director at Matador since 2 June 2020.

There have been some important board changes through the financial year worth highlighting. Firstly, I would like to take the opportunity to again thank Ian Murray, who transitioned to Non-executive Director from Executive Chair, following two years of hard work characterised by his trademark vision, diligence, leadership, and enthusiasm – much of which was delivered against the headwinds of the COVID-19 pandemic.

Joining myself, Ian, and Dr Nicole (Nikki) Adshead-Bell on the board, we welcomed Sam Pazuki as Managing Director and CEO. Sam joined Matador after nearly a decade with OceanaGold Corporation, most recently serving as Senior Vice President, Corporate Development. Sam came with a tremendous corporate background and deep understanding of both the Canadian and Australian markets we are operating in. He also provided us with an important executive presence in Canada – our host country. More recently, we warmly welcomed the highly respected and accomplished international mining executive Kerry Sparkes to the board, after he served as an advisor to the Company for over a year. Kerry has significant knowledge of Newfoundland, being a St. John's resident, as well as great exploration insight perfectly suited to our Greenfield growth ambitions. Finally, I would like to also take this opportunity to thank Mick Wilkes again for his work as Non-executive Director over the last two years, following his retirement from the Board in May 2022 to pursue new opportunities.

Joining the management team, we welcomed David Gurvey as CFO and Eric Hinton as Project Manager. Crispin Pike, our man on the ground in Newfoundland, was promoted from Principal Geologist to Vice President, Discovery. This reflects the leadership, talent, and hard work he has displayed since joining the Company 18 months ago.

Supporting the refreshed board and management team, the Company successfully completed a capital raising post-financial year-end, raising \$5 million through a share placement to institutional, professional, and sophisticated investors. Several major investors participated, including two new and large North American resource funds, in addition to some of the Company's largest existing shareholders. Our concurrent Share Purchase Plan raised \$2.9 million, with \$3.9 million in demand, after initially seeking to raise \$1 million. With a total of \$7.9 million raised, we are well funded to ramp up our Greenfield exploration

program in the high-priority Malachite target area identified over the last 12 months, as well as the Bunker Hill, Grandy's and Hermitage targets.

Reflecting on the Company's achievements from the 2022 financial year, substantial activity was completed in our Brownfields areas in parallel to collecting the important base data sets required to advance exploration in our highly prospective Greenfield tenements. Our summer drilling program produced more than 21,000 metres of diamond core from two diamond drilling rigs, and 2,200 geochemical sample locations with five power auger rigs operating at times. The Company also safely and efficiently completed its inaugural winter drill program, with almost 6,000 metres of drilling on mostly brownfields targets. Matador was proud to have been awarded 'Prospector/Explorer of the Year' by the Newfoundland and Labrador Branch of the Canadian Institute of Mining, Metallurgy and Petroleum for "continuous advancement and outstanding results" which reflects the excellent technical work and innovative approach taken by the Matador exploration team.

Brownfields exploration at Window Glass Hill had some notable success during the year. This is one of the cornerstone deposits of our Cape Ray tenement containing 232,000 ounces at 1.6 g/t gold. Infill drilling here has provided evidence for increasing the confidence category of the Mineral Resource Estimate, with modelling work ongoing. There were likewise encouraging results from the higher-grade Central Zone deposits derived from the winter program which will be incorporated into future resource and geological model updates.

The invaluable data from our high-quality Heli-Mag geophysical survey completed in early 2021 formed the basis of our generation of new greenfield targets along our extensive Cape Ray tenement holding. Reconnaissance field work was completed over the initial priority targets including Big Pond, Window Glass Hill Granite, Benton, Stag Hill, and Malachite. Follow-up drilling and further field work at Window Glass Hill Granite in particular yielded encouraging results, identifying a larger footprint to the mineralised system and modelling work will continue as we strive to better understand the potential of this deposit.

The Malachite target, approximately 40 kilometres north-east of the Central Zone deposits is proving to be an especially exciting Greenfield project. A complex array of structures and geological features ideal for gold deposit formation were first interpreted from our magnetics. Our initial geochemical findings did not disappoint when a comprehensive glacial till sampling program yielded multiple regional scale gold anomalies, and gold grain samples containing some of the highest grain counts ever recorded in Newfoundland. The size of the geochemical anomalies and underlying geophysical signatures cover an area larger than the footprint of Marathon Gold's five-million-ounce Valentine Lake deposit, which is along strike on the same Cape Ray Shear Zone. These combined results provided us with the encouragement to advance this as our priority Greenfield project. Given the high quality of the data gathered, and the perceived high prospectivity of the targets subsequently

generated, Matador has pivoted strategy to fully focus its energy and exploration budget on Malachite, as well as several other highly promising Greenfield targets. Extensive field mapping was completed through July-August 2022 and drilling will commence at Malachite in October 2022. We look forward to unravelling the secrets of this enticing target area and hopefully revealing the structures that are seeding the till with such an abundance of delicate gold grains.

On behalf of the Matador Board, I would like to thank the Newfoundland and Labrador government, the Town councils of Port aux Basques and Isle aux Morts, and the Miawpukek and Qalipu First Nations Groups for the interest, assistance, and support they have shown and provided to the Project and our in-country contractors and advisors. Unfortunately, the local communities have most recently endured significant heartache following the devastating Tropical Storm Fiona which severely impacted the Atlantic coast and townships of Newfoundland. Members of the Company staff were out in the communities offering support and assistance in the recovery efforts at the time of writing. Matador is committed to provide further support, to the extent we can, in what is expected to be a lengthy period of relief and recovery.

Personally, I would like to also thank my fellow Board members and management team for the warm welcome into my new role as Chair, and for their continued dedication and focus on advancing Matador's interests.

Finally, the Board would like to thank all shareholders for your continued support. While it has been a challenging couple of years battling through COVID-19 and other unsettling global events, I am confident as we move into the 2023 financial year with a renewed strategy, cash balance, board, and management teams, that we can look forward to the year ahead with some expectation. This is an exciting time for your Company, and we will keep you updated as we continue our discovery quest in the frontier territories of Newfoundland.

Yours faithfully,



Justin Osborne
Non-Executive Chair
29 September 2022



Managing Director and CEO Letter to Shareholders

I am excited to be leading Matador through the journey of value-creation. During a decade as a senior executive with a multinational, dual-listed producer in the gold industry, I had the unique opportunity to develop a robust strategy focused on delivery of long-term shareholder value tailored to the needs of that business. I also had the fortunate opportunity to engage with shareholders globally while seeking out external opportunities aligned with a mandate of creating long-term shareholder value.

When the opportunity to join Matador as CEO was presented to me, it did not take me long to see the potential of the Company. Since officially joining the Company on 1 May 2022, my conviction in the potential of Matador has only increased. We have an incredibly talented team with the pedigree required to deliver exploration success. Together, we are focused on making the right decisions; ones that are not based on short-term pressures, or “noise” of the market, but instead are designed to drive long-term shareholder value through growth of our business.

As a junior exploration company with no revenue, the success of the Company and timelines to success are fundamentally driven by our continued ability to fund our activities via access to capital markets, and through discovery of economic and sizeable mineral resources. Neither are guaranteed.

However, Matador’s extensive tenement package on the multi-million-ounce Cape Ray Shear Zone provides shareholders exposure to the right geological setting for making new, multi-million-ounce discoveries. Up until May 2022, the Company’s primary strategy had focused on the following key initiatives:

- Brownfields Exploration: Diamond drilling and geochemical sampling in and around the existing mineral resources.
- Project study: Release of a scoping study in May 2020 that demonstrated robust economics based on economic inputs at that time.
- Environmental Impact Statement (“EIS”): The advancement of the EIS based on the current resource and scoping study.
- Greenfield Exploration: Compilation of the base data sets required to effectively execute successful discovery programs.

Current market conditions including extensive supply chain issues, tight capital markets, inflation, and the typical risks associated with development projects all pose major risks for the successful development of projects. These risks, along with the relatively small-scale nature of the previously envisaged project as outlined by the May 2020 Scoping Study, are factors for the Company deciding to place the EIS process on hold.

Instead, our strategic focus has shifted to Greenfield exploration on highly prospective ground that the Board and I firmly believe has the potential to drive long-term shareholder value creation. We aim to achieve this through the drill-bit at new, sizeable, and vastly underexplored, yet prospective targets, such as Malachite, Grandy's, Bunker Hill, and Hermitage, amongst many other target areas.

This shift to focus our activities on these areas is the prudent decision, and positions our business to make new, multi-million-ounce discoveries. I believe this is what will move the dial for shareholders. Our team has developed an industry-recognised, leading, and systematic approach to exploration in Newfoundland and is now equipped with the mindset that our success is to be measured by the yardstick of 'millions of ounces', or "MOz", discovered.

The Company has built a respectable shareholder register comprising some of the largest resource investors from both Australia and North America. However, to further de-risk our funding requirements and to drive shareholder value, the Company is seeking to enhance the capital structure and expand our access to funding through new capital markets. As such, we will seek out opportunities to become a dual-listed entity across the Toronto Stock Exchange as well as the Australian Stock Exchange. In addition to capital access, this will assist the introduction of new investors and sell-side advisors with intimate knowledge and understanding of the culture and resource potential of Newfoundland.

Despite the current market headwinds, the Company is in a much stronger standing than most of the other 75 listed gold companies currently operating in Newfoundland. As such, we will also seek out external, value-creating opportunities by taking a strategic and prudent approach to regional consolidation. There are too many companies in our industry, and we are all competing with one another for a limited pool of labour, supplies, equipment, and capital. Consolidation is critical to our industry's relevance in the broader sense of the global market and presents the Company with tremendous growth opportunity.

Thank you to all owners of Matador. We appreciate your ongoing support and commitment to the business. This is a journey that will take time to eventuate to what we all believe to be a formidable business in the mining industry. The journey will be challenging and not without risk, however we expect the reward to be worth it. Together with the Board, we are committed to building long-term shareholder value.

I would like to make a special thank you to all local stakeholders including First Nations in Newfoundland for your support over the years. We are committed to making continued investment in Newfoundland and making new discoveries that we hope will transition to sizeable mining operations that operate for many years. We are appreciative of the Government of Newfoundland and Labrador's continued support of Matador and the mineral extractives industry. We, along with the industry, welcome your commitment to and clear

roadmap for a responsible mineral extractives industry. It gives us all, along with investors, the confidence to make continued investments.

Yours sincerely,



Sam Pazuki
Managing Director and Chief Executive Officer
29 September 2022



FIGURE 1: REMOTE CAMP AT MALACHITE

Review of Operations

Corporate Overview

Company Profile

Matador Mining (“Matador” or the “Company”) is an Australian Corporation listed on the Australian Stock Exchange (“ASX”) under the ticker “MZZ”. Additionally, the Company is listed in the United States through the OTCQX trading platform under the symbol “MZZMF”, and on the German Stock Exchange under the ticker “MA3”.

Matador is a junior exploration company with principal assets located in Newfoundland and Labrador (“Newfoundland”), Canada. Matador is the only ASX-listed gold stock operating in Newfoundland, which is a top-tier, emerging jurisdiction with limited historical gold exploration and investment.

The Company is well-placed with a significant tenement package predominately on the Cape Ray Shear Zone (“CRSZ”), the largest known gold structure in the province, and which hosts Marathon Gold’s (“Marathon”) 5.1-million-ounce Valentine Lake gold resource. Matador is one of only four gold companies in Newfoundland with a reported gold resource, with a current Mineral Resource of 837,000 ounces of gold grading 2 g/t. Nearly all this mineral resource occurs within 150 metres of surface.

The Company’s tenements include 120-kilometres of continuous strike along the CRSZ and 27-kilometres of continuous strike on the Hermitage Flexure, the second largest known gold structure on the island.

Corporate Strategy

The Company’s strategy is to grow the value of its business by making the next significant gold discovery in Newfoundland.

To achieve this, the Company will make prudent long-term decisions that are in the best interest of the business and its owners. The Company will make measured, risk-based decisions to control what it can while managing risks inherent to the industry.

A major tenet of the Company’s success will be structuring the corporation in a way that attracts continued support from existing shareholders yet remains attractive to new shareholders through broad access to capital markets including access to the Toronto Stock Exchange (“TSX”).

The Company's strategy of building long-term shareholder value can be described more specifically by the following key actions:

1. **Exploration:** Advance Greenfield exploration targets with diamond drilling, measuring success by making new, multi-million-ounce discoveries;
2. **Corporate Structure:** Enhance the capital structure and expand access to new capital markets through a dual listing (ASX & TSX);
3. **Consolidation:** Take a strategic and prudent approach to regional consolidation; and
4. **Partnerships:** Enhance internal and external engagements to ensure the Company has the right partners through the journey to success.

Board Changes

There have been some important changes to the Board of Directors (the "Board") since the previous annual report. Subsequent to year-end, on 1 August 2022, Justin Osborne was appointed to Non-executive Chair, from Non-executive Director. Given his strong track record in making major new discoveries globally, he is well suited to the strategic pivot toward Greenfield exploration. At the same time Ian Murray transitioned from Non-executive Chair to Non-executive Director.

Sam Pazuki commenced his tenure as Managing Director and CEO on 1 May 2022. Sam is a member of the Professional Engineers of Ontario and has a bachelor's degree in Engineering and a Master of Finance. He has a proven track record and experience in strategy, mergers & acquisitions, capital markets and investor relations. He joined the Company after nearly ten years with dual-listed OceanaGold Corporation (ASX: OGC and TSX: OGC) where he led the Investor Relations and Corporate Development functions most recently as Senior Vice President, Corporate Development. Sam helped establish OceanaGold as a global mid-tier gold producer and was instrumental in OceanaGold's expansion into North America. He helped build a global shareholder register and was OceanaGold's primary interface with the capital markets.

Prior to OceanaGold, Sam advised major mining companies, including BHP Billiton, as a management consultant within Ernst & Young's Advisory Services practice in Toronto, and was part of a team that helped establish a Climate Change and Sustainability practice for the firm. Prior to this, Sam held roles in Business Development and Asset Management in Calgary and Toronto for multinational energy giant Enbridge Incorporated, one of the largest corporations in Canada.

Kerry Sparkes was appointed to the Board on 1 September 2022. He is a resident of St. John's, Newfoundland with over 30 years of extensive and varied experience as a well-respected geologist in global mineral exploration. During his career, Kerry has been directly

involved in the discovery and advancement of major mineral deposits including the Ovoid discovery at the Voisey's Bay Nickel Project in Newfoundland. He has held several executive roles including serving most recently as Vice President, Geology for Franco-Nevada Corporation, the world's largest gold focused royalty and streaming company. Additionally, he served as Vice President, Exploration at Rainy River Resources and Messina Minerals. He began his career as an exploration geologist for Noranda Exploration in Newfoundland.

Mick Wilkes, retired from his Non-Executive Director role on 1 May 2022 to pursue new opportunities.

Financial Overview

The Company closed the 2021/2022 fiscal year with a cash balance of \$3.1 million. This excluded the capital raising completed subsequent to the fiscal year end. The capital raising in July yielded gross proceeds of \$5 million, with some of the Company's largest existing shareholders participating, as well as two new, large North American resource funds.

In conjunction, the Company ran a Share Purchase Plan ("SPP") in August, with applications totalling approximately \$3.9 million, exceeding the Company's initial target raise of \$1.0 million. Given the strong demand, the Board resolved to accept a total sum of \$2.9 million from the SPP process.

The funds secured under the capital raising and SPP will be primarily used to advance the Company's exploration program specifically on drill target generation in the high-priority Malachite target area and additional priority targets including Bunker Hill, Grandy's and Hermitage and for general corporate working capital purposes. The proceeds raised also enables commencement of the inaugural diamond core drill program at Malachite – expected to commence in the December 2022 quarter.

Cape Ray Tenements – Overview

Matador's Cape Ray tenements cover approximately 120 kilometres of continuous strike along the highly prospective, yet under explored CRSZ located in Newfoundland, Canada. The Cape Ray tenements host current JORC Mineral Resources of 837,000 ounces of gold at 2 g/t Au, across four deposits, all of which are within 12.5 kilometres of strike (Figure 2).

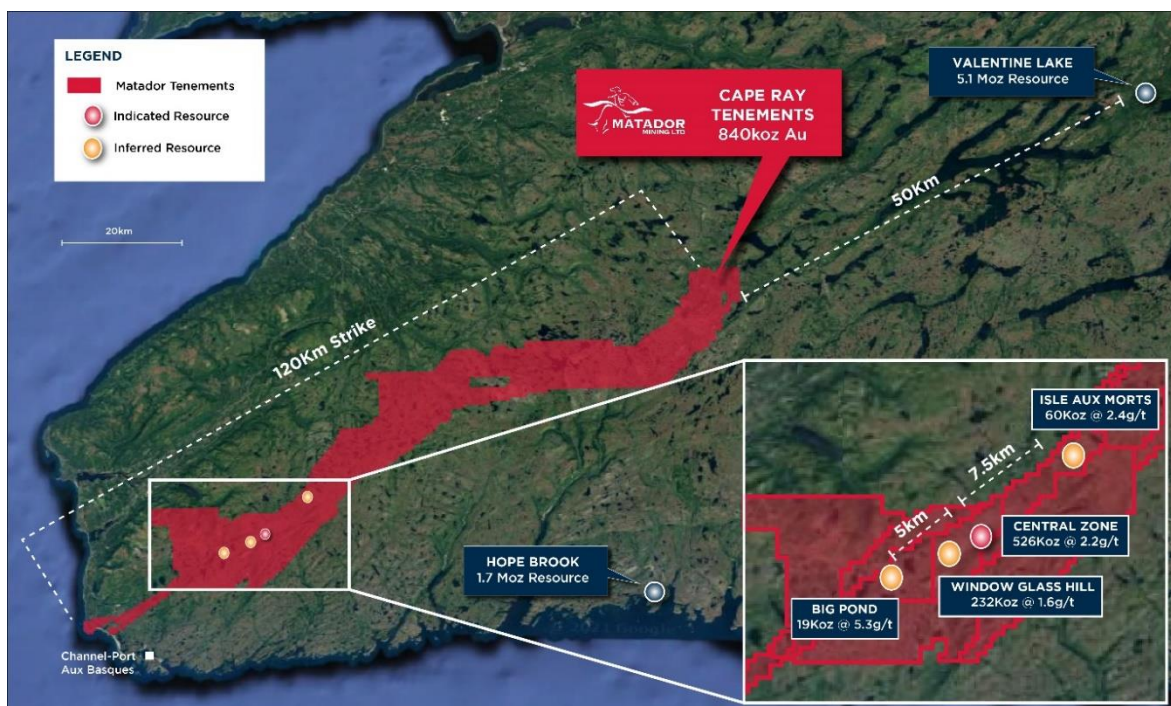


FIGURE 2: LOCATION OF DEPOSITS IN THE CAPE RAY TENEMENTS

Despite the ongoing COVID-19 challenges, the Company completed numerous exploration activities, in both the summer and inaugural winter programs. Exploration activities focused on extensional and infill drilling of Brownfield areas including Central Zone, Window Glass Hill (“WGH”), Window Glass Hill Granite (“WGHG”) and Big Pond. Additionally, a considerable amount of geo-technical drilling was completed to support the Company’s EIS process. In parallel to these advanced stage activities, a significant amount of field work and geochemical sampling was completed at Malachite.

The highlights of the fiscal year 2022 field season are outlined below:

Brownfields Exploration

21,997 diamond drill metres drilled at the Cape Ray tenements with key intercepts.

- **2.52 g/t Au over 33 metres** from 14 metres depth (83g.m Au) (CRD277 – WGHG)
- **13.29 g/t Au over 6 metres** from 214 metres depth (80g.m Au) (CRD352 – Central Zone)
- **4.17 g/t Au over 19 metres** from 9 metres depth (79g.m Au) (CRD214 – WGHG)
- **4.46 g/t Au over 14 metres** from 88 metres depth (62g.m Au) (CRD318 – WGHG)
- **2.29 g/t Au over 23 metres** from 22 metres depth (53g.m Au) (CRD322 – WGHG)
- **2.87 g/t Au over 15 metres** from 10 metres depth (43g.m Au) (CRD318 – WGHG)
- **7.09 g/t Au over 6 metres** from 228 metres depth (43g.m Au) (CRD352 – Central Zone)
- **5.38 g/t Au over 5 metres** from 53 metres depth (27g.m Au) (CRD351 – Central Zone)
- **1.40 g/t Au over 14 metres** from 24 metres depth (24g.m Au) (CRD224 – WGHG)
- **3.01 g/t Au over 8 metres** from 97 metres depth (24g.m Au) (CRD224 – WGHG)

Inaugural Canadian Winter Drilling

- 37 holes drilled (5,930 metres), which was 48% higher than planned due to efficient drilling and favourable conditions

Greenfield Exploration

- Detailed aeromagnetic survey over 40 kilometres of strike generated comprehensive high-quality data used to identify new Greenfield targets
 - Major bend on the CRSZ identified, leading to generation of the Malachite prospect which measures approximately 15 kilometres in strike and 4 kilometres wide.
- Malachite Field Work
 - Completed extensive glacial till sampling program to measure gold grain abundance and other multi-element pathfinders;
 - Results confirmed a significant number of gold grains in the system leading to the identification of 17 high tenor anomalies, including:
 - MT002553 – 1,201 gold grains (1,927 ppb Au equivalent)
 - MT001118 – 716 gold grains (1,269 ppb Au equivalent)
 - MT001117 – 584 gold grains (817 ppb Au equivalent)
 - MT001090 – 336 gold grains (1,924 ppb Au equivalent)
 - MT002692 – 136 gold grain (174 ppb Au equivalent)
- Canadian Summer 2022 Field Work
 - Completed approximately 90km² of grassroots prospecting, mapping, and sampling, including more than 600 kilometres of traverse mapping by foot; and,
 - Identified extensive areas with prospective geology, outcropping sulphide and quartz veining, and hydrothermal alteration not previously identified in the historic data.

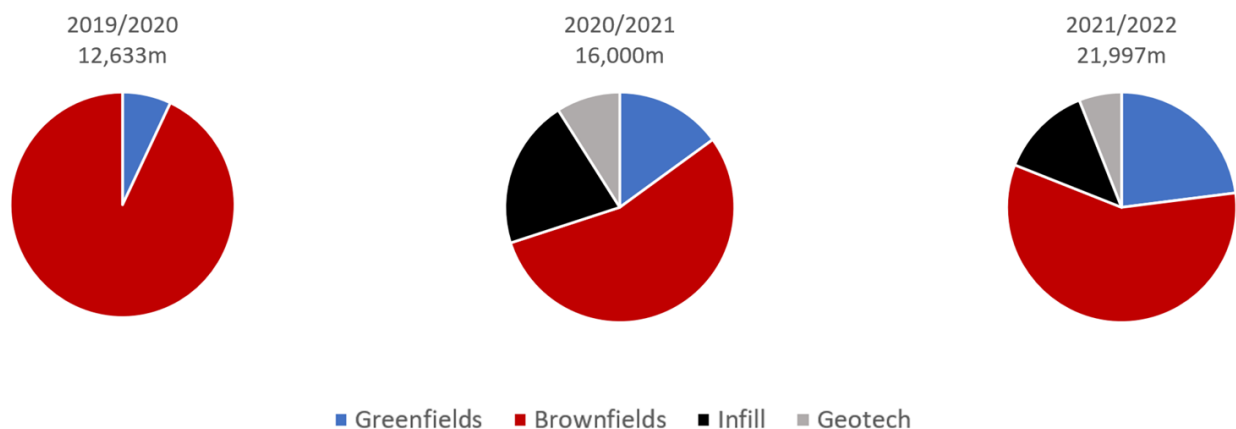


FIGURE 3: STATISTICS FOR THE LAST THREE ANNUAL DRILLING PROGRAMS

The Company has continued to ramp up its focus on Greenfield exploration, as highlighted in Figure 3. Large systematic prospecting, mapping, and geochemical sampling programs followed-up on priority targets generated during the Canadian winter exploration targeting workshop. This led to identification of several new diamond drilling targets and the design and prioritisation of the upcoming Malachite drilling program. Such activity has ensured the Company Exploration Pyramid (Figure 4) continues to be replenished, and that a strong pipeline of future exploration projects is maintained.

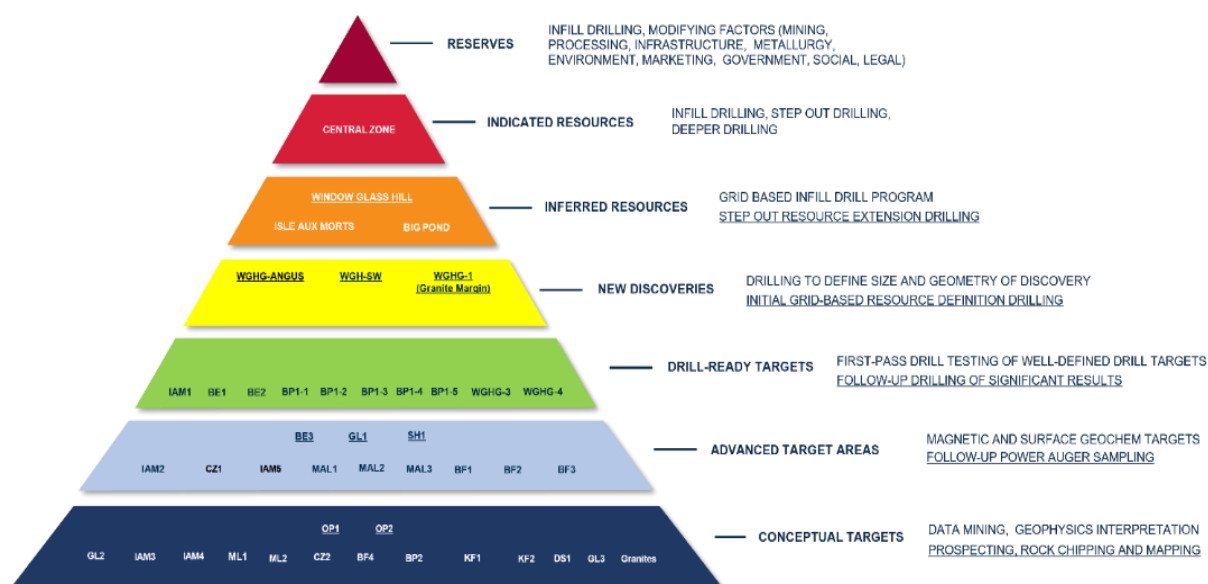


FIGURE 4: EXPLORATION TARGETS AND THEIR STAGE OF DEVELOPMENT

Brownfields Exploration – Big Pond to Stag Hill

The diamond drilling program announced for the fiscal year 2022 exploration season was the largest program to be completed since the Company's inception. As of the end of this reporting period, the Company completed more than 21,000 metres of diamond drilling in fiscal year 2022.

The key objectives from this program were to test for extensions to the known deposits and test and define new Greenfield exploration targets across the Company's large but under-explored landholding along the highly prospective CRSZ.

The Company reported diamond drilling success at WGHG during the reporting period and identified new drill targets in the Big Pond area following field mapping, interpretation of detailed magnetics and power auger geochemistry. The WGHG initially interpreted to be approximately three kilometres long and up to 800 metres wide. At the commencement of

the 2021 summer season, less than 50% of the WGHG area, containing the WGH Mineral Resource of 232,000 ounces at 1.6 g/t gold¹, had been tested by any diamond drilling.

New interpretation of detailed magnetics, litho-geochemistry and historic data doubled the known strike length of the WGHG intrusion to over six kilometres. Strong gold mineralisation was intersected in extensional drilling, while infill drilling program confirmed the interpretation of multiple stacked loads near surface within the existing WGH Mineral Resource model. Gold mineralisation remains open to the south and south-west of the WGH infill high-grade mineralisation. Geological and resource modelling remains ongoing with future updates expected in 2023.

A second area of focus for brownfields exploration was at Big Pond, which hosts a historic high-grade resource. First pass diamond drilling of three out of six high priority anomalies at Big Pond was completed concurrently with a systematic power auger basement core sampling program. Drill results from this program returned mixed results. The broad-spaced first pass-drilling failed to explain the significant surface geochemical anomalies previously identified and drilling only partially tested three of the six high priority targets. Geological modelling and interpretation will remain ongoing to determine the mineralisation controls in this area of geological complexity.

Two power-auger (ATV Winkie Drill) crews were deployed to Stag Hill during the summer 2021 season. This area, approximately three kilometres north-east along strike from the Central Zone Mineral Resources on the main mineralised trend, had never been tested by diamond drilling prior to this season.

The Company commenced its inaugural Canadian winter season diamond drilling program (Figure 5) in February 2022. Activities focused on a corridor encompassing the PW East, Central Zone, and Stag Hill prospects along the CRSZ (Figure 6). The program, initially contemplating 30 diamond drill holes was completed in mid-April 2022. A total of 37 holes were drilled for 5,930 metres due to efficient drilling and favourable conditions, proving that the Company could operate safely and efficiently year-round, providing a boost to the planning windows for future exploration programs.

¹ ASX Announcement 6 May 2020



FIGURE 5: INAUGURAL WINTER SEASON BROWNFIELDS DRILLING AT CAPE RAY

Greenfield Exploration

Following interpretation of the detailed Phase 1 HeliMag aeromagnetic survey undertaken in the first half of 2021, three target areas were identified for prioritised Greenfield exploration activities (Figure 6). Through this work, the Company identified the prospectivity of Malachite through an extensive Greenfield reconnaissance program conducted during the 2021 summer season.

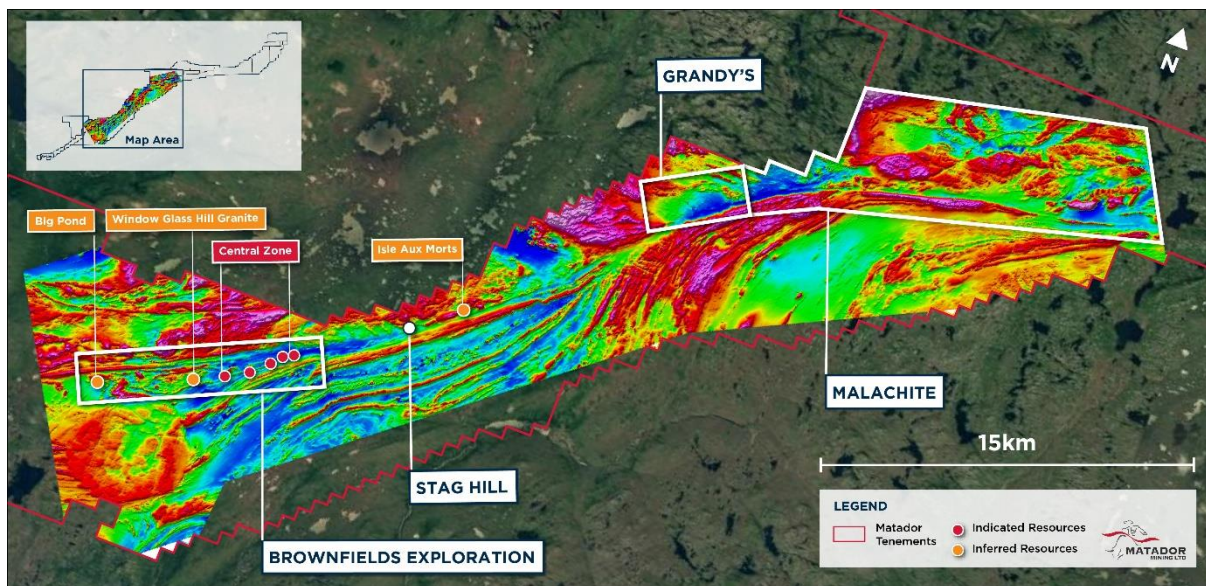


FIGURE 6: PHASE ONE HIGH RESOLUTION MAGNETICS AND PRELIMINARY GREENFIELD TARGETING OUTCOMES

The Malachite area is situated in the centre of the Company's contiguous 120-kilometre-long CRSZ tenements. Malachite is coincident with the largest regional flexure along this multi-million-ounce corridor, which also hosts Marathon's 5.1-million-ounce gold Valentine Lake deposits, and the Company's current 837,000 ounces gold Mineral Resources. Malachite is considered geologically prospective with several large arrays of interpreted faults and shear zones splaying off the CRSZ and wrapping around multi-phase intrusions and other prospective host rocks.

Matador completed an extensive till sampling program across Malachite in two stages in late 2021 and early 2022. In addition to conventional one-kilogram till geochemistry samples collected at a 400 x 100 metre spacing, the Company collected 12-kilogram till samples on a 400 x 400 metre sample location grid which were submitted for detailed gold grain analysis.

A total of 17 high tenor gold anomalies were defined from the till program highlighted by outstanding gold grain counts of 716 grains (84% pristine) and 1,201 grains (97% pristine) taken from two samples on the same broad anomaly. The very high proportion of pristine grains suggests the samples are likely taken less than 100 metres from the basement gold source. The associated anomaly, covering more than three square kilometres, is coincident with the junction of second and third order fault splays almost three kilometres north of the CRSZ, and is considered a priority target for diamond drill testing. A second high grade sample collected 400 metres to the south of the CRSZ, at the edge of the survey area, returned another high count of 336 gold grains (including 76 pristine grains), occurring within the largest geochemical gold anomaly on the tenement holding outside of current known deposits.

Encouraged by the positive results of the till programs, a substantial geological mapping, prospecting and rock chip sampling program was conducted from July to August 2022 across the prospective Malachite area. This aimed to provide the geological context for the large-scale gold anomalies that had been generated, and to produce detailed geological and structural maps to assist with effective drill targeting. The mapping and prospecting covered 22 kilometres of strike from Grandy's in the south-west to Malachite in the north-east, including historically unexplored stratigraphic units to the north and south of the CRSZ, and incorporated more than 600 kilometres of foot-traverse mapping by the Company's exploration team.

The mapping exercise substantially improved the Company's understanding of the fundamental geology, and potential gold-bearing second and third-order structures (shears, faults, links) splaying off the large-scale structural bend in the CRSZ. The most detailed geological interpretation and map of the area ever produced has only reinforced the Company's belief that Malachite is an area of great prospectivity.

Mapping at Malachite uncovered large areas of prospective host geology, outcropping quartz and sulphide veining, and evidence of significant hydrothermal alteration. These discoveries are interpreted to represent new hydrothermal systems at surface that have previously never been mapped or sampled, and many of which coincide with the best gold grain and till geochemistry anomalies identified in the till sampling programs. Mapping, prospecting, and surface sampling will remain ongoing across multiple priority target areas for the remainder of the 2022 field season to add further targets to the exploration pipeline. At the same time diamond drilling program is planned to commence at Malachite to test for bedrock gold mineralisation at the highest ranked targets in this area.

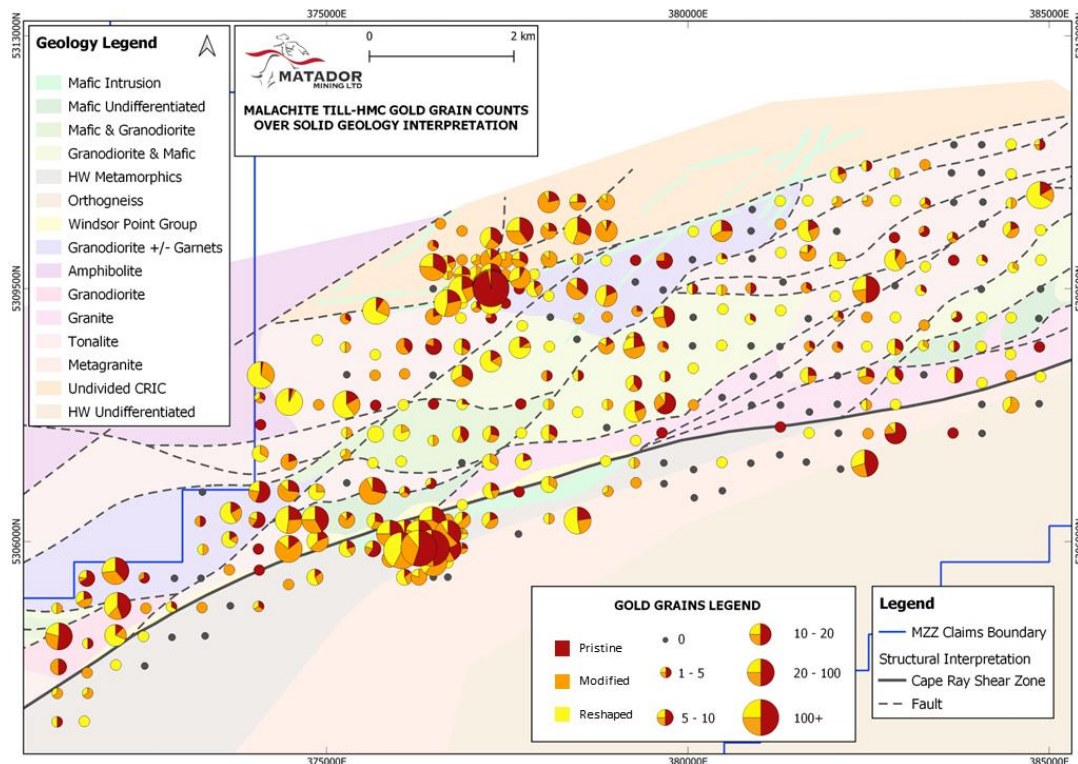


FIGURE 7: TOTAL GOLD GRAIN ABUNDANCE IN HEAVY MINERAL CONCENTRATE (“HMC”) TILL SAMPLES HIGHLIGHTING THE PROPORTION OF PRISTINE: MODIFIED: RESHAPED GRAINS

Targeting, Training and Acquisition of New Ground

The Company conducted a comprehensive internal targeting workshop during the March 2022 quarter. This workshop assessed historic work completed on the Cape Ray tenements and updated geological interpretations, to ultimately identify prospective new targets to complement the discovery pyramid. Training programs were also conducted involving several industry experts providing information sessions on a variety of aspects of Greenfield exploration, resource estimation, mineral systems targeting, and Newfoundland geology.

One output of the workshop was recognition of prospective open ground which the Company subsequently acquired contiguous to currently held Cape Ray tenements, located north of the priority Bunker Hill target area, which the Company expects to explore in the current field season (Figure 8).

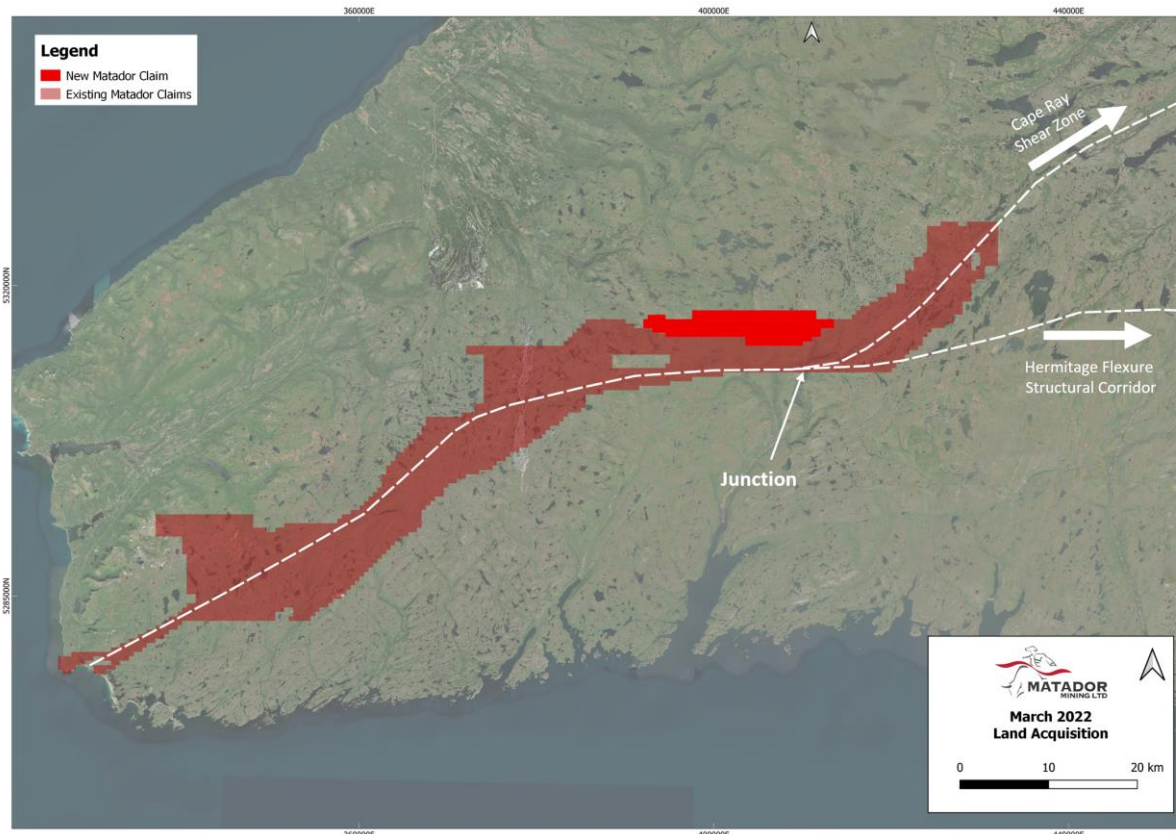


FIGURE 8: LOCATION OF THE NEW LAND ACQUISITION AT CAPE RAY WITH MAJOR STRUCTURES

Refined Exploration Strategy – The Greenfield Pivot

Following 18 months of data generation, the Company has shifted focus to broad scale Greenfield exploration targeting world class gold discoveries. This will include initial diamond drilling on priority targets at Malachite, as well as maiden field programs at the exciting Grandy's and Bunker Hill targets.

Prospecting, mapping, and power auger drilling will continue at Malachite to define additional drill targets across the 15-kilometre by 4-kilometre area. It is planned to also commence reconnaissance till sampling, prospecting, and mapping across the Bunker Hill area, which is similar in strike to Malachite and located directly east of the it.

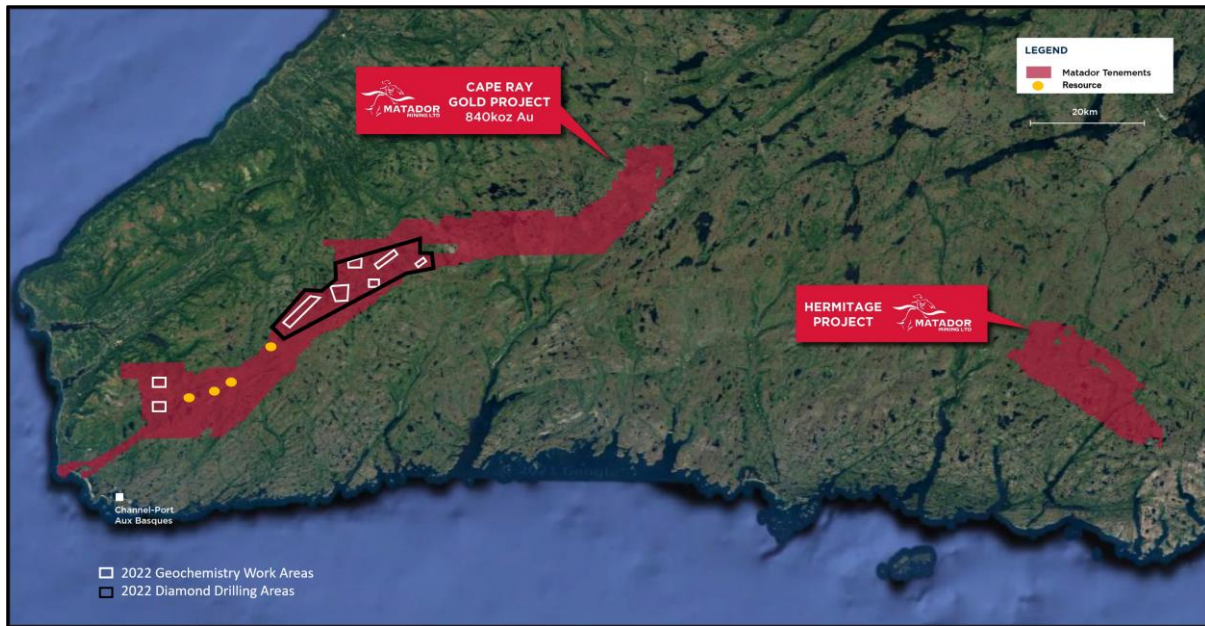


FIGURE 9: 2022 CANADIAN SUMMER SEASON EXPLORATION PROGRAM

Environment, Social and Governance

Environment

For the fiscal year ending in June 2022, the study and environmental activities continued through the year including work related to the EIS. In June 2022, the Company requested and subsequently received a three-year extension for the EIS process to the Impact Assessment Agency of Canada ("IAAC") to allow for substantive completion of the EIS document along with provisions for information requests and stakeholder comments.

The Company is planning to re-register the Project with the Provincial Government however, the works associated with the EIS will be suspended given the change in corporate strategy to Greenfield discovery. Assuming a three-year extension is granted, the Company will preserve optionality to resume the EIS process at a later date.

Social

Throughout the course of the year, the Company held several engagements with key stakeholders in Newfoundland including but not limited to local community stakeholders, provincial regulator and government officials, and First Nations. These engagements included in-person and virtual meetings.

The Company held in-person meetings with the Miawpukek and Qalipu First Nations. These meetings were constructive with alignment on future collaboration, creation of strategic partnerships and open line of communications.

Additionally, the Company held meetings with the town councils of Port aux Basques and Isles aux Morts throughout the year to provide updates on work progress and understand council priorities. Other stakeholder meetings were held with cabin owners and outfitters and those directly impacted by the Company's current and future activities.

Mineral Resources

Mineral Resources as of 30 June 2022

Cape Ray Gold Project Summary Mineral Resource																	
			Indicated					Inferred					Total				
			Contained (Koz)					Contained (Koz)					Contained (Koz)				
Deposit	Cut-off	RL	Tonne s (Mt)	Au (g/t)	Ag (g/t)	Au	Ag	Tonne s (Mt)	Au (g/t)	Ag (g/t)	Au	Ag	Tonne s (Mt)	Au (g/t)	Ag (g/t)	Au	Ag
Z4/41	0.5	>100mRL	2.1	2.83	8	191	545	1.3	1.48	6	61	236	3.4	2.32	7	252	781
	2	<100mRL	0.2	3.10	11	23	77	0.2	2.90	9	17	56	0.4	3.01	10	40	133
Z51	0.5	>200mRL	0.8	4.25	9	103	211	0.0	1.43	5	1	3	0.8	4.18	9	104	214
	2	<200mRL	0.2	4.41	11	32	77	0.1	2.59	3	12	15	0.4	3.71	8	43	92
HZ	0.5	All	0.2	1.11	1	8	8	0.0	0.90	1	0	0	0.2	1.11	1	8	8
PW	0.25	All	-	-	-	-	-	2.2	1.12	4	80	257	2.2	1.12	4	80	257
IAM	0.5	All	-	-	-	-	-	0.8	2.39	2	60	60	0.8	2.39	2	60	60
Big Pond	0.5	All	-	-	-	-	-	0.1	5.30	3	19	12	0.1	5.30	3	19	12
WGH	0.25	All	-	-	-	-	-	4.7	1.55	10	232	1,455	4.7	1.55	10	232	1,455
Total			3.5	3.15	8	356	918	9.4	1.60	7	481	2,094	12.9	2.02	7	837	3,012

- Figures are rounded and rounding errors may apply.
- Contained metal figures do not take into account metallurgical recovery into account.
- Reported cut-offs from Zones 51, 4/41 cover both open pit resources.
- All Mineral Resources are completed in accordance with the JORC Code 2012 Edition.
- All figures are rounded to reflect appropriate levels of confidence. Apparent differences may occur due to rounding.
- Cut-off grade assumptions approximately reflect a US \$1,550 per ounce gold price as per the Cape Ray Scoping Study.
- Open Pit Mineral Resources are reported at various cut-off grades to reflect assumed Reasonable Prospects of Eventual Economic Extraction as derived from the Cape Ray Scoping Study: Z4/41 - 0.50 g/t Au cut-off above 100mRL; Z51 - 0.5 g/t Au cut-off above 200mRL; HZ, IAM and WGH all reported at 0.5 g/t Au cut-off with no constraint; Big Pond and PW reported at 0.25 g/t Au cut-off with no constraint.
- Underground Mineral Resources are reported at a 2.0 g/t Au cut-off grade to reflect assumed Reasonable Prospects of Eventual Economic Extraction as derived from the Cape Ray Scoping Study: Z4/41 - 2.0 g/t Au cut-off below 100mRL; Z51 - 2.0 g/t Au cut-off below 200mRL.

Competent Persons' Statements

Exploration Results

The information contained in this announcement that relates to exploration results is based upon information compiled by Mr. Warren Potma, who is an employee of Matador Mining Limited in the position of Exploration Manager. Mr. Potma is a Member of the AIG 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. Potma consents to the inclusion in the announcement of the matters based upon the information in the form and context in which it appears.

Mineral Resources

The information in this document that relates to Mineral Resources for H Zone, Big Pond and Isle Aux Morts at the Cape Ray tenements was first reported by the Company in an announcement to the ASX on 30 January 2019. The information related to Mineral Resources for Zone 4/41, Zone 51, PW and WGH were first reported to the ASX on 4 February 2020. The scoping study reported a Mineral Resources estimation revision and was reported to the ASX on 6 May 2020. 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 Resources estimates on an annual basis. The Annual Statement of Mineral Resources is prepared in accordance with the 2012 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code 2012) and the ASX Listing Rules.

Competent Persons named by the Company in the original Mineral Resource Reports released to the ASX on 30 January 2019 and 4 February 2020 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.

The Company engages external consultants and Competent Persons to prepare and estimate its Mineral Resources. These estimates and underlying assumptions are reviewed by the Company's Board and management for reasonableness and accuracy.

The results of the Mineral Resources 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 Mineral 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.



FIGURE 10: HELICOPTER ASSISTED DRILL SITE MOVE AT THE CAPE RAY TENEMENTS

Director's Report

The Board present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the "Group") consisting of Matador Mining Ltd (referred to hereafter as the "Company" or "parent entity") and the entities it controlled for the year ended 30 June 2022.

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:

Justin Osborne, BSc (Hons), MAICD, FAusIMM, FSEG
(Non-executive Chair)

Experience and expertise

Mr. Osborne 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, Mr. Osborne was 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 (6.6 million ounces of gold) which currently produces approximately 300,000 ounces of gold 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.

Appointed 2 June 2020.

Other Current Directorships

Hamelin Gold Ltd – Non-Executive Director (ASX)

Astral Resources Ltd – Non-Executive Director (ASX)

Former directorships in last 3 years

Gold Road Resources Limited – Executive Director (Until June 2021)

Sam Pazuki, P.Eng, M.Fin
(Managing Director and Chief Executive Officer)

Experience and expertise

Mr. Pazuki is based in Toronto and has over 20 years of mining industry experience in senior leadership positions. He joins Matador as Managing Director and Chief Executive Officer after nearly ten years with dual-listed OceanaGold Corporation (ASX: OGC; TSX: OGC) where he led the Investor Relations and Corporate Development functions most recently as Senior Vice President, Corporate Development. Prior to OceanaGold, Mr. Pazuki advised major mining companies, including BHP Billiton, as a management consultant within Ernst & Young's Advisory Services practice in Toronto, and was part of a team that helped establish a Climate Change and Sustainability practice for the firm. Mr. Pazuki is a member of the Professional Engineers of Ontario and has a Bachelor's Degree in Engineering and a Masters of Finance.

Mr. Pazuki's extensive global capital markets network and gold industry leadership expertise will assist Matador in leveraging its current and future success as it grows the business, successfully advances the Cape Ray Gold Project and expands the Company's shareholder base in North America.

Appointed 1 May 2022

Other current directorships

Nil

Former directorships in last 3 years

Nil

Nicole Adshead-Bell, PhD
(Non-executive Director)

Experience and expertise

Dr. Adshead-Bell is an experienced mining executive and non-executive director with a successful career spanning over 25 years. She was most recently the CEO and Managing Director of Beadell Resources Ltd, an ASX-listed company prior to its acquisition by TSX/NYSE American listed Great Panther Mining Ltd in March 2019. Prior to this, Dr. Adshead-Bell was Director of Mining Research at Sun Valley Gold LLC, a global precious metals fund and Managing Director, Investment Banking at Haywood Securities Inc.

In addition to her position at Matador, Dr. Adshead-Bell is President of Cupel Advisory Corporation, a company she established to focus on investments in the natural resources sector and provide strategic advisory, due diligence and research services to issuers and natural resources equity and debt funds.

Appointed 5 October 2020.

Other current directorships

Altius Minerals Corporation (TSX) – Non-executive Director
Hot Chilli Limited (ASX/TSX) - Non-executive Chair
Dundee Precious Metals (TSX) - Non-executive Director
Bravo Mining Corp (TSX) – Lead Director

Former directorships in last 3 years

First Majestic Silver Corp. (TSX/NYSE) – Non-executive Director (Until December 2020)

**Ian Murray, FCA, MAICD
(Non-executive Director)**

Experience and expertise

Mr. Murray is a Fellow of the Institute of Chartered Accountants Australia & New Zealand, a Member of the Australian Institute of Company Directors, and holds an Executive degree in Advanced Management and Leadership from the University of Oxford, Saïd Business School, together with a Bachelor of Commerce (with distinctions) and Post-Graduate Diploma in Accounting from the University of Cape Town, and the Advanced Taxation Certificate from the University of South Africa.

With over 25 years' mining industry experience in senior leadership positions, including the position of Executive Chair and Managing Director of Gold Road Resources Ltd (ASX: GOR) and DRD Gold Ltd (NYSE and 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.

Appointed 14 May 2020.

Other current directorships

Black Rock Mining Limited – Non-executive Director
Jupiter Mines Limited – Non-executive Chair

Former directorships in last 3 years

Todd River Resources Limited – Non-executive Director (Until October 2021)
Geopacific Resources Limited – Non-executive Director (Until July 2022)

Kerry Sparkes, M.Sc, P.Geo
Non-executive Director

Experience and expertise

Mr. Sparkes has over 30 years' experience in the mineral exploration business as both an exploration geologist and executive. His career has included the exploration, delineation and development of two major Canadian deposits, both of which were the subject of takeovers. Mr. Sparkes is currently President of Sparrowhawk Consulting, having recently retired after seven years as Vice President Geology for Franco-Nevada Corporation. Previous positions included Vice President Exploration, at Rainy River Resources Ltd., Vice President Exploration, at Messina Minerals Inc., Senior Geologist at Voisey's Bay Nickel Co. Ltd., Exploration Manager of Archean Resources Ltd. as well as President of Sparkes Consulting Inc

Mr. Sparkes has previously held a number of board seats, including the board of directors of Sphinx Resources Ltd., Knight Metals Ltd., and was a founder and director of Orla Mining Ltd. Mr. Sparkes currently sits as a director of Aurion Resources Ltd. He received both his undergraduate and graduate degrees from the Memorial University of Newfoundland and started his career as an exploration geologist for Noranda Exploration Company Ltd.

Appointed on 1 September 2022.

Other current directorships

Aurion Resources Ltd – Non-Executive Director (TSX)

Former directorships in last 3 years

Nil

Mick Wilkes, BE (Mining), MBA, FAusIMM, MAICD
(Non-executive Director until May 2022)

Experience and expertise

Mr. Wilkes is a highly experienced mining executive, with a successful career spanning over 35 years. He was most recently the President and Chief Executive Officer of dual listed OceanaGold Corporation (ASX: OGC; TSX: OGC), where he served for a decade, prior to leaving in 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 multi-million-ounce Haile Gold Mine in South Carolina, USA.

Resigned on 1 May 2022.

Other current directorships

Kingston Resources Limited – Non-executive Director
 Dacian Gold Limited – Non-executive Director

Former directorships in last 3 years

OceanaGold Corporation – President and Chief Executive Officer (Until March 2020)

Company Secretaries

Carol Marinkovich, AGIA, ACG(CS)

Mrs. Marinkovich has over 25 years' experience in the mining industry. She has extensive experience in Company Secretary and Corporate Governance Practices both within Australia and Internationally working with companies in the ASX200, ASX300 and for other listed and unlisted junior explorers. Mrs. Marinkovich is a Member of the Governance Institute of Australia and the Institute of Chartered Secretaries and Administrators in London.

Brian Scott, LLB, AGIA

Mr. Scott has previously worked as a lawyer for over 25 years, principally in Southeast Asia, where he was a partner in a major global law firm. Over that time, he has worked with clients on a range of transactions with a particular focus on the energy and resources sector.

Appointed as Joint Company Secretary 14 March 2022.

Stuart McKenzie, LLB, BEc (Hons), AGIA

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

Resigned as Company Secretary 14 March 2022.

Other Information

Principal activities

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

Dividends

There were no dividends paid, recommended, or declared during the current or previous financial year (2021: None).

Review of operations

The loss for the Group after providing for income tax amounted to \$5,505,610 (30 June 2021: \$4,912,746).

Cash and cash equivalents amounted to \$3,104,855 (30 June 2021: \$22,015,560).

Significant changes in the state of affairs

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

Matters subsequent to the end of the financial year

On 15 July 2022, the Company raised \$4.5 million via a share placement of \$2.0 million plus a flow through raise of \$2.5 million, issuing 36.7 million shares. The Directors participated in the share placement, subject to shareholder approval at the upcoming AGM.

On 19 July 2022, the Company raised an additional \$0.5 million via a private placement, issuing 4.3 million shares.

On 1 August 2022, David Gurvey was appointed Chief Financial Officer following the resignation of Chris Bath (Chief Financial Officer).

On the same date, Justin Osborne, previously Non-executive Director, became Non-executive Chair and Ian Murray, previously Non-executive Chair, became Non-executive Director.

On 17 August 2022, the Company raised \$2.9 million via a Share Purchase Plan, issuing 25,217,241 shares.

On 1 September 2022, Kerry Sparkes was appointed Non-executive Director.

No other matter or circumstance has arisen since 30 June 2022 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Likely developments and expected results of operations

Information on likely developments in the operations of the Group 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 Group.

Environmental regulation

The Group is subject to significant environmental regulation in respect of its mineral exploration activities. These obligations are regulated under relevant government authorities in Canada.

Compliance with environmental obligations is monitored by the Directors. No environmental breaches have been notified to the Group by any government agency during the year ended 30 June 2022.

Directors' Meeting

The number of meetings of the Company's Board and of each Board committee held during the year ended 30 June 2022, and the number of meetings attended by each Director were:

	Full Board		Remuneration and Nomination Committee		Audit and Risk Committee	
	Attended	Held	Attended	Held	Attended	Held
Justin Osborne	8	8	2	2	3	3
Sam Pazuki	1	1	-	-	-	-
Nicole Adshead-Bell	8	8	2	2	3	3
Ian Murray	8	8	-	-	-	-
Mick Wilkes (Resigned 1 May 2022)	7	7	2	2	3	3

Held: represents the number of meetings held during the time the Director held office or was a member of the relevant committee.

Directors' Interests

The relevant interest of each Director in the shares and options issued by the Company as notified by the Directors to the ASX in accordance with S205G(1) of the Corporations Act 2001, at the date of this report is as follows:

	Ordinary shares	Options over ordinary shares
Justin Osborne	660,000	420,000
Sam Pazuki ¹	500,000	2,750,000
Nicole Adshead-Bell	-	480,000
Ian Murray ²	3,700,000	4,512,100
Kerry Sparkes	-	-

(1) 500,000 ordinary shares were voluntarily escrowed until 1 February 2023.

(2) 328,900 options expired after 30 June 2022.

The following shares have been purchased by Directors, which are subject to Shareholder approval at the next Annual General Meeting.

**Ordinary
shares**

Justin Osborne	260,870
Sam Pazuki	347,826
Nicole Adshead-Bell	521,739
Ian Murray	695,652

Remuneration Report (audited)

The remuneration report details the key management personnel (“KMP”) remuneration arrangements for the Group, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

In this Report, KMP are the people who have the authority and responsibility for planning, directing and controlling the activities of the Group, either directly or indirectly. They are:

- The Non-executive Directors;
- The Non-executive Chair; and
- The executives on the executive leadership team.

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 remuneration report is set out under the following main headings:

- Principles used to determine the nature and amount of remuneration
- Details of remuneration
- Service agreements
- Share-based compensation
- Additional disclosures relating to key management personnel

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:

	2022	2021	2020	2019	2018
Loss after income tax attributable to shareholders	(5,505,610)	(4,912,746)	(2,489,692)	(3,321,601)	(1,167,506)
Share price at financial year end	0.135	0.450	0.300	0.280	0.310
Movement in share price for the year	(0.315)	0.150	0.020	(0.030)	0.120
Basic loss per share (cents per share)	(2.56)	(2.91)	(2.34)	(5.85)	(4.74)

Market Comparisons

Consistent with attracting and retaining talented executives, the Board endorses the use of incentives under the Employee Securities Incentive Plan (the '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 regards 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.

In accordance with best practice corporate governance, the structure of Non-executive Director and Executive Director remuneration is separate.

Non-executive Directors' Remuneration

Shareholders approve the maximum aggregate remuneration for Non-executive Directors. The maximum aggregate remuneration approved for Non-executive Directors is currently \$500,000.

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

Executive Directors Remuneration

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 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 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 the ASX trading price (for listed options issued) or the Black-Scholes methodology or the Monte-Carlo simulation model (for unlisted options issued), as required by the relevant accounting standard.

Bonus or Profit Participation Plan

Performance incentives may be offered to executive Directors and senior management of the Company through the operation of the Plan at the discretion of the Board.

Use of Remuneration Consultants

During the financial year, the Group, engaged Loftswood, remuneration consultants, to review its existing remuneration policies and to benchmark Non-executive Director & Executive Remuneration. Loftswood was paid \$12,100 for these services.

Details of Remuneration

Amounts of remuneration

Details of the remuneration of KMP of the Group are set out in the following tables:

	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments	
	Cash salary and fees	Cash bonus	Non-monetary	Super-annuation	Long service leave	Equity-settled	Total
2022	\$	\$	\$	\$	\$	\$	\$
<i>Directors:</i>							
Justin Osborne	71,345	-	-	5,455	-	46,364	123,164
Sam Pazuki ¹	66,735	-	-	-	-	212,982	279,717
Nicole Adshead-Bell	60,000	-	-	-	-	39,537	99,537
Ian Murray	211,746	-	-	20,835	-	309,753	542,334
Mick Wilkes ²	50,000	-	-	-	-	8,460	58,460
<i>Other Key Management Personnel:</i>							
Chris Bath (CFO) ³	83,015	-	-	-	-	86,391	169,406
Keith Bowes (Project Manager)	144,764	-	-	-	-	156,071	300,835
Warren Potma (Chief Geologist)	223,333	-	-	22,333	-	70,010	315,676
	910,938	-	-	48,623	-	929,568	1,889,129

(1) Appointed as a Director on 1 May 2022

(2) Resigned as a Director on 1 May 2022

(3) Resigned as CFO on 1 August 2022

	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments	
	Cash salary and fees	Cash bonus	Non-monetary	Super-annuation	Long service leave	Equity-settled	Total
	\$	\$	\$	\$	\$	\$	\$
2021							
<i>Directors</i>							
Ian Murray	278,306	-	-	21,694	-	399,210	699,210
Nicole Adshead-Bell ¹	45,000	-	-	-	-	63,540	108,540
Justin Osborne	58,427	-	-	5,550	-	63,540	127,517
Mick Wilkes ²	56,774	-	-	-	-	63,540	120,314
<i>Other Key Management Personnel:</i>							
Chris Bath (CFO) ³	8,213	-	-	-	-	-	8,213
Keith Bowes (Project Manager) ⁴	120,000	-	-	-	-	76,692	196,692
Warren Potma (Chief Geologist) ⁵	188,333	-	-	17,892	-	193,537	399,762
	755,053	-	-	45,136	-	860,059	1,660,248

(1) Appointed as a Director on 5 October 2020

(2) Appointed as a Director on 20 July 2020

(3) Appointed 1 June 2021

(4) Resigned as a Director on 28 September 2020 but continued as a KMP

(5) Appointed 10 August 2020

The proportion of remuneration linked to performance and the fixed proportion are as follows:

Name	Fixed remuneration		At risk	
	2022	2021	2022	2021
<i>Directors:</i>				
Justin Osborne	62%	50%	38%	50%
Sam Pazuki	24%	-	76%	-
Nicole Adshead-Bell	60%	41%	40%	59%
Ian Murray	43%	43%	57%	57%
Mick Wilkes	86%	47%	14%	53%
<i>Other Key Management Personnel:</i>				
Chris Bath (CFO)	49%	100%	51%	-
Keith Bowes (Project Manager)	48%	61%	52%	39%
Warren Potma (Chief Geologist)	78%	52%	22%	48%

Service agreements

Remuneration and other terms of employment for KMP are formalised in service agreements. Details of these agreements are as follows:

Name:	Sam Pazuki
Title:	Managing Director & Chief Executive Officer
Term of agreement:	No fixed term
Details:	Base salary per annum including any superannuation: CAD \$385,000 Termination Conditions: 6 months' notice
Name:	Chris Bath
Title:	Chief Financial Officer (Resigned 1 August 2022)
Term of agreement:	No fixed term.
Details:	Base salary per annum including any superannuation: AUD \$120,000 per annum Termination Conditions: 3 months' notice
Name:	David Gurvey
Title:	Chief Financial Officer (Appointed 1 August 2022)
Term of agreement:	Contract role with a term of no less than six (6) months.
Details:	Base salary per annum including any superannuation: CAD \$4,000 per month Termination Conditions: 3 months' notice.
Name:	Warren Potma
Title:	Chief Geologist
Term of agreement:	No fixed term.
Details:	Base salary per annum excluding any superannuation: AUD \$250,000 Termination Conditions: 3 months' notice.

KMP have no entitlement to termination payments in the event of removal for misconduct.

Share-based compensation

Issue of shares

Details of shares issued to Directors and other KMP as part of compensation during the year ended 30 June 2022 are set out below:

Name	Date	Shares	Vesting date	Issue price	Fair value of shares issued and expensed in 2022
Sam Pazuki *	01/05/2022	500,000	31/10/2022	\$0.31	\$155,000

**Received 500,000 ordinary shares as part of his onboarding package. These shares are voluntarily escrowed until 1 February 2023.*

There were no other shares issued to Directors and other KMP as part of compensation during the year ended 30 June 2022 (2021: Nil).

Unlisted Options

During the year ended 30 June 2022, there were 5,510,571 unlisted options granted to Directors and other KMP (2021: 4,008,000).

The fair value of the options exercised by Directors and other KMP during the financial year are shown in the table below.

Name	Options exercised	Exercise price	Fair value of options exercised \$
Justin Osborne	60,000	-	23,400
Ian Murray	1,000,000	-	370,000
Mick Wilkes	60,000	-	24,300
Chris Bath	28,571	-	10,428
Keith Bowes	193,000	-	80,095
Warren Potma	300,000	-	124,500

The options shown in the table below were issued to Directors and other KMP during the year ended 30 June 2022 as part of their performance-based remuneration:

2022 Unlisted Options

Name	Type	Number of options issued	Fair value	Exercise price	Expiry date	Vesting Date	Total value of options	Options expensed in 2022
Chris Bath	ESS ¹ STI ²	28,571	0.42	-	01/02/2023	13/08/2021	11,857	11,857
Chris Bath	ESS STI	143,000	0.46	-	01/07/2024	30/06/2022	65,780	65,780
Chris Bath	ESS LTI ³	229,000	0.46	-	01/07/2026	30/06/2024	26,335	8,754
Ian Murray	NED ⁴ STI	429,000	0.46	-	01/07/2024	30/06/2022	69,069	69,069
Ian Murray	NED LTI	858,000	0.46	-	01/07/2026	30/06/2022	98,670	98,670
Keith Bowes	ESS STI	193,000	0.45	-	01/07/2023	13/08/2021	85,885	85,885
Keith Bowes	ESS LTI	322,000	0.40	-	01/07/2025	01/07/2023	85,867	41,665
Keith Bowes	ESS STI	215,000	0.46	-	01/07/2024	30/06/2022	24,150	24,150
Keith Bowes	ESS LTI	343,000	0.46	-	01/07/2026	30/06/2024	13,148	4,371
Sam Pazuki	Incentive options	916,667	0.21	0.26	01/05/2029	01/05/2023	192,500	31,644
Sam Pazuki	Incentive options	916,667	0.21	0.26	01/05/2029	01/05/2024	192,500	15,800
Sam Pazuki	Incentive options	916,666	0.21	0.26	01/05/2029	01/05/2025	192,500	10,538
		<u>5,510,571</u>					<u>1,058,261</u>	<u>468,183</u>

- (1) Employee Share Scheme ("ESS")
- (2) Short Term Incentive ("STI")
- (3) Long Term Incentive ("LTI")
- (4) Non-executive Director ("NED")

2021 Unlisted Options

Name	Type	Number of options issued	Fair value	Exercise price	Expiry date	Vesting Date	Total value of options	Options expensed in 2022
Chris Bath	ESS ¹ STI ²	28,571	0.42	-	01/02/2023	13/08/2021	11,857	11,857
Chris Bath	ESS STI	143,000	0.46	-	01/07/2024	30/06/2022	65,780	65,780
Chris Bath	ESS LTI ³	229,000	0.46	-	01/07/2026	30/06/2024	26,335	8,754
Ian Murray	NED ⁴ STI	429,000	0.46	-	01/07/2024	30/06/2022	69,069	69,069
Ian Murray	NED LTI	858,000	0.46	-	01/07/2026	30/06/2022	98,670	98,670
Keith Bowes	ESS STI	193,000	0.45	-	01/07/2023	13/08/2021	85,885	85,885
Keith Bowes	ESS LTI	322,000	0.40	-	01/07/2025	01/07/2023	85,867	41,665
Keith Bowes	ESS STI	215,000	0.46	-	01/07/2024	30/06/2022	24,150	24,150
Keith Bowes	ESS LTI	343,000	0.46	-	01/07/2026	30/06/2024	13,148	4,371
Sam Pazuki	Incentive options	916,667	0.21	0.26	01/05/2029	01/05/2023	192,500	31,644
Sam Pazuki	Incentive options	916,667	0.21	0.26	01/05/2029	01/05/2024	192,500	15,800
Sam Pazuki	Incentive options	916,666	0.21	0.26	01/05/2029	01/05/2025	192,500	10,538
		<u>5,510,571</u>					<u>1,058,261</u>	<u>468,183</u>

- (1) Employee Share Scheme ("ESS")
 (2) Short Term Incentive ("STI")
 (3) Long Term Incentive ("LTI")
 (4) Non-executive Director ("NED")

Vesting Conditions – ESS STI

The vesting conditions include:

- Zero fatalities, life changing events and zero major environmental incidents;
- Annual independent safety audit completed with no significant issues identified;
- Increased mineral resource base;
- New discoveries;
- Increasing institutional holding on the register; and
- Social & community engagement.

There are no service conditions with this plan.

Vesting Conditions – ESS LTI

The vesting conditions include:

- Share price growth over the period between specific price targets;
- Identification of new Greenfield mineralised zone(s) to support material increase in mineral resource;
- Environmental assessment completed and submitted to regulators; and
- Completion of a scoping study that demonstrated the economic viability of the Cape Ray Gold Project.

There are no service conditions with this plan.

Vesting Conditions – NED STI and LTI options

The vesting conditions include:

- Zero fatalities, serious incidents and major environmental incidents;
- The advance of exploration prospects through the Company's resource pyramid, new discoveries and increases to the existing JORC Mineral Resources on a comparable basis;
- Share price performance and share register related objectives; and
- Community engagement, environmental baseline studies and technical studies to identify improvements to the scoping study.

There are no service conditions with this plan.

Vesting Conditions – Incentive Options

The incentive options vest as to 33.3% on the first anniversary of the date of appointment of the relevant appointment, 33.3% on the second anniversary of the date of appointment and 33.3% on the third anniversary of the date of appointment.

Performance rights

There were no performance rights over ordinary shares issued to Directors and other KMP as part of compensation that were outstanding as at 30 June 2022.

There were no performance rights over ordinary shares granted to or vested by Directors and other KMP as part of compensation during the year ended 30 June 2022.

Additional disclosures relating to key management personnel

Shareholding

The number of shares in the Company held during the financial year by each Director and other KMP of the Group, including their personally related parties, is set out below:

	Balance at the start of the year	Received as exercise of options	Balance on appointment / resignations	Other changes during the year	Balance at the end of the year
<i>Ordinary shares</i>					
Justin Osborne	350,000	60,000	-	250,000	660,000
Sam Pazuki	-	-	500,000	-	500,000
Nicole Adshead-Bell	-	-	-	-	-
Ian Murray	2,200,000	1,000,000	-	500,000	3,700,000
Mick Wilkes	-	60,000	(60,000)	-	-
Chris Bath	-	28,571	(28,571)	-	-
Keith Bowes	1,987,405	-	-	-	1,987,405
Warren Potma	-	300,000	-	-	300,000
	<u>4,537,405</u>	<u>1,448,571</u>	<u>411,429</u>	<u>750,000</u>	<u>7,147,405</u>

Option holding

The number of options over ordinary shares in the Company held during the financial year by each Director and other KMP of the Group, including their personally related parties, is set out below:

	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
<i>Options over ordinary shares</i>					
Justin Osborne	480,000	-	(60,000)	-	420,000
Sam Pazuki	-	2,750,000	-	-	2,750,000
Nicole Adshead-Bell	480,000	-	-	-	480,000
Ian Murray	4,554,000	1,287,000	(1,000,000)	-	4,841,000
Mick Wilkes	480,000	-	(60,000)	(120,000)	300,000
Chris Bath	-	400,571	(28,571)	-	372,000
Keith Bowes	2,164,000	1,073,000	(193,000)	(1,236,000)	1,808,000
Warren Potma	750,000	-	(300,000)	-	450,000
	<u>8,908,000</u>	<u>5,510,571</u>	<u>(1,641,571)</u>	<u>(1,356,000)</u>	<u>11,421,000</u>

This concludes the remuneration report, which has been audited.

Shares under option

Unissued ordinary shares under option at the date of this report are as follows:

Expiry date	Exercise price	Number under option
1-July-2023	\$0.00	2,624,201
18-November-2023	\$0.63	600,000
18-November-2023	\$0.00	300,000
1-July-2024	\$0.00	332,787
1-July-2025	\$0.00	1,899,667
1-July-2026	\$0.00	2,410,577
1-May-2029	\$0.26	2,750,000
		<u>10,917,232</u>

Shares issued on the exercise of options

The following ordinary shares were issued during the year ended 30 June 2022 and up to the date of this report on the exercise of options granted:

Exercise price	Number of shares issued
\$0.00	344,399

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 insure 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

To the extent permitted by law, the Company has agreed to indemnify its auditors, Ernst & Young Australia, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount).

No payment has been made to indemnify Ernst & Young Australia during or since the financial year.

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 non-audit services provided during the financial year by the auditor (2021: None).

Corporate governance

The Directors of the Company support and have adhered to the principles of Corporate Governance. The Company's corporate governance key statements, frameworks, policies and charges are all available on the Company's website at

<https://matadormining.com.au/company-profile/corporate-governance/>

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 immediately after this Directors' report.

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

On behalf of the Directors



Justin Osborne
Non-executive Chair
Perth, Western Australia
29 September 2022

Corporate Governance

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 (4th edition) published by the ASX Corporate Governance Council.

The 2022 Corporate Governance Statement is dated as at 30 June 2022 and reflects the corporate governance practices in place throughout the 2022 fiscal year. The 2022 Corporate Governance Statement was approved by the Board on 22 September 2022. A description of the Company's current corporate governance practices is set out in the Company's Corporate Governance Statement which can be viewed on the Company's website at www.matadormining.com.au.



**Building a better
working world**

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Auditor's independence declaration to the directors of Matador Mining Limited

As lead auditor for the audit of the financial report of Matador Mining Limited for the financial year ended 30 June 2022, I declare to the best of my knowledge and belief, there have been:

- a. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit;
- b. No contraventions of any applicable code of professional conduct in relation to the audit; and
- c. No non-audit services provided that contravene any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Matador Mining Limited and the entities it controlled during the financial year.

Ernst & Young

Pierre Dreyer
Partner
29 September 2022

Matador Mining Ltd
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2022

	Note	Consolidated 2022 \$	Consolidated 2021 Restated \$
Revenue			
Other income	6	2,905,187	2,032,438
Expenses			
Administration expenses	7	(2,322,170)	(1,213,167)
Consultants and management expenses	8	(1,036,142)	(852,883)
Depreciation and amortisation		(104,259)	(43,882)
Share based payment expense	9	(1,182,065)	(2,418,450)
Business development costs		(134,303)	(193,627)
Loss before income tax expense		(1,873,752)	(2,689,571)
Income tax expense	10	(3,631,858)	(2,223,175)
Loss after income tax expense for the year attributable to the owners of Matador Mining Ltd	20	(5,505,610)	(4,912,746)
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Exchange rate differences on translating foreign operations		834,997	138,895
Other comprehensive income for the year, net of tax		834,997	138,895
Total comprehensive loss for the year attributable to the owners of Matador Mining Ltd		<u>(4,670,613)</u>	<u>(4,773,851)</u>
		Cents	Cents
Basic earnings per share	31	(2.56)	(2.91)
Diluted earnings per share	31	(2.56)	(2.91)

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Matador Mining Ltd
Statement of financial position
As at 30 June 2022

	Note	2022 \$	Consolidated 2021 Restated \$	1 July 2020 Restated \$
Assets				
Current assets				
Cash and cash equivalents	11	3,104,855	22,015,560	2,364,440
Trade and other receivables	12	747,731	895,833	86,149
Other current assets	13	243,164	100,881	74,884
Total current assets		<u>4,095,750</u>	<u>23,012,274</u>	<u>2,525,473</u>
Non-current assets				
Property, plant and equipment	14	397,385	223,154	97,182
Exploration and evaluation	15	43,305,313	27,515,171	17,077,953
Total non-current assets		<u>43,702,698</u>	<u>27,738,325</u>	<u>17,175,135</u>
Total assets		<u>47,798,448</u>	<u>50,750,599</u>	<u>19,700,608</u>
Liabilities				
Current liabilities				
Trade and other payables	16	1,832,013	5,817,239	282,821
Provisions		46,101	26,124	-
Total current liabilities		<u>1,878,114</u>	<u>5,843,363</u>	<u>282,821</u>
Non-current liabilities				
Deferred tax liabilities	17	5,855,033	2,223,175	-
Total non-current liabilities		<u>5,855,033</u>	<u>2,223,175</u>	<u>-</u>
Total liabilities		<u>7,733,147</u>	<u>8,066,538</u>	<u>282,821</u>
Net assets		<u>40,065,301</u>	<u>42,684,061</u>	<u>19,417,787</u>
Equity				
Issued capital	18	53,652,833	51,901,167	25,350,578
Reserves	19	4,178,771	4,265,614	3,753,241
Accumulated losses	20	(17,766,303)	(13,482,720)	(9,686,032)
Total equity		<u>40,065,301</u>	<u>42,684,061</u>	<u>19,417,787</u>

The above statement of financial position should be read in conjunction with the accompanying notes.

Matador Mining Ltd
Statement of changes in equity
For the year ended 30 June 2022

Consolidated	Issued capital \$	Options reserve \$	Foreign currency translation reserve \$	Transactions with minority shareholders \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2020	25,350,578	3,762,983	(9,742)	(4,175,958)	(7,198,123)	17,729,738
Restatements (note 4)	-	-	-	4,175,958	(2,487,908)	1,688,050
Balance at 1 July 2020 - restated	25,350,578	3,762,983	(9,742)	-	(9,686,031)	19,417,788
Loss after income tax expense for the year (Restated)	-	-	-	-	(4,912,746)	(4,912,746)
Other comprehensive income for the year, net of tax	-	-	138,895	-	-	138,895
Total comprehensive income/(loss) for the year	-	-	138,895	-	(4,912,746)	(4,773,851)
<i>Transactions with owners in their capacity as owners:</i>						
Issue of shares on exercise of options	6,739,982	-	-	-	-	6,739,982
Placement of shares @ \$0.405	8,678,613	-	-	-	-	8,678,613
Placement of shares @ \$0.5627	16,085,838	-	-	-	-	16,085,838
Flow through share raise premium	(5,443,347)	-	-	-	-	(5,443,347)
Share based payments expense	-	2,418,452	-	-	-	2,418,452
Expiry of Employee Share Scheme options	-	(1,116,057)	-	-	1,116,057	-
Exercise of Employee Share Scheme options	928,917	(928,917)	-	-	-	-
Share issue costs	(439,414)	-	-	-	-	(439,414)
Balance at 30 June 2021	<u>51,901,167</u>	<u>4,136,461</u>	<u>129,153</u>	<u>-</u>	<u>(13,482,720)</u>	<u>42,684,061</u>

The above statement of changes in equity should be read in conjunction with the accompanying notes

Matador Mining Ltd
Statement of changes in equity
For the year ended 30 June 2022

Consolidated	Issued capital \$	Option reserve \$	Foreign currency translation reserve \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2021	51,901,167	4,136,461	129,153	(13,482,720)	42,684,061
Loss after income tax expense for the year	-	-	-	(5,505,610)	(5,505,610)
Other comprehensive income for the year, net of tax	-	-	834,997	-	834,997
Total comprehensive income/(loss) for the year	-	-	834,997	(5,505,610)	(4,670,613)
Issue of shares on exercise of options	1,066,337	-	-	-	1,066,337
Share issue costs	(196,549)	-	-	-	(196,549)
Share based payment expense	-	1,182,065	-	-	1,182,065
Exercise of Employee Share Scheme options	881,878	(881,878)	-	-	-
Expiry of Employee Share Scheme options	-	(1,222,027)	-	1,222,027	-
Balance at 30 June 2022	<u>53,652,833</u>	<u>3,214,621</u>	<u>964,150</u>	<u>(17,766,303)</u>	<u>40,065,301</u>

The above statement of changes in equity should be read in conjunction with the accompanying notes

Matador Mining Ltd
Statement of cash flows
For the year ended 30 June 2022

		Consolidated	
	Note	2022	2021
		\$	\$
Cash flows from operating activities			
Payments to suppliers and employees		(3,442,823)	(2,110,678)
Other income		1,640	219,978
Net cash used in operating activities	30	(3,441,183)	(1,890,700)
Cash flows from investing activities			
Payments for property, plant and equipment	14	(315,180)	(169,854)
Payments for exploration and evaluation		(15,947,612)	(9,384,923)
Payments for security deposits		(107,290)	-
Net cash used in investing activities		(16,370,082)	(9,554,777)
Cash flows from financing activities			
Proceeds from issue of shares		-	24,787,450
Share issue transaction costs		(196,548)	(434,667)
Proceeds from exercise of options		1,043,336	6,739,982
Net cash from financing activities		846,788	31,092,765
Net (decrease)/increase in cash and cash equivalents		(18,964,477)	19,647,288
Cash and cash equivalents at the beginning of the financial year		22,015,560	2,364,440
Effects of exchange rate changes on cash and cash equivalents		53,772	3,832
Cash and cash equivalents at the end of the financial year	11	<u>3,104,855</u>	<u>22,015,560</u>

The above statement of cash flows should be read in conjunction with the accompanying notes.

Notes to the Financial Statements

Note 1. General information

The financial statements cover Matador Mining Ltd as a Group consisting of Matador Mining Ltd and the entities it controlled at the end of, or during, the year. The financial statements are presented in Australian dollars, which is Matador Mining Ltd's functional and presentation currency.

Matador Mining Ltd is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Level 20
140 St Georges Terrace
Perth WA 6000

A description of the nature of the Group's operations and its principal activities are included in the Directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of Directors, on 29 September 2022. The Directors have the power to amend and reissue the financial statements.

Note 2. 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 Group 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 these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Group.

Note 2. Significant accounting policies (continued)

The following Accounting Standards and Interpretations are most relevant to the Group:

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 Group for the annual reporting period ended 30 June 2022. The Group has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

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 and derivative financial instruments, if any.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

Financial report prepared on a going concern basis

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

During the year ended 30 June 2022, the Group incurred a loss after income tax expense of \$5,505,610 (2021: \$4,912,746), net operating cash outflows of \$3,441,183 (2020: \$1,890,700) and year-end cash and cash equivalents balance of \$3,104,855 (2021: \$22,015,560).

Subsequent to 30 June 2022, the Company successfully raised \$7.9 million via the following issues:

- On 15 July 2022, the Company raised \$4.5 million via a share placement of \$2.0 million plus a flow through raise of \$2.5 million, issuing 36.7 million shares;
- On 19 July 2022, the Company raised an additional \$0.5 million via a private placement, issuing 4.3 million shares; and

Note 2. Significant accounting policies (continued)

- On 17 August 2022, the Company raised \$2.9 million via a Share Purchase Plan, issuing 25,217,241 shares.

The Group's cashflow forecasts for the 12 months ending 30 September 2023 indicates that the Group will be in a position to meet its committed operational and administrative expenditure and thus continue to operate as a going concern. In the Directors' opinion there are therefore reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

Parent entity information

In accordance with the Corporations Act 2001, these financial statements present the results of the Group only. Supplementary information about the parent entity is disclosed in note 27.

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Matador Mining Ltd ("Company" or "parent entity") as at 30 June 2022 and the results of all subsidiaries for the year then ended. Matador Mining Ltd and its subsidiaries together are referred to in these financial statements as the 'Group'.

Subsidiaries are all those entities over which the Group has control. The Group controls an entity when the Group 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 Group. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the Group are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. However, unrealised foreign exchange gains or losses on loans between entities within the Group are not eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

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.

Where the Group 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 Group 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.

Note 2. Significant accounting policies (continued)***Operating segments***

Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ("CODM"). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

The Company has identified its operating segment based on the internal reports that are reviewed and used by the Board 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.

Foreign currency translation

The financial statements are presented in Australian dollars, which is Matador Mining Ltd's functional and presentation currency. For each entity, the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional 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.

Revenue recognition***Interest***

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Note 2. Significant accounting policies (continued)

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

Income tax

Current income tax assets and liabilities for current and prior periods are measured at the amount expected to be recovered from, or paid to, the taxation authorities. The tax rights and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognised directly in other comprehensive income or equity is recognised in other comprehensive income or equity and not in profit and loss. Management periodically evaluates positions taken in the tax returns with respect to situations where applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax is provided for using the balance sheet method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences except to the extent that it is probable that future tax profits will be available against which deductible temporary differences and unused tax losses or tax credits can be utilised.

The carrying amount of deferred income tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient tax profit will be available to allow all or part of the deferred income tax asset to be utilised. Unrecognised deferred income tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profit will be available to allow the deferred tax asset to be recovered.

In assessing the recoverability of deferred tax assets the Group relies on the same forecast assumptions used elsewhere in the financial statements and in other management reports.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted by the end of the reporting date.

Current and non-current classification

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

Note 2. Significant accounting policies (continued)

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the Group'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 Group'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.

Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash at bank and in hand. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Trade and other receivables

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

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 (excluding land) over their expected useful lives as follows:

Plant and equipment	20% per annum
Motor vehicles	20% per annum
Computer equipment	25% per annum

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

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

Note 2. Significant accounting policies (continued)

Exploration and evaluation assets

Exploration and evaluation expenditure in relation to each separate area of interest is recognised as an exploration and evaluation asset in the year in which it is incurred where the following conditions are satisfied:

The rights to tenure of the area of interest are current; and at least one of the following conditions is also met:

- Exploration and evaluation expenditures are expected to be recouped through successful development and exploration of the area of interest, or alternatively, by its sale; or
- Exploration and evaluation activities in the area of interest have not at the reporting date reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest are continuing.

Exploration and evaluation assets are initially measured at cost and include acquisition of rights to explore, studies, exploratory drilling and associated activities and an allocation of depreciation and amortisation of assets used in exploration and evaluation activities. General and administrative costs are only included in the measurement of exploration and evaluation costs where they are related directly to operational activities in a particular area of interest.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest. where uncertainty exists as to the future viability of an area the value of the area of interest is written off to the profit and loss or provided against.

Impairment

The carrying value of capitalised exploration and evaluation expenditure is assessed for impairment or whenever impairment indicators are present. When information becomes available suggesting that the recovery of expenditure which had previously been capitalised is unlikely or that the Group no longer holds tenure, the relevant capitalised amount is written off to the profit or loss in the period when the new information becomes available.

Note 2. Significant accounting policies (continued)

Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less costs of disposal ("FVLCD") and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets and the asset's value in use cannot be estimated to be close to its FVLCD. In such cases the asset is tested for impairment as part of the cash generating unit ("CGU") to which it belongs. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset or CGU. In determining FVLCD recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

An assessment is also made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss. After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months from the reporting date. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

Provisions

Provisions are recognised when the Group has a present (legal or constructive) obligation as a result of a past event, it is probable the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation.

Note 2. Significant accounting policies (continued)

If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

Employee benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Share-based payments

Equity-settled share-based payments are measured at fair value at the date of grant.

Option fair value is measured by use of either the Black-Scholes option pricing model or Monte-Carlo simulation model, depending on the requirements of the accounting standard. At the end of each reporting period the Company revises its estimate of expected life of the options issued. The number of equity instruments expected to vest has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioural considerations. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of the number of equity instruments that will eventually vest.

For cash-settled share-based payments, a liability equal to the portion of the goods or services received is recognised at the current fair value determined at each reporting date.

For both equity settled and cash settled share-based payments where service conditions do not exist (or where service conditions have been subsequently removed), the entire fair value is expensed immediately.

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.

Note 2. Significant accounting policies (continued)

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.

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.

Issued capital

Issued and paid-up capital is recognised at the fair value of the consideration received by the Group, any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction in the proceeds received.

Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to the owners of Matador Mining Ltd, 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.

Flow through shares

Flow-through shares may be issued to finance a portion of an exploration program. A flow-through share agreement transfers the tax deductibility of qualifying resource expenditures to investors. On issuance, the Company divides the flow-through share into i) a flow-through share premium, equal to the estimated premium, if any, investors pay for the flow-through feature, which is recognised as a liability, and ii) issued capital. Upon expenses being incurred, the Company derecognises the liability and the premium is recognised as other income. The exploration spend also gives rise to a deferred tax liability which is recognised as the difference between the carrying value and tax base of the qualifying expenditure for the amount of the tax reduction renounced to the investors.

Note 2. Significant accounting policies (continued)***Goods and Services Tax (“GST”) and Harmonised Sales Tax (“HST”)***

Revenues, expenses and assets are recognised net of the amount of associated GST/HST, unless the GST/HST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST/HST receivable or payable. The net amount of GST/HST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST/HST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST/HST recoverable from, or payable to, the tax authority.

Note 3. 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, 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.

Share-based payment transactions

The Group 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, Black-Scholes model or Monte-Carlo simulation 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.

Exploration and evaluation costs carried forward

The application of the Group’s accounting policy for exploration and evaluation expenditure requires judgement to determine whether future economic benefits are likely from either future exploitation or sale, or whether activities have not reached stage that permits a reasonable assessment of the existence of reserves.

Note 3. Critical accounting judgements, estimates and assumptions (continued)

Estimates and assumptions may change as new information becomes available. If, after expenditure is capitalised, information becomes available suggesting that the recovery of expenditure is unlikely the relevant capitalised amount is written off to the statement of profit or loss and other comprehensive income in the period when the new information becomes available.

Note 4. Restatement of amounts related to transactions with minorities and accounting for flow through shares

During the year ended 30 June 2022, the Group reviewed the accounting for transactions with minority interests related to the acquisition of the Cape Ray Gold Project in the 2018 and 2020 financial years and the accounting for flow-through shares issued in the prior financial year.

Transactions with minority interests

The Group acquired an 80% interest in the Cape Ray Gold Project in the 2018 financial year. In reviewing the initial accounting for this asset acquisition, the Group identified that it had only accounted for its 80% share in the exploration assets acquired, rather than recognising the full amount of the exploration assets acquired and the related minority interest. This resulted in an understatement of exploration assets and an equivalent understatement of the minority interests.

The Group subsequently acquired the remaining 20% interest in the Cape Ray Gold Project in the 2020 financial year but incorrectly recognised the full amount settled via the issue of shares in the Company for this minority interest as a debit to minority interests in the statement of financial position. As there were no longer any minorities following this equity transaction, it should have recognised an equity reserve, being the difference between the consideration paid for the minority interest and the adjusted carrying value of the minority interest (and subsequent transfer of this equity reserve to accumulated losses).

Accounting for flow-through shares

The Company issued flow-through shares in the 2021 financial year. A flow-through share agreement transfers the tax deductibility of qualifying resource exploration and evaluation expenditure to investors. A deferred tax liability is recognised for the amount of the tax reduction to be renounced to shareholders. On issuance, flow-through shares are divided into i) a flow-through share premium, equal to the premium investors paid for the flow-through feature, which was recognised as a liability, and ii) issued equity. Upon eligible exploration and evaluation expenditure being incurred, the Company derecognised the equivalent portion of the liability and recognised it as other income.

Note 4. Restatement of amounts related to transactions with minorities and accounting for flow through shares (continued)

In the prior year, the Company incorrectly calculated 1) the amount of eligible exploration and evaluation expenditure incurred and, accordingly, the amount of the premium recognised as other income, and 2) the deferred tax liability recognised for eligible exploration and evaluation expenditure to be renounced. This resulted in an understatement of other income (and related overstatement of other liabilities) as well as an understatement of the deferred tax liability.

As a result of the review of these transactions with minorities and flow-through shares, the balances recorded in the 1 July 2020 and 30 June 2021 statements of financial position and the results for the year ended 30 June 2021 have been restated as set out in the table below:

	1 July 2020 previously disclosed \$	Transactions with minority shareholders \$	1 July 2020 Restated \$
Impact on consolidated statement of financial position			
Exploration and evaluation costs	15,389,903	1,688,050	17,077,953
Accumulated losses	7,198,123	2,487,908	9,686,031
Minority interest	4,175,958	(4,175,958)	-
Net assets	17,729,737	1,688,050	19,417,787

	30 June 2021 previously disclosed \$	Transactions with minority shareholders \$	Flow through shares \$	30 June 2021 restated \$
Impact on consolidated statement of financial position				
Exploration and evaluation costs	25,827,121	1,688,050	-	27,515,171
Flow through share premium liability	(4,023,344)	-	392,449	(3,630,895)
Deferred tax liability	(539,601)	-	(1,683,574)	(2,223,175)
Accumulated losses	9,703,687	2,487,908	1,291,125	13,482,720
Minority interest	4,175,958	(4,175,958)	-	-
Net assets	42,287,136	1,688,050	(1,291,125)	42,684,061

	30 June 2021 year previously disclosed \$	Transactions with minority shareholders \$	Flow through shares \$	30 June 2021 year Restated \$
Impact on consolidated statement of profit or loss and other comprehensive income				
Settlement of flow through liability	1,420,003	-	392,449	1,812,452
Income tax expense	(539,601)	-	(1,683,574)	(2,223,175)
Net loss after tax	(3,621,619)	-	(1,291,125)	(4,912,744)
Basic and diluted loss per share	(1.04)	-	(1.87)	(2.91)

Note 5. Operating segments

Identification of reportable operating segments

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

The operating segment information is the same information as provided throughout the consolidated financial statements and therefore not duplicated. The information reported to the CODM is on at least a monthly basis.

Note 6. Other income

	Consolidated	
	2022	2021
	\$	\$
Net unrealised foreign exchange gain	47,931	-
Settlement of flow through share liability	2,838,930	1,812,452
Cost recharges	12,681	58,564
Canadian Government incentives	-	79,942
Australian government cashflow boost	-	30,199
Other income	3,994	49,829
Interest revenue	1,651	1,452
Other income	<u>2,905,187</u>	<u>2,032,438</u>

Note 7. Administration expenses

	Consolidated	
	2022	2021
	\$	\$
Administration fees	1,038,379	258,016
Audit, taxation and accounting fees	202,282	175,753
Legal fees	-	73,793
Occupancy	63,997	72,783
Investor relations	730,090	400,402
Compliance	114,317	182,185
Other administration expenses	173,105	50,235
	<u>2,322,170</u>	<u>1,213,167</u>

Note 8. Consultants and management expenses

	Consolidated	
	2022	2021
	\$	\$
Directors fees and salaries	580,448	615,390
Salaries wages and company secretarial fees	432,460	227,400
Other consultants and management expenses	23,234	10,093
	<u>1,036,142</u>	<u>852,883</u>

Note 9. Share based payment expense

	Consolidated	
	2022	2021
	\$	\$
Share based payment expense	<u>1,182,065</u>	<u>2,418,450</u>

Note 10. Income tax expense

	Consolidated	
	2022	2021
	\$	\$
<i>Numerical reconciliation of income tax expense and tax at the statutory rate</i>		
Loss before income tax expense	<u>(1,873,752)</u>	<u>(2,689,571)</u>
Tax at the statutory tax rate of 30% (2021: 30%)	(562,126)	(806,871)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Settlement of flow through share liability	3,631,858	2,223,175
Deferred tax assets not brought to account	<u>562,126</u>	<u>806,871</u>
Income tax expense	<u>3,631,858</u>	<u>2,223,175</u>

	Consolidated	
	2022	2021
	\$	\$
<i>Deferred tax assets not recognised</i>		
Deferred tax assets not recognised comprises temporary differences attributable to:		
Tax losses	<u>6,488,359</u>	<u>5,926,233</u>
Total deferred tax assets not recognised	<u>6,488,359</u>	<u>5,926,233</u>

The above potential tax benefit, which excludes tax losses, for deductible temporary differences has not been recognised in the statement of financial position as the recovery of this benefit is uncertain.

Note 11. Current assets - cash and cash equivalents

	Consolidated	
	2022	2021
	\$	\$
Cash at bank and on hand	3,104,855	22,015,560

Note 12. Current assets - trade and other receivables

	Consolidated	
	2022	2021
	\$	\$
Sundry debtors	-	7,344
GST/HST receivable	747,731	888,489
	<u>747,731</u>	<u>895,833</u>

Note 13. Current assets - Other current assets

	Consolidated	
	2022	2021
	\$	\$
Prepayments	70,118	35,125
Security deposits	173,046	65,756
	<u>243,164</u>	<u>100,881</u>

Note 14. Non-current assets - property, plant and equipment

	Consolidated	
	2022	2021
	\$	\$
Plant and equipment - at cost	348,349	127,887
Less: Accumulated depreciation	(89,838)	(26,569)
	<u>258,511</u>	<u>101,318</u>
Motor vehicles - at cost	124,592	42,589
Less: Accumulated depreciation	(27,955)	(11,264)
	<u>96,637</u>	<u>31,325</u>
Computer equipment - at cost	67,221	127,611
Less: Accumulated depreciation	(24,984)	(37,100)
	<u>42,237</u>	<u>90,511</u>
	<u>397,385</u>	<u>223,154</u>

Note 14. Non-current assets - property, plant and equipment (continued)
Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated	Plant & Equipment \$	Motor Vehicles \$	Computer Equipment \$	Total \$
Balance at 1 July 2020	17,006	9,251	70,925	97,182
Additions	98,718	26,601	44,535	169,854
Depreciation expense	(14,406)	(4,527)	(24,949)	(43,882)
Balance at 30 June 2021	101,318	31,325	90,511	223,154
Additions	220,462	82,003	12,715	315,180
Disposals	-	-	(36,690)	(36,690)
Depreciation expense	(63,269)	(16,691)	(24,299)	(104,259)
Balance at 30 June 2022	<u>258,511</u>	<u>96,637</u>	<u>42,237</u>	<u>397,385</u>

Note 15. Non-current assets - exploration and evaluation

	Consolidated	
	2022	2021
	\$	\$
Exploration and evaluation - at cost	<u>43,305,313</u>	<u>27,515,171</u>

	Consolidated	
	2022	2021
	\$	\$
Opening balance	27,515,171	17,077,953
Capitalised exploration costs	<u>15,790,142</u>	<u>10,437,218</u>
	<u>43,305,313</u>	<u>27,515,171</u>

Note 16. Current liabilities - trade and other payables

	Consolidated	
	2022	2021
	\$	\$
Trade payables	528,546	1,408,649
Accrued expenses	449,352	652,386
Funds received for shares to be issued	-	23,000
Flow through share premium liability	791,965	3,630,895
PAYG Payable	62,150	102,309
	<u>1,832,013</u>	<u>5,817,239</u>

Refer to Note 22 for further information on financial instruments.

Note 17. Non-current liabilities - deferred tax liabilities

	Consolidated	
	2022	2021
	\$	\$
<i>Deferred tax liability comprises temporary differences attributable to:</i>		
Movements:		
Opening balance	2,223,175	-
Temporary difference on relinquishment of qualifying expenditure to investors	3,631,858	2,223,175
Deferred tax liability	<u>5,855,033</u>	<u>2,223,175</u>

Note 18. Equity - issued capital

	Consolidated			
	2022	2021	2022	2021
	Shares	Shares	\$	\$
Ordinary shares - fully paid	<u>217,019,505</u>	<u>209,777,601</u>	<u>53,652,833</u>	<u>51,901,167</u>

Note 18. Equity - issued capital (continued)
Movements in ordinary share capital

Details	Date	Shares	Issue price	\$
Balance	1 July 2020	124,403,032		25,350,578
Exercise of options	Various ¹	15,210,000	\$0.23	3,498,300
Exercise of options	Various ¹	15,208,412	\$0.20	3,041,682
Issue of shares to Directors ²	1 Jul 2020	2,350,000	\$0.20	200,000
Flow through share placement	8 Jul 2020	21,428,671	\$0.40	8,678,613
Conversion of employee share scheme options	26 Aug 2020	7,952	\$0.31	2,465
Conversion of employee share scheme options	2 Sept 2020	82,782	\$0.31	25,662
Conversion of employee share scheme options	22 Sept 2020	85,410	\$0.31	26,478
Conversion of employee share scheme options	20 Jan 2021	44,550	\$0.31	13,810
Conversion of employee share scheme options	22 Jan 2021	66,000	\$0.23	15,312
Conversion of employee share scheme options	22 Jan 2021	342,000	\$0.31	106,020
Conversion of employee share scheme options	30 March 2021	63,000	\$0.31	19,530
Conversion of employee share scheme options	30 Apr 2021	1,000,000	\$0.27	270,000
Conversion of employee share scheme options	30 Apr 2021	144,000	\$0.31	44,640
Conversion of employee share scheme options	15 Jun 2021	757,009	\$0.53	405,000
Flow through share placement	30 Jun 2021	28,584,783	\$0.56	16,085,838
Less: Transaction costs		-	-	(439,414)
Less: Flow through share premium		-	-	(5,443,347)
Balance	30 June 2021	209,777,601		51,901,167
Issue of shares on exercise of options	2 July 2021	100,000	\$0.23	23,000
Issue of shares on exercise of options	6 Aug 2021	31,250	\$0.23	7,187
Issue of shares on exercise of ESS options	13 Aug 2021	711,000	\$0.44	316,395
Issue of shares on exercise of options	20 Aug 2021	562,500	\$0.23	129,375
Issue of shares on exercise of ESS options	20 Aug 2021	91,575	\$0.31	28,388
Issue of shares on exercise of ESS options	20 Aug 2021	60,000	\$0.36	21,900
Issue of shares on exercise of options	27 Aug 2021	1,562,500	\$0.23	359,375
Issue of shares on exercise of ESS options	27 Aug 2021	60,000	\$0.36	21,900
Issue of shares on exercise of options	1 Sept 2021	1,000,000	\$0.32	230,000
Issue of shares on exercise of ESS options	3 Sept 2021	129,000	\$0.44	57,405
Issue of shares on exercise of ESS options	20 Sept 2021	28,571	\$0.41	11,857
Issue of shares on exercise of options	25 Oct 2021	150,000	\$0.23	34,500
Issue of shares on exercise of ESS options	26 Oct 2021	300,000	\$0.44	133,500
Issue of shares on exercise of ESS options	19 Nov 2021	5,000	\$0.44	2,225
Issue of shares on exercise of options	26 Nov 2021	400,000	\$0.23	92,000
Issue of shares on exercise of ESS options	29 Nov 2021	1,000,000	\$0.19	198,700
Issue of shares on exercise of ESS options	10 Jan 2022	9,524	\$0.41	3,952
Issue of shares on exercise of ESS options	31 Jan 2022	60,984	\$0.31	18,905
Issue of shares on exercise of ESS options	31 Jan 2022	85,000	\$0.45	37,825
Issue of shares on exercise of options	1 Feb 2022	31,250	\$0.23	7,188
Issue of shares on exercise of ESS options	1 Feb 2022	65,000	\$0.45	28,925
Issue of shares on exercise of options	18 Feb 2022	418,750	\$0.23	96,313
Issue of shares on exercise of options	4 Mar 2022	380,000	\$0.23	87,399

Note 18. Equity - issued capital (continued)

Details	Date	Shares	Issue price	\$
Transaction costs		-	-	(196,548)
Balance	30 June 2022	<u>217,019,505</u>		<u>53,652,833</u>

- (1) Shares were issued on the conversion of options on 28 occasions during the year and have been consolidated in one line above.
- (2) Of the 2,350,000 shares issued to Directors, payment for 1,350,000 of those shares was received prior to 1 July 2020.

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.

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.

Capital risk management

The Group's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

Capital is regarded as total equity, as recognised in the statement of financial position.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group would look to raise capital when an opportunity to invest in a business or company was seen as value adding relative to the current Company's share price at the time of the investment. The Group is not actively pursuing additional investments in the short term as it continues to integrate and grow its existing businesses in order to maximise synergies.

Note 19. Equity - reserves

	Consolidated	
	2022	2021
	\$	\$
Foreign currency reserve	964,150	129,153
Options reserve	3,214,621	4,136,461
	<u>4,178,771</u>	<u>4,265,614</u>

Foreign currency reserve

The reserve is used to recognise exchange differences arising from the translation of the financial statements of foreign operations to Australian dollars. It is also used to recognise gains and losses on hedges of the net investments in foreign operations.

Option reserve

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

Movements in reserves

Movements in each class of reserve during the current and previous financial year are set out below:

Consolidated	Foreign currency translation reserve \$	Options reserve \$	Total \$
Balance at 1 July 2020	(9,742)	3,762,983	3,753,241
Foreign currency translation	138,895	-	138,895
Share based payments to KMP	-	743,643	743,643
Share based payments to Employees and consultants	-	1,674,809	1,674,809
Options expired	-	(1,116,057)	(1,116,057)
Transfer of fair value to contributed equity	-	(928,917)	(928,917)
Balance at 30 June 2021	129,153	4,136,461	4,265,614
Foreign currency translation	834,997	-	834,997
Share based payments to KMP	-	929,567	929,567
Share based payments to Employees and consultants	-	252,498	252,498
Options expired	-	(1,222,027)	(1,222,027)
Transfer of fair value to contributed equity	-	(881,878)	(881,878)
Balance at 30 June 2022	<u>964,150</u>	<u>3,214,621</u>	<u>4,178,771</u>

Note 19. Equity – reserves (continued)

	Unlisted 2022 Number	Options 2021 Number	Listed 2022 Number	Options 2021 Number
Movement in options				
Opening balance	37,828,670	57,222,448	-	15,520,000
Granted	7,981,296	5,915,000	-	-
Exercised	(2,605,654)	(17,802,703)	-	(15,208,412)
Expired	(7,498,597)	(7,506,075)	-	(311,588)
	<u>35,705,715</u>	<u>37,828,670</u>	<u>-</u>	<u>-</u>

For the STI and LTI options granted during the current financial year, the fair value was determined using the Black-Scholes model. Fair value for Incentive options granted during the current financial year has been determined by using the Monte-Carlo simulation model.

The valuation model inputs used to determine the fair value at the grant date, are as follows:

	ESS STI 2022	ESS LTI 2022
Fair value of option	\$0.46	\$0.46
Exercise price	Nil	Nil
Valuation date	1/07/21	1/07/21
Vesting date	30/06/22	30/06/24
Expiry date	1/07/24	1/07/26
Number of options	1,478,000	1,833,000
Expense during the year	\$205,159	\$59,352

The options in the above table are subject to performance criteria outlined below that can be satisfied at any time prior to expiry.

Options issued to Non-executive Directors during the year 30 June 2022

	Non-executive Director STI Options	Non-executive Director LTI Options
Fair value of option	\$0.46	\$0.46
Exercise price	nil	nil
Valuation date	1/07/21	1/07/21
Vesting date	30/06/22	30/06/22
Expiry date	1/07/24	1/07/26
Number of options	429,000	858,000
Expense during the year	\$69,069	\$98,670

Note 19. Equity – reserves (continued)

The options in the above table are subject to performance criteria outlined below that can be satisfied at any time prior to expiry.

Incentive Options issued during the year 30 June 2022

	Incentive options tranche one	Incentive options tranche two	Incentive options tranche three
Fair value of option	\$0.21	\$0.21	\$0.21
Exercise price	\$0.26	\$0.26	\$0.26
Valuation date	28/12/21	28/12/21	28/12/21
Vesting date	1/05/23	1/05/24	1/05/25
Expiry date	1/05/29	1/07/29	1/07/29
Volatility	60%	60%	60%
Risk free rate	1.46%	1.46%	1.46%
Number of options	916,667	916,667	916,666
Expense during the year	\$31,644	\$15,800	\$10,538

(1) The incentive options vest as to 33.3% on the first anniversary of the date of appointment of the relevant appointment, 33.3% on the second anniversary of the date of appointment and 33.3% on the third anniversary of the date of appointment.

Vesting conditions – ESS STI

- Zero fatalities, life changing events and zero major environmental incidents;
- Annual independent safety audit completed with no significant issues identified;
- Increased mineral resource base;
- New discoveries;
- Increasing institutional holding on the register; and
- Social & community engagement.

There are no service conditions with this plan.

Vesting conditions – ESS LTI

- Share price growth over the period between specific price targets;
- Identification of new Greenfield mineralised zone(s) to support material increase in mineral resource;
- Environmental assessment completed and submitted to regulators; and
- Community engagement, environmental baseline studies and technical studies to identify improvements to the scoping study.

There are no service conditions with this plan.

Note 19. Equity – reserves (continued)
Vesting conditions – Non-executive Director STI & LTI Options

- Zero fatalities, serious incidents and major environmental incidents;
- The advance of exploration prospects through the Company's resource pyramid, new discoveries and increases to the existing JORC Mineral Resources on a comparable basis;
- Share price performance and share register related objectives; and
- Community engagement, environmental baseline studies and technical studies to identify improvements to the Scoping Study.

There are no service conditions with this plan.

Total share-based payment expense recognised during the year was \$1,182,065 (30 June 2021: \$2,418,450).

The weighted average exercise price of options outstanding at the end of the financial year was \$0.40 (2021: \$0.28). The weighted average fair value of options granted during the year was \$0.33 (2021: \$0.23). The weighted average remaining contractual life of options outstanding at the end of the financial year was 2.16 years (2021: 1.24 years)

Note 20. Equity – accumulated losses

	Consolidated	
	2022	2021
	\$	\$
Accumulated losses at the beginning of the financial year	(13,482,720)	(9,686,031)
Loss after income tax expense for the year	(5,505,610)	(4,912,746)
Transfer from options reserve	1,222,027	1,116,057
Accumulated losses at the end of the financial year	<u>(17,766,303)</u>	<u>(13,482,720)</u>

Note 21. Equity - dividends

There were no dividends paid, recommended, or declared during the current or previous financial year.

Note 22. Financial instruments

Financial risk management objectives

The Group's principal financial assets comprise cash and deposits held as security guarantees. The Group's principal financial liabilities comprise trade creditors. The main purpose of these financial instruments is to manage cash flow and assist the Group in its daily operational requirements.

The Group is exposed to interest rate risk, liquidity risk and credit risk in respect to the financial instruments that it held at the end of the financial year.

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

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

Risk management policies are established by the Board 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.

Market risk

Foreign currency risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the Canadian Dollar and United States Dollar.

Foreign exchange risk arises from future commercial transactions and recognised financial assets and financial liabilities denominated in a currency that is not the entity's functional currency. The risk is measured using sensitivity analysis and cash flow forecasting.

The carrying amount of the Group's foreign currency denominated financial assets and financial liabilities at the reporting date were as follows:

	Assets		Liabilities	
	2022	2021	2022	2021
Consolidated	\$	\$	\$	\$
US dollars - Trade & other payables	-	-	756,460	1,144,090
Canadian dollars - Cash at bank	1,747,572	16,227,962	-	-
	<u>1,747,572</u>	<u>16,227,962</u>	<u>756,460</u>	<u>1,144,090</u>

Note 22. Financial instruments (continued)

Consolidated - 2022	% change	AUD strengthened Effect on		% change	AUD weakened Effect on	
		profit before tax \$	Effect on equity \$		profit before tax \$	Effect on equity \$
US dollars	10%	75,646	75,646	(10%)	(75,646)	(75,646)
Canadian dollars	10%	174,757	174,757	(10%)	(174,757)	(174,757)
		<u>250,403</u>	<u>250,403</u>		<u>(250,403)</u>	<u>(250,403)</u>

Consolidated - 2021	% change	AUD strengthened Effect on		% change	AUD weakened Effect on	
		profit before tax \$	Effect on equity \$		profit before tax \$	Effect on equity \$
US dollars	10%	114,409	114,409	(10%)	(114,409)	(114,409)
Canadian dollars	10%	1,622,796	1,622,796	(10%)	(1,622,796)	(1,622,796)
		<u>1,737,205</u>	<u>1,737,205</u>		<u>(1,737,205)</u>	<u>(1,737,205)</u>

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate as a result of changes in market interest rates.

Consolidated - 2022	Basis points change	Basis points increase Effect on		Basis points change	Basis points decrease Effect on	
		profit before tax \$	Effect on equity \$		profit before tax \$	Effect on equity \$
Cash and cash equivalents	100	<u>31,049</u>	<u>31,049</u>	(100)	<u>(31,049)</u>	<u>(31,049)</u>

Consolidated - 2021	Basis points change	Basis points increase Effect on		Basis points change	Basis points decrease Effect on	
		profit before tax \$	Effect on equity \$		profit before tax \$	Effect on equity \$
Cash and cash equivalents	100	<u>220,155</u>	<u>220,155</u>	(100)	<u>(220,155)</u>	<u>(220,155)</u>

Note 22. 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 Group. The Group 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'.

At 30 June 2022, the Group has significant funds on deposit with Royal Bank of Canada ("RBC"). RBC is one of Canada's largest banks, and among the largest in the world based on market capitalisation with a Moody's rating of AA.

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

Liquidity risk

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

Remaining contractual maturities

The following tables detail the Group's remaining undiscounted contractual payments for its financial instrument liabilities.

	Weighted average interest rate	1 year or less	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Remaining contractual maturities
Consolidated - 2022	%	\$	\$	\$	\$	\$
Non-derivatives						
<i>Non-interest bearing</i>						
Trade payables	-	1,832,013	-	-	-	1,832,013
Total non-derivatives		1,832,013	-	-	-	1,832,013

Note 22. Financial instruments (continued)

Consolidated - 2021	Weighted average interest rate %	1 year or less \$	Between 1 and 2 years \$	Between 2 and 5 years \$	Over 5 years \$	Remaining contractual maturities \$
Non-derivatives						
<i>Non-interest bearing</i>						
Trade payables	-	5,794,239	-	-	-	5,794,239
Total non-derivatives		5,794,239	-	-	-	5,794,239

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

Fair value of financial instruments

Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

Note 23. Key management personnel disclosures

Refer to the Remuneration Report contained in the Directors' Report for additional details of the remuneration paid or payable to each member of KMP for the year ended 30 June 2022.

Compensation

The aggregate compensation made to Directors and other members of key management personnel of the Group is set out below:

	Consolidated	
	2022 \$	2021 \$
Short-term employee benefits	910,938	755,052
Post-employment benefits	48,623	45,137
Share-based payments	929,568	860,059
	<u>1,889,129</u>	<u>1,660,248</u>

The Company's only related entities are the KMP. KMP 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 KMP are the Directors and executives as set out in the Remuneration report.

Note 24. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by the auditor of the Company:

	Consolidated	
	2022	2021
	\$	\$
Audit services -		
Audit or review of the financial statements	37,000	27,003

Note 25. Commitments

The Group must meet tenement expenditure commitments to maintain its tenements in good standing. These commitments are not provided for in the financial statements and are as follows:

	Consolidated	
	2022	2021
	\$	\$
Committed at the reporting date but not recognised as liabilities:		
Within one year	214,045	286,600
One to five years	223,044	177,000
More than five years	360,151	-
	797,240	463,600

Note 26. Related party transactions

Parent entity

Matador Mining Ltd is the parent entity.

Subsidiaries

Interests in subsidiaries are set out in note 28.

Key management personnel

Disclosures relating to key management personnel are set out in note 23 and the Remuneration report included in the Directors' report.

Transactions with related parties

There were no transactions with related parties during the current and previous financial year.

Note 26. Related party transactions (continued)
Receivable from and payable to related parties

There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

Loans to/from related parties

There were no loans to or from related parties at the current and previous reporting date.

Note 27. Parent entity information

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

Statement of profit or loss and other comprehensive income

	Parent	
	2022	2021
	\$	\$
Loss after income tax	(6,099,645)	(4,870,453)
Total comprehensive loss	(6,099,645)	(4,870,453)

Statement of financial position

	Parent	
	2022	2021
	\$	\$
Total current assets	19,686,991	38,553,735
Total assets	36,499,020	40,834,320
Total current liabilities	1,842,258	5,844,437
Total liabilities	7,697,291	8,067,612
Equity		
Issued capital	43,246,589	41,948,696
Foreign currency reserve	928,062	130,217
Options reserve	3,214,621	4,136,462
Accumulated losses	(18,587,543)	(13,448,667)
Total equity	28,801,729	32,766,708

Note 27. Parent entity information (continued)
Guarantees entered into by the parent entity in relation to the debts of its subsidiaries

The parent entity had no guarantees in relation to the debts of its subsidiaries (2021: None).

Contingent liabilities

The parent entity had no contingent liabilities (2021: None).

Capital commitments - Property, plant and equipment

The parent entity had no capital commitments for property, plant and equipment (2021: None).

Significant accounting policies

The accounting policies of the parent entity are consistent with those of the Group, as disclosed in note 2, except for the following:

- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.

Note 28. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 2.

The subsidiaries are in the closed group with Matador Mining Ltd.

Name	Principal place of business / Country of incorporation	Ownership interest	
		2022 %	2021 %
Matador Canada Pty Ltd	Australia	100%	100%
Cape Ray Mining Limited	Nova Scotia, Canada	100%	100%

Note 29. Events after the reporting period

On 15 July 2022, the Company raised \$4.5 million via a share placement of \$2.0 million plus a flow through raise of \$2.5 million, issuing 36.7 million shares. The Directors participated in the share placement, subject to shareholder approval at the upcoming AGM.

On 19 July 2022, the Company raised an additional \$0.5 million via a private placement, issuing 4.3 million shares.

On 1 August 2022, David Gurvey was appointed Chief Financial Officer following the resignation of Chris Bath (Chief Financial Officer).

Note 29. Events after the reporting period (continued)

On the same date, Justin Osborne, previously Non-executive Director, became Non-executive Chair and Ian Murray, previously Non-executive Chair, became Non-executive Director.

On 17 August 2022, the Company raised \$2.9 million via a Share Purchase Plan, issuing 25,217,241 shares.

On 1 September 2022, Kerry Sparkes was appointed Non-executive Director.

No other matter or circumstance has arisen since 30 June 2022 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Note 30. Reconciliation of loss after income tax to net cash used in operating activities

	Consolidated	
	2022	2021
	\$	\$
Loss after income tax expense for the year	(5,505,610)	(4,912,746)
Adjustments for:		
Depreciation and amortisation	104,259	43,882
Share-based payments	1,182,065	2,418,450
Settlement of flow through share liability	(2,838,930)	(1,812,452)
Tax expense	3,631,858	2,223,175
Net exchange differences	(53,772)	(3,839)
Change in operating assets and liabilities:		
Increase in prepayments	(34,993)	(15,240)
Increase in trade and other payables	53,963	168,070
Increase in provisions	19,977	-
Net cash used in operating activities	<u>(3,441,183)</u>	<u>(1,890,700)</u>

Note 31. Earnings per share

	Consolidated	
	2022	2021
	\$	\$
Loss after income tax attributable to the owners of Matador Mining Ltd	<u>(5,505,610)</u>	<u>(4,912,746)</u>
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>214,992,716</u>	<u>169,042,477</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>214,992,716</u>	<u>169,042,477</u>
	Cents	Cents
Basic earnings per share	(2.56)	(2.91)
Diluted earnings per share	(2.56)	(2.91)

**Matador Mining Ltd
Directors' Declaration
30 June 2022**

In the Directors' opinion:

- The attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- The attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 2 to the financial statements;
- The attached financial statements and notes give a true and fair view of the Group's financial position as at 30 June 2022 and of its performance for the financial year ended on that date; and
- There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

The Directors have been given the declarations required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of Directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the Directors



Justin Osborne, Non-executive Chair
Perth, Western Australia
29 September 2022



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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 (collectively the Group), which comprises the consolidated statement of financial position as at 30 June 2022, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- a) giving a true and fair view of the consolidated financial position of the Group as at 30 June 2022 and of its consolidated financial performance for the year ended on that date; and
- b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

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 Group 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 (including Independence Standards)* (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.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial report of the current year. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, but we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the financial report* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial report. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial report.

1. Restatement of comparative information

Why significant

As set out in Note 4 to the financial report, the prior period comparative financial information has been restated to adjust for the following errors identified during the current year's audit:

- (i) accounting for the deferred tax liability and flow through share premium liability in relation to the issue of flow-through shares in the 2021 financial year; and
- (ii) the accounting treatment for the initial and subsequent acquisitions of the Group's interest in the Cape Ray Project ("Cape Ray") in the 2018 and 2020 financial years respectively.

Due to the judgment involved in determining the accounting treatment for the above transactions and the quantum of the amounts involved, we consider these restatements to be a key audit matter.

How our audit addressed the key audit matter

Our audit procedures performed in connection with evaluating the appropriateness of the restatements included the following:

- ▶ Obtained and reviewed details of the flow through share placements undertaken disclosed in Australian Securities Exchange (ASX) announcements and the Group's accounting records
- ▶ Obtained and read the agreements in relation to the initial acquisition of 80% and the subsequent acquisition of the remaining 20% of Cape Ray as well as the relevant ASX announcements, in order to understand the terms and conditions of these agreements.
- ▶ Reviewed and challenged the proposed accounting treatment for the flow through share placements as well as the initial and subsequent Cape Ray acquisitions
- ▶ Reperformed the calculations for the remeasurement of the restatements on the prior period comparatives.
- ▶ Reviewed the adequacy of the disclosures in relation to the restatement of comparative information set out in note 4 to the financial report.

2. Carrying amount of exploration and evaluation assets

Why significant

As set out in Note 15 to the financial report, at 30 June 2022, the Group held capitalised exploration and evaluation assets of \$43.3 million, representing 90.6% of the Group's total assets.

The carrying amount of exploration and evaluation assets is assessed for impairment by the Group when facts and circumstances indicate that the exploration and evaluation assets may exceed their recoverable amount.

The determination as to whether there are any indicators to require an exploration and evaluation asset to be assessed for impairment, involves a number of judgements including whether the Group has tenure, will be able to perform ongoing expenditure and whether there is sufficient information for a decision to be made that the area of interest is not commercially viable. The Group did not identify any impairment indicators as at 30 June 2022.

This was considered a key audit matter because of the significant judgment involved in determining whether any impairment indicators were present for the Group's capitalised exploration and evaluation asset balances.

How our audit addressed the key audit matter

We evaluated the Group's assessment as to whether there were any indicators of impairment to require the carrying value of exploration and evaluation assets to be tested for impairment. In performing our procedures, we:

- ▶ Considered whether the Group's right to explore was current, which included obtaining and assessing supporting documentation such as license agreements;
- ▶ Considered the Group's intention to carry out significant ongoing exploration and evaluation activities in the relevant areas of interest which included reviewing the Group's approved cash flow forecast and enquiring of management and the directors as to their intentions and the strategy of the Group;
- ▶ Assessed whether any exploration and evaluation data existed to indicate that the carrying amount of capitalised exploration and evaluation is unlikely to be recovered through development or sale; and
- ▶ Assessed the adequacy of the disclosures in the financial report.

Information other than the financial report and auditor's report thereon

The directors are responsible for the other information. The other information comprises the information included in the Company's 2022 Annual Report, 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, with the exception of the Remuneration Report and our related assurance opinion.

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.

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 preparing the financial report, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have 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 judgment 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 Group'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 Group'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 Group to cease to continue as a going concern.

- ▶ 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 Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group 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, actions taken to eliminate threats or safeguards applied.

From the matters communicated to the directors, we determine those matters that were of most significance in the audit of the financial report of the current year 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 audit of the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2022.

In our opinion, the Remuneration Report of Matador Mining Limited for the year ended 30 June 2022, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 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.



Ernst & Young



Pierre Dreyer
Partner
Perth
29 September 2022

ASX ADDITIONAL INFORMATION

Additional information required by the ASX and not shown elsewhere in this report is as follows. The information is current as at 16 September 2022.

Number of shareholders

There were 2,055 shareholders. All shares are fully paid ordinary shares. Each fully paid ordinary share carries one voting right.

Distribution of Shareholding

HOLD RANGES	NUMBER OF HOLDERS	NUMBER OF SHARES	% OF ISSUE CAPITAL
1 - 1,000	58	12,102	0.01%
1,001 - 5,000	478	1,416,677	0.50%
5,001 - 10,000	302	2,392,821	0.85%
10,001 - 100,000	912	35,257,348	12.49
Above 100,000	305	243,146,011	86.15%
Totals	2,055	282,224,959	100.00%

There are 447 holders of unmarketable parcels of fully paid ordinary shares of \$500 or less comprising a total of 1,003,508 shares.

Twenty Largest Shareholders (as at 16 September 2022)

RANK	NAME	NUMBER	%
1	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	38,187,931	13.53%
2	CITICORP NOMINEES PTY LIMITED	29,991,491	10.63%
3	BNP PARIBAS NOMS PTY LTD <DRP>	12,422,260	4.40%
4	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED GSCO CUSTOMERS A/C>	11,538,462	4.09%
5	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	9,259,496	3.28%
6	BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	7,336,748	2.60%
7	EQUITY TRUSTEES LIMITED <LOWELL RESOURCES FUND A/C>	7,198,836	2.55%
8	DAVEY MANAGEMENT (AUS) PTY LTD <DAVEY FAMILY SUPER FUND A/C>	6,170,688	2.19%
9	MCNEIL NOMINEES PTY LIMITED	3,809,165	1.35%
10	WINDHAGER HOLDING AG	3,124,783	1.11%
11	MR ANDREA RICHARD BALLATI	3,000,000	1.06%
12	Ian Murray	2,500,000	0.89%
13	MERRILL LYNCH (AUSTRALIA) NOMINEES PTY LIMITED	2,487,210	0.88%

RANK	NAME	NUMBER	%
14	MR COLIN WEEKES	2,264,498	0.80%
15	ELPHINSTONE HOLDINGS PTY LTD	2,225,956	0.79%
16	BUCKINGHAM INVESTMENT FINANCIAL SERVICES PTY LTD <THE CAMPBELL S/F A/C>	2,208,696	0.78%
17	INVIA CUSTODIAN PTY LIMITED <D & E MACKAY-COGHILL SF A/C>	2,000,000	0.71%
18	BNP PARIBAS NOMINEES PTY LTD ACF CLEARSTREAM	1,822,966	0.65%
19	BT PORTFOLIO SERVICES LIMITED <BOWES FAMILY A/C>	1,737,405	0.62%
20	CS FOURTH NOMINEES PTY LIMITED <HSBC CUST NOM AU LTD 11 A/C>	1,690,031	0.60%
	TOTAL	150,976,622	53.50%

Substantial Holders

An extract of the Company's Register of Substantial Shareholders (who hold 5% or more of the issued capital) is set out below:

NAME	NUMBER	%
FRANKLIN ADVISORS, INC.	15,027,330	5.3%

Unquoted Securities (as at 16 September 2022)

As at 16 September 2022, there were 10,917,232 unlisted options over ordinary shares as detailed below

CLASS OF OPTIONS	EXPIRATION	HOLDINGS
UNLISTED OPTIONS @ ZERO EXERCISE PRICE	01/07/2023	2,000,000
UNLISTED OPTIONS @ ZERO EXERCISE PRICE	01/07/2023	624,201
UNLISTED OPTIONS @ \$0.63 EXERCISE PRICE	18/11/2023	600,000
UNLISTED OPTIONS @ ZERO EXERCISE PRICE	18/11/2023	300,000
UNLISTED OPTIONS @ ZERO EXERCISE PRICE	01/07/2024	17,787
UNLISTED OPTIONS – STI EXP	01/07/2024	214,900
UNLISTED OPTIONS – STI EXP	01/07/2024	100,100
UNLISTED OPTIONS @ ZERO EXERCISE PRICE	01/07/2025	1,899,667
UNLISTED OPTIONS LTI EXP	01/07/2026	1,552,577
UNLISTED OPTIONS LTI EXP	01/07/2026	858,000
UNLISTED OPTIONS @ \$0.26 EXERCISE PRICE	01/05/2029	2,750,000

Voting rights

The voting rights attached to ordinary shares are set out below:

Ordinary shares

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.

There are no other classes of equity securities.

Schedule of Mining Tenements (as at 16 September 2022)

Description	Tenement number	Interest owned %
Isle Aux Morts, Southern NL	025560M	100.00
Cape Ray, Southern NL	025855M	100.00
Cape Ray, Southern NL	025856M	100.00
Cape Ray, Southern NL	025857M	100.00
Cape Ray, Southern NL	025858M	100.00
Garia Brook, Southern NL	026125M	100.00
La Poile River, Southern NL	030881M	100.00
La Poile River, Southern NL	030884M	100.00
La Poile River, Southern NL	030889M	100.00
La Poile River, Southern NL	030890M	100.00
La Poile River, Southern NL	030893M	100.00
Grand Bay River, Southern NL	030996M	100.00
Grand Bay River, Southern NL	030997M	100.00
Isle Aux Morts, Southern NL	031557M	100.00
Isle Aux Morts, Southern NL	031558M	100.00
Isle Aux Morts, Southern NL	031559M	100.00
Isle Aux Morts, Southern NL	031562M	100.00
Isle Aux Morts, Southern NL	032060M	100.00

Description	Tenement number	Interest owned %
Isle Aux Morts, Southern NL	032061M	100.00
Isle Aux Morts, Southern NL	032062M	100.00
Hermitage, Southern NL	032764M	100.00
Hermitage, Southern NL	032770M	100.00
Hermitage, Southern NL	032818M	100.00
Isle Aux Morts, Southern NL	032940M	100.00
Isle Aux Morts, Southern NL	032941M	100.00
La Poile River, Southern NL	033080M	100.00
Isle Aux Morts, Southern NL	033083M	100.00
Isle Aux Morts, Southern NL	033085M	100.00
Hermitage, Southern NL	033110M	100.00
Cape Ray, Southern NL	034316M	100.00