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## Review of Operations

### COMPLETION OF TENEMENT ACQUISITIONS

As a result of the successful completion of the IPO, the Company completed the formal 100% acquisition of 4 exploration licences and 3 prospecting licences that comprise the 5 Matador Projects across Western Australia in March 2017 (Figure 1).



Figure 1. Matador Projects, Western Australia.

The Company has now commenced assessing the full exploration potential across the Projects.

A summary of the current status of each Project is detailed below.

## ORIENTAL PROJECT (P 24/4978)

The Oriental Project is located 40km to the north of Kalgoorlie and 8km to the east of the Broad Arrow township in Western Australia. Oriental is situated in the Archaean Yilgarn Craton of the Eastern Goldfields Province and consists of a single granted prospecting licence covering a land area of 42 hectares.

Historical exploration activities at Oriental have been predominantly reverse circulation and diamond drilling by Placer Dome Asia Pacific and identified gold mineralisation comprising of multiple, east-northeast striking, north-northwest dipping lodes generally 2-3m thick.



Figure 2. Geological Terrane Map for the Kalgoorlie region.

Matador completed a two hole drill program on the Oriental Project aimed at testing the continuity of the mineralisation at depth and along strike previously identified. Results from the drilling program returned the following significant intersections:

- 5.0m @ 3.3g/t including 1.0m @ 13.2g/t from 149m from hole 17OGRC0012.0m at 17.4 g/t gold from 83m
- 2m @ 3g/t from 24.0m from hole 17OGRC002

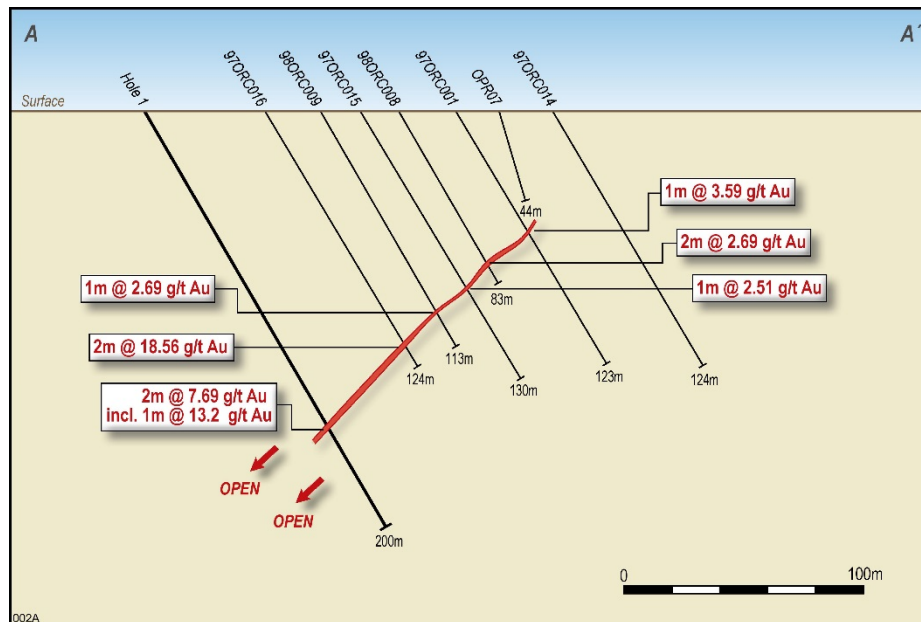


Figure 3: Oriental Drill Section

Having completed a review of the results received from the maiden drill program, the Board (together with its technical advisors) have decided to cease further work on the Oriental Project at this time.

Based on the results, the Board believes that the costs associated with any further work programs weighed up against the likelihood of a commercial discovery at the Oriental Project would not be in the best interest of shareholders. As such, the funds allocated to the Oriental Gold Project under the Company's prospectus dated 22 December 2016 will be applied to progress the Company's other existing assets and to actively pursue further acquisitions which complement and diversify its existing portfolio.

### **COPPER HILLS PROJECT (E 51/1716)**

Copper Hills is located 42km to the south of Meekatharra in Western Australia. Copper Hills consists of a single granted exploration licence covering a land area of 9.2km<sup>2</sup>.

Copper Hills is located in the Meekatharra-Wydney Greenstone Belt of the north-eastern Murchison Province of the Yilgarn Craton. The mineralisation at Copper Hills is controlled by a north-north-west trending shear zone, dipping moderately to steeply to the east and is interpreted to be hydrothermal/structural in nature and consists of predominantly chalcopyrite with lesser pyrite ± pyrrhotite associated with quartz veining and as anastomosing thin veinlets.

Following a thorough desktop review of all available data, Matador undertook a program of field works which included geochemical sampling and mapping.

The Company took a total 28 reconnaissance samples of which 27 reported copper grades >1% with a peak value of 17.2% Cu. A number of the samples also reported highly encouraging gold values in excess of 3 g/t. Most copper values reported ranged between 3% and 10% Cu, with only one sample returning a value of less than 1% Cu.

The Company will now consider expanding the exploration program at Copper Hills which may include testing similar sub-parallel shear zones in the west and east of the Project area and Geophysics.



Figure 4: Copper Hills Rock Chips

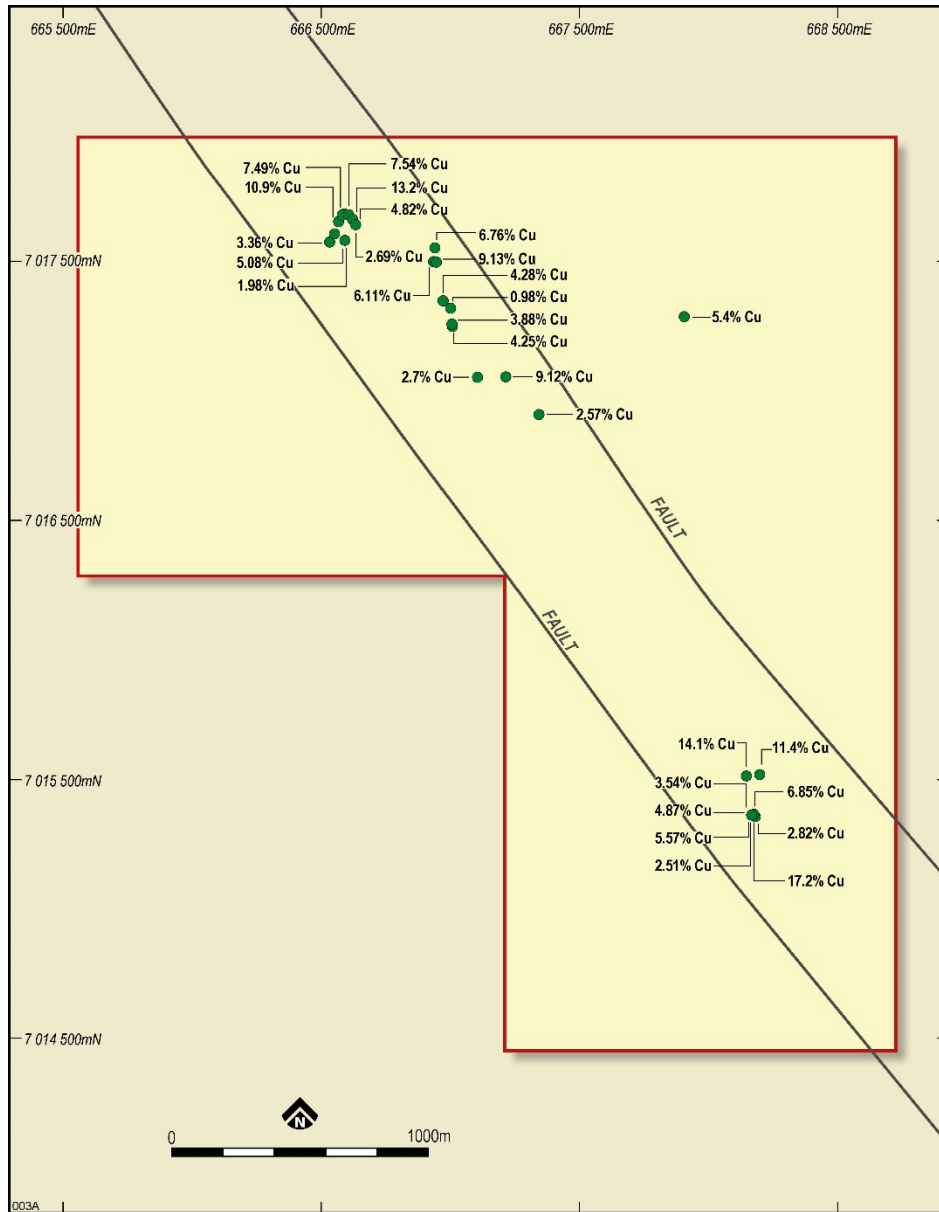


Figure 5: Copper geochemistry with sample location

### **LAVERTON WEST PROJECT (E 38/3063, E 38/3064, P 38/4170)**

Laverton West is comprised of three sub-projects (Rumor, Marabou and Gladiator) and covered by 3 tenements - 2 granted exploration licences and 1 granted prospecting licence covering a total of 5.63km<sup>2</sup>. These project areas are all readily accessible and within 15km of Laverton, in the North Eastern Goldfields of the Yilgarn Craton.

Laverton West is located proximal to several significant gold and nickel mines which have been operated in recent times. These include the Lancefield, Beasley Creek, Gladiator and Lancefield North (Wedge Pits) for gold and Windarra and Windarra South for nickel.

The Company is in the process of designing a maiden exploration program at Laverton West.

### **PYRAMID HILL PROJECT (E 09/2181)**

Pyramid Hill is located approximately 800km north of Perth, approximately 70km northeast of the township of Gascoyne Junction within the Carnarvon Basin, Western Australia. Pyramid Hill consists of a single exploration licence covering a land area of 59.3km<sup>2</sup>. The mineralisation identified to date within Pyramid Hill is predominantly tungsten (scheelite) with lesser uranium, beryllium, tantalum and bismuth.

The Company has engaged consultants to test the known pegmatites via 4 week mapping and geochemical sampling program. The Company will incorporate the results received into its existing database and undertake a full assessment of the Projects potential.

### **SNAKE HILL PROJECT (P 29/2218)**

Snake Hill is located approximately 185km northwest of Kalgoorlie, 65 km northwest of Menzies and on the northwest shore of Lake Ballard and consists of a single prospecting licence covering an area of 4.45 hectares.

The Company has not yet commenced exploration work on this tenement.

## **Competent Person's Statements**

The information in this announcement that relates to the Exploration Results for Oriental Gold Project is based on information compiled and fairly represented by Mr Jonathan King who is a Member of the Australian Institute of Geoscientists and consultant to Matador Mining Ltd. Mr King has sufficient experience relevant to the style of mineralisation and type of deposit under consideration, and to the activity which he has undertaken, to qualify as a Competent Person as defined in the 2012 Edition of the Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr King consents to the inclusion in this report of the matters based on this information in the form and context in which it appears. The Company confirms that it is not aware of any new information or data that materially affects the Oriental Gold Project results initially reported to the ASX on 24 July 2017.

The information in this announcement that relates to the Exploration Results for the Copper Hills Project is based on information compiled and fairly represented by Mr Jonathan King who is a Member of the Australian Institute of Geoscientists and consultant to Matador Mining Ltd. Mr King has sufficient experience relevant to the style of mineralisation and type of deposit under consideration, and to the activity which he has undertaken, to qualify as a Competent Person as defined in the 2012 Edition of the Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr King consents to the inclusion in this report of the matters based on this information in the form and context in which it appears. The Company confirms that it is not aware of any new information or data that materially affects the Oriental Gold Project results initially reported to the ASX on 30 August 2017.

**MATADOR MINING LTD**  
**ABN 45 612 912 393**

**CORPORATE DIRECTORY**

<b>Directors</b>	Mr Scott Patrizi – <i>Executive Director</i> Dr Marat Abzalov – <i>Non-executive Director</i> Mr Patrick Walta – <i>Non-executive Director</i> Mr Peter Woods – <i>Non-executive Director</i>
<b>Secretary</b>	Ms Oonagh Malone
<b>Principal registered office in Australia</b>	Suite 23, 513 Hay Street, Subiaco WA 6008  Phone: +61 8 6143 6710 Email: <a href="mailto:info@matadormining.com.au">info@matadormining.com.au</a> Mail: PO Box 1311, Subiaco WA 6904
<b>Share register</b>	Security Transfer Australia 770 Canning Highway, Applecross, WA 6153  Phone: +61 3 9628 2200 Fax: +61 8 9315 2233 Email: <a href="mailto:registrar@securitytransfer.com.au">registrar@securitytransfer.com.au</a> Website: <a href="http://www.securitytransfer.com.au">www.securitytransfer.com.au</a>
<b>Auditor</b>	Walker Wayland WA Audit Pty Ltd (formerly Hall Chadwick WA Audit Pty Ltd) Level 2, 129 Melville Parade, Como WA 6152
<b>Banker</b>	National Australia Bank Level 1, 1238 Hay Street, West Perth WA 6005
<b>Solicitors</b>	Bellanhouse Level 19, Alluvion, 58 Mounts Bay Rd, Perth WA 6000
<b>Securities exchange listings</b>	The shares of Matador Mining Limited are listed on the Australian Securities Exchange (ASX) under the code MZZ
<b>Website address</b>	<a href="http://www.matadormining.com.au">http://www.matadormining.com.au</a>

# **MATADOR MINING LTD**

**ABN 45 612 912 393**

## **DIRECTORS' REPORT**

The Directors present their report together with the annual financial report of Matador Mining Ltd ("Matador" or the "Company"), for the year ended 30 June 2017 and the independent auditor's review report thereon.

### **Directors**

The names of the directors in office at any time during or since the end of the year are:

Scott Patrizi (Executive Director) – appointed 28 June 2016

Marat Abzalov (Non-Executive Director) – appointed 28 June 2016

Patrick Walta (Non-Executive Director) – appointed 28 June 2016

Peter Woods (Non-Executive Director) – appointed 17 November 2016

### **Principal Activities**

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

### **Review of Operations**

During the year, the Company raised \$132,000 of seed capital in order to undertake an initial public offering.

During the year, the Company completed its initial public offering and raised \$3,350,000 (before costs) by the issue of 16,750,000 shares at an issue price of \$0.20 each. The Company was admitted to the official ASX list on 8 March 2017.

During March 2017, the Company satisfied the remaining conditions in relation to the tenement sale agreement entered into on 26 July 2016 to acquire 7 prospecting and exploration licences in Western Australia for \$100,000 worth of shares at \$0.20 per share and \$20,000 cash. The sale agreement was completed on 3rd March 2017.

The Company has undertaken a drill program at its Oriental Gold Project and commenced field based exploration activities at its Copper Hills Project.

### **Financial Results**

The loss of the Company after providing for income tax for the period ending 30 June 2017 was \$245,532. During the year, total expenses amounted to \$264,412.

Cash and cash equivalents amounted to \$3,018,590 as at 30 June 2017 (30 June 2016: \$1).

### **Significant changes in state of affairs**

During the year, the following significant changes in the state of affairs of the Company occurred:

- The Company satisfied the remaining conditions in relation to the tenement sale agreement entered into on 26 July 2016 to acquire 7 prospecting and exploration licences in Western Australia for \$100,000 worth of shares at \$0.20 per share and \$20,000 cash. The sale agreement was completed on 3rd March 2017.
- The Company completed its initial public offering and raised \$3,350,000 (before costs) by the issue of 16,750,000 shares at an issue price of \$0.20 each. The Company was admitted to the official ASX list on 8 March 2017.

**MATADOR MINING LTD**  
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**DIRECTORS' REPORT (continued)**

**Events Subsequent to the End of the Reporting Period**

On 24 July 2017, the Company announced it had completed its maiden drill program at its 100% owned Oriental Gold Project.

During August 2017, Matador raised \$138,222 (before costs) via a pro-rata non-renounceable entitlement issue of quoted options, under which the Company issued 13,822,227 options at a price of \$0.01 per option.

On 30 August 2017, the Company announced high grade copper, gold and cobalt results from its 100% owned Copper Hills Project.

Other than the above, no other matters or circumstances have arisen since the end of the financial year that significantly affect or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

**Likely Developments and Expected Results of Operations**

Likely developments in the operations of the Company and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the Company.

**Dividends**

No dividends have been paid or declared by the Company.

**Environmental Regulation**

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

**Options**

At the date of this report there were 7,250,000 unquoted options and 13,822,227 quoted options on issue.

<b>Date option issued</b>	<b>Expiry date</b>	<b>Exercise price of options</b>	<b>Number under option</b>
7 November 2016 (unquoted)	7/11/2019	\$0.20	7,250,000
30 August 2017 (quoted; ASX Code: MZZO)	30/8/2020	\$0.20	13,822,227
<b>Total</b>			<b>21,072,227</b>

During the year no unquoted options expired or were exercised.

No shares were issued during or since the end of the year as a result of the exercise of an option over unissued shares or interests.

**MATADOR MINING LTD**  
**ABN 45 612 912 393**

**DIRECTORS' REPORT (continued)**

**Indemnification of Officers**

To the extent permitted by law, the Company indemnifies every person who is or has been:

- an Officer against any liability to any person (other than the Company) incurred while acting in that capacity and in good faith; and
- an Officer of the Company, against costs and expenses incurred by that person in that capacity in successfully defending legal proceedings and ancillary matters.

The Company has entered into a Deed of Indemnity, Access and Insurance with each of its Directors and the Company Secretary. Under the Deeds of Indemnity, Access and Insurance the Company will indemnify each officer to the extent permitted by the Corporations Act against any liability arising as a result of the officer acting as an officer of the Company. The Deeds of Indemnity, Access and Insurance also provide for the right to access Board papers and other Company records.

No indemnification has been obtained for the auditors of the Company.

**Proceedings on Behalf of Company**

No person has applied for leave of court to bring proceedings on behalf of the Company or 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 any part of those proceedings.

The Company was not a party to any such proceedings during the year.

**Information on Directors**

Information in relation to the Directors of the Company for the reporting period and up to the date of this report is as follows:

**Scott Patrizi – Executive Director (appointed 28 June 2016)**

***Experience and expertise***

Mr Patrizi is a corporate finance professional previously employed with Deloitte. Mr Patrizi holds a Bachelor of Commerce from the University of Western Australia. During his time at Deloitte, Mr Patrizi worked across a wide range of industries including mining, oil and gas, healthcare, education and private equity providing merger and acquisition, valuation and due diligence services. Prior to Deloitte, Mr Patrizi worked for Argonaut, a full service advisory, stockbroking & research and investment house focussed on clients in the natural resources sector where he gained significant equity capital market experience.

***Other current directorships***

Clancy Exploration Limited (appointed 7 July 2016)

Elixir Petroleum Ltd (appointed 12 October 2016)

***Former directorships in last 3 years***

None

***Special responsibilities***

Nil

***Interests in shares and options***

1 ordinary share is held directly

550,000 ordinary shares, 1,000,000 unquoted options and 366,668 quoted options are held indirectly

**MATADOR MINING LTD**  
**ABN 45 612 912 393**

**DIRECTORS' REPORT (continued)**

**Patrick Walta – Non-Executive Director (appointed 28 June 2016)**

***Experience and expertise***

Mr Walta graduated from Melbourne University with degrees in Chemical Engineering and Science. He has also completed post graduate studies including an MBA, Diploma of Project Management and Masters in Mineral Economics. He is an experienced metallurgist and mineral economist, having previously worked in both technical and commercial roles across the mining and water treatment industries.

***Other current directorships***

New Century Resources Ltd (appointed 13 July 2017)

***Former directorships in last 3 years***

Primary Gold Ltd (appointed 23 June 2016; resigned 31 May 2017)

Carbine Resources Ltd (appointed 3 April 2014; resigned 13 April 2016)

***Special responsibilities***

Nil

***Interests in shares and options***

500,000 ordinary shares, 1,000,000 unquoted options and 333,334 quoted options are held directly

**Marat Abzalov – Non-Executive Director (appointed 28 June 2016)**

***Experience and expertise***

Dr Abzalov obtained a PHD in geology in 1987 and has undertaken post graduate studies in Applied Mathematics and Geostatistics. He has over 30 years' experience including with WMC Resources Limited and also with Rio Tinto Limited. He has managed and consulted to a wide range of mining projects including technical reviews, and detailed studies varying from scoping to bankable feasibility. He has a solid expertise in all aspects of exploration programs and ore body knowledge, with an emphasis in geostatistical resource estimation, sampling and quality assurance/control and geological/mathematical 3D modelling.

***Other current directorships***

Primary Gold Ltd (appointed 23 June 2016)

***Former directorships in last 3 years***

Boss Resources Limited (appointed 2 April 2014; resigned 1 August 2017)

***Special responsibilities***

Nil

***Interests in shares and options***

500,000 ordinary shares, 1,000,000 unquoted options and 333,334 quoted options are held directly

**MATADOR MINING LTD**  
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**DIRECTORS' REPORT (continued)**

**Peter Woods – Non-Executive Director (appointed 17 November 2016)**

***Experience and expertise***

Mr Woods holds a Graduate Diploma of Applied Finance and Bachelor of Commerce from University of Western Australia. Mr Woods has been involved in the financial services industry for 10 years with a focus on wealth advisory and raising capital for both unlisted and listed companies. Previous advisory roles included periods at two of Australia's leading independent investment and wealth management firms, Shaw & Partners (Melbourne) and Euroz Securities, where he gained extensive equity capital market experience advising on a broad range of instruments including equities, derivatives and alternative assets.

***Other current directorships***

None

***Former directorships in last 3 years***

None

***Special responsibilities***

Nil

***Interests in shares and options***

666,666 ordinary shares, 1,000,000 unquoted options and 333,334 quoted options are held indirectly

**Directors' Meetings**

During the financial year, five meetings of directors were held. Attendances by each director during the year were as follows:

	Directors' Meetings	
	Eligible to Attend	Attended
Scott Patrizi	5	5
Patrick Walta	5	5
Marat Abzalov	5	5
Peter Woods	2	2

**Company Secretary**

The following person held the position of company secretary at the end of the financial year:

**Oonagh Malone**

Ms Malone is a principal of a corporate advisory firm which provides company secretarial and administrative services. She has almost 10 years' experience in administrative and company secretarial roles for listed companies and is a member of the Governance Institute of Australia. She currently acts as company secretary for ASX-listed companies New Century Resources Ltd, Boss Resources Ltd, Carbine Resources Ltd, Draig Resources Ltd, Primary Gold Limited and ServTech Global Holdings Limited, and is a non-executive director and company secretary of Hawkstone Mining Limited.

**MATADOR MINING LTD**  
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**DIRECTORS' REPORT (continued)**

**Remuneration Report - audited**

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

**Remuneration policy**

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

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

**Performance-based remuneration**

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

The principles supporting the remuneration policy are that:

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

**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 from incorporation until 30 June 2017, to the extent that comparative information is defined.

	<b>2017</b>	<b>2016</b>
Loss after income tax attributable to shareholders (\$)	(245,532)	-
Share price at financial year end (\$)	0.193	-
Movement in share price for the year (\$)	(0.007)	-
Total dividends declared (cents per share)	-	-
Returns of capital (cents per share)	-	-
Basic loss per share (cents per share)	(0.0247)	-

**MATADOR MINING LTD**  
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**DIRECTORS' REPORT (continued)**

**Market Comparisons**

Consistent with attracting and retaining talented executives, the Board endorses the use of incentive and bonus payments. 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 actual payments to Directors and reviews their remuneration annually based on independent external advice with regard to market practice, relativities, and the duties and accountabilities of directors. A review of Directors' remuneration is conducted annually to benchmark overall remuneration including retirement benefits.

**Directors' Fees**

***Executive***

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

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

- Competitiveness and reasonableness
- Acceptability to shareholders
- Performance linkage/alignment of executive compensation
- Transparency
- 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:

- The remuneration policy, setting the terms and conditions for executive directors and executives, was developed and approved by the Board. 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 either the ASX trading price (for listed options issued) or the Black-Scholes methodology (for unlisted options issued).

**MATADOR MINING LTD**  
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**DIRECTORS' REPORT (continued)**

***Service Agreements***

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

Executive	Term of Agreement	Base salary per annum including any superannuation* (Non-performance based)	Termination Conditions	Proportion of elements of remuneration related to performance
Mr Scott Patrizi	No specified term	\$36,000	6-month notice period	24.8%

\* Base salary quoted is the position as at 30 June 2017; salaries are reviewed annually. The base salary for Mr Patrizi was increased to \$48,000 per annum from 1 September 2017 as approved by the Board of Directors for the Company.

***Non-Executive Remuneration***

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

It is recognised that non-executive director remuneration is ideally structured to exclude equity based remuneration. However, whilst the Company remains small and the full Board, including the Non-Executive Directors, are included in the operations of the Company more intimately than may be the case with larger companies, the Non-Executive Directors are entitled to participate in equity based remuneration schemes.

***Bonus or Profit Participation Plan***

Performance incentives may be offered to executive directors and senior management of the Company through the operation of a bonus or profit participation plan at the ultimate discretion of the Board.

***Management Options***

During the year ended 30 June 2017 (2016: nil), the following new unlisted options were granted to Directors and key management personnel:

Option series	Grant date	No. of options	Fair value per option	Total fair value of options issued
Exercise price \$0.20 expiring 7 November 2019	7 November 2016	4,250,000	\$0.003744	<b>\$15,912</b>
<b>Total</b>		<b>4,250,000</b>		<b>\$15,912</b>

**MATADOR MINING LTD**  
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**DIRECTORS' REPORT (continued)**

The above options were issued to the following Directors and key management personnel during the year ended 30 June 2017 (2016: nil) as part of their performance-based remuneration:

	Option Series	Total Options	Total value of options	Options expensed in 2017
	<b>Exercise price \$0.20 expiring 17 October 2019</b>		<b>\$</b>	<b>\$</b>
Mr Scott Patrizi	1,000,000	1,000,000	3,744	3,744
Mr Patrick Walta	1,000,000	1,000,000	3,744	3,744
Dr Marat Abzalov	1,000,000	1,000,000	3,744	3,744
Mr Peter Woods	1,000,000	1,000,000	3,744	3,744
Ms Oonagh Malone	250,000	250,000	936	936
<b>Total</b>	<b>4,250,000</b>	<b>4,250,000</b>	<b>15,912</b>	<b>15,912</b>

**Details of remuneration for year ended 30 June 2017**

Details of the remuneration of the directors and key management personnel of the Company (as defined in AASB 124 *Related Party Disclosures*) are set out in the following tables.

	Salary, Fees and Commissions \$	Super- annuation Contribution \$	Non-cash Benefits \$	Share- based payments \$	Total \$
<b>Key Management Person</b>					
Mr Scott Patrizi <sup>1</sup>	11,348	-	-	3,744	15,092
Mr Patrick Walta <sup>1</sup>	11,348	-	-	3,744	15,092
Dr Marat Abzalov <sup>1</sup>	10,363	985	-	3,744	15,092
Mr Peter Woods <sup>2</sup>	10,363	985	-	3,744	15,092
Ms Oonagh Malone <sup>3</sup>	7,548	-	-	936	8,484
<b>Total</b>	<b>50,970</b>	<b>1,970</b>	<b>-</b>	<b>15,912</b>	<b>68,852</b>

**Details of remuneration for year ended 30 June 2016**

	Salary, Fees and Commissions \$	Super- annuation Contribution \$	Non-cash Benefits \$	Share- based payments \$	Total \$
<b>Key Management Person</b>					
Mr Scott Patrizi <sup>1</sup>	-	-	-	-	-
Mr Patrick Walta <sup>1</sup>	-	-	-	-	-
Dr Marat Abzalov <sup>1</sup>	-	-	-	-	-
Ms Oonagh Malone <sup>3</sup>	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

<sup>1</sup> Appointed 28 June 2016

<sup>2</sup> Appointed 17 November 2016

<sup>3</sup> Appointed 11 July 2016

There were no other transactions with Directors or key management personnel other than included in the above remuneration tables or as disclosed elsewhere in the Directors' Report.

**MATADOR MINING LTD**  
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**DIRECTORS' REPORT (continued)**

**Equity instrument disclosures relating to key management personnel**

*(i) Share holdings*

The numbers of shares in the Company held during the financial year by each Director of Matador and other key management personnel of the Company, including their personally related parties, are set out below. There were no shares granted during the reporting period as compensation.

<b>2017</b>	<b>Balance at the start of the year</b>	<b>Received during the year on exercise of options</b>	<b>Other changes during the year</b>	<b>Balance at the end of the year</b>
<b>Ordinary shares</b>				
Mr Scott Patrizi	1	-	550,000	550,001
Mr Patrick Walta	-	-	500,000	500,000
Dr Marat Abzalov	-	-	500,000	500,000
Mr Peter Woods	-	-	500,000	500,000
Ms Oonagh Malone	-	-	250,000	250,000
<b>Total</b>	<b>1</b>	<b>-</b>	<b>2,300,000</b>	<b>2,300,001</b>

<b>2016</b>	<b>Balance at the start of the year</b>	<b>Received during the year on exercise of options</b>	<b>Other changes during the year</b>	<b>Balance at the end of the year</b>
<b>Ordinary shares</b>				
Mr Scott Patrizi	-	-	1	1
Mr Patrick Walta	-	-	-	-
Dr Marat Abzalov	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>1</b>	<b>1</b>

*ii) Option holdings*

The numbers of options over ordinary shares in the Company held during the financial year ended 30 June 2017 (2016: nil) by each director of Matador and other key management personnel of the Company, including their personally related parties, are set out below.

<b>2017</b>	<b>Balance at start of the year</b>	<b>Granted as Compensation</b>	<b>Acquired</b>	<b>Lapsed/ Forfeited</b>	<b>Balance at end of the year</b>	<b>Vested</b>	<b>Escrowed until 7 Nov 2018</b>
S Patrizi	-	1,000,000	-	-	1,000,000	1,000,000	1,000,000
P Walta	-	1,000,000	-	-	1,000,000	1,000,000	1,000,000
M Abzalov	-	1,000,000	-	-	1,000,000	1,000,000	1,000,000
P Woods	-	1,000,000	-	-	1,000,000	1,000,000	1,000,000
O Malone	-	250,000	-	-	250,000	250,000	250,000
<b>Total</b>	<b>-</b>	<b>4,250,000</b>	<b>-</b>	<b>-</b>	<b>4,250,000</b>	<b>4,250,000</b>	<b>4,250,000</b>

*iii) Shares provided on exercise of remuneration options*

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

**This is the end of the audited Remuneration report.**

**MATADOR MINING LTD**  
**ABN 45 612 912 393**

**DIRECTORS' REPORT (continued)**

**Non-audit services**

No non-audit services were performed by the Company's auditor, Walker Wayland WA Pty Ltd, during the year (2016: nil).

**Auditor's Independence Declaration**

On the 3rd February 2017 Hall Chadwick WA Audit Pty Ltd changed its name to Walker Wayland WA Audit Pty Ltd.

A copy of the auditor's independence declaration as required under s 307C of the *Corporations Act 2001* is set out on page 15.

No officer of the Company is or has been a partner/director of any auditor of the Company.

This Directors' Report is signed in accordance with a resolution of the Board of Directors.



**Scott Patrizi**  
**Executive Director**

Dated this 28<sup>th</sup> day of September 2017

**MATADOR MINING LIMITED**  
**ABN 45 612 912 393**

**AUDITOR'S INDEPENDENCE DECLARATION**  
**UNDER S 307C OF THE CORPORATION ACT 2001**  
**TO THE DIRECTORS OF MATADOR MINING LIMITED**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2017 there has been no contraventions of:

- i. the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- ii. any applicable code of professional conduct in relation to the audit.

*Walker Wayland WA Audit Pty Ltd.*

**WALKER WAYLAND WA AUDIT PTY LTD**



**JOHN DORAZIO FCA**  
Managing Director  
Level 2, 129 Melville Parade, COMO WA 6152

Dated this 28<sup>th</sup> day of September 2017.

**MATADOR MINING LTD**  
**ABN 45 612 912 393**

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 30 JUNE 2017**

	Note	2017 \$	2016 \$
<b>Revenue</b>			
Interest received	3	18,880	-
<b>Total revenue</b>		18,880	-
<b>Expenses</b>			
Administration expenses	3	(123,924)	-
Consultants and management expenses	3	(58,228)	-
Share based payments expense	12	(27,144)	-
Transaction costs	3	(55,116)	-
<b>Total expenses</b>		(264,412)	-
<b>Loss before income tax</b>		(245,532)	-
Income tax expense	5	-	-
<b>Loss for the year</b>		(245,532)	-
<b>Other comprehensive income</b>		-	-
<b>Items that will not be reclassified subsequently to profit or loss</b>		-	-
<b>Total other comprehensive income for the year, net of tax</b>		-	-
<b>Total comprehensive income for the year</b>		-	-
Loss attributable to:			
Members of the Company		-	-
Total comprehensive income attributable to:			
Members of the Company		(245,532)	-
Basic and diluted loss per share (cents per share)	16	(0.0247)	-

The accompanying notes form part of these financial statements.

**MATADOR MINING LTD**  
**ABN 45 612 912 393**

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2017**

	Note	2017	2016
		\$	\$
<b>ASSETS</b>			
CURRENT ASSETS			
Cash and cash equivalents	6	3,018,590	1
Trade and other receivables	7	44,251	-
Other current assets		7,327	-
<b>TOTAL CURRENT ASSETS</b>		<b>3,070,168</b>	<b>1</b>
NON-CURRENT ASSETS			
Exploration and evaluation assets	8	142,476	-
<b>TOTAL NON-CURRENT ASSETS</b>		<b>142,476</b>	<b>-</b>
<b>TOTAL ASSETS</b>		<b>3,212,644</b>	<b>1</b>
<b>LIABILITIES</b>			
CURRENT LIABILITIES			
Trade and other payables	9	54,099	-
<b>TOTAL LIABILITIES</b>		<b>54,099</b>	<b>-</b>
<b>NET ASSETS</b>		<b>3,158,545</b>	<b>1</b>
<b>EQUITY</b>			
Contributed equity	10	3,376,933	1
Reserves	11	27,144	-
Accumulated losses		(245,532)	-
<b>TOTAL EQUITY</b>		<b>3,158,545</b>	<b>1</b>

The accompanying notes form part of these financial statements.

**MATADOR MINING LTD**  
**ABN 45 612 912 393**

**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 30 JUNE 2017**

	Note	Contributed Equity \$	Option Reserve \$	Accumulated Losses \$	Total \$
<b>Opening Balance</b>		-	-	-	-
Loss for the year		-	-	-	-
Other comprehensive income for the year		-	-	-	-
<b>Total other comprehensive income</b>		-	-	-	-
<b>Total comprehensive loss</b>		-	-	-	-
<b>Transactions with owners, in their capacity as owners</b>					
Issue of share on incorporation	10	1	-	-	1
<b>Balance at 30 June 2016</b>		1	-	-	1
<b>Comprehensive income</b>					
Loss for the year		-	-	(245,532)	(245,532)
Other comprehensive income for the year		-	-	-	-
<b>Total other comprehensive income</b>		-	-	(245,532)	(245,532)
<b>Total comprehensive loss</b>		-	-	(245,532)	(245,532)
<b>Transactions with owners, in their capacity as owners</b>					
Share issues	10	132,000	-	-	132,000
Allotment of 16,750,000 shares at 20c per share on approval of listing by ASX	10	3,350,000	-	-	3,350,000
Issue of 500,000 shares at 20c per share to P Gianni for balance of consideration for acquisition of tenements	10	100,000	-	-	100,000
Transaction costs		(205,068)	-	-	(205,068)
Share based payments	12	-	27,144	-	27,144
<b>Balance at 30 June 2017</b>		3,376,933	27,144	(245,532)	3,158,545

The accompanying notes form part of these financial statements.

**MATADOR MINING LTD**  
**ABN 45 612 912 393**

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 30 JUNE 2017**

	Note	2017 \$	2016 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Payments to suppliers and employees		(240,148)	-
Interest received		18,603	-
Net cash from operating activities	17	(221,545)	-
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for exploration expenditure		(13,166)	-
Payments for acquisition of mining tenements		(23,631)	-
Net cash from investing activities		(36,797)	-
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from issue of shares		3,482,000	1
Share issue transaction costs		(205,069)	-
Net cash from financing activities		3,276,931	-
Net increase in cash held		3,018,589	1
Opening cash and cash equivalents		1	-
Cash and cash equivalents at end of year	6	3,018,590	1

The accompanying notes form part of these financial statements.

**MATADOR MINING LTD**  
**ABN 45 612 912 393**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2017**

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

The financial statements were authorised for issue on 28<sup>th</sup> September 2017 by the Directors of Matador Mining Limited.

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Preparation**

These general purpose financial statements have been prepared in accordance with the *Corporations Act 2001* and Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board. The Company is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the Australian Accounting Standards Board has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards. Material accounting policies adopted in the preparation of the financial statements are presented below and have been consistently applied unless stated otherwise.

*Compliance with IFRS*

The financial statements of the Matador Mining Limited comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

*New and amended standards adopted by the Company*

None of the new standards and amendments to standards that are mandatory for the first time for the financial year beginning 1 July 2016 affected any of the amounts recognised in the current period or any prior period and are not likely to affect future periods.

*Historical cost convention*

These financial statements have been prepared on an accruals basis under the historical cost convention, as modified by the revaluation of certain classes of property, plant and equipment.

*Critical accounting estimates*

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 1(o).

*Going concern*

The financial information has been prepared on a going concern basis which contemplates the continuity of normal business activities and the realisation of assets and discharge of liabilities in the ordinary course of business.

The financial statements, except for cash flow information, have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded off to the nearest dollar unless stated otherwise.

**Accounting Policies**

**a. Accounting Principles**

The financial statements incorporate all of the assets, liabilities and results of the Matador Mining Limited. The Company has no subsidiaries.

**MATADOR MINING LTD**  
**ABN 45 612 912 393**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2017**

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

**b. Income Tax**

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

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

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

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

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

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

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

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

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

**c. Fair Value of Assets and Liabilities**

The Company measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard.

Fair value is the price the Company would receive to sell an asset or would have to pay to transfer a liability in an orderly (ie unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

**MATADOR MINING LTD**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2017**

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

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset or liability (ie the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (ie the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

The fair value of liabilities and the entity's own equity instruments (excluding those related to share based payment arrangements) may be valued, where there is no observable market price in relation to the transfer of such financial instrument, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and, where significant, are detailed in the respective note to the financial statements.

**d. Financial Instruments**

**Initial recognition and measurement**

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the financial instrument. For financial assets, this is equivalent to the date that the entity commits itself to either purchase or sell the asset (ie trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified "at fair value through profit or loss" in which case transaction costs are recognised as expenses in profit or loss immediately.

**Classification and subsequent measurement**

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest method or cost. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

*Amortised cost* is calculated as the amount at which the financial asset or financial liability is measured at initial recognition less repayments made and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the *effective interest method*.

The *effective interest method* is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying amount with a consequential recognition of an income or expense item in profit or loss.

**MATADOR MINING LTD**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2017**

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

The Company does not designate any interests in subsidiaries, associates or joint ventures as being subject to the requirements of Accounting Standards specifically applicable to financial instruments.

(i) *Financial assets at fair value through profit or loss*

Financial assets are classified at “fair value through profit or loss” when they are held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying amount being included in profit or loss.

(ii) *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

(iii) *Financial liabilities*

Non-derivative financial liabilities other than financial guarantees are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial liability is derecognised.

**Impairment**

At the end of each reporting period, the Company assesses whether there is objective evidence that a financial asset has been impaired. A financial asset (or a group of financial assets) is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events (a “loss event”) having occurred, which has an impact on the estimated future cash flows of the financial asset(s).

In the case of available-for-sale financial assets, a significant or prolonged decline in the market value of the instrument is considered to constitute a loss event. Impairment losses are recognised in profit or loss immediately. Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified into profit or loss at this point.

In the case of financial assets carried at amortised cost, loss events may include: indications that the debtors or a group of debtors are experiencing significant financial difficulty, default or delinquency in interest or principal payments; indications that they will enter bankruptcy or other financial reorganisation; and changes in arrears or economic conditions that correlate with defaults.

For financial assets carried at amortised cost (including loans and receivables), a separate allowance account is used to reduce the carrying amount of financial assets impaired by credit losses. After having taken all possible measures of recovery, if the directors establish that the carrying amount cannot be recovered by any means, at that point the anticipated loss is charged to the allowance account or the carrying amount of impaired financial assets is reduced directly if no impairment amount was previously recognised in the allowance account.

**MATADOR MINING LTD**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2017**

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

When the terms of financial assets that would otherwise have been past due or impaired have been renegotiated, the Company recognises the impairment for such financial assets by taking into account the original terms as if the terms have not been renegotiated so that the loss event that has occurred is duly considered.

**Derecognition**

Financial assets are derecognised when the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised when the related obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

**e. Employee Benefits**

**Short-term employee benefits**

Provision is made for the Company's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The Company's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as part of current trade and other payables in the statement of financial position. The Company's obligations for employees' annual leave and long service leave entitlements are recognised as provisions in the statement of financial position.

**Other long-term employee benefits**

Provision is made for employees' long service leave and annual leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Upon the re-measurement of obligations due to changes in assumptions for other long-term employee benefits, the net change in the obligation is recognised in profit or loss as part of employee benefits expense in the periods in which the changes occur.

The Company's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the Company does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current provisions.

**f. Provisions**

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

**MATADOR MINING LTD**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2017**

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

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

**g. Cash and Cash Equivalents**

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

**h. Exploration and Evaluation Expenditure Assets**

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

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

**i. Revenue and Other Income**

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

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

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

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

**j. Trade and Other Receivables**

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

Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Refer to Note 1(d) for further discussion on the determination of impairment losses.

**k. Trade and Other Payables**

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

**MATADOR MINING LTD**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2017**

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

**l. Contributed Equity**

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

**m. Goods and Services Tax (GST)**

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

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

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

**n. Comparative Figures**

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

Where the Company retrospectively applies an accounting policy, makes a retrospective restatement of items in the financial statements or reclassifies items in its financial statements, a third statement of financial position as at the beginning of the preceding period in addition to the minimum comparative financial statements is presented.

**The Company was incorporated on 28 June 2016 and the comparative figures only covered the operation from 28 June 2016 to 30 June 2016.**

**o. Critical Accounting Estimates and Judgements**

The directors evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Company.

**Key estimates and judgements**

**(i) *Impairment - general***

The Company assesses impairment at the end of each reporting period by evaluation of conditions and events specific to the Company that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations, which incorporate various key assumptions. No impairment is recognised for the Oriental Gold Project because the Company has an ongoing right to explore over the project with substantive ongoing exploration planned, the Company has not decided to discontinue exploration in the project area, and insufficient data exists that could indicate that the carrying amount of the project is unlikely to be recovered in full from successful development or by sale.

**MATADOR MINING LTD**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2017**

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

(ii) *Options value*

The options issued by the Company during the year (refer Note 12) have been valued by the Directors using the Black-Scholes option pricing model based on the underlying share issue price at the time of 2 cents (being the issue price of the seed capital) and an estimated share price volatility of 100%.

**p. Share based payments**

The fair value of options granted is recognised as an expense with a corresponding increase in equity. The fair value is measured at grant date and recognised over the period during which the option holder become unconditionally entitled to the options.

The fair value of the options at grant date is independently determined using the Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the Share price at grant date and expected price volatility of the underlying Share, the expected dividend yield and the risk-free interest rate for the term of the option.

The fair value of the options granted is adjusted to reflect market vesting conditions, but excludes the impact of any non-market vesting conditions (for example, profitability and sales growth targets). Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. At each reporting date, the entity revises its estimate of the number of options that are expected to become exercisable. The employee benefit expense recognised each period takes into account the most recent estimate. The impact of the revision to original estimates, if any, is recognised in the statement of comprehensive income with a corresponding adjustment to equity.

The fair value of these equity instruments does not necessarily relate to the actual value that may be received in future by the recipients.

**q. Segment Reporting**

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

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

The reportable segment is represented by the financial statements forming this financial report.

**r. New Standards and Interpretations**

In the year ended 30 June 2017, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Company's operations and effective for annual reporting periods commencing on or after 1 July 2016. It has been determined by the Directors that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on the Company and, therefore, no change is necessary to accounting policies.

**MATADOR MINING LTD**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2017**

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

**s. New Accounting Standards for application in future periods**

The AASB has issued new and amended accounting standards and interpretations that have mandatory application dates for future reporting periods and which the Company has decided not to early adopt. A discussion of those future requirements and their impact on the Company is as follows:

• **AASB 9: *Financial Instruments* and associated Amending Standards (applicable for annual reporting periods commencing on or after 1 January 2018).**

The Standard will be applicable retrospectively and includes revised requirements for the classification and measurement of financial instruments, revised recognition and derecognition requirements for financial instruments and simplified requirements for hedge accounting.

The key changes made to the Standard that may affect the Company on initial application include certain simplifications to the classification of financial assets, simplifications to the accounting of embedded derivatives, and the irrevocable election to recognise gains and losses on investments in equity instruments that are not held for trading in other comprehensive income.

The directors anticipate that the adoption of AASB 9 will have no material impact on the Company's financial instruments.

• **AASB 15: *Revenue from Contracts with Customers* and associated Amending Standards (applicable for annual reporting periods commencing on or after 1 January 2018).**

The Standard establishes a comprehensive framework for determining whether, how much and when revenue is recognised. The potential financial impact of the adoption of AASB 15 on the Company is not yet possible to determine.

• **AASB 16 *Leases* (applicable for annual reporting periods commencing on or after 1 January 2019)**

AASB 16 introduces a single lessee accounting model that requires all leases to be accounted for on balance sheet. A lessee will be required to recognise an asset representing the right to use the underlying asset during the lease term (ie right-of-use asset) and a liability to make lease payments (ie lease liability). Two exemptions are available for leases with a term less than 12 months or if the underlying asset is of low value.

The lessor accounting requirements are substantially the same as in AASB 117. Lessors will therefore continue to classify leases as either operating or finance leases.

AASB 16 will replace AASB 117 *Leases*, Interpretation 4 *Determining Whether an Arrangement contains a Lease*, Interpretation 115 *Operating Leases – Incentives* and Interpretation 127 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*.

The directors anticipate that the adoption of AASB 16 will have no material impact on the Company's net assets, before any decision to mine is made, as no leases would be expected to be held other than serviced office leases.

The following amendments to existing standards are not yet mandatory and not expected to result in any significant changes to the Company's accounting policies:

- AASB 2016-1 *Amendments to Australian Accounting Standards – Recognition of Deferred Tax Assets for Unrealised Losses* (applicable for annual reporting periods commencing on or after 1 January 2017)
- AASB 2016-2 *Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 107* (applicable for annual reporting periods commencing on or after 1 January 2017)
- AASB 2016-4 *Amendments to Australian Accounting Standards – Recoverable Amount of Non-Cash-Generating Specialised Assets of Not-for-Profit Entities* (applicable for annual reporting periods commencing on or after 1 January 2017)

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)**

- AASB 2016-5 *Amendments to Australian Accounting Standards – Classification and Measurement of Share-based Payment Transactions* (applicable for annual reporting periods commencing on or after 1 January 2018)

**t. Current and non-current classification**

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

An asset is current when: it is expected to be realised or intended to be sold or consumed in normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within twelve 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 twelve months after the reporting period. All other assets are classified as non-current.

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

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

**NOTE 2: SEGMENT INFORMATION**

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

**MATADOR MINING LTD**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2017**

**NOTE 3: LOSS BEFORE INCOME TAX**

	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
<b>a. Revenue</b>		
Interest received	18,880	-
	18,880	-
<b>b. Administration expenses</b>		
Administration fees	40,000	-
Audit fees	17,500	-
Legal fees	25,000	-
Other administration expenses	41,424	-
	123,924	-
<b>c. Consultants and management expenses</b>		
Director fees and superannuation	45,392	-
Other consultants and management expenses	12,836	-
	58,228	-
<b>d. Transaction costs</b>		
ASX fees	41,035	-
Other transaction costs	14,081	-
	55,116	-

During the year, \$55,116 of costs relating to the formation, initial public offering and listing of the Company have been expensed to the Statement of Profit or Loss and Other Comprehensive Income. These costs mostly related to the listing of new shares, so were not sufficiently related to the issue of new shares to meet the recognition criteria for capital raisings costs.

**NOTE 4: AUDITOR'S REMUNERATION**

	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
Remuneration of the auditor for:		
Audit or review of the financial report of the Company and controlled entities:	17,500	-
	17,500	-

**MATADOR MINING LTD**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2017**

**NOTE 5: TAXATION**

	2017	2016
	\$	\$
<b>a. Income tax benefit/(expense)</b>		
Current tax	-	-
Deferred tax	-	-
	-	
<b>b. Reconciliation of income tax expense to prima facie tax payable</b>		
Profit/(loss) before income tax expense	(245,532)	-
Tax at the Australian tax rate of 27.5% (2016: 28.5%)	(67,521)	-
Tax effect of expenditure not deductible in calculating taxable income:		
Capital raising expenditure	(14,310)	-
Other amounts not deductible or taxable in calculating taxable income	21,759	-
Income tax benefits not recognised	60,072	-
Total income tax (benefit)	-	-
<b>c. Unrecognised deferred tax assets</b>		
Tax losses	60,072	-
Capital raising expenditure	57,241	-
Other timing differences	(864)	-
Deferred tax assets not brought to account.	116,449	-

The Company has not recognised any deferred tax assets or liabilities.

These benefits will only be obtained if:

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

**d. Franking credits**

The Company has no franking credits available.

**MATADOR MINING LTD**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2017**

**NOTE 6: CASH AND CASH EQUIVALENTS**

	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
Cash at bank and on hand	318,590	1
Term deposits	2,700,000	-
	<u>3,018,590</u>	<u>1</u>

**NOTE 7: TRADE AND OTHER RECEIVABLES**

	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
Sundry debtor	14,494	-
GST refundable	29,480	-
Accrued revenue	277	-
	<u>44,251</u>	<u>-</u>

**NOTE 8: EXPLORATION AND EVALUATION ASSETS**

	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
Opening balance	-	-
Tenement acquisition costs	123,631	-
Capitalised exploration expenditure	18,845	-
	<u>142,476</u>	<u>-</u>

The balance carried forward represents the Oriental Gold Project which is in the exploration and evaluation phase. Ultimate recoupment of exploration expenditure carried forward is dependent on successful development and commercial exploitation, or alternatively, sale of respective areas.

**NOTE 9: TRADE AND OTHER PAYABLES**

	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
Trade creditors	34,553	-
Accrued expenses	15,700	-
PAYG payable	3,846	-
	<u>54,099</u>	<u>-</u>

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2017**

**NOTE 10: CONTRIBUTED EQUITY**

**a. Share capital**

	<b>2017</b>	<b>2016</b>
	\$	\$
23,850,001 (2016: 1) fully paid ordinary shares	3,376,933	1
<b>Total share capital</b>	<b>3,376,933</b>	<b>1</b>

Ordinary shares participate in dividends and the proceeds on winding up of the Company in proportion to the number of shares held. At the shareholders' meetings each ordinary share is entitled to one vote when a poll is called; otherwise each shareholder has one vote on a show of hands. At 30 June 2017 there were 7,250,000 (2016: nil) unlisted options over ordinary shares, and no listed options over ordinary shares, in the Company.

**b. Movements in ordinary share capital:**

Date	Details	Number of shares	Issue Price	\$
28 June 2016	Share issued on incorporation	1	\$1.00	1
30 June 2016	Balance as at 30 June 2016	1		1
7 Nov 2016	Issue of seed capital shares	6,600,000	\$0.02	132,000
3 Mar 2017	Issue of shares in IPO	16,750,000	\$0.20	3,350,000
3 Mar 2017	Shares issued as part consideration for tenement acquisition	500,000	\$0.20	100,000
	Less: Transaction costs	-		(205,068)
30 June 2017	Balance as at 30 June 2017	23,850,001		3,376,933

**NOTE 11: RESERVES**

**a. Reserves**

	<b>2017</b>	<b>2016</b>
	\$	\$
Options	27,144	-

**Movements:**

Options		
Opening balance	-	-
Share based payments (Note 12)	27,144	-
Closing balance	27,144	-

**MATADOR MINING LTD**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2017**

**NOTE 11: RESERVES (continued)**

**Nature and purpose of reserves – options**

The options reserve recognises the grant date fair value of options issued to shareholders but not exercised.

**b. Share based payments – related parties**

During the year ended 30 June 2017, the following options, which vested immediately, were issued to Directors and Officers of the Company:

Option series	Grant date	No. of options	Fair value per option	Total fair value of options issued
Exercise price \$0.20 expiring 7 November 2019	7 November 2016	4,250,000	\$0.003744	\$15,912
Total		4,250,000		\$15,912

**NOTE 12: SHARE BASED PAYMENTS**

During the year ended 30 June 2017, the following Management Options and Non-Related Party (“NRP”) Options, which vested immediately, were issued and recorded at their fair value in the option reserve. The options have been valued by the Directors using the Black-Scholes option pricing model based on the following:

	Management Options	NRP Options
Underlying value of the security	2 cents	2 cents
Exercise price	20 cents	20 cents
Valuation date	17 October 16	17 October 16
Expiry date	7 November 19	7 November 19
Life of Options in years	3.00	3.00
Volatility	100%	100%
Risk free rate	1.54%	1.54%
Number of Options	4,250,000	3,000,000
Valuation per Option	\$0.003744	\$0.003744
Valuation	\$15,912	\$11,232

The underlying value of the Options was based on the underlying Share issue price at the time of 2 cents. In the event that the value of the Options was calculated using the Black-Scholes option pricing method and using the Offer issue price of 20 cents, the valuation for the Management Options would be approximately \$529,000 and NRP Options would be approximately \$373,000.

No options were issued or granted in 2016 and no expenditure was recognised in 2017 or 2016 for previously granted options. The total share based payment expense for options during the year ended 30 June 2017 was \$27,144 (2016: \$nil)

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**NOTE 12: SHARE BASED PAYMENTS (Continued)**

A summary of the movements of options issued as share-based payments is as follows:

	Number	Weighted Average Exercise Price (\$)
<b>Options outstanding as at 30 June 2015</b>	-	-
Granted	-	-
Forfeited	-	-
Exercised	-	-
Expired	-	-
<b>Options outstanding as at 30 June 2016</b>	-	-
Granted	7,250,000	0.20
Forfeited	-	-
Exercised	-	-
Expired	-	-
<b>Options outstanding as at 30 June 2017</b>	7,250,000	0.20
Options exercisable as at 30 June 2017	7,250,000	0.20
Options exercisable as at 30 June 2016	-	-

The weighted average remaining contractual life of options outstanding at year end was 2.36 years.

The fair value of options granted to employees is deemed to represent the value of the employee services received over the vesting period.

The weighted average fair value of options granted during the year was \$0.003744 (2016: nil).

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2017**

**NOTE 13: COMMITMENTS**

**a. Mineral exploration expenditure**

Following completion of the sale agreement dated 26 July 2016 in relation to the acquisition of the tenements, the Company must meet the following tenement expenditure commitments to maintain them in good standing until they are joint ventured, sold, reduced, relinquished, exemptions from expenditure are applied or are otherwise disposed of. These commitments are not provided for in the financial statements and are.

	<b>2017</b>	<b>2016</b>
	\$	\$
Not later than one year	66,000	-
After one year but less than five years	264,000	-
	330,000	-

**b. Other commitments due within 1 year**

	<b>2017</b>	<b>2016</b>
	\$	\$
Operating lease of serviced office	48,000	-
Professional fees	24,000	-
Executive fees	24,000	-
	96,000	-

The Directors are not aware of any other commitments that have not been recognised as liabilities in the accounts as of 30 June 2017 (30 June 2016: Nil).

**NOTE 14: CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

The Company has no contingent liabilities or contingent assets.

**NOTE 15: EVENTS AFTER THE REPORTING PERIOD**

On 24 July 2017, the Company announced it had completed its maiden drill program at its 100% owned Oriental Gold Project.

During August 2017, Matador raised \$138,222 (before costs) via a pro-rata non-renounceable entitlement issue of quoted options, under which the Company issued 13,822,227 options at a price of \$0.01 per option.

On 30 August 2017, the Company announced high grade copper, gold and cobalt results from its 100% owned Copper Hills Project.

Other than the above, no other matters or circumstances have arisen since the end of the financial year that significantly affect or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2017**

**NOTE 16: LOSS PER SHARE**

Loss per share from continuing operations attributable to the ordinary equity holders of the company	2017 \$	2016 \$
Basic/diluted loss per share in cents from continuing operations	(2.47)	-
Weighted average number of ordinary shares used in the calculation of basic/diluted loss per share	9,938,631	1
Basic/diluted loss from continuing operations	(245,532)	-

The 7,250,000 options on issue at 30 June 2017 (2016: nil) were anti-dilutive, and therefore diluted loss per share was the same as basic loss per share.

**NOTE 17: CASH FLOW INFORMATION**

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

	2017 \$	2016 \$
Loss after income tax	(245,532)	-
<b>Non-cash flows in loss:</b>		
Share based payments expense	27,144	-
<b>Changes in assets and liabilities net of effects of purchase of subsidiaries:</b>		
(Increase) in trade and other receivables	(44,251)	-
(Increase)/ decrease in prepayments	(7,327)	-
Increase in trade and other payables	48,421	-
<b>Net cash used in operating activities</b>	<b>(221,545)</b>	-

**b. Acquisition of subsidiaries**

No subsidiary or business combination was acquired in 2017 or 2016.

**c. Non cash financing and investing activities**

The Company did not have any non-cash financing and investing activities during the year ended 30 June 2017 (2016: nil) except for \$100,000 of Shares issued as part consideration for tenement acquisition as detailed in Note 10.

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2017**

**NOTE 18: FINANCIAL INSTRUMENTS**

**Financial Risk Management**

The Company's principal financial instruments are cash, receivables, deposits held as security guarantees, and payables (including convertible notes).

*Overview*

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

- liquidity risk
- credit risk
- Interest rate risk

This note presents information about the Company's exposure to each of the above risks. The Company has no foreign exchange risk for 2017 or 2016 as the Company had no foreign currency transactions or balances.

*Financial Risk Management Policies*

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

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

	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
<b>Financial Assets</b>		
Cash and cash equivalents	3,018,590	1
Trade and other receivables	44,251	-
	<hr/> <b>3,062,841</b>	<hr/> <b>1</b>
<b>Financial Liabilities</b>		
Trade and other payables	54,099	-
	<hr/> <b>54,099</b>	<hr/> <b>-</b>

**MATADOR MINING LTD**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2017**

**NOTE 18: FINANCIAL INSTRUMENTS (Continued)**

*Liquidity Risk and Liquidity Risk Management*

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

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

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

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

The following are the contractual maturities of financial liabilities:

**At 30 June 2017**

<b>Non derivative financial liabilities:</b>	<b>Carrying Amount</b>	<b>Under 6 Months</b>	<b>6 – 12 Months</b>	<b>1 - 2 years</b>	<b>2 – 5 years</b>
Trade and other payables (Note 9)	54,099	54,099	-	-	-
	<b>54,099</b>	<b>54,099</b>	-	-	-

**At 30 June 2016**

<b>Non derivative financial liabilities:</b>	<b>Carrying Amount</b>	<b>Under 6 Months</b>	<b>6 – 12 Months</b>	<b>1 - 2 years</b>	<b>2 – 5 years</b>
Trade and other payables (Note 9)	-	-	-	-	-
	-	-	-	-	-

*Credit Risk*

Credit risk refers to the risk that counterparties will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted the policy of only dealing with credit worthy counterparties and obtaining sufficient collateral or other security where appropriate, as a means of mitigating the risk of financial loss from defaults.

Banks and financial institutions are chosen only if they are independently rated parties with a minimum rating of 'A'.

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**NOTE 18: FINANCIAL INSTRUMENTS (Continued)**

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

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

*Interest Rate Risk*

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

<b>2017</b>	<b>Weighted Average Interest Rate</b>	<b>Floating Interest Rate</b>	<b>Fixed Interest Maturing in 1 Year or Less</b>	<b>Fixed Interest Maturing in over 1 Year</b>	<b>Non- Interest Bearing</b>	<b>Total</b>
	%	\$	\$	\$	\$	\$
<b>Financial Asset</b>						
Cash and cash equivalents	1.58	305,573	2,700,000	-	13,017	3,018,590
Trade and other receivables	-	-	-	-	44,251	44,251
<b>Financial Liabilities</b>						
Trade and other payables	-	-	-	-	(54,099)	(54,099)
<b>Net Financial Assets</b>		<b>305,573</b>	<b>2,700,000</b>	<b>-</b>	<b>3,169</b>	<b>3,008,742</b>

**MATADOR MINING LTD**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
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**NOTE 18: FINANCIAL INSTRUMENTS (Continued)**

2016	Weighted Average Interest Rate	Floating Interest Rate	Fixed Interest Maturing in 1 Year or Less	Fixed Interest Maturing in over 1 Year	Non- Interest Bearing	Total
	%	\$	\$	\$	\$	\$
<b>Financial Asset</b>						
Cash and cash equivalents	-	-	-	-	1	1
Trade and other receivables	-	-	-	-	-	-
<b>Financial Liabilities</b>						
Trade and other payables	-	-	-	-	-	-
<b>Net Financial Assets</b>		-	-	-	<b>1</b>	<b>1</b>

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

2017	-1%		+1%		
	Carrying Amount	Profit	Equity	Profit	Equity
	\$	\$	\$	\$	\$
Cash and cash equivalents	3,018,590	(30,055)	(30,055)	30,055	30,055
Trade and other receivables	44,251	-	-	-	-
Trade and other payables	(54,099)	-	-	-	-
<b>Total increase/(decrease)</b>		<b>(30,055)</b>	<b>(30,055)</b>	<b>30,055</b>	<b>30,055</b>

**MATADOR MINING LTD**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
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**NOTE 18: FINANCIAL INSTRUMENTS (Continued)**

2016		-1%		+1%	
	Carrying Amount	Profit	Equity	Profit	Equity
	\$	\$	\$	\$	\$
Cash and cash equivalents	1	-	-	-	-
Trade and other receivables	-	-	-	-	-
Trade and other payables	-	-	-	-	-
<b>Total increase/(decrease)</b>		-	-	-	-

*Financial risk management objectives*

The Company's activities expose it to a variety of financial risks: market risk (including price risk and interest rate risk), credit risk and liquidity risk. The Company's overall risk management program seeks to minimise potential adverse effects on the financial performance of the Company. The Company uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate and other price risks, and ageing analysis for credit risk.

Risk management is carried out by the Board of Directors. These policies include identification and analysis of the risk exposure of the Company and appropriate procedures, controls and risk limits.

**NOTE 19: INTERESTS OF KEY MANAGEMENT PERSONNEL**

Refer to the remuneration report contained in the Directors' Report for additional details of the remuneration paid or payable to each member of the Company's key management personnel (KMP) for the year ended 30 June 2017.

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

	Short-Term Benefits	Post Employment Benefits	Termination Payments	Share-Based Payments	Total KMP Compensation
	\$	\$	\$	\$	\$
2017 Total	50,970	1,970	-	15,912	68,852
2016 Total	-	-	-	-	-

**Other KMP Transactions**

For details of other transactions with KMP, refer to Note 20 Related Party Transactions and Balances.

**MATADOR MINING LTD**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2017**

**NOTE 20: RELATED PARTY TRANSACTIONS AND BALANCES**

The Company's only related entities are the key management personnel. Key management personnel are any people having authority and responsibility for planning, controlling and directing the activities of the entity, directly or indirectly, including any director (whether executive or otherwise). The Company has determined that the only key management personnel are the directors. For further disclosures relating to key management personnel see Note 19.

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

The Company has no subsidiaries.

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**DIRECTORS' DECLARATION**

In accordance with a resolution of the Directors of Matador Mining Limited, the Directors of the Company declare that:

1. The financial statements and notes, as set out on pages 16 to 43, are in accordance with the *Corporations Act 2001* and:
  - a. comply with Australian Accounting Standards which, as stated in accounting policy Note 1 to the financial statements, constitutes compliance with International Financial Reporting Standards; and
  - b. give a true and fair view of the financial position as at 30 June 2017 and of the performance for the year ended on that date of the Company.
2. In the Directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.



**Scott Patrizi**  
**Executive Director**

Dated this 28<sup>th</sup> day of September 2017

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
MATADOR MINING LIMITED  
FOR THE YEAR ENDED 30 JUNE 2017**

**REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS**

**Report on the Financial Report**

***Opinion***

We have audited the accompanying financial report of Matador Mining Limited, which comprises the statement of financial position as at 30 June 2017, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

In our opinion

- a. the accompanying financial report of Matador Mining Limited is in accordance with the Corporations Act 2001, including:
  - (i) giving a true and fair view of the Company's financial position as at 30 June 2017 and of its financial performance for the year then ended; and
  - (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001; and
- b. the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

***Basis for Opinion***

We conducted our audit in accordance with Australian Auditing Standards. Those Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement. 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 Company in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110: Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of the auditor's report.

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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 judgement, were most significant in our audit of the financial report for the year ended 30 June 2017. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

***Key Audit Matters***

*Going Concern (Note 1) (ASA 570)*

In considering the going concern basis of accounting, management consider whether there are any "material uncertainties that would cast doubt" on the company's ability to continue as a going concern. In making this assessment management need to consider the period of at least 12 months from the date of signing the financial statements (i.e. to September 2018).

This assessment is based on assumptions made by the directors in their cash flow forecasts.

This is a key audit matter due to the nature of the business and its dependence on the level of available funds as well as the reported a net operating loss of \$245,532 for the year ended 30 June 2017 (2016: \$nil) and net cash out flows from operating activities of \$221,545 for the year ended 30 June 2017 (2016: \$nil).

Material uncertainty regarding going concern has been designated a key audit matter; due to the high level of judgement required in evaluating the company's assessment of going concern.

***How our Audit Addressed the Key Audit Matter***

Audit procedures include, amongst others the following:

- obtaining and reviewing managements cash flow forecast to assess whether current cash levels can sustain operations for a period of at least 12 months from the date of the directors signing the financial statements;
- assessing the company's current results against managements forecast for consistency, and our understanding of the business.

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*Exploration and Evaluation Assets  
(Note 8) (AASB 6)*

The company has incurred exploration and evaluation expenditures which have been capitalised. As the carrying value of exploration and evaluation expenditures represents a significant asset of the company, we considered it necessary to assess whether facts and circumstances existed to suggest that the carrying amount of this asset may exceed its recoverable amount. As a result, the asset was required to be assessed for impairment.

Capitalised exploration expenses had a net carrying value of \$142,476 at 30 June 2017.

Audit procedures carried out in accordance with the guidance set out in AASB 6 Exploration for and Evaluation of Mineral Resources and included amongst others the following:

- We obtained evidence that the company has a valid right to explore the areas represented by the capitalised exploration and evaluation expenditure;
- We enquired with and reviewed management budgets to ensure that further exploration for and evaluation of the company's interest were planned;
- We enquired with management and reviewed minutes of directors' meetings to ensure that the company had not decided to discontinue activities in an area of interest;
- testing a sample of amounts capitalised to supporting documentation and assessing compliance with AASB 6;
- assessing the adequacy of the related disclosures within the financial statements; and
- Note 8 to the financial statements contains the accounting policy and disclosures in relation to the exploration and evaluation expenditures.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
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***Other Information***

The directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 30 June 2017, but does not include the financial report and our auditor's report thereon. Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon. In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report to 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 ability of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company 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 judgement and maintain professional scepticism through the audit. We also:

- a. 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

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
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higher than that for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- b. 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 Company's internal control.
- c. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- d. 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 Company'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 Company to cease to continue as a going concern.
- e. Evaluate the overall presentation, structure and content of the financial, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
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***Report on the Remuneration Report***

We have audited the remuneration report included in pages 9 to 13 of the directors' report for the year ended 30 June 2017. The directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with s 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

***Auditor's Opinion***

In our opinion, the remuneration Report of Matador Mining Limited, for the year ended 30 June 2017, complies with s 300A of the Corporations Act 2001.



**WALKER WAYLAND WA AUDIT PTY LTD**



**JOHN DORAZIO FCA**  
Managing Director  
Level 2, 129 Melville Parade, COMO WA 6152

Dated this 28<sup>th</sup> day of September 2017.

## Corporate Governance Statement

The Company is committed to implementing the highest standards of corporate governance. In determining what those high standards should involve the Company has turned to the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (3<sup>rd</sup> Edition). The Company is pleased to advise that the Company's practices are largely consistent with those ASX guidelines.

Unless disclosed below, all the principles and recommendations of the ASX Corporate Governance Council have been applied for the entire financial year ended 30 June 2017.

### Board Composition

The skills, experience and expertise relevant to the position of each Director who is in office at the date of the annual report and their term of office are detailed in the Director's Report.

The independent Directors of the Company are Dr Marat Abzalov, Mr Patrick Walta and Mr Peter Woods.

When determining the independent status of a Director the Board used the Guidelines detailed in the ASX Corporate Governance Council's Principles of Good Corporate Governance and Best Practice Recommendations.

### Diversity Policy

The Company recognises that a diverse and talented workforce is a competitive advantage and that the Company's success is the result of the quality and skills of our people.

Our policy is to recruit and manage on the basis of qualification for the position and performance, regardless of gender, age, nationality, race, religious beliefs, cultural background, sexuality or physical ability. It is essential that the Company employs the appropriate person for each job and that each person strives for a high level of performance.

The Company's strategies are to:

1. recruit and manage on the basis of an individual's competence, qualification and performance;
2. create a culture that embraces diversity and that rewards people to act in accordance with this policy;
3. appreciate and respect the unique aspects that individual brings to the workplace;
4. foster an inclusive and supportive culture to enable people to develop to their full potential;
5. identify factors to be taken into account in the employee selection process to ensure we have the right person for the right job;
6. take action to prevent and stop discrimination, bullying and harassment; and
7. recognise that employees at all levels of the Company may have domestic responsibilities.

The Board is accountable for ensuring this policy is effectively implemented. Each employee has a responsibility to ensure that these objectives are achieved.

## Compliance with ASX Recommendations

Recommendation	Matador Mining Limited Current Practice
<p>1.1 A listed entity should disclose:</p> <p>(a) The respective roles and responsibilities of its board and management; and</p> <p>(b) Those matters expressly reserved to the board and those delegated to management.</p>	<p>The Company's Board Charter sets out the roles and responsibilities of the Board and Management. It is available for review at <a href="http://www.matadormining.com.au">www.matadormining.com.au</a></p>
<p>1.2 A listed entity should:</p> <p>(a) Undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and</p> <p>(b) Provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.</p>	<p>The Company has implemented a policy of undertaking police and bankruptcy checks on all senior employees and directors before appointment or putting to shareholders for election.</p> <p>The Company provides all relevant information on all directors in its annual report and on its website.</p>
<p>1.3 A listed entity should have a written agreement with each director and senior executive setting out the terms of their employment.</p>	<p>The Company requires that a detailed letter of appointment or employment contract is agreed with each director and employee prior to the commencement of duties.</p>
<p>1.4 The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.</p>	<p>The Company's organisation chart reflects the position of the Company Secretary within the Company structure.</p>
<p>1.5 A listed entity should:</p> <p>(a) Have a diversity policy which includes requirements for the board or a relevant committee of the board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them;</p> <p>(b) Disclose that policy or a summary of it; and</p> <p>(c) Disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with the entity's diversity policy and its progress towards achieving them, and either:</p> <p>i. The respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or</p> <p>ii. if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.</p>	<p>The Company has adopted a formal Diversity Policy, a summary of which is provided above.</p> <p>As at 30 June 2017:</p> <ul style="list-style-type: none"> <li>• The Board comprised four members, all of whom were male.</li> <li>• The senior executives comprised five people (defined by the Board as the directors and key management personnel), four of whom were male and one female.</li> <li>• The whole organisation comprises five people, four of whom are male and one female.</li> </ul>

<p>1.6 A listed entity should:</p> <p>(a) Have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and</p> <p>(b) Disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	<p>The Board Performance Evaluation Policy is available at <a href="http://www.matadormining.com.au">www.matadormining.com.au</a>.</p> <p>During the reporting period, the Board collectively assessed their respective roles and contributions to the Company and determined they were appropriate.</p>
<p>1.7 A listed entity should:</p> <p>(a) Have and disclose a process for periodically evaluating the performance of its senior executives; and</p> <p>(b) Disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	<p>The Board constantly assesses the performance of the Executive Director, the Company Secretary and other key management personnel during the course of the year.</p>
<p>2.1 The board of a listed entity should:</p> <p>(a) Have a nomination committee which:</p> <ul style="list-style-type: none"> <li>i. has at least three members, a majority of whom are independent directors; and</li> <li>ii. is chaired by an independent director;</li> </ul> <p>and disclose:</p> <ul style="list-style-type: none"> <li>iii. the charter of the committee;</li> <li>iv. the members of the committee; and</li> <li>v. as at the end of each reporting period, the number of times the committee met throughout the period, and the individual attendances of the members at those meetings; or</li> </ul> <p>(b) If it does not have a nomination committee, disclose the fact and the processes it employs to address board succession issues and to ensure the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.</p>	<p>The Board consider that given the current size of the Board and the Company, this function is efficiently achieved with full Board participation. Accordingly, the Board has not established a separate nomination committee. The Board has adopted a Nomination Committee Charter by which it abides. The charter is available at the Company's website <a href="http://www.matadormining.com.au">www.matadormining.com.au</a>.</p>
<p>2.2 A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.</p>	<p>The Board Charter which is available at <a href="http://www.matadormining.com.au">www.matadormining.com.au</a> incorporates a set of skills and abilities that are desirable for the composition of the Board. The Board is satisfied that it currently possesses an appropriate mix of desired skills in the areas of geology, exploration, metallurgy, commerce and finance to act effectively.</p>
<p>2.3 A listed entity should disclose:</p>	<p>The Company considers that Dr Abzalov, Mr Walta and Mr Woods are independent directors.</p>

<p>(a) The names of the directors considered by the board to be independent directors;</p> <p>(b) If a director has an interest, position, association or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and</p> <p>(c) The length of service of each director.</p>	<p>The Company discloses the length of service for each director in the Director's Report of its annual report.</p>
<p>2.4 A majority of the board of a listed entity should be independent directors.</p>	<p>The Company complies with this recommendation.</p>
<p>2.5 The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.</p>	<p>The Company complies with this recommendation.</p>
<p>2.6 A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their roles as directors effectively.</p>	<p>The Company has a formal induction program for all new directors to appropriately familiarise them with the policies and procedures of the Company.</p> <p>The Company encourages and facilitates all Directors to develop their skills, including with the provision of in-house seminars to maintain compliance in areas such as risk and disclosure.</p>
<p>3.1 A listed entity should:</p> <p>(a) Have a code of conduct for its directors, senior executives and employees; and</p> <p>(b) Disclose that code or a summary of it.</p>	<p>The Company's Code of Conduct is available at <a href="http://www.matadormining.com.au">www.matadormining.com.au</a>.</p>
<p>4.1 The board of a listed entity should:</p> <p>(a) Have an audit committee which:</p> <p>i. has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and</p> <p>ii. is chaired by an independent director, who is not the chair of the board;</p> <p>and disclose:</p> <p>iii. the charter of the committee;</p> <p>iv. the relevant qualifications and experience of the members of the committee; and</p> <p>v. as at the end of each reporting period, the number of times the committee met throughout the period, and the individual attendances of the members at those meetings; or</p> <p>(b) If it does not have an audit committee, disclose the fact and the processes it employs that independently verify and safeguard the integrity of</p>	<p>The Company does not have an audit committee period due to the current size of the Board and Company. The full Board fulfils the duties of the audit committee and abides by the adopted Audit Committee Charter (available at <a href="http://www.matadormining.com.au">www.matadormining.com.au</a>).</p> <p>The Directors require that management report regularly on all financial and commercial aspects of the Company to ensure that they are familiar with all aspects of corporate reporting and believe this to mitigate the risk of not having an independent committee.</p> <p>The Board has adopted a formal policy regarding the appointment, removal and rotation of the Company's external auditor and audit partner.</p>

	its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.	
4.2	The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal controls which is operating effectively.	The Board receives a section 295A declaration from the equivalent of the CEO and CFO for each quarterly, half yearly and full year report in advance of approval of these reports.
4.3	A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.	The Company's auditor is required to attend the Company's AGM and is available to answer questions relevant to the audit.
5.1	A listed entity should: <ul style="list-style-type: none"> <li>(a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and</li> <li>(b) disclose that policy or a summary of it.</li> </ul>	The Board has adopted a formal Continuous Disclosure Policy to ensure compliance with the ASX Listing Rules. The Policy is available at <a href="http://www.matadormining.com.au">www.matadormining.com.au</a> .
6.1	A listed entity should provide information about itself and its governance to investors via its website.	The Company complies with this recommendation and all relevant information can be found at <a href="http://www.matadormining.com.au">www.matadormining.com.au</a> .
6.2	A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.	The Company has developed a Shareholder Communications Strategy to ensure all relevant information is identified and reported accordingly.
6.3	A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.	The Company encourages all shareholders to attend General Meetings of the Company via its notices of meeting, and in the event they cannot attend, to participate by recording their votes. The Company has implemented an online voting system to further encourage participation by shareholders.
6.4	A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	The Company and its share registry actively encourage electronic communication. All new shareholders are issued with a letter encouraging the registration of electronic contact methods.
7.1	The board of a listed entity should: <ul style="list-style-type: none"> <li>(a) have a committee or committees to oversee risk, each of which:</li> </ul>	The Company does not have a risk committee due the current size of the Board and Company. The Company works on the policy whereby the full Board fulfils the duties of the

<ul style="list-style-type: none"> <li>i. has at least three members, a majority of whom are independent directors; and</li> <li>ii. is chaired by an independent director;</li> </ul> <p>and disclose:</p> <ul style="list-style-type: none"> <li>iii. the charter of the committee;</li> <li>iv. the members of the committee; and</li> <li>v. as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings: or</li> </ul> <p>(b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.</p>	<p>risk committee and abides by the adopted Risk Management Policy (available at <a href="http://www.matadormining.com.au">www.matadormining.com.au</a>).</p> <p>The Directors require that management report regularly on all financial and commercial aspects of the Company to ensure that they are familiar with all aspects of corporate reporting and believe this to mitigate the risk of not having an independent committee.</p>
<p>7.2 The board or a committee of the board should:</p> <ul style="list-style-type: none"> <li>(a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and</li> <li>(b) disclose, in relation to each reporting period, whether such a review has taken place.</li> </ul>	<p>The Board reviews its risk management strategy annually.</p>
<p>7.3 A listed entity should disclose:</p> <ul style="list-style-type: none"> <li>(a) if it has an internal audit function, how the function is structured and what role it performs; or</li> <li>(b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.</li> </ul>	<p>The Company is not of the size or scale to warrant the cost of an internal audit function. This function is undertaken by the Board as a whole via the regular and consistent reporting in all risk areas.</p>
<p>7.4 A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.</p>	<p>The Company does not currently have any material exposure to any economic, environmental and social sustainability risks.</p>
<p>8.1 The board of a listed entity should:</p> <ul style="list-style-type: none"> <li>(a) have a remuneration committee which: <ul style="list-style-type: none"> <li>i. has at least three members, a majority of whom are independent directors; and</li> <li>ii. is chaired by an independent director;</li> </ul> </li> </ul> <p>and disclose:</p> <ul style="list-style-type: none"> <li>iii. the charter of the committee;</li> <li>iv. the members of the committee; and</li> <li>v. as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</li> </ul>	<p>The Company does not have a remuneration committee and the Board as a whole undertakes this role due to the current size of the Board and Company.</p> <p>The Board considers industry peers when evaluating the remuneration for all directors and executives. The Board is cognisant of the fact that it wishes to attract and retain the best people, and considers strategies other than monetary to balance the need for the best people and the financial position of the Company.</p>

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(b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.

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8.2 A listed entity should separately disclose its policies and practises regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.

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The Company discloses its policies on remuneration in the Remuneration Report set out in its annual report.

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8.3 A listed entity which has an equity-based remuneration scheme should:

(a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and

(b) disclose that policy or a summary of it.

The Company recognises that Directors, executives and employees may hold securities in the Company and that most investors are encouraged by these holdings. The Company's Securities Trading Policy (available at [www.matadormining.com.au](http://www.matadormining.com.au)) explains and reinforces the Corporations Act 2001 requirements relating to insider trading. The Policy applies to all Directors, executives, employees and consultants and their associates and closely related parties.

The Company is seeking shareholder approval for the establishment of an Employee Share Incentive Plan at the 2017 Annual General Meeting.

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## Additional Information

### CLASS OF SHARES AND VOTING RIGHTS

The voting rights attached to the Fully Paid Ordinary Shares of the Company are:

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

Options do not carry any voting rights.

### DISTRIBUTION OF SHAREHOLDERS (as at 27 October 2017)

Spread of Holdings	Number of Holders – Fully Paid Ordinary Shares	Number of Holders – Quoted Options
1-1,000	7	4
1,001-5,000	11	5
5,001 - 10,000	41	35
10,001 -100,000	237	168
Over 100,001	44	27
<b>TOTAL</b>	<b>340</b>	<b>239</b>

There are 12 holders of unmarketable parcels of fully paid ordinary shares comprising a total of 10,165 shares, and 12 holders of unmarketable parcels of quoted options comprising a total of 24,280 options.

There are currently 6,440,000 shares subject to escrow. There is no current on-market buy back taking place.

### Company Secretary

Oonagh Malone

### Registered Office

Suite 23, 513 Hay Street  
Subiaco WA 6008  
Telephone: 08 6143 6710

### Share Registry

Security Transfer Australia  
770 Canning Highway  
Applecross WA 6153  
Telephone: 1300 992 916

### Use of Funds

In accordance with Listing Rule 4.10.19, the Company advises that it has used its cash and assets in a form readily convertible to cash that it had at the time of admission to ASX in a way consistent with its business objectives as set out in the replacement prospectus dated 22 December 2016. This statement refers to the time between the Company's admission to ASX and the end of the reporting period, being 30 June 2017.

**TWENTY LARGEST SHAREHOLDERS (as at 27 October 2017)**

<b>Name</b>	<b>Number of Shares</b>	<b>%</b>
1 Konkera Pty Ltd	1,666,666	6.99
2 Kobia Holdings Pty Ltd	1,010,000	4.23
3 Blackbird Capital Pty Ltd	666,666	2.80
4 Tell Corp Pty Ltd	550,000	2.31
5 Valtellin Pty Ltd	550,000	2.31
6 Peter Romeo Gianni	500,000	2.10
7 Marat and Svetlana Abzalov	500,000	2.10
8 A G and E S Melville	450,000	1.89
9 Patrick Walta	450,000	1.89
10 JP Security Holdings Pty Ltd	300,001	1.26
11 West Side Sales Pty Ltd	300,000	1.26
12 Metis Pty Ltd	295,000	1.24
13 Sacco Developments Australia Pty Ltd	267,271	1.12
14 Nookamka Holdings Pty Ltd	250,000	1.05
15 Hammerhead Holdings Pty Ltd	250,000	1.05
16 Blu Bone Pty Ltd	250,000	1.05
17 Ian and Peter Thompson	250,000	1.05
18 Kingarth Pty Ltd	250,000	1.05
19 Mark John and Margaret Patricia Bahen	250,000	1.05
20 Brent Graeme Palmer	250,000	1.05
<b>TOTAL</b>	<b>9,255,550</b>	<b>38.85</b>

**TWENTY LARGEST QUOTED OPTION HOLDERS (as at 27 October 2017)**

<b>Name</b>	<b>Number of Shares</b>	<b>%</b>
1 Konkera Pty Ltd	1,111,112	8.04
2 Kobia Holdings Pty Ltd	673,334	4.87
3 Resonant Capital Pty Ltd	586,669	4.24
4 West Side Sales Pty Ltd	500,000	3.62
5 Tell Corp Pty Ltd	400,000	2.89
6 A G and E S Melville	341,337	2.47
7 Blackbird Capital Pty Ltd	333,334	2.41
8 Marat and Svetlana Abzalov	333,334	2.41
9 Valtellin Pty Ltd	333,334	2.41
10 Patrick Walta	300,000	2.17
11 JP Security Holdings Pty Ltd	200,001	1.45
12 Hammerhead Holdings Pty Ltd	200,000	1.45
13 Metis Pty Ltd	196,667	1.42
14 Ian M P and C S Parker	166,667	1.21
15 Blu Bone Pty Ltd	166,667	1.21
16 Ian and Peter Thompson	166,667	1.21
17 Kingarth Pty Ltd	166,667	1.21
18 Mark John and Margaret Patricia Bahen	166,667	1.21
19 Oonagh Jane Malone	166,667	1.21
20 Brent Graeme Palmer	150,001	1.09
<b>TOTAL</b>	<b>6,659,125</b>	<b>48.20</b>

**UNQUOTED SECURITIES (as at 27 October 2017)**

Class	Number
Fully paid ordinary shares subject to escrow	6,440,000
Options exercisable at \$0.20 on or before 7 November 2019	7,250,000

**UNQUOTED SECURITIES >20% HOLDERS (as at 27 October 2017)**

Class	Holder	Number
Fully paid ordinary shares subject to escrow	Konkera Pty Ltd	1,499,999
Options exercisable at \$0.20 on or before 7 November 2019	Konkera Pty Ltd	2,000,000

**SCHEDULE OF MINING TENEMENTS**

Tenement Name	Location	Licence Number	Interest
Pyramid Hill	Western Australia	E09/2181	100%
Copper Hills	Western Australia	E51/1716	100%
Laverton West	Western Australia	E38/3063	100%
		E38/3064	100%
		P38/4170	100%
Oriental	Western Australia	P24/4978	100%
Snake Hill	Western Australia	P29/2218	100%