8 November 2017

ASX Market Release

CLONCURRY EXPLORATION UPDATE

- SUB-AUDIO MAGNETIC GEOPHYSICAL SURVEY IDENTIFIES ~ 950 M LONG CONDUCTIVE STRUCTURE, EXTENDING FROM THE MT FREDA OPEN CUT PIT TO THE WEST, ENTIRELY WITHIN THE AUSMEX MINING LEASE AND EPM14163

- INITIAL SUB-AUDIO MAGNETIC GEOPHYSICAL SURVEY INTERPRETATIONS INDICATE A POTENTIAL ~ 1.7 KM EXTENSION OF CONDUCTIVE STRUCTURES FROM MT FREDA INTO EPM14163

- DIAMOND CORE DRILLING AT MT FREDA IDENTIFIES A POSSIBLE PARALLEL OREBODY TO THE NORTH

- DRILLING COMMENCES ON THE JOKER, EPM 15858

- DRILLING COMMENCES ON A 700M GOLD SYSTEM WITHIN EPM 14163

- DIAMOND CORE AND RC DRILLING CONTINUES AT THE GILDED ROSE GOLD PROJECT

- HIGH RESOLUTION SUB-AUDIO MAGNETIC SURVEY UNDERWAY ON ALL AUSMEX MINING LEASES AND EPM’S

The Company is pleased to report that we have had instant success with the Sub-Audio Magnetic Geophysical Survey (SAM) on the Mt Freda Mining Lease with a large ~ 950 metre conductive structure identified along strike to the west from the Mt Freda open cut. Several other conductors were identified which included the clear, strong conductor identified leading into the existing mine pit from the west with additional subtle conductive structures identified leading to the pit from the south east.
Sub-Audio Magnetic Geophysical Survey (SAM) interpretation

It appears that the conductor continues beyond the area of the survey to the west into Ausmex’s EPM 14163. The SAM survey is currently being expanded into EPM 14163 as outlined in figure 2 below to capture the entire southern gold and copper field previously identified within EPM14163 (Refer ASX announcement 7th August 2017 for assay results).

The Geophysical Survey involves injecting electrical current into the ground which is designed to map geological structures that show a contrast in conductivity compared with surrounding country rock. The Geophysical Survey data results indicate the potential for the Mt Freda orebody mineralised structures to extend to the north west and adjoin the 700metre gold structure identified by the first phase of exploration on EPM14163, as interpreted in Figure 2 below.

Figure 1: Sub-Audio Magnetic Geophysical Survey (SAM) indicating the varying conductivity to the west from the Mt Freda Open cut. The high resolution, high current geophysical survey is continuing on all ML’s and EPM’s owned by Ausmex in the Cloncurry Mineral Field.
Possible parallel orebody Mt Freda

A recent diamond core hole was drilled after the RC pre-collar intersecting 4.5m of the known Mt Freda orebody. At the request of the supervising geologist the hole was extended to test beyond the known orebody. After two x 6m rods, another structure was entered into and continued over a further 9.5m with the identical rock type as the main Mt Freda orebody. Depending upon the results from the assays, all of the holes that have intersected the Mt
Freda orebody may be extended to further check whether there is in fact a second parallel orebody.

Figure 3: 2x Diamond core rigs at Mt Freda. Geologists recording drill core.

The cutting of the diamond core has commenced from Diamond core holes drilled at the Mt Freda and Gilded Rose Gold projects, with samples currently dispatched to ALS Laboratories in Townsville for analysis.

Figure 3 cont.: Ausmex SSE Aaron Day cutting and sampling massive sulphide mineralisation in Diamond core at Gilded Rose
Drilling on Ausmex EPM 14163 (abuts the Mt Freda Mining Lease)

Drilling on EPM14163 which abuts the Mt Freda ML has commenced with Ausmex’s owned track mounted air impact drill rig, aiming to quickly identify targets for the RC and Diamond Core rigs. The drilling has started on the 4 main outcrops that make up the possible 700 m gold system identified with the low impact exploration (figure 2 above). Cultural heritage clearances, have been completed facilitating drilling. Rock chip assays of up to 79.8g/t Au were taken from along strike of the four surface quartz outcrops that made up the 700 m possible continuous system. A fifth quartz/ironstone outcrop over 3 m in width and 3 m high, striking E/W, has now been identified approx. 1 km to the west of the most westerly outcrop. This larger outcrop which is identical in rock type to the 4 outcrops, is possibly a continuation of the 700 m system. Once the air track impact drill has identified targets from the assaying the RC and diamond core rigs will be assigned to follow up the drilling. At time of reporting 28 holes have been drilled along a 300 m strike length.

Fig 4: Ausmex’s Impact air drill, drilling the 700 m possible continuous gold system identified by rock chip sampling along the 700 m with grades up to 79.8g/t Au.
The Joker, Trump, Belgium and Answer Leases exploration update

Reverse circulation drilling has also just commenced on the historical copper/gold “Joker Prospect”, which is located within the EPM15858 located north of EPM 14163. (See Fig 8) The Joker is an historical Copper mine in production until 1928 with an average copper production grade of 21% Cu. Drilling has also commenced at the Trump Copper Mining Lease south of Malbon and 30 klms south of Cloncurry. Drilling will also commence on the Belgium and Answer Mining Leases which are located within the Selwyn area 70 kms south of Cloncurry.

Our previous low impact exploration on the historical high-grade Belgium resulted in the face of the orebody, in the small open pit, across the 23 m orebody face with an average grade of 2.93% Cu including 13 m @ 4.24% Cu. (Refer, ASX announcement 23rd August 2017).

Fig 5: Assays from historical Joker Copper Mine

Fig 6: Assaying the face of the Belgium Mine
23 m @ 2.93% Cu incl: 13 m @ 4.24% Cu
Drill pads have also been cleared for RC drilling at another Ausmex historical high-grade Copper mine, the “Answer” mining lease, located a little further south from the Belgium mining lease. We expect that all three of the above granted leases will have phase one drilling completed prior to the Xmas shutdown of exploration. Two field exploration crews will work through the Christmas shutdown period.

**Mt Freda and Gilded Rose Gold Project**

Drilling is continuing at the Mt Freda and Gilded Rose Gold Projects until a JORC 2012 Compliant resource has been completed. Currently, RC and a diamond core rigs are operating at Gilded Rose and Diamond core drills at Mt Freda completing the holes that were pre-collared by the RC drill. Once the co-ordinates of the conductivity images (see fig: 1) have been identified from the SAM geophysical survey an RC drill program will be assigned to test the conductivity zone identified by the survey.

Ausmex has now established itself in the Cloncurry Copper mineral field as the most active explorer in the region, with 5 Drill rigs exploring the highly prospective mineral ground held by the Company. In four months we have established an exploration team with 9 geologists and 8 field and service personnel in the exploration crew. The service crew is paramount for an effective and smooth exploration program by cutting in access roads, cutting and forming drill pads and providing water and fuel for the rigs, managing the on-site fuel farm, maintenance of our fleet of vehicles, servicing our own rig etc. A Cloncurry regional office,
workshops, vehicles, core, mineral sample farm and core cutting facility, fully secured together with housing have all been established within the 4-month period. The Company has already, in this short time identified multiple major high-quality targets. We are also very fortunate, to have been able to secure known gold deposits that had previous JORC 2004 compliant gold and cobalt resources and now in the process of upgrading them to the 2012 JORC Code. In addition to these projects the Company has secured several other historical Copper and Gold mines that have had pervious mining and significant grades of gold and copper. In the past two weeks the Company has engaged Gap Geophysics to carry out high resolution high voltage Sub-Audio Magnetic (SAM) geophysical survey to identify possible extension of known copper/gold/cobalt deposits and to identify new prospects over areas which have been explored by our team and found success.

Managing Director Matt Morgan commented:

“The Ausmex Team continues to deliver exciting results for shareholders!
The initial results from the SAM Geophysical trial are a clear indicator how prospective the current suite of Mining Leases and Exploration tenements within the Mt Freda Open Cut mining complex truly are!
A potential > 1.7 km mineralised structure extending from the Mt Freda Open Cut into EPM14163 may add significant value to the current Mt Freda complex, and adds multiple drill ready targets to continue exploring.
With resource drilling for JORC 2012 estimations continuing at the Mt Freda and Gilded Rose gold projects, and additional drilling targets identified by the SAM Geophysical survey, as well as short term cash flow potential from the previously announced Mt Freda ~ 200kt VAT Leach gold processing operation, Ausmex is looking to be a well-funded explorer with multiple prospective drill targets. These targets have the potential to create significant value for Ausmex shareholders. The team will continue to update shareholders on our continual progress.”
Figure 8. Ausmex current tenement location plan
For further information, please contact:
Matt Morgan
Managing Director
Ausmex Mining Group Ltd

Forward Looking Statements
The materials may include forward looking statements. Forward looking statements inherently involve subjective judgement, and analysis and are subject to significant uncertainties, risks, and contingencies, many of which are outside the control of, and may be unknown to, the company. Actual results and developments may vary materially from that expressed in these materials. The types of uncertainties which are relevant to the company may include, but are not limited to, commodity prices, political uncertainty, changes to the regulatory framework which applies to the business of the company and general economic conditions. Given these uncertainties, readers are cautioned not to place undue reliance on forward looking statements.
Any forward looking statements in these materials speak only at the date of issue. Subject to any continuing obligations under applicable law or relevant stock exchange listing rules, the company does not undertake any obligation to publicly update or revise any of the forward looking statements, changes in events, conditions or circumstances on which any statement is based.

Competent Person Statement
Statements contained in this report relating to exploration results and potential are based on information compiled by Mr. Matthew Morgan, who is a member of the Australasian Institute of Mining and Metallurgy (AusIMM). Mr. Morgan is the Managing Director of Ausmex Mining Group Limited and Geologist whom has sufficient relevant experience in relation to the mineralization styles being reported on to qualify as a Competent Person as defined in the Australian Code for Reporting of Identified Mineral resources and Ore reserves (JORC Code 2012). Mr. Morgan consents to the use of this information in this report in the form and context in which it appears.

JORC Code, 2012 Edition – Table 1 report

Section 1 Sampling Techniques and Data
(Criteria in this section apply to all succeeding sections.)

<table>
<thead>
<tr>
<th>Criteria</th>
<th>JORC Code explanation</th>
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| Sampling techniques  | • Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling. | • Random Rock chip samples taken by G pick  
• Samples were ~2-3kg in weight  
• Samples were selected from outcropping mineralisation within |

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| • Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.  
• Aspects of the determination of mineralisation that are Material to the Public Report.  
• In cases where ‘industry standard’ work has been done this would be relatively simple (eg ‘reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay’). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information. | EPM 14163 |
| Drilling techniques | • Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc). | • No drilling, logging or sampling was conducted as part of this release. |
| Drill sample recovery | • Method of recording and assessing core and chip sample recoveries and results assessed.  
• Measures taken to maximise sample recovery and ensure representative nature of the samples.  
• Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material. | • No drilling, logging or sampling was conducted as part of this release |
| Logging | • Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.  
• Whether logging is qualitative or quantitative in nature. Core (or costean, | • No drilling, logging or sampling was conducted as part of this release |
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<td><strong>channel, etc) photography.</strong></td>
<td>• The total length and percentage of the relevant intersections logged.</td>
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| Sub-sampling techniques and sample preparation | • If core, whether cut or sawn and whether quarter, half or all core taken.  
• If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.  
• For all sample types, the nature, quality and appropriateness of the sample preparation technique.  
• Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.  
• Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.  
• Whether sample sizes are appropriate to the grain size of the material being sampled. | • No drilling, logging or sampling was conducted as part of this release |
| Quality of assay data and laboratory tests | • The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.  
• For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.  
• Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established. | • Industry standard Fire assays for Au were completed by SGS laboratories for Gold and ICP analysis for copper  
• Repeat and checks were conducted by SGS laboratories whilst completing the analysis |
| Verification of sampling and assaying | • The verification of significant intersections by either independent or alternative company personnel.  
• The use of twinned holes.  
• Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) | • No drilling, logging or sampling was conducted as part of this release  
• No assays were adjusted |
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| **Location of data points**                  | • Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.  
  • Specification of the grid system used.  
  • Quality and adequacy of topographic control. | • Rock Chip sample locations were collected from within EPM14163. The sample location was recorded by Hand Held GPS (accuracy +/- 5) and recorded in MGA94, Zone 54 datum |
| **Data spacing and distribution**            | • Data spacing for reporting of Exploration Results.  
  • Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.  
  • Whether sample compositing has been applied. | • Rock chip samples were taken randomly along the strike of the mineralisation.  
  • Data spacing and distribution is NOT sufficient for Mineral Resource estimation  
  • No sample compositing has been applied. |
| **Orientation of data in relation to geological structure** | • Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.  
  • If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material. | • The orientation of samples is not likely to bias the assay results. |
| **Sample security**                          | • The measures taken to ensure sample security.                                        | • Samples were taken to Cloncurry by company personnel and despatched by courier to the SGS Laboratory in Townsville |
| **Audits or reviews**                        | • The results of any audits or reviews of sampling techniques and data.                  | • No audits or reviews have been undertaken at this stage. |
## Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

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<th>Criteria</th>
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<td><strong>Mineral tenement and land tenure status</strong></td>
<td>• Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings. &lt;br&gt;• The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.</td>
<td>• ML2718, ML2709, ML2713, ML2719, ML2741 &amp; EPM14163 are owned 100% by Spinifex Mines Pty Ltd. Ausmex Mining Group Limited owns 80% of Spinifex Mines Pty Ltd. Queensland Mining Corporation Limited owns 20% of Spinifex Mines. Exploration is completed under an incorporated Joint Venture. &lt;br&gt;• EPM14475, EPM15858, &amp; EPM18286 are held by QMC Exploration Pty Limited. Ausmex Mining Group Limited owns 80% of QMC Exploration Pty Limited. Queensland Mining Corporation Limited own 20% of Spinifex Mines. Exploration is completed under an incorporated Joint Venture. &lt;br&gt;• ML2549, ML2541, ML2517 are 100% owned by Ausmex.</td>
</tr>
<tr>
<td><strong>Exploration done by other parties</strong></td>
<td>• Acknowledgment and appraisal of exploration by other parties.</td>
<td>• All Rock Chip sampling and exploration programs were conducted by Ausmex Mining Group Limited. SAM Geophysical survey was conducted by GAP Geo Physics Exploration Services Pty Limited</td>
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<tr>
<td><strong>Geology</strong></td>
<td>• Deposit type, geological setting and style of mineralisation.</td>
<td>• ML2718, ML2709, ML2713, ML2719 hosts the Gilded Rose shear hosted quartz reef. There are several gold mineralised hydrothermal quartz reefs within the deposit. &lt;br&gt;• ML2741 hosts the shear</td>
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### Hosted quartz rich Mt Freda Gold deposit containing Au, Cu, & Co.

- ML2549, ML2541, ML2517 host copper mineralisation associated with carbonate intrusions into altered mafic host rocks.
- EPM14163 & EPM 15858 contain several gold mineralised hydrothermal quartz reefs within the deposit containing Au, Cu, & Co.

### Data aggregation methods

- In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g., cutting of high grades) and cut-off grades are usually Material and should be stated.
- Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of

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| Drill hole Information | A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:  
- easting and northing of the drill hole collar  
- elevation or RL (Reduced Level — elevation above sea level in metres) of the drill hole collar  
- dip and azimuth of the hole  
- down hole length and interception depth  
- hole length.  
- If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case. | No drilling, logging or sampling was conducted as part of this release. |
| Data aggregation methods | Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of | No drilling, logging or sampling was conducted as part of this release.  
- No material information is excluded.  
- No intersections have been reported as part of this release.  
- All sample locations and fire
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<td>low grade results, the procedure used for</td>
<td>The assumptions used for any reporting of metal equivalent values should be clearly stated.</td>
<td>assay Au results have been displayed in the previous reported ASX announcement on 7th August 2017.</td>
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<td>such aggregation should be stated and some</td>
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<td>typical examples of such aggregations should</td>
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<td>be shown in detail.</td>
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<td>Relationship between mineralisation</td>
<td>These relationships are particularly important in the reporting of Exploration Results.</td>
<td>No drilling, logging or sampling was conducted as part of this release.</td>
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<td>widths and intercept lengths</td>
<td>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</td>
<td>No material information is excluded.</td>
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<td>If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg ‘down hole length, true width not known’).</td>
<td>No intersections have been reported as part of this release.</td>
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<tr>
<td>Diagrams</td>
<td>Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.</td>
<td>Maps showing the location of the EPMs and MLs are presented in the announcement, results and maps were also previously reported to ASX, refer announcement 7th August 2017. Diagrams produced by GAP Geo Physics were attached displaying conductivity identified following a SAM survey.</td>
</tr>
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<td>Balanced reporting</td>
<td>Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.</td>
<td>All comprehensive assay results were previously reported to ASX, refer announcement 7th August 2017.</td>
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<td>Other substantive exploration data</td>
<td>Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and</td>
<td>GAP Geophysics have conducted a “SAM” Sub Audio Magnetic Geophysical survey with results displaying the conductivity within the survey.</td>
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<td>* method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</td>
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| Further work      | • The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).  
|                   | • Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive. | • Additional mapping, costeans, geophysical surveys, RAB, RC, and Core drilling |