

4th February 2019

ASX MARKET RELEASE

**UNIVERSITY OF ADELAIDE COMPLETES 10KM SPACED MT 3D MODELLING IDENTIFYING SEVEN
LARGE CONDUCTIVE STRUCTURES UNDER THE BURRA REGION**

- **MT SURVEY SUCCESSFULLY DELINEATES DEPOSIT SCALE STRUCTURES**
- **AUSMEX (AMG) AND THE UNIVERSITY OF ADELAIDE (UoA) HAVE SUCCESSFULLY COMPLETED THEIR 10 KM SPACED MAGNETOTELLURIC (MT) GEOPHYSICAL SURVEY OVER THE PREVIOUSLY ANNOUNCED LARGE CONDUCTIVE STRUCTURE AT THE AUSMEX CONTROLLED BURRA EXPLORATION TENEMENTS IN SOUTH AUSTRALIA.**
(Refer to ASX Market Release dated 16 October 2018)
- **THE 10KM SPACED MT SURVEY SUCCESSFULLY DEFINED PROSPECTIVE STRUCTURAL ALIGNMENT.**
- **THE 2D AND 3D INVERSION MODELLING HAS IDENTIFIED 7 NEW CONDUCTIVE STRUCTURES WHICH WILL BE THE SUBJECT OF A HIGHER RESOLUTION 5 KM SPACED GRIDDED AUDIO-MAGNETOTELLURIC (AMT) SURVEY.**
- **60 SITES ARE PLANNED FOR THE NEXT STAGE OF THE WORK PROGRAM INVOLVING HIGH FREQUENCY AUDIO-MAGNETOTELLURIC TECHNIQUE (AMT) WHICH FOCUSSES ON DEPOSIT SCALE CONDUCTIVE STRUCTURES IN THE -200 M TO 2 KMS DEPTH RANGE IN THE CRUST.**
- **THIS AMT SURVEY IS SCHEDULED TO BE UNDERTAKEN DURING FEBRUARY/MARCH 2019.**
- **PROFESSOR GRAHAM HEINSON IS VERY PLEASED WITH THE RESULTS OBTAINED FROM THE MT SURVEY AND IS OPTIMISTIC OF THE DEFINITION THAT WILL RESULT FROM THE IMPENDING 5 KMS SURVEY.**

The Company is pleased to announce that Ausmex and Prof. Graham Heinson's team from the University of Adelaide (UoA) has successfully completed the 10 kms grid MT Survey and the resultant modelling has identified approximately 7 new conductive structures within the Ausmex controlled tenement suite at Burra, SA.

The location and size of these new structures are constrained by the limits of the 10 km Survey grid spacings and the use of MT to define these structures at depth of 2 to 10 kms, however now that AMG is confident that such structures exist and the regional prospectivity is therefore confirmed, AMG has commenced implementation of a regional 5 km spaced grid based Survey using Audio-Magnetotellurics (AMT) which while still on a regional scale will

increase the data resolution to further define the location and depth of these deposit scale structures in the top 2 kms of the Earth's crust.

In progressing this work, AMG remains the first company to utilise the data produced from the ~ 50 km spaced AusLAMP MT grid and to use that to home in on new deposits through the successive application of closer spaced grids to develop exploration and drilling targets. As such, this has proven to be a cost-effective method to explore for new conductive structures over large areas of previously under explored ground.

UoA's Professor Graham Heinson stated *"I am very pleased with the results that have been obtained and modelled from the 10 km grid MT survey. Models show that the region around Burra is highly prospective as shown by a number of electrically conductive structures.*

The 5 km grid AMT survey being progressed by Ausmex is the most appropriate way to constrain structures in the top 2 kms, and I look forward to maintaining our excellent working relationship with Ausmex over the coming months.

Ausmex's willingness to advance their exploration through the application of closer spaced grids is unique and has great potential to revolutionise exploration for IOCG orebodies for the world exploration industry"

AusLAMP is the Australian Lithospheric Architecture Magnetotelluric Project, which allows geoscientists to understand the deep geology of the crust, including signatures of world-class mineral deposits.

Magnetotellurics (MT) is defined by Geoscience Australia as a passive geophysical method which uses natural time variations of the Earth's magnetic and electric fields to measure the electrical resistivity of the sub-surface.

Audio-Magnetotellurics (AMT) is defined in Geoscience Australia's documentation as "The Audio-Magnetotelluric method (AMT) samples signal frequencies in the range of 20k Hz down to ~1Hz and provides data pertaining to the upper few kilometres of the Earth' crust."

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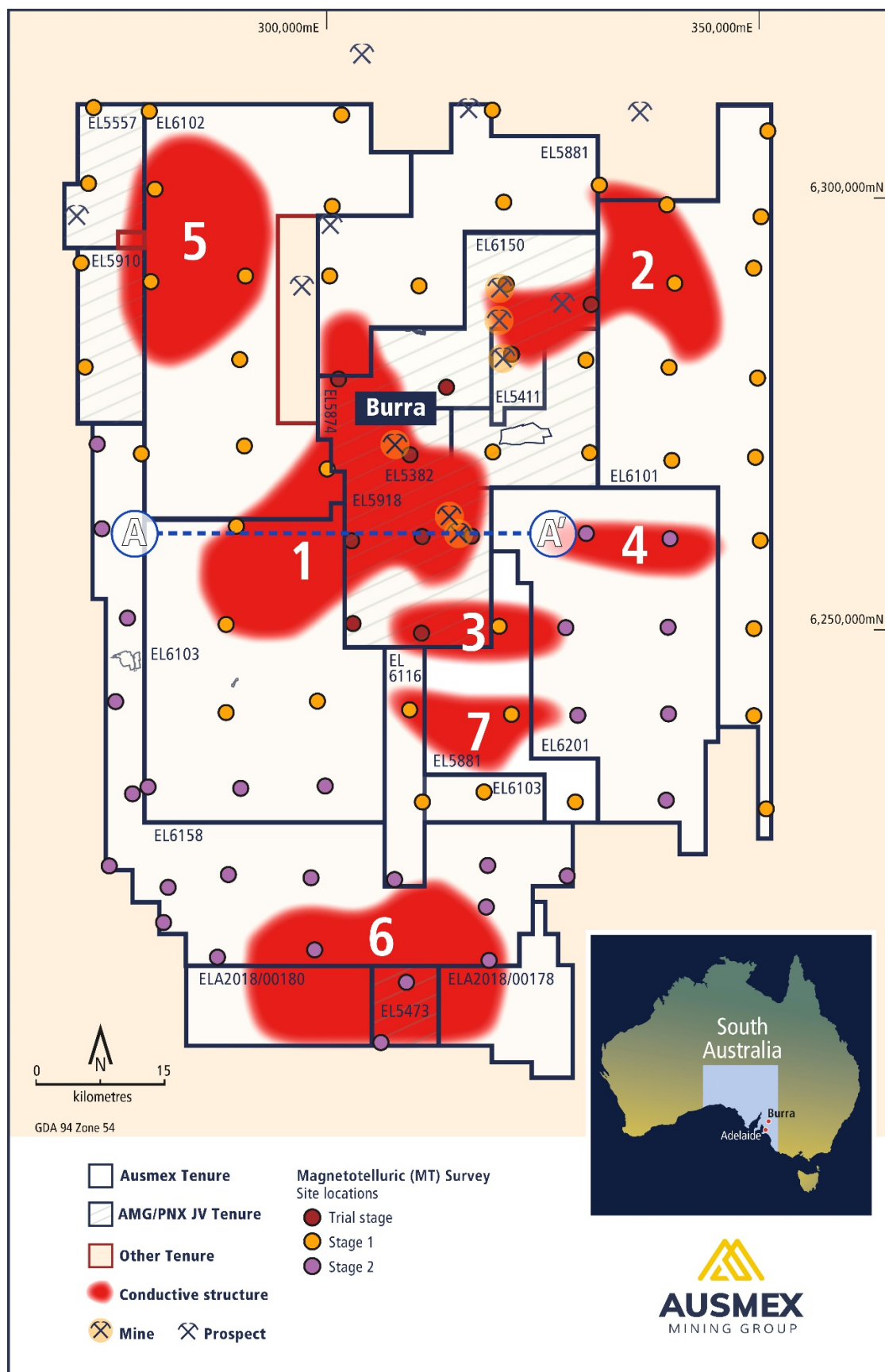


Figure1 – Plan over the Burra Region showing approximate location of deposit scale conductive structures identified by AMG’s 10 km grid MT survey.

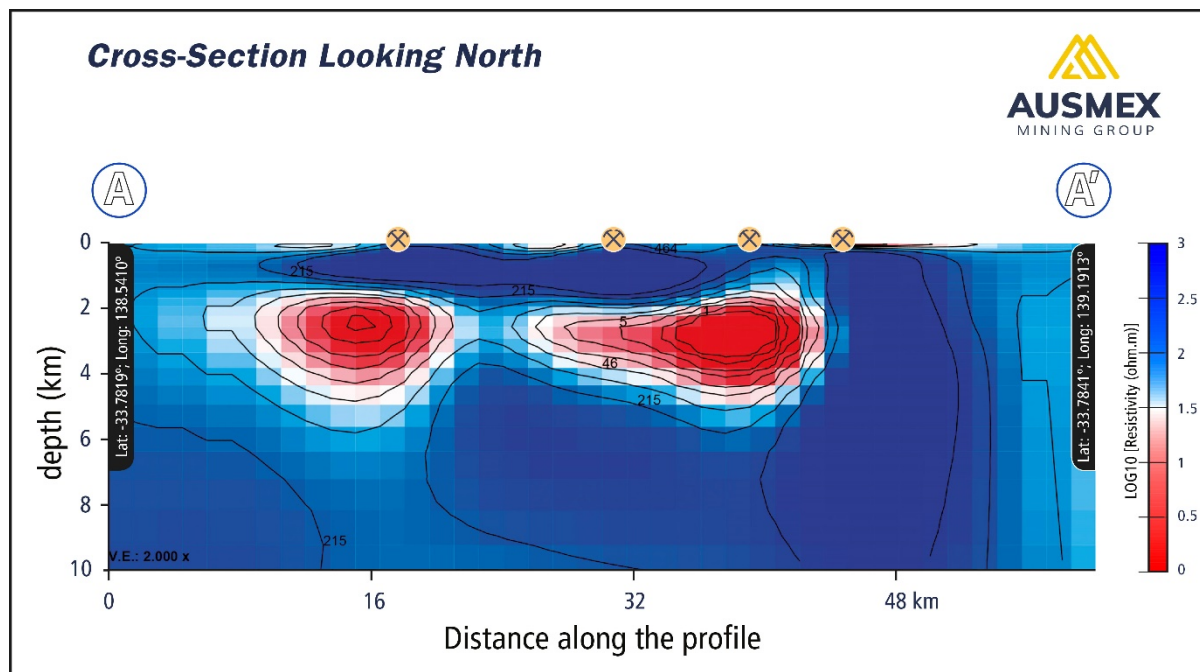


Figure 2 - **Cross-section A** from the UoA's MT modelling showing examples of the new conductive structures that have been identified. The 10 km MT Survey was designed to identify areas of greatest prospectivity and structural alignments, this spacing and the bandwidth used does not provide confident data in the top 2 kms of the crust. The next stage utilizing high frequency AMT is specifically aimed at targeting that region. NB No topographical corrections have been made to this section as yet.

Managing Director Matt Morgan Stated:

"The University of Adelaide (UoA) have produced an outstanding result for Ausmex shareholders, under the supervision of Professor Graham Heinson. The UoA has identified seven individual conductive targets from 3D modelling of the 10 km MT survey data. Each individual conductive target has the potential to be the host of a large mineralised fluid source, similar to those previously identified under Olympic Dam. Under continued guidance from the UoA, the company is now focusing on further defining potential fluid pathways from these large conductive structures with the aim of identifying near surface mineralised signatures. With the stage two AMT survey due to commence in February 2019, Shareholders may anticipate significant news in the second quarter of 2019."

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 Ms Nicole Galloway Warland, who is a member of the Australian Institute of Geoscientists (AIG). Ms Galloway Warland is a consultant Project Manager of Ausmex Mining Group Limited and Geologist who 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). Ms. Galloway Warland consents to the use of this information in this report in the form and context in which it appears.

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	<ul style="list-style-type: none"> 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. 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. 	<ul style="list-style-type: none"> MT Survey with stations arranged on 10km x 10km spaced grid. Readings/Measurements recorded over 24-48hour period. Remote station established at start of program with continuous reading for duration of program. <p>MT Equipment used:</p> <ul style="list-style-type: none"> Recording Unit: Wide Band Magnetotelluric Station LEMI-423 Magnetic Coils: Induction Coil Magnetometer LEMI-120 Electrodes: Pb-PbCl₂ <p>Calibration:</p> <ul style="list-style-type: none"> Each unit is synchronized with universal time clock through the GPS PPS signal Remote station established for calibration at start of program with continuous reading for duration of program <p>Readings:</p> <ul style="list-style-type: none"> Recording Unit: Recording at 1000 Hz Magnetic Coils: Frequency Band --> 0.0001 - 1000 Hz Electrodes: non polarised Pb-PbCl₂
Drilling techniques	<ul style="list-style-type: none"> 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). 	<ul style="list-style-type: none"> No drilling is being reported
Drill sample recovery	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> No drilling is being reported
Logging	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> Not Applicable - No drilling is being reported Readings/measurements collected over 24-48hour period per site.

Criteria	JORC Code explanation	Commentary
	<ul style="list-style-type: none"> Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography. The total length and percentage of the relevant intersections logged. 	
Sub-sampling techniques and sample preparation	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> Not applicable – not reporting drilling results. Remote/base site established for program; with continuous readings for program duration Readings/measurements recorded over 24-48hours per site – appropriate for Survey.
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> 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. 	<p>MT Equipment used:</p> <ul style="list-style-type: none"> Recording Unit: Wide Band Magnetotelluric Station LEMI-423 Magnetic Coils: Induction Coil Magnetometer LEMI-120 Electrodes: Pb-PbCl₂ Calibration: Each unit is synchronized with universal time clock through the GPS PPS signal
Verification of sampling and assaying	<ul style="list-style-type: none"> 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) protocols. Discuss any adjustment to assay data. 	<ul style="list-style-type: none"> Not applicable - not reporting on drilling results. All data is electronically stored, with peer review of data processing and modelling.
Location of data points	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> Each sample site has a Trimble GPS Bullet III antenna for receiving the GPS signal, +/- 2-5 m accuracy range per sample site depending on Satellite numbers Geocentric Datum of Australia (GDA 94) Zone 54
Data spacing and distribution	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> MT Survey was completed on 10km x 10km spaced grid. This spacing is optimal for level of exploration results reported.

Criteria	JORC Code explanation	Commentary
<i>Orientation of data in relation to geological structure</i>	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> Not applicable - not reporting on drilling results. MT Survey sites extend over full tenure on 10km x 10km spaced grid to achieve unbiased sampling.
<i>Sample security</i>	<ul style="list-style-type: none"> The measures taken to ensure sample security. 	<ul style="list-style-type: none"> All readings/geophysical measurements collected and stored on computer USB and transported by AMG/UoA personnel from collection sites to University of Adelaide for processing modelling.
<i>Audits or reviews</i>	<ul style="list-style-type: none"> The results of any audits or reviews of sampling techniques and data. 	<ul style="list-style-type: none"> Data collection, processing and modelling protocols aligned with academic and industry best practice.

Section 2 Reporting of Exploration Results

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

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	<ul style="list-style-type: none"> 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. 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. 	<ul style="list-style-type: none"> The MT Survey was carrying over 15 exploration licences located in the Burra region of South Australia within the Adelaide Geosyncline EL6101, EL6102, EL6103, EL6116, EL6158, EL6201 & EL5881 are 100% owned by Ausmex Mining Pty Ltd (a wholly owned subsidiary of Ausmex Mining Group Limited AMG). EL5382, EL5411, EL5473, EL5557, EL5874, EL6150, EL5910 & EL5918 are held by PNx Metals Ltd – Ausmex Mining Pty Ltd (a wholly owned subsidiary of Ausmex Mining Group Limited) currently has the right to farm in for 60% and ultimately 90% JV with PNx. The geophysical survey was completed on freehold pastoral land; Native Title extinguished. Notice of Entry with continuous communication served to all landholders. Current land use is agriculture and grazing.
Exploration done by other parties	<ul style="list-style-type: none"> Acknowledgment and appraisal of exploration by other parties. 	<ul style="list-style-type: none"> Exploration over the tenure has been conducted by several companies exploring for copper and/or gold in the area since 1845. PNx Metals (Phoenix Copper Limited) have held a significant portion of the ground since 2004. Princess Royal: PNx Metals Ltd compiled JORC 2004 Inferred Mineral Resource in 2011 based on drilling completed between 2009-2011. Copper Range held the ground 2007-2009.

Criteria	JORC Code explanation	Commentary
Geology	<ul style="list-style-type: none"> <i>Deposit type, geological setting and style of mineralisation.</i> 	<ul style="list-style-type: none"> AMG is primarily exploring for sediment hosted copper-cobalt -gold style mineralization in the Adelaide Geosyncline, South Australia. Copper-gold and Base metal mineralization is interpreted as Intrusive related, associated with structural and /or lithological contacts.
Drill hole Information	<ul style="list-style-type: none"> <i>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:</i> <ul style="list-style-type: none"> <i>easting and northing of the drill hole collar</i> <i>elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</i> <i>dip and azimuth of the hole</i> <i>down hole length and interception depth</i> <i>hole length.</i> <i>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.</i> 	<ul style="list-style-type: none"> Not Applicable - No drilling is being reported. MT geophysical survey.
Data aggregation methods	<ul style="list-style-type: none"> <i>In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.</i> <i>Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.</i> <i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i> 	<ul style="list-style-type: none"> Not applicable - not reporting drilling assays results. MT Geophysical Survey - 10km x 10km grid. MT readings/measurements collected over 24-48hour period per site.
Relationship between mineralisation widths and intercept lengths	<ul style="list-style-type: none"> <i>These relationships are particularly important in the reporting of Exploration Results.</i> <i>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</i> <i>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').</i> 	<ul style="list-style-type: none"> Not applicable - not reporting drilling results. The MT Survey was completed on a 10km x 10km grid over all AMG controlled tenure.
Diagrams	<ul style="list-style-type: none"> <i>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.</i> 	<ul style="list-style-type: none"> MT Survey location map showing AMG tenure and results are provided in Figure 1 & 2.
Balanced reporting	<ul style="list-style-type: none"> <i>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.</i> 	<ul style="list-style-type: none"> MT measurements were recorded for all sites reported. Reporting is considered to be balanced

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Other substantive exploration data	<ul style="list-style-type: none"> 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 method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances. 	<ul style="list-style-type: none"> Relevant geological information is reported in this announcement
Further work	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> The next phase of exploration will be continuation of MT processing and modelling (figure 1 & 2), closer 5km spaced MT over areas of interest (figure 1), reanalysis and integration of regional geophysics and geology with MT data, with follow up geochemical sampling and infill ground geophysics.