18th October 2019

ASX Release

Independent Expert confirms Little Duke & Evening Star Diamond Core drilling results define Ausmex controlled IOCG target.

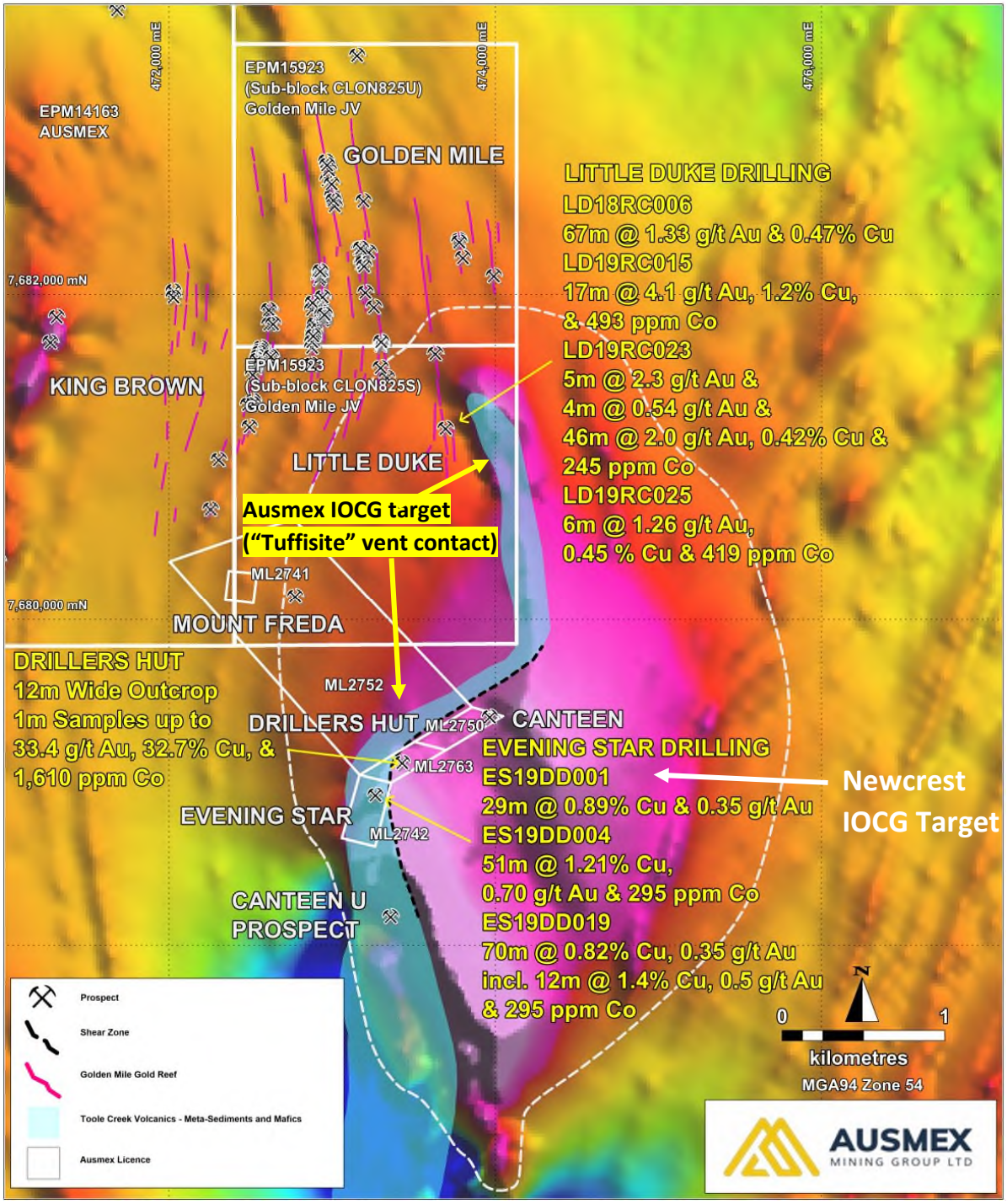

Figure 1. Independent Expert identifies Ausmex extensive IOCG target from Evening Star to Little Duke. (Refer ASX release 1st & 8th July, 26th September 2019 for drill hole results).

Ausmex Mining Group (ASX: AMG) ("Ausmex" or "The Company") recently engaged Independent Expert Emeritus Professor Ken Collerson to review and interpret the latest Little Duke Diamond Core (Refer ASX release 10th October 2019).

Professor Collerson defined the following conclusions:

- Ausmex Mining Group Limited ***(Ausmex, AMG,*** *or the* ***Company)*** hold mining leases that include the historic high gold mine Mt Freda, and previously mined high grade gold and copper mines Evening Star & Canteen, that contains mineralisation that indicates a close spatial proximity to a larger underlaying mafic or ultramafic intrusion (potential IOCG mineralisation). The Company also holds an 80% beneficial interest in two exploration subblocks within EPM15923 under a Joint Venture with Round Oak Minerals Pty Ltd (100% subsidiary of Washington H Soul Pattinson). The two exploration subblocks contain the Golden Mile suite of historic high-grade gold mines, including the Little Duke IOCG target.

- Units of tuffisite that cross-cut Soldiers Cap Group lithologies have been identified in cores from Little Duke. These tuffisite breccias are similar in appearance to tuffisites pipes described previously from Evening Star and Mt Freda prospect. They played an important role in mineralisation as they provided a conduit for metal transport.

- The presence of these metal-rich breccias indicates that Little Duke and Evening Star are proximal to the magmatic metal source (IOCG) that produced epithermal high-grade gold mineralisation (Mt Freda & Golden Mile) and cobalt-copper mineralisation in the area.

- Mineralisation at Mt Freda is epithermal in character (Collerson 2019) forming at depths less than 1000 m from the magmatic metal source (IOCG).

- Thus, the depth to the igneous metal source at Canteen (Little Duke and Evening Star), indicated by the elevated Co and Co data from LD19RC025, suggest that mineralisation (igneous source) may be encountered within 1000 m of these Co and Cu- rich samples.

- Geochemical analysis by Collerson (2019) indicated that the high-grade Au (and PGEs) within the Mt Freda-Evening Star mineral system were transported by hydrothermal fluids derived from a deeper large inferred igneous intrusion (IOCG), shown in Figure 1. These fluids generated hot spring epithermal deposits at the surface. (Refer to ASX releases on 30th August 2018, 10th September 2018, 8th & 26th October 2018, 9th & 15th November 2018, for Mt Freda Complex Exploration drilling results).

Sulphide-bearing tuffisite in Little Duke Core

Diamond core (LD19RC025) recently recovered from Little Duke contain similar sulphide-rich units, between ~119 m and ~120 m and again at ~ 132 m. These are shown in Figures 2 to 4.

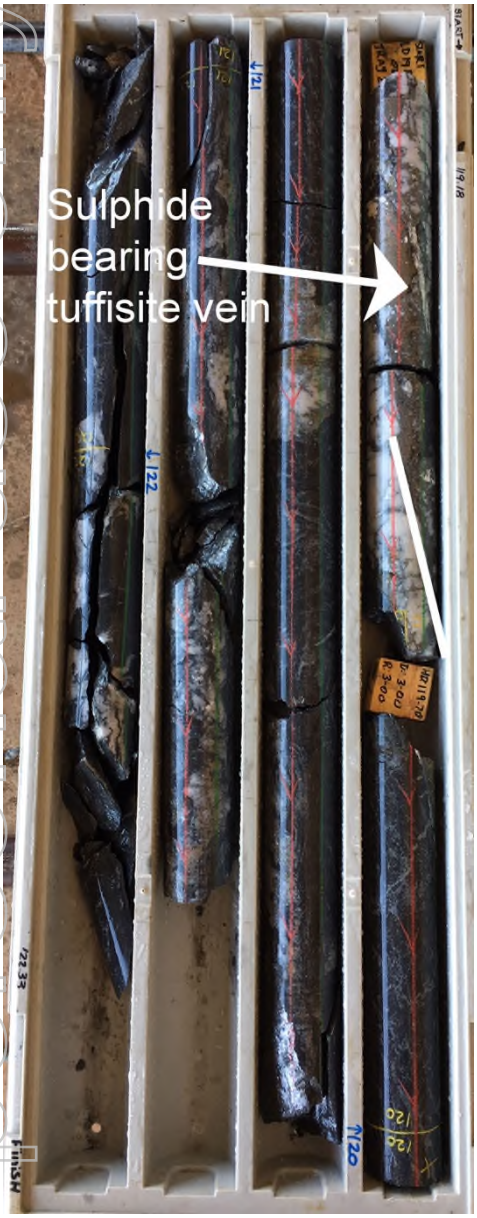

Figure 2: LD19RC025 showing steeply dipping vein of sulphide-rich tuffisite cutting Soldiers Cap Group lithologies.

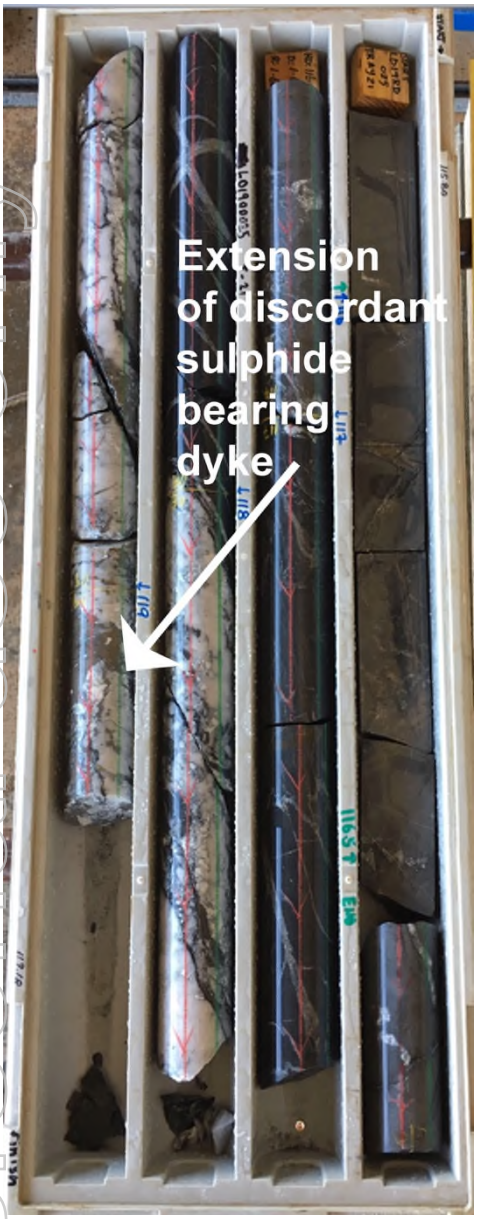

Figure 3 LD19RC025 showing steeply dipping vein of sulphide-rich tuffisite cutting Soldiers Cap Group lithologies.

Figure 4: LD19RC025 showing highly acid embayed quartz grain in sulphide-rich tuffisite at a depth of ~ 132 m. (Refer ASX Release 10th October 2019 for core results).

These textures are remarkably similar textures previously seen in core from Evening Star (Figure 5).

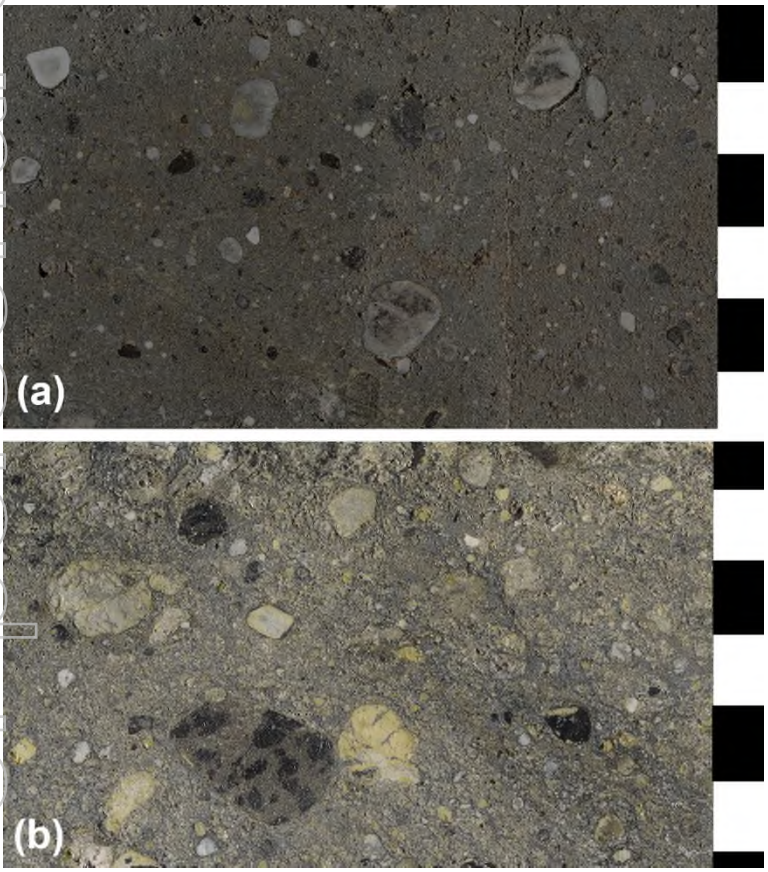

Figure 5: (a) Heterolithic tuffisitic in core from ES19-DD001 at 83.6-84 m **(b)** Unit of heterolithic tuffisite in core from ES19-DD001 at depth interval 88 - 88.3 m. Matrix appears to be sulphide rich. This lithology was also observed near the bottom of ES19-DD003 at ~160 m associated with crackle breccia. The tuffisite is interpreted as a syn-epithermal mineralisation degassing vent from a deeper igneous intrusion. (Refer ASX release 7th July 2019 for Evening star core results)

Tuffisite is a matrix supported heterolithic intrusive pyroclastic breccia that forms in hydrothermal gas/fluid streams that advance ahead of ascending columns of magma. Although similar in appearance pyroclastic tuffs (volcanic ash deposits), relationships in the core show that the lithology is intrusive in origin.

The veins of tuffisite are interpreted as syn-epithermal mineralisation degassing vents, where metal transporting volatiles are derived from a deeper igneous source (IOCG).

Summary and Conclusions

Units of tuffisite that cross-cut Soldiers Cap Group lithologies have been identified in cores from Little Duke. These tuffisite breccias are similar in appearance to tuffisites pipes described previously from Evening Star and Mt Freda prospect. They played an important role in mineralisation as they provided a conduit for metal transport.

The presence of these metal-rich breccias indicates that Little Duke and Evening Star are proximal to the magmatic metal source that produced outcropping epithermal high-grade gold mineralisation and cobalt-copper mineralisation in the area.

Cu and Co systematics provide a vector for mineralisation in the area. Samples with low contents of Cu and Co are considered to be distal to the igneous metal source and reflect hydrothermal fractionation in an epithermal environment. However, samples with elevated Cu and Co, up to 10,000 ppm Cu and 30,000 ppm Co, are considered proximal to the metal source.

Co and Cu concentrations are therefore useful vectors for mineralisation.

The mean molar Cu/Au ratio of samples from Little Duke viz., 52,455 ± 61,097, is typical of mineral systems derived from an alkaline igneous source. However, a significant population of Au-rich samples yield ratios ranging from ~100 to 10,000, that are typical of epithermal systems.

As outcropping mineralisation at Mt Freda is clearly epithermal in character (Collerson 2019) it indicates that depth of mineralisation from a magmatic metal (IOCG) source was < ~1,000 m.

Thus, the depth to the igneous metal source at Canteen, indicated by the elevated Co and Co data from LD19RC025, suggest that mineralisation (igneous source) could be encountered within 1000 m of these Co and Cu- rich samples.

These reconnaissance observations have significant implications for better understanding the Cloncurry Belt IOCG mineral system and hence, the IOCG prospectivity of the area, thus the exploration strategy for Ausmex.

The full Independent Report '**The Little Duke- Mt Freda-Evening Star Mineral System, Cloncurry District Based on Core Lithologies"** is available on the Ausmex Mining Group Limited website.

Further Work

The company will continue to update shareholders for both Cloncurry shallow, near-term production gold projects and IOCG target drilling results as the various independent laboratories process the back log of drill hole assays.

The Company is progressing towards a combined Maiden JORC resources estimate for the Mt Freda Complex including the Golden Mile projects by late November 2019, with the aim of commencing a mining study for Mt Freda early December 2019 and this Study will be aided and advanced by the company's existing knowledge and access to all necessary data on mining conditions that applied in the original Mt Freda Pit.

The Company has previously announced a 225 Ha Golden Mile Mining Lease Application ML100201 submitted to the QLD Mines Department over the current Golden Mile projects (Refer ASX Release 30th August 2019).

The Golden Mile Mining Lease Application is for mining only, with ore processing planned at the Great Australia Gold Carbon in Pulp (CIP) processing facility in Cloncurry. The Great Australia is located ~ 35 km by haul road from Mt Freda and the Golden Mile.

The Golden Mile is a Joint Venture (JV) project with Round Oak Minerals Pty Ltd (80 % AMG: 20% RO). Under the JV agreement Round Oak Minerals Pty Ltd has the option to process gold ore from the Golden Mile Joint Venture at the 600 Ktpa Great Australia Mine Gold CIP processing facility in Cloncurry owned by Round Oak Minerals Pty Ltd (subsidiary of WH Soul Pattison ASX:SOL).

Following the latest positive results from the Little Duke project, a second Mining Lease application at the Little Duke Project is currently being prepared for submission to the QLD Mines Department.

The company is committed to fast tracking gold production in 2020 by utilizing current infrastructure and CIP processing capacity within Cloncurry.

Metallurgical test work will continue on Diamond Core bulk samples from all gold projects currently being drilled.

Caveat

Interpretation of the sulphide-bearing units as tuffisite, was based on close inspection of photographs of LD19RC025 provided by Ausmex Limited.

In view of this, it is recommended that a field visit be undertaken to inspect textures in the core and collect samples of individual lithologies for a multi-element litho-geochemical study. This will provide data to compare these assays with assays reported previously from Evening Star (ASX Market Release 1st July 2019).

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 Professor Ken Collerson, who is a Fellow of the Australasian Institute of Mining and Metallurgy (AusIMM). Professor Ken Collerson is an independent consultant to 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). Professor Ken Collerson consents to the use of this information in this report in the form and context in which it appears.

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.)

Criteria	JORC Code explanation	Commentary
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.* • *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.*	• No new assays or samples, yet previously recorded and referenced results were as followed: • Drilling returned HQ Diamond Core • Core is cut and sampled "half core" • Samples were ~2-3kg in weight • Pulverised to produce a 30 g charge for a gold fire assay and ICP for Cobalt and Copper. • Sample analysis completed at ALS laboratory QLD • RC Drilling chip samples recovered via cyclone and splitter. • Potential ore zone samples selected for analysis • Samples were ~2-3kg in weight • reverse circulation drilling was used to obtain 1 m samples for targeted ore zones, rom which ~3 kg was pulverised to produce a 30 g charge for ICP analysis for Copper and Cobalt plus Fire Assay for Gold. • Samples analysis completed at ALS laboratory QLD • Samples were 1.5 -2.5 kg in weight and pulverised to produce a 30 g charge for ICP analysis for Copper and Cobalt plus Fire Assay for Gold. • Samples analysis completed at ALS laboratory QLD

Criteria	JORC Code explanation	Commentary
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).*	• HQ Diamond Core drilling, triple tube and orientated, ball marker • RC drilling was via reverse circulation
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.*	• Geotechnical logging of drill core was completed with sample recovery measurements. Zones of core loss have been recorded. Samples recovered via cyclone and spitter; sample weights indicate representative for 1m.
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, channel, etc) photography.* • *The total length and percentage of the relevant intersections logged.*	• All drill core has been geologically and geotechnically logged to a level appropriate for Mineral Resource estimation. • Logging data is captured in the company digital database. • All drill core has been photographically recorded • RC chip samples were geologically logged at 1 m intervals
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.*	• HQ core was cut using brick saw and half core taken, the other half retained. As per industry standard. • Samples intervals defined by geologist and representative of geology. • Where composite samples exceeded 2m, ¼ Core was sampled. • Field duplicates, blanks and standards entered for analysis indicate representative sampling and analysis • Sample size is considered appropriate for the material. Field duplicates and standards were entered for analysis with the results indicating that

Criteria	JORC Code explanation	Commentary
		representative sampling and subsequent analysis were completed.
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 ICP analysis was completed for Copper and Cobalt& REE plus Fire Assay for Gold samples and subsequent assays • Repeat and checks were conducted by ALS laboratories whilst completing the analysis. • Standard and duplicates entered by Ausmex • The level of accuracy of analysis is considered adequate with no bias samples reported.
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) protocols.* • *Discuss any adjustment to assay data.*	• Significant intersections inspected and verified by JORC competent personnel • No assays were adjusted • There were no twinned holes drilled • All drill hole logging was completed on site by Geologists, with data entered into field laptop and verified as entered into a geological database • Significant intersections for gold was reported as a combined down hole interval average received assay grade and are not down hole weighted averages. • As all significant intersections reported for gold were average down hole assays, with no internal waste has been calculated or assumed.
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.*	• The drill collars have been surveyed by handheld GPS. (accuracy +/- 3m) • The drill collars will be surveyed by a permanent base station

Criteria	JORC Code explanation	Commentary
	• *Quality and adequacy of topographic control.*	(accuracy +/- 150mm) 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.*	• 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 ALS 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.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *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*	• ML2718, ML2709, ML2713, ML2719, ML2741 & EPM14163 are owned 100% by Spinifex Mines Pty Ltd. Ausmex Mining Group Limited owns 80% of Spinifex Mines Pty Ltd. Queensland Mining Corporation Limited own 20% of Spinifex Mines. Exploration is completed under an incorporated Joint Venture. • 80% beneficial interest in sub blocks CLON825U & CLON825P from

Criteria	JORC Code explanation	Commentary
	licence to operate in the area.	EPM15923 & 80/20 JV with CopperChem • EPM14475, EPM15858, & 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. • ML2549, ML2541, ML2517 are 100% owned by Ausmex.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• All exploration programs conducted by Ausmex Mining Group Limited. • Reference to historical mining
Geology	• *Deposit type, geological setting and style of mineralisation.*	• ML2718, ML2709, ML2713, ML2719 hosts the Gilded Rose sheer hosted quartz reef. There are several golds mineralised hydrothermal quartz reefs within the deposit. • ML2741 hosts the shear 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 There are several gold mineralised hydrothermal quartz reefs within the deposit containing Au, Cu, & Co
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:* o *easting and northing of the drill hole collar* o *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* o *dip and azimuth of the hole* o *down hole length and interception*	• Details within tables within the release

Criteria	JORC Code explanation	Commentary
	depth o *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.*	
Data aggregation methods	• *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.* • *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.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• Significant average combined down hole assay intersections have been reported as part of this release for Cu & Au. These average intersections are not weighted averages. No weighted down hole averages were reported. • Where Au is <LD, 50% of LD was used for data aggregation i.e. if LD=0.01 then <LD = 0.005 • Significant intersections for all minerals were reported are an average received assay grade for that down hole significant intersection. • The average combined down hole significant intersection did not have an internal Cut-off grade for gold, therefore there was no minimum individual sample cut off, yet only a combined down hole intersection average > 2.0g/t Au. Within these reported Cu intersections there were individual assays < 0.1 G/t Au. • Significant intersections for copper and gold were based on the average grade for the same intersection, as it may be assumed, they represent a combined potential mining unit in the future. • As all significant intersections reported for Copper were a combined total average down hole grade, no internal waste has been calculated or assumed.

Criteria	JORC Code explanation	Commentary
		• Length weighted composite mineralised intersections were calculated for each drillhole using a nominal 0.5 g/t Au cut-off. Drill holes with intercepts that did not meet this cut-off criteria were included based on a geological interpretation of the mineralised zone to constrain mineralisation through the gridding process and to enforce geological continuity. No adjustments for true thickness were made. The midpoint of each composite intersection was then used as the datapoint, with the data gridded within MapInfo Professional Discover using ID2. The data was gridded based on a value determined by multiplying Au g/t x thickness of the mineralised intersection, using a cell size of 6m to force continuity throughout the drill pattern. The grid generated was then constrained by topography by clipping to a topographic surface derived from existing high-resolution digital elevation data (Figure 2 in report). •
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *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').*	• No material information is excluded. • intersections have been displayed reported as part of this release. • Interpreted X sections attached to the announcement displaying the geometry of mineralisation. •
Diagrams	• *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.*	• Maps showing the location of the EPMs and MLs are presented in the announcement • Appropriate relevant and labelled X sections attached

Criteria	JORC Code explanation	Commentary
Balanced reporting	• *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.*	• All comprehensive ICP and Fire Assay analytical results for Copper, cobalt and Gold were reported.
Other substantive exploration data	• *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.*	
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, RC and Core drilling