

11th August 2020

Market Release



Figure 1. Mt Freda Resource upgrade drilling underway.

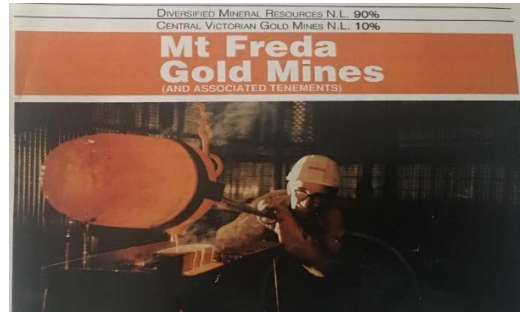


Figure 2. Gold pour at Mt Freda 1989.



Figure 3. Dewatering historical Mt Freda open cut.



Figure 4. Mt Freda re-birth underway to Gold producer.

- **RESOURCE UPGRADE DRILLING – UNDERWAY**
- **FOLLOW UP DRILLING AT THE TRUMP PROSPECT - AUGUST COMMENCEMENT**
- **DEWATERING OPEN CUT MT FREDA - UNDERWAY**
- **METALLURGICAL TESTWORK MT FREDA - UNDERWAY**
- **GOLDEN MILE LEASE APPLICATION - UNDERWAY**
- **BURRA GEOPHYSICAL SURVEY - UNDERWAY**

Upgrade Resource Drilling commences at historical high-grade Gold Mine, Mt Freda.
(Located approx. 50 kms South (by sealed road and formed inroad) of Cloncurry QLD)

Ausmex recent drilling results Mt Freda:

MF19DD186: 24m @ 2.8g/t Au including 6m @ 10.1g/t Au and 2m @ 24g/t Au
 MF19DD193: 5m @ 6.9g/t Au within 16m @ 2.6g/t Au
 MF19DD177: 12m @ 4.1g/t Au incl 3m @ 11.6g/t Au
 MF19RC170: 5m @ 7.90g/t Au incl 1 m @ 32.70g/t Au
 MF19DD197: 6m @ 4.80g/t Au incl 2m @ 13.2g/t Au and 1m @ 21.80g/t Au
 MFRCD133: 4m @ 6.30g/t Au incl 1m @ 19.20g/t Au
 MFRCD116A: 5m @ 7.53g/t Au

Refer to ASX Announcements 30th April 2018, 31st October 2019, and 31st January 2020.

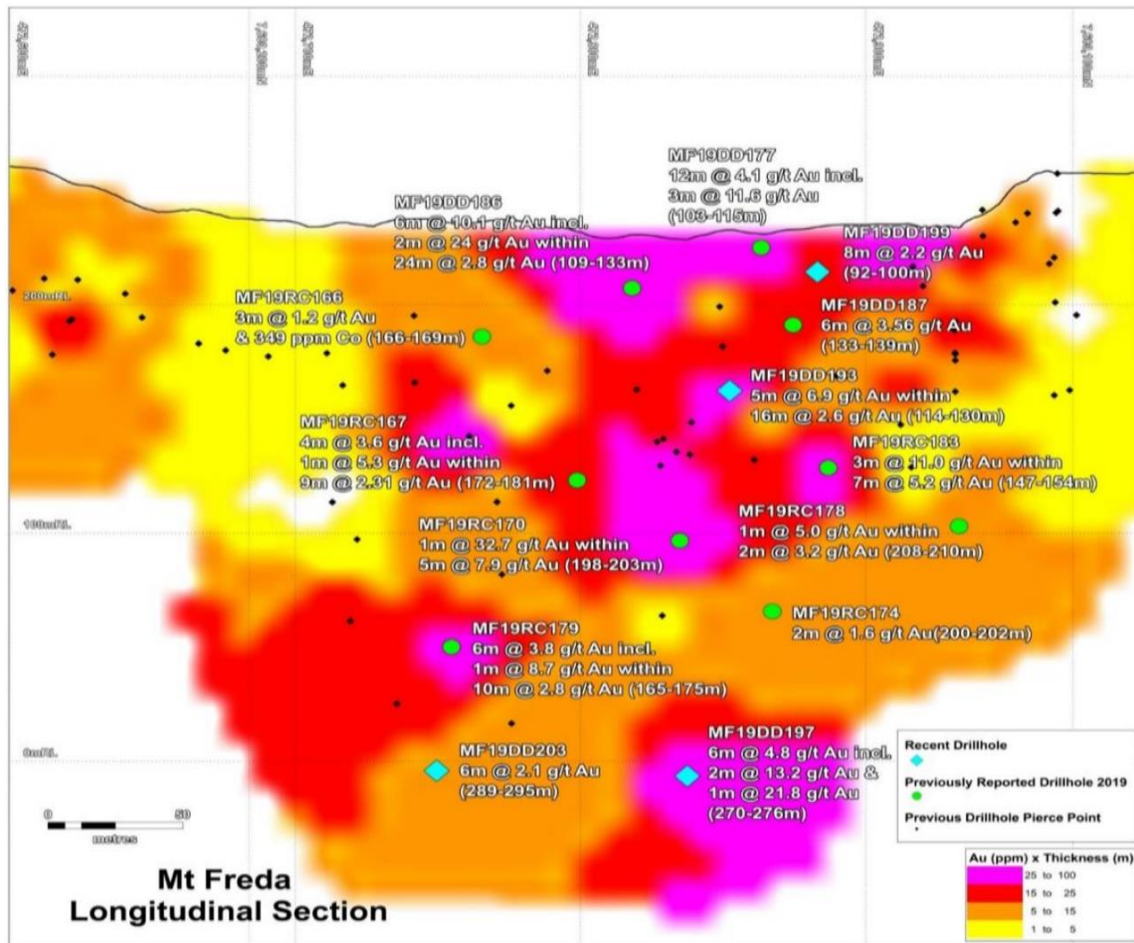


Figure 5. Mt Freda Open Cut Long Section with drill results highlighting the high-grade gold up to 24g/t under the current pit floor, increasing up to 32.7 g/t Au at depth.

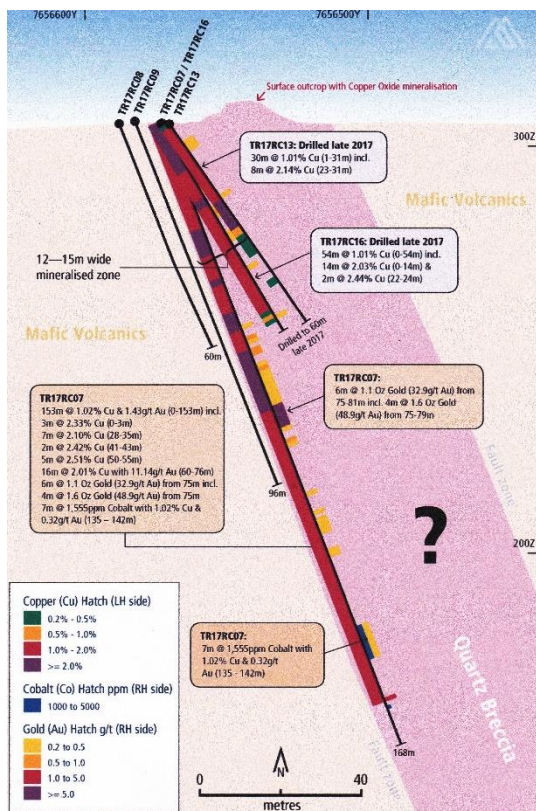
The Company recently completed a JORC2012 mineral resource estimation (ASX: AMG 3rd June 2020), unfortunately, with limited drilling information, due to most historical drilling not being included. The current resource upgrade also consists of some “gap infill drilling” as recommended by the current resource consultants. This current drilling is expected to upgrade the recent mineral resource estimations in Gold grade and tonnage to reflect the original drilling by DMR in 1989 and subsequently repeat their resource estimates as reported by Wardley James Capel¹.

This current phase of the drilling, will initially consist of 6 diamond core holes, drilled to infill as well as to twin previous historical holes, to confirm their accuracy, hole locations and the data to support and integrate with the current wireframe. These 6 diamond core holes are expected to be completed within the current quarter. Additional holes may be necessary, depending upon the results from these holes, but at this stage extended drilling is unlikely. Mine planning, geotechnical and prefeasibility to commence after upgrade of Mt Freda resource.

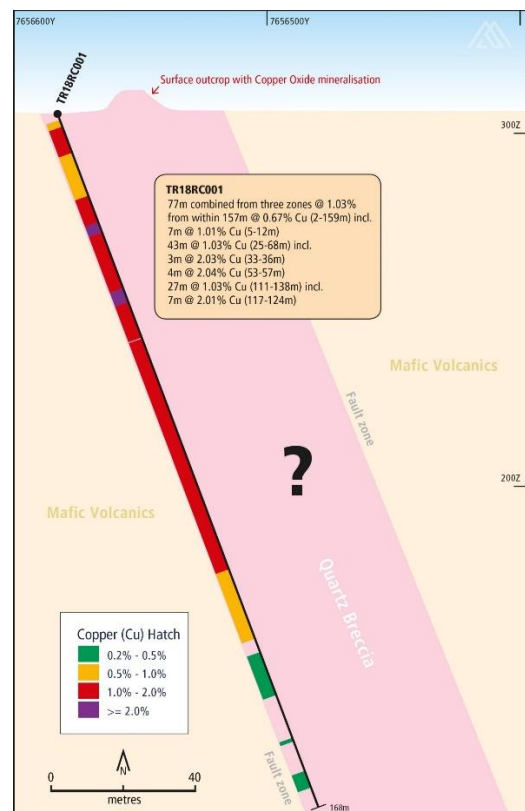
Footnote 1 - Wardley Australia Limited 27th June 1989 – Mt Freda Mine & Associated Leases. MEW/890445TC.

Drilling to re-commence at Ausmex 100% owned historical “Trump Copper/Gold Prospect”
Cloncurry: 153m @ 1.02% Cu and 1.43g/t Au including 6m @ 32.90g/t Au and 1m @ 5.5 ounces (172g/t Au).

The Trump Copper Gold Prospect lies 20klms southeast of the township of Malbon on the Cloncurry Selwyn road, located 60kms South of the regional mining township of Cloncurry. The Trump is an historical high-grade Gold and Copper producer and is a granted mining lease 100% owned by Ausmex. The Company completed the 5-hole drill program early 2018 and reported several holes that all intersected respectable grades and widths of mineralisation. Intersections of 12m, 30m, 45m, 54m and 60m all intersected above 1% Cu to 1.30% Cu. (ASX: AMG 2nd Feb 2018.)



X-Section 1. TR17RC07. Apparent width is 12-15m.



X-Section 2. TR18RC001. Drilled 60m SW of TR17RC07

Drill Hole TR17RC07 intersected **153m @ 1.02% Copper and 1.43g/t Gold**. The hole appears to have been drilled down dip proving that the whole 153m carried Copper mineral. What was unexpected but surprisingly encouraging was that **“at 74 metres depth the hole intersected 6m of the orebody @ 32.90g/t Gold including 1m @ 5.5 ounces of Gold per tonne (172grams per tonne)”** (ASX: AMG 28th August 2018). The drilling also indicated a possible true width based on holes drilled in proximity to being around 12-15m, however the Company is engaging with drillers now to complete a program to confirm that the first holes were drilled down dip and to confirm the width of the orebody.

Dewatering of Mt Freda Open Cut and planning for mining.



Figure 6. Field crew checking on pump station 1.



Figure 7. Construction of the Mt Freda Evaporation Pond.

Dewatering of the open cut is well underway with 3 x diesel 6" x 4" water pumps to reduce the water in the pit and a 3 stage submersible pump in our dewatering bore, to reduce the water table to 250m or approx. 200m below the current open cut. The dewatering will allow the geotechnical consultants to inspect and to gather data and samples for the decline and underground operations expected to commence in early 2021, subject to the completion of the resource upgrade, scoping study, cost study, prefeasibility study and the Gold price at the completion of those matters.

The Company has engaged with underground mining engineers and mining groups and expects to deliver all necessary data to them by the end of 2020 for the commencement of the underground planning of the decline subject to the abovementioned matters completed. The dewatering which has reduced the water table already by 4 metres has allowed the diamond core rig to enter the open cut and commence drilling thereby saving around 50-75 metres per hole of drilling costs to intersect the orebody required by the resource consultants.

Metallurgical and Geotechnical Test work.

The Company is aware, from the previous mining and processing of the Mt Freda ore that the oxide weathered zone at Mt Freda is receptive to processing by CIP (Carbon in Pulp Cyanide Leaching). DMR records show that the recoveries were more than 98% of the Gold, using a grind size of -100 microns and a leach time in the tanks of 24 hours. The metallurgical test work is to be completed using core from the current six drill holes. Test work will primarily focus on any sulphide material that is encountered, in particular chalcopryrite. To date only small intersections of sulphides in the form of chalcopryrite have been intersected down depth.

The Geotechnical consultants will inspect the rock structure at Mt Freda and test for stabilization once the pit is emptied. Diamond drill core for this test work, will also come from the current drilling program together with some additional holes being drilled for this purpose. Diversified Mineral Resources who mined Mt Freda, carried out a substantial quantity of geotechnical test work, due to their intention to mine underground once the open cut was finished to the planned depth. However due to the low Gold prices this mining ceased in 1989.

Golden Mile Mining Lease Application.

The Company pegged approx. 116 Ha of area, encompassing 3 of Ausmex's 8 historical Gold Mines known as the Golden Mile. The Company expects the Native Title Agreements to be completed and lodged by the end of the month and the compensation agreements with the landowners who hold grazing leases over the area applied for. The application for the mining lease has been lodged with the Queensland Mines Department and the Company believes that once these two final matters are completed the mining lease is to be granted expeditiously by the department. The Company already has binding agreements with Round Oak Minerals (ASX: AMG 16th April 2018) for the treatment of the ore from the Golden Mile. The Round Oak Minerals Process Plant is located approx. 50 kms to the NW of the Golden Mile.

Drilling results from 3 of the 8 historical parallel high-grade gold mines at the Golden Mile: Falcon, Shamrock and Comstock. (ASX: AMG 11th November 2019). All located within approx. 500 meters north of Mt Freda.

Falcon Prospect:

FA19RC028: 25m @ 4.90g/t Au incl, 7m @ 13g/t Au incl, 4m @ 17.68g/t Au
 FA19RC034: 16m @ 3.00g/t Au incl, 6m @ 7.1g/t Au incl, 2m @ 16g/t Au
 FA18RC011: 8m @ 10.55g/t Au incl, 4m @ 18.93g/ Au incl, 2m @ 26.26g/t Au
 FA18RC016: 13m @ 4.27g/t Au incl, 5m @ 8.11g/t Au
 FA19RC021: 7m @ 10.50g/t Au incl, 4m @ 17.80g/t Au

Shamrock Prospect:

SH18RC008: 28m @ 4.30g/t Au incl, 2m @ 10.7g/t Au & 2m @ 23.5g/t Au & 2m @ 14.9g/t Au
 SH18RC024: 24m @ 4.50g/t Au incl, 2m @ 39.65g/t Au
 SH19RC034: 13m @ 3.56g/t Au incl, 2m @ 21.65g/t Au
 SH18RC005: 20m @ 2.00g/t Au incl, 5m @ 4g/t Au & 1m @ 20.60g/t Au
 SH19RC035: 16m @ 3.57g/t Au incl 9m @ 5.70g/t Au

Comstock Prospect:

CO18RC001: 15m @ 7.27g/t Au incl, 3m @ 13.91g/t Au
 CO18RC014: 12m @ 5.00g/t Au incl, 4m @ 10.00g/t Au
 CO18RC003: 7m @ 7.60g/t Au incl, 3m @ 12.10g/t Au
 CO18RC015: 10m @ 4.49g/t Au incl, 5m @ 6.86g/t Au
 CO18RC009: 11m @ 4.39g/t Au incl, 2m @ 18.31g/t Au

Burra MT Geophysical Survey Update.

The close spaced gridded magnetotellurics (AMT-MT) Survey at Princess Royal Project, Burra is progressing as planned (Figure 8). Survey completion is anticipated early next week, with data processing and modelling estimated to take 2-3 weeks. The 2D and 3D models will be assessed in conjunction with the previously modelled gravity and magnetics, as well as the geological mapping (ASX: AMG 14th August 2019).

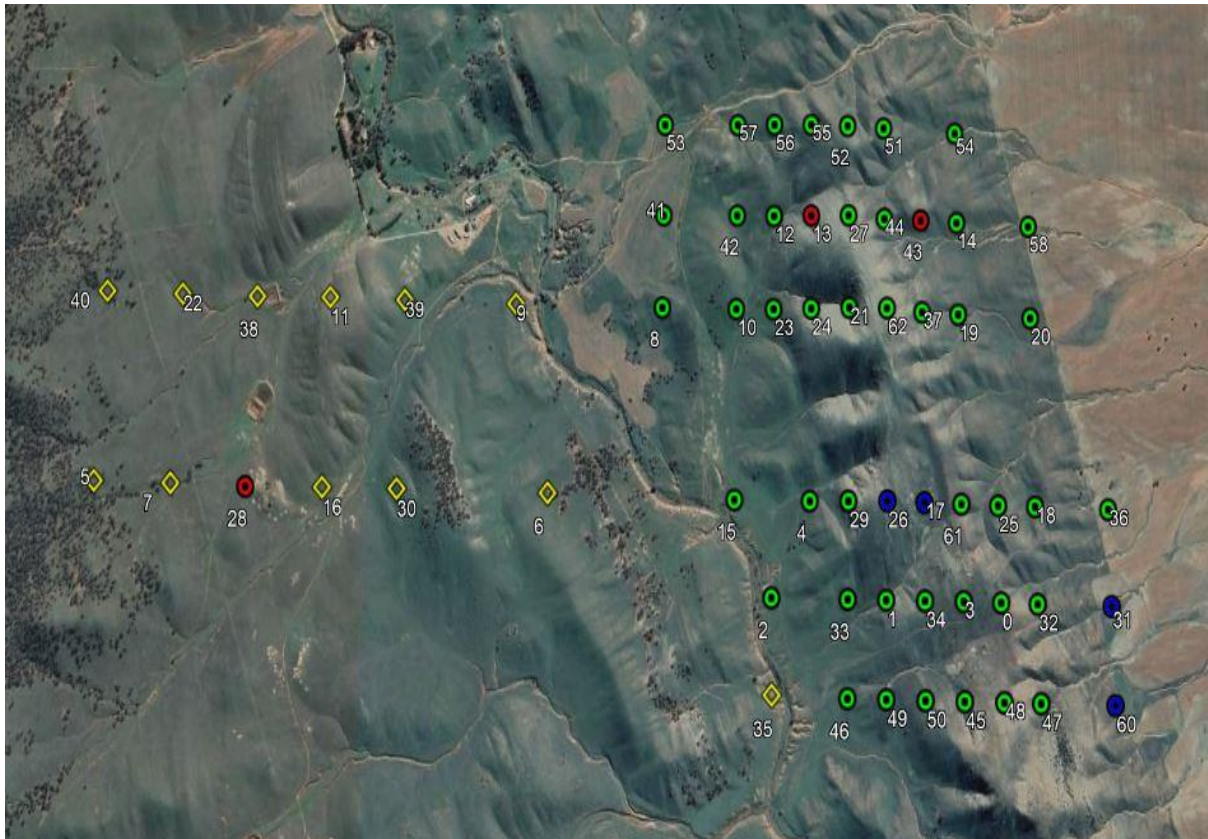


Figure 8. MT Survey stations. Green = completed; Blue = currently deployed; Yellow = to do; Red = repeats.

Authorised by Aaron Day, Managing Director.

For Further Information, please contact;

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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 QLD (Cloncurry) exploration results and potential are based on information compiled by Mr. Aaron Day, who is a member of the Australasian Institute of Mining and Metallurgy (AusIMM). Mr. Day is the Managing Director of Ausmex Mining Group Limited and whom has sufficient relevant experience in relation to the mineralisation 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. Day consents to the use of this information in this report in the form and context in which it appears.