

March 15<sup>th</sup> 2021

Market Release

**UPGRADE IN GOLD METAL AT MT FREDA INCREASES BY 14% AU, FIRST MINING IS NOW EXPECTED TO COMMENCE BY OPEN CUT OF 300,000 TONNES BEFORE UNDERGROUND MINING. FINAL STUDY NOW UNDERWAY FOR MT FREDA (GRANTED MINING LEASE) DECISIONS FOR MINING THE GOLDEN MILE WILL COMMENCE WHEN THE MINING LEASE IS GRANTED (EXPECTED APRIL).**

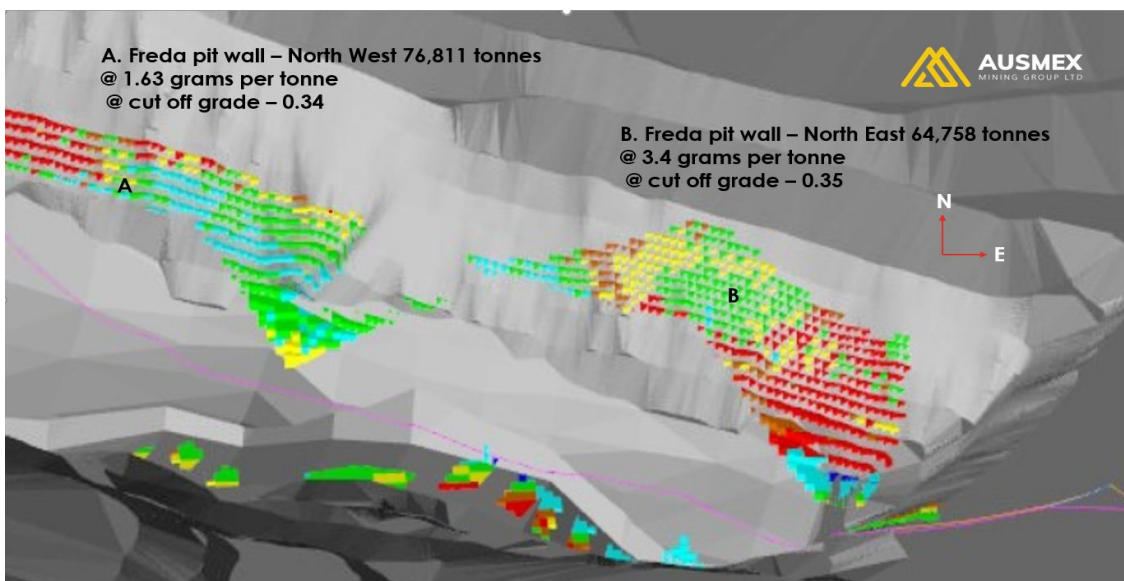


Figure 1: Block model from JORC indicates two unmined Gold zones at near surface.

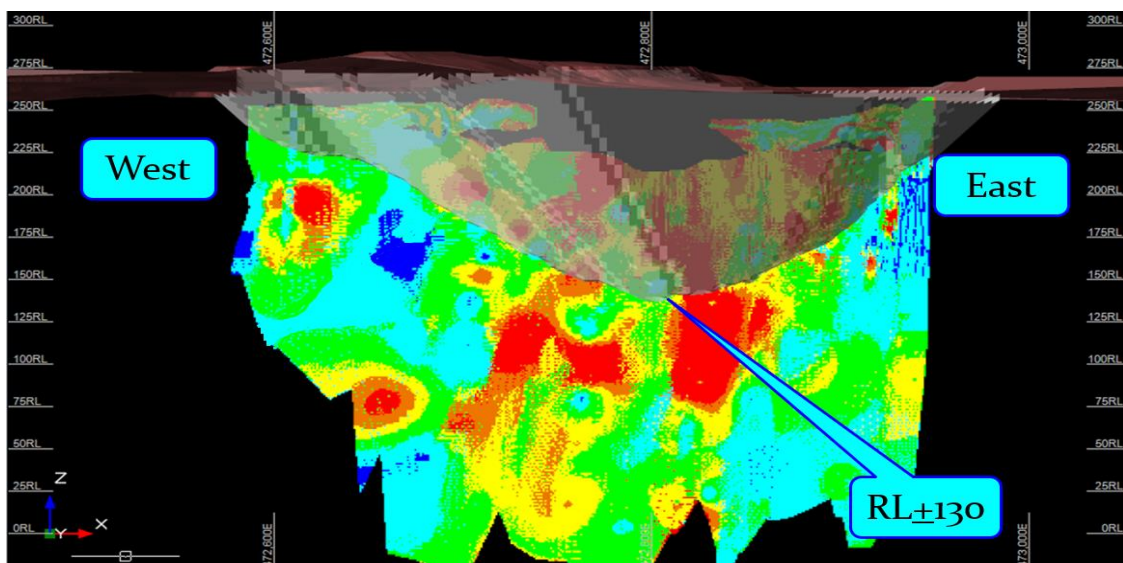


Figure 2: Proposed 300,000 tonnes open cut 80m below the current pit floor prior to underground operations.

**Increase of Gold metal of 14% and Gold grade of 18% Au spurs Directors towards production at Mt Freda (granted Mining Lease). Priority fast track study underway for commencement of mining by open cut.**

With the anticipated increase of the upgraded Mt Freda JORC Mineral Resource Estimate (MRE) of Gold metal by 14% and an increase in the Gold grades by 18%, at Mt Freda (ASX: AMG 4<sup>th</sup> March 2021) the Directors of Ausmex, on the probability of the increase in contained Gold metal and grade, authorised the commencement of an engineering and pre-feasibility study and possible open cut mining prior to underground mining. The recently announced JORC MRE also outlined 2 x Gold mineralised unmined, zones near surface containing 141,569 tonnes (see Fig 1.) The zones are located at the West end of the Mt Freda Historical open cut pit and just below surface at the East end of the Mt Freda Historical open cut pit. With the increase in Gold metal and the increasing Gold grades, below the bottom of the open cut, the study to date illustrates the possibility of mining + 300,000 tonnes at ~ 3g/t Au, by open cut method, prior to commencing underground mining by decline method as first option.

Mt Freda was a prominent producing Gold mine in the early 1900’s and again from 1987 to 1990 and only closed due to the collapse of the Gold price in late 1989. Based on the increase in Gold and an increase in Gold of grade of 18%, recently reported (ASX: AMG 4<sup>th</sup> March 2021) the Company studies are focused on the feasibility of open cutting the existing pit deeper, “dependent on viability”, with the view to extend the current pit depth, while transitioning to possible underground mining by decline. Mt Freda is also a Granted Mining Lease.

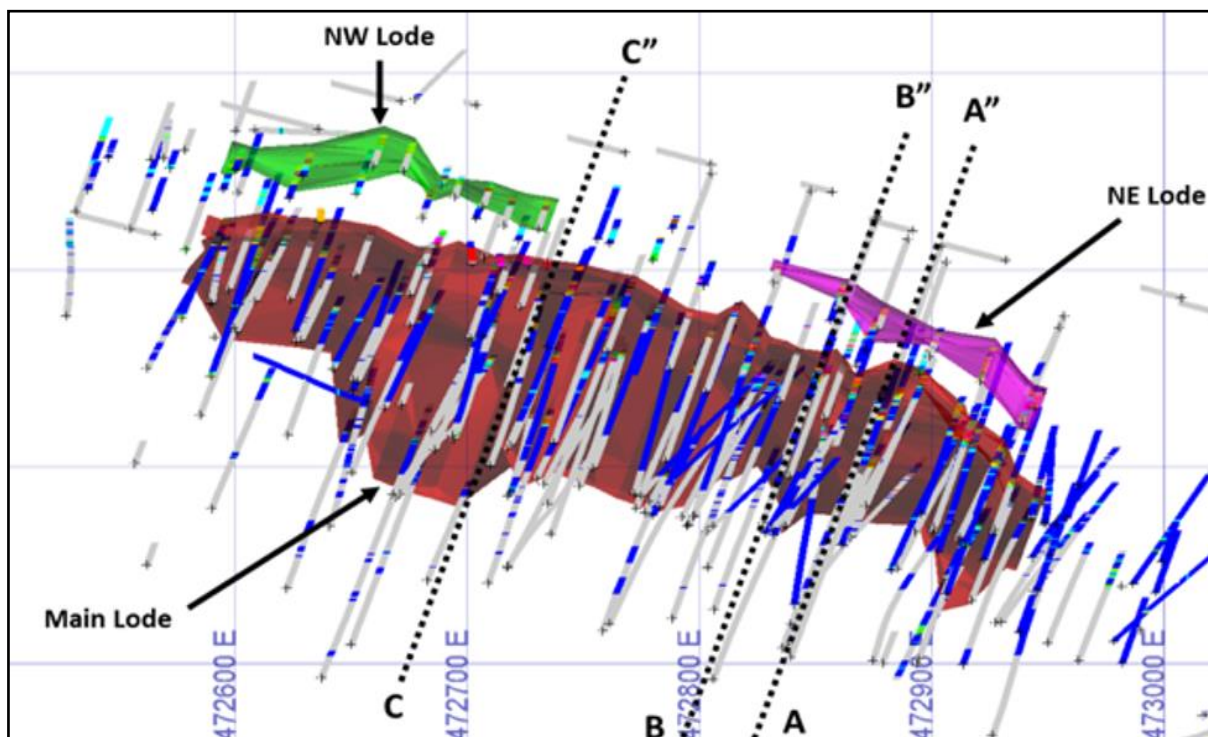


Figure 3. Wire frames showing the Main Lode, NW and NE Lodes.

## Plan of Operations Mt Freda

The underground mine plan for Mt Freda is also currently underway by independent mining engineers CSA Global in Brisbane. The open cut option prior to the underground option is being completed by Alpha Mine Planning. The original plan was for the commencement by underground, but with the recent discovery of ore during the recent JORC upgrade may provide the opportunity to mine by opencut for approx. 300,000 tonnes prior to the commencement of the underground mining by decline method.

The Plan of operations for Mt Freda has been lodged with the regulatory authorities, (subject to the feasibility study), and is almost complete. The plan of operations application is for an extension of the 2018 plan of operations, already submitted to the mines dept, originally to treat some 100,000 tonnes of low-grade Au material +2g/t Au from the historical dumps via a vat leach process. Subsequently the 100,000 tonnes of ore were sold to Round Oak Minerals Pty Ltd for \$2.5m (ASX: AMG 16<sup>th</sup> April 2018). The previous Plan of Operations will now be adjusted to compensate for the waste material from mining Mt Freda. The plan is to include the waste to be stockpiled over the original DMR historical tailings dump (during the open cut phase). All water management and test holes are complete, and an EA approved. In 1989, Diversified Mineral Resources (DMR) operated a Vat leach program in addition to the CIP processing plant, with 10,000 tonnes of low-grade ore, (+2g/t - 4g/t Au in 1988) that recovered over 90% of the Gold over a 3-month period. The test Vat was constructed for testing to low grade Au material which at the time had a cut-off of 4g/t Au.



**Figure 4: Mt Freda 24-hour operational Gold CIP processing plant late 1980's.**



**Figure 5: Unused 20,000 tonne empty Vat constructed by DMR in 1989 being detailed by Ausmex.**



**Figure 6: Ausmex's administration operations at Mt Freda.**

## **Additional Metallurgical Test work and Mining Engineering Studies Underway**

Cyanide test work was previously carried out by Amdel Mineral Laboratories using the Mt Freda ore that produced high Gold recoveries of above **95%** (ASX: AMG Oct 27<sup>th</sup> 2020).

Additional Metallurgical test work using the latest diamond core material from is currently being undertaken by metallurgical group, Process Engineering Options Pty Ltd in Brisbane.

The metallurgical team together with the Project Management Group, Minecraft Holdings Pty Ltd and Australian Mining Engineering Consultants Pty Ltd, will be on site on 15<sup>th</sup> March 2021 for final on-site planning prior to and subject to the positive pre-feasibility study. Once completed the commencement of construction of the processing plant to begin soon after.



**Figure 7: Metallurgical test work Mt Freda at Process Engineering Options Pty Ltd in Brisbane.**

## **Pre-Feasibility Study Golden Mile (awaiting granting of the Mining lease)**

The pre-feasibility study has already commenced for the Golden Mile. The Company is waiting for the processing costs from 20% JV partner Round Oak Minerals (ASX: AMG 27<sup>th</sup> Feb 2018, 16<sup>th</sup> April 2018 and 8<sup>th</sup> June 2018), so that the study can be completed. Under the JV agreement the processing of the ore won from the Golden Mile **must** be processed at the near newly constructed Round Oak, 650,000 tonne per annum CIP processing plant in Cloncurry. The haul road from Golden Mile to the highway, together with the highway intersection are all completed.



**Figure 8: Recently completed Mt Freda Haul Road & regulatory highway merging intersection.**

## Golden Mile – Comstock, Falcon and Shamrock historical Gold Mines

The Company is awaiting the granting of the Mining Lease for these three Gold projects located approx. 500m to the North of Mt Freda. The final 2 diamond core holes for the geotechnical data for the open cut optimisation study completed on 12<sup>th</sup> March 2021.

The holdup of the granting of the ML has come from an unexpected unforeseen issue with the Grazier that leases the property for grazing cattle from the QLD government. Ausmex offered compensation and an independent valuation for the area of the lease, not accepted by the grazier. The land court is expected to make a determination/recommendation before end March so the Mining Lease can be granted. Plan of Operations is ready to be lodged.



**Figure 9: Exposed unmined mineralisation of the NW Lode at surface at the Mt Freda Historic open cut pit.**



**Figure 10: Close up of 'Insert A'.**



**Figure 11: Close up of 'insert B'**



**Figure 12: Exposing the original CIP concrete slabs, Mt Freda, next to Leach Vats Gold Processing.**



**Figure 13: Dewatering bores into evaporation ponds at Mt Freda open cut to 200m.**





**Figure 14: Round Oak Minerals Pty Ltd (ROM) CIP plant located in Cloncurry. All Golden Mile ore under the JV agreement between ROM and Ausmex must be processed at this plant.**

**Previously Reported Information**

*The information in this report that references previously reported Exploration Results and Mineral Resources is extracted from the Company’s ASX market announcements released on the date noted in the body of the text where that reference appears. The previous market announcements are available to view on the Company’s website or on the ASX website (www.asx.com.au). The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements. The Company confirms that the form and context in which the Competent Person’s findings are presented have not been materially modified from the original market announcements.*

**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 Persons Statement**

*Information in this Announcement is compiled and reviewed by Mr Aaron Day, Managing Director of Ausmex Mining Group Ltd. Mr Day is a Member of the Australasian Institute of Mining and Metallurgy (336610). Mr Day has sufficient experience that is relevant to the style of mineralisation and the type of deposit under consideration and to the activity he has undertaken to qualify as a Competent Person as defined in the 2012 edition of the ‘Australian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves’. Mr Day consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.*

This announcement has been approved by the Board of Ausmex Mining Group Limited.

For Further Information, please contact;

[enquire@ausmexgroup.com.au](mailto:enquire@ausmexgroup.com.au)

JORC Code, 2012 Edition – Table 1 report template

Section 1 - Sampling Techniques and Data

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

Criteria	JORC Code explanation	Commentary
<p><i>Sampling techniques</i></p>	<ul style="list-style-type: none"> <li>• <i>Nature and quality of sampling (eg cut channels, random chips, or specific specialized 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.</i></li> <li>• <i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</i></li> <li>• <i>Aspects of the determination of mineralisation that are Material to the Public Report.</i></li> <li>• <i>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 pulverized 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.</i></li> </ul>	<ul style="list-style-type: none"> <li>• Recent samples obtained through drilling completed by Ausmex and QMC have been derived from both reverse circulation (RC) and diamond drilling (DD). RC drilling was used to provide 1m samples of approximately 2 to 3kg through targeted ore zones, and 4m composite samples outside of ore zones. These 4m composites were collected using a PVC spear inserted through and across the bulk sample for each metre included in the composite sample. Composite samples were split to approximate sample size of approximately 3kg. DD was HQ in diameter with a small number of short NQ tails. Sample intervals are determined by the supervising geologist based on lithological/mineralisation boundaries, with a nominal maximum sample length of 1m in mineralised material. Where diamond core composite samples exceeded 2m, ¼ Core was sampled. The selected sample intervals are cut in half lengthwise using a core saw, with half core sent for analysis. Both RC and DD samples were sent to ALS, Intertek and SGS Laboratories in Townsville for analysis using a 50g fire assay for Au. Duplicates, standards and blanks were inserted at a nominal rate 1 in every 20 samples for QAQC purposes.</li> <li>• Historical drill holes were completed at Mt Freda between 1985 and 2010, comprising RC, RAB and DD drill holes, with previous reporting including those from Diversified Mineral Resources. Historic reports indicate that drilling was completed by Australian registered Companies, following Industry standard protocols for the time, including geological logging, sampling, and independent analysis by third-party laboratories. Historical RC drilling completed at Mt Freda was completed utilising convention hammer bits, with samples collected every 1m by rig mounted cyclone splitters. Historical DD drilling was believed to be completed utilizing industry standard drilling equipment, with sampling following industry standard protocols at the time, with core half cut with diamond saw, photographed, geologically logged and sent for analysis by third party laboratories. Samples were dispatched to Pilbara Laboratories in Townsville, where 50g fire assay for gold was completed. QAQC procedures are not known. The review of historic reports and cross referencing with plans and sections confirm the exploration data used is considered suitable for current reporting requirements.</li> </ul>
<p><i>Drilling techniques</i></p>	<ul style="list-style-type: none"> <li>• <i>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</i></li> </ul>	<ul style="list-style-type: none"> <li>• Recent drilling completed by Ausmex and QMC comprised both RC and DD. DD was HQ in diameter with some short NQ tails. RC drilling utilised a 5½ inch face sampling hammer.</li> </ul>

Criteria	JORC Code explanation	Commentary
	<p><i>type, whether core is oriented and if so, by what method, etc).</i></p>	<ul style="list-style-type: none"> <li>Historic drilling has comprised a combination of Rotary Air Blast (RAB), RC, and DD. RC may have used either conventional hammer with cross-over sub or face sampling hammer.</li> </ul>
<p><i>Drill sample recovery</i></p>	<ul style="list-style-type: none"> <li><i>Method of recording and assessing core and chip sample recoveries and results assessed.</i></li> <li><i>Measures taken to maximize sample recovery and ensure representative nature of the samples.</i></li> <li><i>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.</i></li> </ul>	<ul style="list-style-type: none"> <li>During recent RC drilling sample recoveries are monitored by the supervising geologist. Poor recoveries and wet samples are recorded during logging. A cyclone and splitter are utilised to ensure representative samples are collected. The cyclone and splitter are monitored for cleanliness by the supervising geologist.</li> <li>Recent diamond core recoveries are logged for every completed drill run, and any areas of core loss logged accordingly by the supervising geologist.</li> <li>Not all historic holes contained down hole survey information, or core recovery. Review of logging available indicates there was no significant core loss. Mineralisation between historic and recent drill holes correlates within acceptable limits suggesting minimal down hole deviation.</li> <li>Recoveries for both RC and DD drilling have been considered acceptable, and therefore samples are considered representative.</li> </ul>
<p><i>Logging</i></p>	<ul style="list-style-type: none"> <li><i>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.</i></li> <li><i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</i></li> <li><i>The total length and percentage of the relevant intersections logged.</i></li> </ul>	<ul style="list-style-type: none"> <li>Geological logging of recent RC sample is completed by the supervising geologist for every metre down hole. Whole core is logged in full by the supervising geologist prior to cutting and sampling. Logging has been completed for all drilling completed by Ausmex to an adequate level of detail to allow Mineral Resource estimation.</li> <li>Only limited geological logging data is available for historic drill holes. Where available, this logging has been re-coded to align with geological coding within the Ausmex database. The logging completed in historic reports was at a standard suitable to produce maps, plans and sections found in company reports.</li> <li>The geological logging completed is considered to be suitable detailed enough to complete geological interpretations and Mineral Resource Estimates suitable for mining studies. RQD logging is available for Geotechnical review.</li> </ul>
<p><i>Sub-sampling techniques and sample preparation</i></p>	<ul style="list-style-type: none"> <li><i>If core, whether cut or sawn and whether quarter, half or all core taken.</i></li> <li><i>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</i></li> <li><i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i></li> <li><i>Quality control procedures adopted for all sub-sampling stages to maximize representivity of samples.</i></li> <li><i>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.</i></li> <li><i>Whether sample sizes are appropriate to the grain size of the material</i></li> </ul>	<ul style="list-style-type: none"> <li>1m RC samples were collected via a cyclone and 3-tier riffle splitter to provide a sample of approximately 2 to 3kg. Outside of mineralised zones, 4m composites were sampled. These composites were collected using a PVC spear inserted through and across the bulk sample for each metre included in the composite sample.</li> <li>DD samples were sawn in half lengthwise with half core submitted for analysis, and the remaining half being retained, with the exception of duplicate samples which were cut to quarter core.</li> <li>For both RC and DD samples, field duplicates, standards and blanks were inserted at a rate of approximately 1 in 20 for QAQC purposes.</li> <li>Samples collected by Ausmex and QMC are considered appropriate for the grain size of the material being sampled.</li> <li>Historic reports describing RC, RAB and DD holes at Mt Freda indicate that drilling was completed using prevailing industry procedures, including geological logging,</li> </ul>

Criteria	JORC Code explanation	Commentary
	<i>being sampled.</i>	<p>sampling, and independent analysis by third party laboratories.</p> <ul style="list-style-type: none"> <li>• QAQC practices for the historic drilling are not known.</li> </ul>
<p><i>Quality of assay data and laboratory tests</i></p>	<ul style="list-style-type: none"> <li>• <i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i></li> <li>• <i>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.</i></li> <li>• <i>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.</i></li> </ul>	<ul style="list-style-type: none"> <li>• Ausmex samples have been analysed using a 50g fire assay for gold, and a multi-acid digest with an ICPAES finish. These methods are both considered industry standard for the elements being analysed.</li> <li>• ALS, Intertek and SGS complete internal repeat and check samples during analysis, which are reported to Ausmex with the full assay report.</li> <li>• Ausmex submit blind field duplicates and standards at a rate of approximately 1 in every 20 samples.</li> <li>• No material issues surrounding accuracy and precision have been identified from the QAQC analysis completed on Ausmex samples to date.</li> <li>• Historic reports and hard copy assay results from for Mt Freda written by DMR comment that all samples were dispatched to Pilbara Laboratories in Townsville where samples were dried, weighed, crushed, pulverised and assayed for gold by 50g fire assay. It is assumed that prevailing industry practice were employed.</li> </ul>
<p><i>Verification of sampling and assaying</i></p>	<ul style="list-style-type: none"> <li>• <i>The verification of significant intersections by either independent or alternative company personnel.</i></li> <li>• <i>The use of twinned holes.</i></li> <li>• <i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i></li> <li>• <i>Discuss any adjustment to assay data.</i></li> </ul>	<ul style="list-style-type: none"> <li>• All significant intersections are reviewed and verified by alternate company personnel. Independent geological consultants have reviewed sampling and assaying procedures and results.</li> <li>• Significant gold intersections are reported as combined downhole interval averages using received assay grades. Length weighted averages are used for DD samples where samples are not a consistent length.</li> <li>• No calculation of internal waste has been calculated or assumed for reported significant intersections.</li> <li>• No assay adjustment has been completed.</li> <li>• No twinned drilling has been completed.</li> <li>• Geological logging is completed by field geologists into field laptop computers using Microsoft Excel. These logs are then imported to the master Microsoft Access database by the database administrator who completes data validation during import. Additional checks have been made by independent geological consultants.</li> <li>• Historic laboratory reports from Pilbara Laboratories have been sighted for a number of drilling and sampling reports. Cross reference checks to company reports, sections and plans were completed. No material errors were identified.</li> </ul>
<p><i>Location of data points</i></p>	<ul style="list-style-type: none"> <li>• <i>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.</i></li> <li>• <i>Specification of the grid system used.</i></li> <li>• <i>Quality and adequacy of topographic control.</i></li> </ul>	<ul style="list-style-type: none"> <li>• The location of all recent drillhole collars is initially collected using handheld GPS, with an accuracy of <math>\pm 3m</math>.</li> <li>• All recent drillhole collars and a majority of historical drill hole collars have subsequently been acquired by DGPS with a <math>\pm 1cm</math> accuracy.</li> <li>• Several sets of historical collar coordinates for the Mt Freda project were identified by Ausmex whilst validating the drill hole database. Historic Mt Freda holes were</li> </ul>

Criteria	JORC Code explanation	Commentary
		<p>located using a number of different coordinate systems including AMG66, AGD84 and at least 2 local grids. Validated drill holes were converted to the current GDA94 grid. Drill collars that could be located physically were resurveyed by Ausmex in early 2020, and those that were not located have been transformed from earlier map projections and local grids. Historical holes that could not be resurveyed and/or located with reasonable accuracy from historic reports were excluded from the resource drill hole database.</p> <ul style="list-style-type: none"> <li>• Post mining topographic control is provided by a combination of Lidar and high resolution DTM obtained by drone survey in 2021 following pit dewatering. Reference points for the survey were located by DGPS. Horizontal and vertical accuracy is at the cm scale. Up to 6m of water remained in parts of the pit, which was measured by plumb-bob.</li> <li>• All drill holes within the Ausmex database use MGA 1994, Zone 54S.</li> </ul>
<i>Data spacing and distribution</i>	<ul style="list-style-type: none"> <li>• <i>Data spacing for reporting of Exploration Results.</i></li> <li>• <i>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.</i></li> <li>• <i>Whether sample compositing has been applied.</i></li> </ul>	<ul style="list-style-type: none"> <li>• Drill spacing at Mt Freda is a nominal 20m x 20m with some infill holes and is considered adequate to establish geological and grade continuity and for the Mineral Resource classification.</li> <li>• Sample compositing was only used for non-mineralised material.</li> </ul>
<i>Orientation of data in relation to geological structure</i>	<ul style="list-style-type: none"> <li>• <i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i></li> <li>• <i>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.</i></li> </ul>	<ul style="list-style-type: none"> <li>• Wherever local access permitted drilling was designed to intersect the Mt Freda mineralised zone as close to perpendicular to the strike and dip of the orebody as possible.</li> <li>• The drilling orientation is not considered to have introduced any sampling bias.</li> </ul>
<i>Sample security</i>	<ul style="list-style-type: none"> <li>• <i>The measures taken to ensure sample security.</i></li> </ul>	<ul style="list-style-type: none"> <li>• Sample security procedures for historical drilling is not known.</li> <li>• All recent samples were transported to the Company's premises in Cloncurry by company personnel.</li> <li>• The samples are then transported via courier to the Townsville Labs in polyweave or plastic sample bags sealed with cable ties.</li> </ul>
<i>Audits or reviews</i>	<ul style="list-style-type: none"> <li>• <i>The results of any audits or reviews of sampling techniques and data.</i></li> </ul>	<ul style="list-style-type: none"> <li>• There are no details on historic data reviews and audits, yet cross referencing historic company reports with recent results and plans does not reveal any discrepancies. Holes whose collars could not be located with confidence were excluded from data used for the resource estimate.</li> </ul>

## Section 2 - Reporting of Exploration Results

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

Criteria	JORC Code explanation	Commentary
<i>Mineral tenement and land tenure status</i>	<ul style="list-style-type: none"> <li>• <i>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.</i></li> <li>• <i>The security of the tenure held at the time of reporting along with any known impediments to obtaining a license to operate in the area.</i></li> </ul>	<ul style="list-style-type: none"> <li>• ML2741, ML2742, ML2750, ML2752, ML2763 &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 own 20% of Spinifex Mines. Exploration is completed under an incorporated Joint Venture.</li> <li>• 80% beneficial interest in sub blocks CLON825U &amp; CLON825P from EPM15923 &amp; 80/20 JV with CopperChem</li> <li>• 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. <ul style="list-style-type: none"> <li>• ML2549, ML2541, ML2517 are 100% owned by Ausmex.</li> <li>• All tenements are in good standing</li> </ul> </li> </ul>
<i>Exploration done by other parties</i>	<ul style="list-style-type: none"> <li>• <i>Acknowledgment and appraisal of exploration by other parties.</i></li> </ul>	<ul style="list-style-type: none"> <li>• Mt Freda was subject to a series of drilling campaigns between 1985 and 2010. Diversified Mineral Resources (DMR) conducted RC and DD drilling in 1987/1988. Subsequent to this drilling campaign, DMR developed an open pit to a depth of around 60m which provided approximately 100,000 tonnes of feed to an on-site carbon-in-pulp treatment plant.</li> <li>• Subsequent to mining Amalg Resources NL and QMC both undertook further drilling campaigns in 1994/1995 and 2008-2010 respectively.</li> </ul>
<i>Geology</i>	<ul style="list-style-type: none"> <li>• <i>Deposit type, geological setting and style of mineralisation.</i></li> </ul>	<ul style="list-style-type: none"> <li>• The mineralisation at Mt Freda is hosted in a volcano-sedimentary sequence predominately composed of basalts and sandstones. Mineralisation is not considered to be confined to a particular lithology.</li> <li>• The mineralisation at Mt Freda, indicated by elevated gold grades, appears to be structurally controlled and is associated with shearing, brecciation and quartz veining. The majority of the mineralisation forms a single lens dipping around 75° on average towards the SSW. This zone pinches out along strike in both directions but is open at depth</li> </ul>
<i>Drill hole Information</i>	<ul style="list-style-type: none"> <li>• <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"> <li>○ <i>easting and northing of the drill hole collar</i></li> <li>○ <i>elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</i></li> <li>○ <i>dip and azimuth of the hole</i></li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Co-ordinate location, elevation, hole length, dip and azimuth of all material holes is provided in an appendix to the report.</li> <li>• Down hole length and interception depths have been included in an appendix to the report.</li> </ul>

Criteria	JORC Code explanation	Commentary
	<ul style="list-style-type: none"> <li>○ down hole length and interception depth</li> <li>○ total drillhole length.</li> <li>● 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.</li> </ul>	
Data aggregation methods	<ul style="list-style-type: none"> <li>● 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.</li> <li>● 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.</li> <li>● The assumptions used for any reporting of metal equivalent values should be clearly stated.</li> </ul>	<ul style="list-style-type: none"> <li>● Details of the data aggregation used for resource estimation is described within the body of the report and Table 1 - Section 3.</li> <li>● High-grade capping used for resource estimation is described in Section 3</li> <li>● No metal equivalents were reported.</li> </ul>
Relationship between mineralisation widths and intercept lengths	<ul style="list-style-type: none"> <li>● These relationships are particularly important in the reporting of Exploration Results.</li> <li>● If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</li> <li>● 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').</li> </ul>	<ul style="list-style-type: none"> <li>● Mineralisation geometry is described within the body of the report and Section 3.</li> </ul>
Diagrams	<ul style="list-style-type: none"> <li>● 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.</li> </ul>	<ul style="list-style-type: none"> <li>● Appropriately scaled plans and sections have been provided in this announcement.</li> </ul>
Balanced reporting	<ul style="list-style-type: none"> <li>● 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.</li> </ul>	<ul style="list-style-type: none"> <li>● This report is related to an updated Mineral Resource estimate following an 8-hole infill drilling program at Mt Freda. The results of the Ausmex infill drilling program have previously been comprehensively reported to the ASX.</li> </ul>
Other substantive exploration data	<ul style="list-style-type: none"> <li>● 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.</li> </ul>	<ul style="list-style-type: none"> <li>● Previous metallurgical test work, and previous mining grades and recoveries are mentioned within the body of the report.</li> </ul>
Further work	<ul style="list-style-type: none"> <li>● The nature and scale of planned further work (eg tests for lateral</li> </ul>	<ul style="list-style-type: none"> <li>● Scoping studies to review mining potential and additional exploration to extend</li> </ul>



Criteria	JORC Code explanation	Commentary
	<p><i>extensions or depth extensions or large-scale step-out drilling).</i></p> <ul style="list-style-type: none"> <li>• <i>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i></li> </ul>	<p>known mineralisation are mentioned in the body of the report. Additional drilling to upgrade resources.</p>

### Section 3 - Estimation and Reporting of Mineral Resources

(Criteria listed in section 1, and where relevant in section 2, also apply to this section.)

Criteria	JORC Code explanation	Commentary
<i>Database integrity</i>	<ul style="list-style-type: none"> <li>• <i>Measures taken to ensure that data has not been corrupted by, for example, transcription or keying errors, between its initial collection and its use for Mineral Resource estimation purposes.</i></li> <li>• <i>Data validation procedures used.</i></li> </ul>	<ul style="list-style-type: none"> <li>• Historic data from hard copy reports has been captured within an Access database. Historic data has been audited by Ausmex Geologists before entered, and cross referenced with recent data. Data base checks have been run by Ausmex geologists before resource estimation commenced. Where the location of historical drill holes were in question they have been removed from the database.</li> </ul>
<i>Site visits</i>	<ul style="list-style-type: none"> <li>• <i>Comment on any site visits undertaken by the Competent Person and the outcome of those visits.</i></li> <li>• <i>If no site visits have been undertaken indicate why this is the case.</i></li> </ul>	<ul style="list-style-type: none"> <li>• Mr Day has been involved in exploration at Mt Freda on a full time basis and has supervised the Ausmex drilling and other site exploration activities since June 2020. Recommendations from reviews of historical exploration data have been implemented as required, including the use of Geological Consultants if needed.</li> <li>• Dr Richmond visited site from 9<sup>th</sup> to 11<sup>th</sup> December 2020 to observe the geology, as well as drilling and sampling procedures. Recommendations to: (1) collect additional bulk density data from mineralised lodes; and (2) employ triple tube diamond drilling methods and in split logging for geotechnical holes have since been implemented. No other material issues were noted.</li> </ul>
<i>Geological interpretation</i>	<ul style="list-style-type: none"> <li>• <i>Confidence in (or conversely, the uncertainty of ) the geological interpretation of the mineral deposit.</i></li> <li>• <i>Nature of the data used and of any assumptions made.</i></li> <li>• <i>The effect, if any, of alternative interpretations on Mineral Resource estimation.</i></li> </ul>	<ul style="list-style-type: none"> <li>• The deposits have been interpreted on vertical oblique sections at variable spacing by reviewing geological logging and gold grades, as well as considering interpretations from historic mining reports and previously mined voids. Confidence is considered to be high in areas of close-spaced drilling.</li> <li>• Data has been supplied as a drill hole database, including collar, survey, lithology, weathering, and assay data. The database data has been audited by Ausmex geology staff and consultants.</li> <li>• Infill drilling since the maiden resource estimate has improved the confidence in the geological interpretation with a continuous main mineralised structure and two other shallow lodes.</li> <li>• Alternate correlations of lodes between drill holes are possible in some places but would not materially affect the Mineral Resource estimate.</li> </ul>

Criteria	JORC Code explanation	Commentary
	<ul style="list-style-type: none"> <li><i>The use of geology in guiding and controlling Mineral Resource estimation.</i></li> <li><i>The factors affecting continuity both of grade and geology.</i></li> </ul>	<ul style="list-style-type: none"> <li>Mineralised lodes have been interpreted using a 0.3g/t nominal gold cut off and aided with the use of lithology, veining, and structure to help identify the key shear structures. The mineralised shear zone and lodes are easily identified in drill chips and drill core through quartz content and deep oxidation relative to the host rocks</li> <li>Potentially economic mineralisation is restricted to an easily identifiable shear zone. Within the lodes high-grade gold (&gt;10 g/t) is erratically distributed.</li> <li>The NW and NE lode wireframes include some barren material between gold mineralisation.</li> <li>Due to its narrow nature the orientation of interpreted lode wireframes can be influenced locally due to the accuracy of down-hole surveys.</li> </ul>
<i>Dimensions</i>	<ul style="list-style-type: none"> <li><i>The extent and variability of the Mineral Resource expressed as length (along strike or otherwise), plan width, and depth below surface to the upper and lower limits of the Mineral Resource.</i></li> </ul>	<ul style="list-style-type: none"> <li>The extent of Mineral Resource below the original topography is: Main Lode - Strike = 400m, Depth = 320m, Width = 2 to 15m NW Lode - Strike = 150m, Depth = 30m, Width = 5 to 20m NE Lode - Strike = 140m, Depth = 50m, Width = 5 to 20m</li> <li>Mineralisation extends from the historical pit floor for the main lode and near surface for the two smaller lodes.</li> </ul>
<i>Estimation and modelling techniques</i>	<ul style="list-style-type: none"> <li><i>The nature and appropriateness of the estimation technique(s) applied and key assumptions, including treatment of extreme grade values, domaining, interpolation parameters and maximum distance of extrapolation from data points. If a computer assisted estimation method was chosen include a description of computer software and parameters used.</i></li> </ul>	<ul style="list-style-type: none"> <li>Block grade estimation for both Au was by inverse distance squared methods (ID2). ID2 was considered suitable for the style of mineralisation, size of blocks relative to the drill hole spacing, and the assumed open pit and underground mining selectivity.</li> <li>Drill holes were composited to 1m and flagged with Maptek Vulcan software.</li> <li>Martlet proprietary software was used for block grade.</li> <li>Hard boundaries were adopted for lode wireframes, with each lode estimated independently.</li> <li>No blocks outside the interpreted lodes were estimated.</li> <li>Unfolding methods were used for the Main Lode to assist correlations of grades between drill holes.</li> <li>Blocks were estimated using 4 – 8 samples with a maximum of 2 samples from any one drill hole.</li> <li>A two-pass search strategy was employed with search ellipsoids orientated in accordance with the average lode orientation or unfolding surface:</li> </ul> <p>Main Lode</p> <ul style="list-style-type: none"> <li>Maximum search distance of 80 m by 80 m by 3 m for search pass 1</li> <li>Maximum search distance of 150 m by 150 m by 7 m for search pass 2</li> </ul> <p>NW Lode</p> <ul style="list-style-type: none"> <li>Maximum search distance of 60 m by 60 m by 3 m for search pass 1</li> <li>Maximum search distance of 100 m by 100 m by 8 m for search pass 2</li> </ul>

Criteria	JORC Code explanation	Commentary
	<ul style="list-style-type: none"> <li><i>The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data.</i></li> <li><i>The assumptions made regarding recovery of by-products.</i></li> <li><i>Estimation of deleterious elements or other non-grade variables of economic significance (eg sulphur for acid mine drainage characterisation).</i></li> <li><i>In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed.</i></li> <li><i>Any assumptions behind modelling of selective mining units.</i></li> <li><i>Any assumptions about correlation between variables.</i></li> <li><i>Description of how the geological interpretation was used to control the resource estimates.</i></li> </ul>	<ul style="list-style-type: none"> <li>75° dip and 015° dip azimuth</li> <li>NE Lode <ul style="list-style-type: none"> <li>Maximum search distance of 60 m by 60 m by 3 m for search pass 1</li> <li>Maximum search distance of 100 m by 100 m by 10 m for search pass 2</li> <li>75° dip and 030° dip azimuth</li> </ul> </li> <li>No check estimates.</li> <li>Accurate records of historical multi-phase mine production were not available. The resource estimate has accounted for open pit mining voids.</li> <li>The current resource estimate is in reasonable accordance with a maiden Mt Freda resource estimate (ASX announcement on 3<sup>rd</sup> June 2020). Difference between the two estimated are mainly related to: <ul style="list-style-type: none"> <li>Infill drilling since this estimate has confirmed continuity of the Main Lode, increasing the resource tonnage;</li> <li>Bulk density measurements have led to a higher oxide bulk density for lode material (2.7 t/m<sup>3</sup> versus 2.5 t/m<sup>3</sup> previously); and</li> <li>A topographic survey of the dewatered pit confirmed that mining was deeper than assumed in the 2020 resource estimate.</li> </ul> </li> <li>No by products were considered in the resource estimate.</li> <li>No element other than Au was estimated.</li> <li>4m by 2m by 2m parent blocks with sub-blocks down to 1m by 0.25m by 1m sub-blocks were used and are suitable for the majority of the resource where drill hole spacing is typically ≤20m.</li> <li>Not applicable.</li> <li>Not applicable.</li> <li>Hard boundaries were based on the mineralised lode wireframes, with each lode estimated independently.</li> <li>Unfolding was used for the Main Lode to control the spatial correlation of gold grades</li> </ul>

Criteria	JORC Code explanation	Commentary
	<ul style="list-style-type: none"> <li>• Discussion of basis for using or not using grade cutting or capping.</li> <li>• The process of validation, the checking process used, the comparison of model data to drill hole data, and use of reconciliation data if available.</li> </ul>	<p>between drill intercepts.</p> <ul style="list-style-type: none"> <li>• Grade capping was used for Au to reduce the impact of extreme grade sample identified on cumulative probability plots.</li> <li>• Au values were capped at 15 g/t (Main Lode), 6 g/t (NW Lode), or 20 g/t (NE Lode).</li> <li>• The ID2 block model was validated by: (1) visual examination of the estimated block grades against the drill hole assays on plan and in section; (2) comparing composite and block statistics by lode; and (3) swath plots. No material issues were noted.</li> </ul>
Moisture	<ul style="list-style-type: none"> <li>• Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content.</li> </ul>	<ul style="list-style-type: none"> <li>• Resource tonnages are estimated on a dry in situ basis.</li> </ul>
Cut-off parameters	<ul style="list-style-type: none"> <li>• The basis of the adopted cut-off grade(s) or quality parameters applied.</li> </ul>	<ul style="list-style-type: none"> <li>• Reporting cut-off grades of 0.5 g/t gold for open pit and 1.0 g/t gold for underground resources have been assumed and will require confirmation through feasibility work.</li> </ul>
Mining factors or assumptions	<ul style="list-style-type: none"> <li>• Assumptions made regarding possible mining methods, minimum mining dimensions and internal (or, if applicable, external) mining dilution. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential mining methods, but the assumptions made regarding mining methods and parameters when estimating Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the mining assumptions made.</li> </ul>	<ul style="list-style-type: none"> <li>• Mt Freda has previously been selectively mined by underground and open cut mining methods.</li> <li>• Portions of the remaining resources are considered to have sufficient grade and continuity to be considered for both selective open cut and underground mining but will require confirmation through feasibility work.</li> <li>• No mining parameters or modifying factors have been applied to the Mineral Resources.</li> </ul>
Metallurgical factors or assumptions	<ul style="list-style-type: none"> <li>• The basis for assumptions or predictions regarding metallurgical amenability. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential metallurgical methods, but the assumptions regarding metallurgical treatment processes and parameters made when reporting Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the metallurgical assumptions made.</li> </ul>	<ul style="list-style-type: none"> <li>• Vat leaching was employed on a small-scale historically.</li> <li>• Production from 1987 to 1991 via a CIP plant averaged 95% recovery.</li> <li>• Metallurgical test work completed in 2011 indicated 48-hour leach tests for gold producing up to 90% recoveries.</li> <li>• Metallurgical amenability has been demonstrated by historical mining but the treatment process and metallurgical recovery will need to be confirmed through feasibility work</li> </ul>
Environmental factors or assumptions	<ul style="list-style-type: none"> <li>• Assumptions made regarding possible waste and process residue disposal options. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider the potential environmental impacts of the mining and processing operation. While at this stage the determination of potential environmental impacts, particularly for a greenfields project, may not always be well advanced, the</li> </ul>	<ul style="list-style-type: none"> <li>• Mt Freda is a granted Mining License with an EA in place and waste dump capacity available.</li> <li>• Historically, ore processing and tailings storage has been conducted on-site, various third party options are available for offsite ore processing and tailings storage.</li> <li>• Mining has previously taken place at Mt Freda with no significant environmental impediments.</li> </ul>

Criteria	JORC Code explanation	Commentary
	<p><i>status of early consideration of these potential environmental impacts should be reported. Where these aspects have not been considered this should be reported with an explanation of the environmental assumptions made.</i></p>	
<p><i>Bulk density</i></p>	<ul style="list-style-type: none"> <li>• <i>Whether assumed or determined. If assumed, the basis for the assumptions. If determined, the method used, whether wet or dry, the frequency of the measurements, the nature, size and representativeness of the samples.</i></li> <li>• <i>The bulk density for bulk material must have been measured by methods that adequately account for void spaces (vugs, porosity, etc), moisture and differences between rock and alteration zones within the deposit.</i></li> <li>• <i>Discuss assumptions for bulk density estimates used in the evaluation process of the different materials.</i></li> </ul>	<ul style="list-style-type: none"> <li>• Bulk dry density was determined using ALS OA-GRA08 method from 41 fresh samples and 5 oxidized samples, with only 4 located within mineralised lode material.</li> <li>• Ausmex measured dry bulk density for 23 diamond core samples from lode material using the Archimedes water immersion method. Samples were wrapped in plastic to account for vugs and pores. QAQC duplicate measurements were undertaken on 6 samples. Check dry bulk density measurements were also made on the 23 samples from caliper measurements of core diameter and the core weight.</li> <li>• Average density measurements were assigned to the Mt Freda model as follows; Oxide non-lode = 2.5 t/m<sup>3</sup>, Oxide lode = 2.7 t/m<sup>3</sup>, Fresh = 2.7.</li> </ul>
<p><i>Classification</i></p>	<ul style="list-style-type: none"> <li>• <i>The basis for the classification of the Mineral Resources into varying confidence categories.</i></li> <li>• <i>Whether appropriate account has been taken of all relevant factors (ie relative confidence in tonnage/grade estimations, reliability of input data, confidence in continuity of geology and metal values, quality, quantity and distribution of the data).</i></li> <li>• <i>Whether the result appropriately reflects the Competent Person's view of the deposit.</i></li> </ul>	<ul style="list-style-type: none"> <li>• The resources were classified on a block by block basis using estimation outputs. Indicated resource blocks required the closest sample within 15m, an average sample distance &lt;35m, and a minimum of 3 drill holes, with the remaining blocks assigned to Inferred.</li> <li>• The resource classification appropriately reflects the Competent Person's view of the deposit.</li> </ul>
<p><i>Audits or reviews</i></p>	<ul style="list-style-type: none"> <li>• <i>The results of any audits or reviews of Mineral Resource estimates.</i></li> </ul>	<ul style="list-style-type: none"> <li>• The Mt Freda Mineral Resource estimate was undertaken by an independent consultant and has not been audited or reviewed.</li> </ul>
<p><i>Discussion of relative accuracy/ confidence</i></p>	<ul style="list-style-type: none"> <li>• <i>Where appropriate a statement of the relative accuracy and confidence level in the Mineral Resource estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the resource within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors that could affect the relative accuracy and confidence of the estimate.</i></li> <li>• <i>The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used.</i></li> <li>• <i>These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.</i></li> </ul>	<ul style="list-style-type: none"> <li>• The relative accuracy of the Mineral Resource estimate is reflected in the reporting of the Mineral Resource as per the guidelines of the 2012 JORC Code.</li> <li>• Statistical and geostatistical methods to quantify the relative accuracy of the resource have not been undertaken.</li> <li>• Lode geometry and grade can vary significantly over short distances, but continuity of mineralisation and grade is supported by close-spaced drilling in areas classified as Indicated.</li> <li>• Drill hole data was collected and analysed using prevailing industry practices but a small amount of drilling pre-dates 1990. This was considered in the Mineral Resource classification.</li> <li>• A plumb-bob was used to measure the depth of the water that was present in some areas of the pit, which may not have accounted for the entire sludge profile.</li> <li>• There is a small possibility of the resource including minor amounts of undocumented underground voids from historical mining, however, post mining drilling did not</li> </ul>

Criteria	JORC Code explanation	Commentary
		<p>intersect any underground voids.</p> <ul style="list-style-type: none"> <li>• The resource statement relates to the global resource estimate</li> <li>• The grade cut-offs and depth of potential open pit material used to determine the Mineral Resource were assumed and require confirmation through feasibility work.</li> <li>• The deposit is not currently being mined, but the resource estimate has a lower average grade than production records for the same mineralisation zone that was mined at higher elevations from 1987 to 1991.</li> </ul>