

4th May 2020

Market Release

Ausmex forms Strategic Alliance to acquire Cloncurry Gold Ore Processing facilities

- **Ausmex is focused on bringing its lead asset, the Mt Freda Gold Complex in Queensland, into production in 2020.**
- **In support of this focus the Company has executed a Non-Binding HoA “Strategic Alliance” with Activex Limited (ASX:AIV) to identify and acquire Gold Ore Processing Facilities in Cloncurry, QLD.**
- **Activex are explorers with a suite of prospective gold and copper projects with QLD, including several projects within close proximity to Cloncurry.**
- **The Strategic Alliance with Activex provides the opportunity for both Companies to share their in-house expertise and potentially acquire Gold Ore processing facilities to partner in long term gold production.**



Figure 1. Gold Pour 1992, Mt Freda Open Cut gold mine, Cloncurry QLD.

The Strategic Alliance terms are as follows:

- Ausmex and Activex have formed a strategic alliance to identify, review, consider and acquire suitable gold processing facilities within the Cloncurry region.
- Any partnership or other joint venture to be entered into as a result of the strategic alliance will be formed with Ausmex having a 75% interest and Activex having a 25% interest.
- On a satisfactory outcome under the strategic alliance, the parties intend to enter into a joint venture (Ausmex: 75%, Activex: 25%) for any potential acquisition or transaction of the Plant.
- The parties agree to work together cooperatively for the purposes of this strategic alliance on the terms of this heads of agreement.
- The Current term is four months yet can be mutually extended.

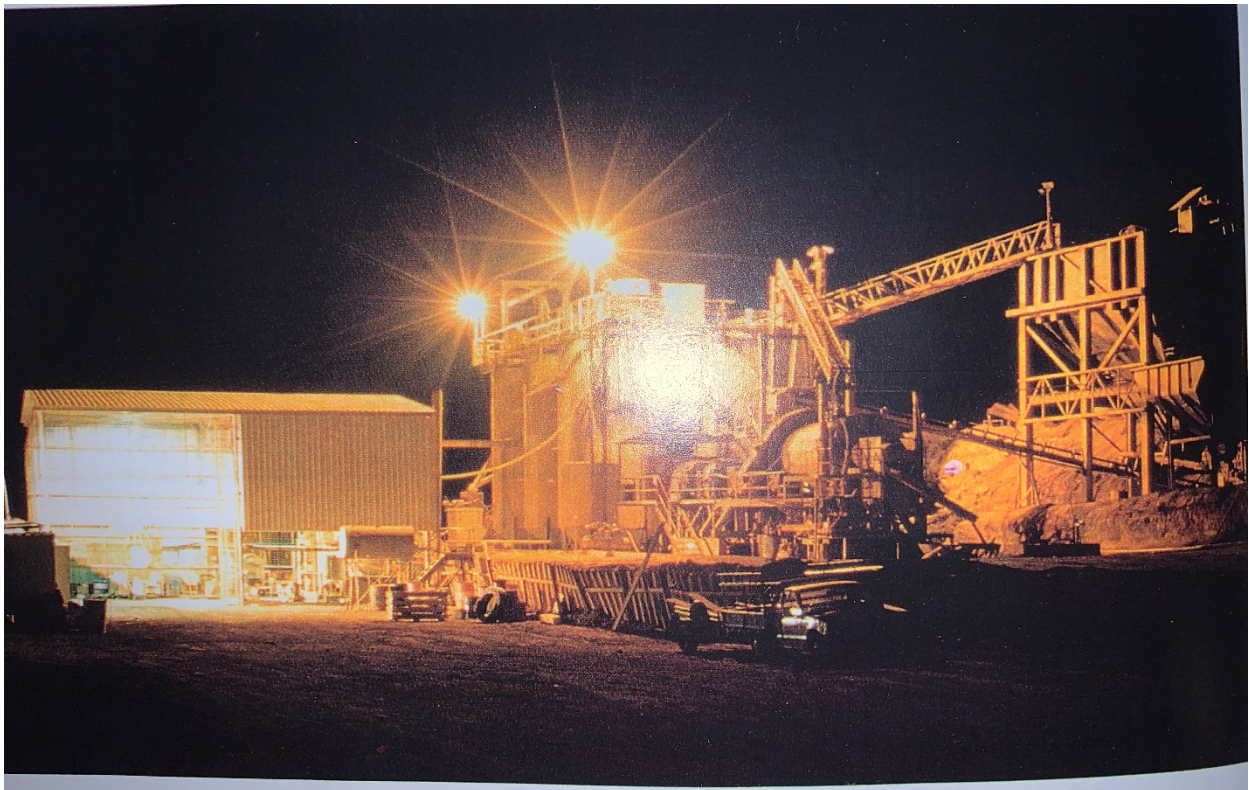


Figure 2. Previous operations at the Mt Freda Open Cut gold mine, 1992 Cloncurry QLD.
(Mt Freda Gold Mine previously produced ~120,000 Oz Gold averaging 4 g/t Au from 1988-1992)

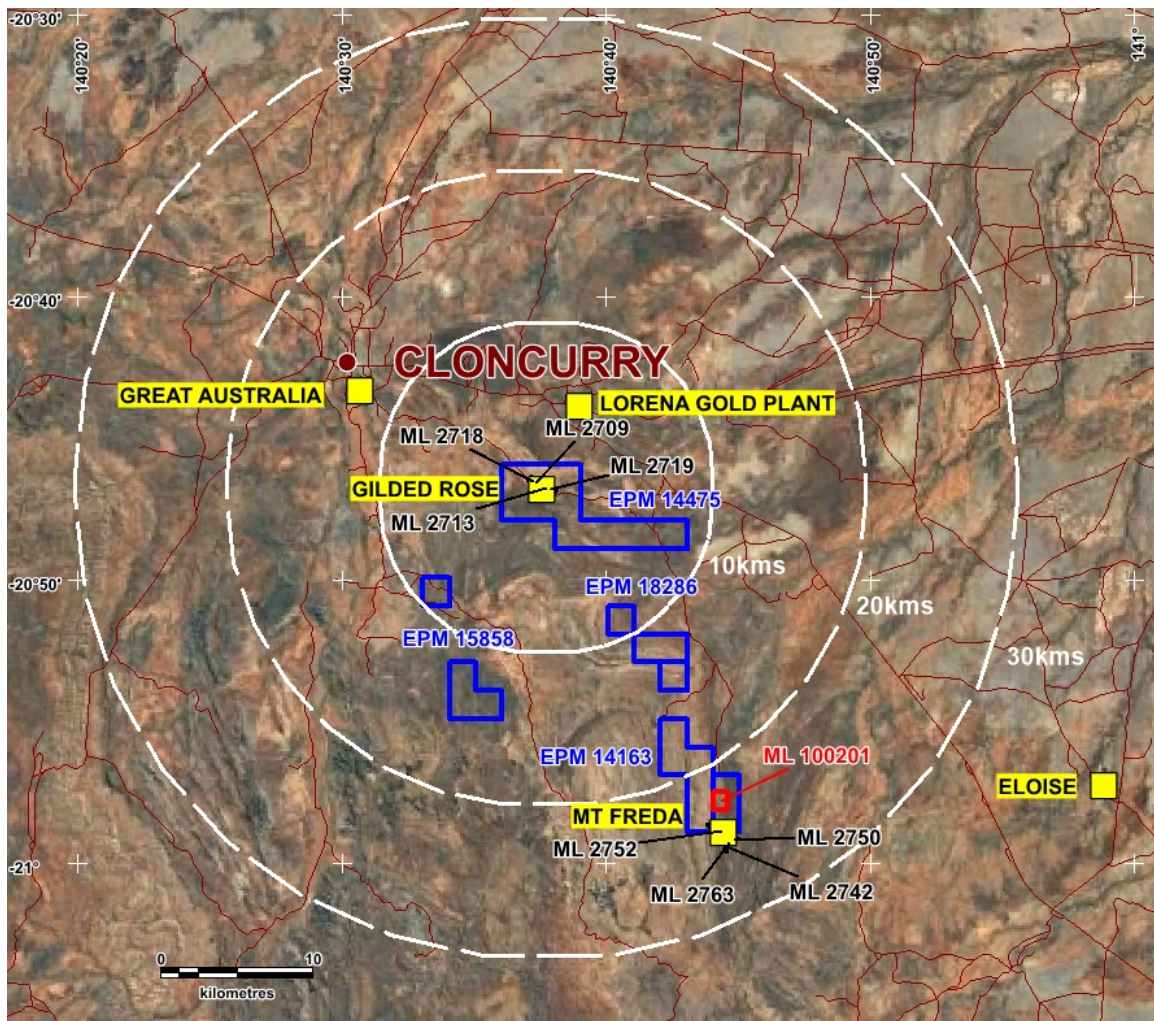


Figure 3. Ausmex Cloncurry Gold tenement location plan, indicating the close proximity of both Mt Freda ML2752 and the Golden Mile ML100201 projects, as well as the Gilded Rose Gold Mine to two, third party Gold CIP processing facilities at Lorena and the Great Australia Mine, with a combined capacity of ~1 Mtpa.

Ausmex Developing a Cloncurry Mining Hub at the Mt Freda Complex

Currently the Company holds twelve (12) granted Mining Leases within the Cloncurry region with nine (9) of these Mining Leases with a combined area of over 200 Ha, all within hauling distance to third party ore processing facilities, as indicated in Figure 3 above. (Refer Table 1 below for tenement details).

Mt Freda open cut was previously operated by Diversified Mineral Resources from 1987-1991 producing approximately 30,000 Oz of gold per annum at an average grade of 4 g/t Au. Previous mining reports indicate recoveries of greater than 95% gold via CIP processing. Mining ceased in 1991 following the fall in gold price to historic lows below USD\$300 per Oz. The current Mining Lease ML 2752 is 116 Ha and granted until 2028. (Refer ASX release 28th August 2019).

The combination of the Golden Mile ML100201 application and the current Mt Freda Mining Leases provides the potential for the Company in the short term to schedule development of a multi pit, mining hub facility within hauling distance of Cloncurry CIP processing facilities.

The Strategic Alliance partnership with Activex provides the opportunity for both parties to potentially acquire Gold Ore processing facilities and partnering in long term gold production.

Tenement	Project Name	Holder	Ausmex Beneficial Interest (%)	Grant Date	Expiry Date	Area (ha)	Status
ML 2517	Answer	Ausmex Mining Group Limited	100	01/12/1973	30/11/2025	8.09	Granted
ML 2541	Belgium	Ausmex Mining Group Limited	100	01/02/1974	31/01/2021	4.05	Granted
ML 2549	The Trump	Ausmex Mining Group Limited	100	01/02/1974	31/01/2021	12.14	Granted
ML 2709	Gilded Rose	Spinifex Mines Pty Ltd	80	21/01/1982	31/01/2024	2.03	Granted
ML 2713	Gilded Rose Extd East	Spinifex Mines Pty Ltd	80	21/01/1982	31/01/2024	18.21	Granted
ML 2718	Gilded Rose Extd West	Spinifex Mines Pty Ltd	80	20/09/1984	30/09/2026	14.17	Granted
ML 2719	Gilt Edge Extd East 1	Spinifex Mines Pty Ltd	80	29/03/1984	31/03/2026	32.00	Granted
ML 2741	Mt Freda	Spinifex Mines Pty Ltd	80	29/05/1986	31/05/2028	3.80	Granted
ML 2742	Evening Star	Spinifex Mines Pty Ltd	80	29/05/1986	31/05/2028	8.09	Granted
ML 2750	Evening Star North Extd	Spinifex Mines Pty Ltd	80	26/01/1989	31/01/2028	5.14	Granted
ML 2752	Mt Freda Extd	Spinifex Mines Pty Ltd	80	23/02/1989	29/02/2028	116.48	Granted
ML 2763	Evening Star North	Spinifex Mines Pty Ltd	80	08/06/1989	30/06/2028	8.00	Granted
ML 100201	Golden Mile	Ausmex Resources Pty Ltd	80			225.4	Application

Table 1. Ausmex Mining Lease tenement schedule

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 base

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.

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