

27 October 2017

ASX ANNOUNCEMENT

EXPLORATION UPDATE

- **CULTURAL HERITAGE CLEARANCE OF EPM 14163 NOW COMPLETED FACILITATING IMMEDIATE ACCESS TO COBALT, COPPER AND GOLD DRILL READY TARGETS**
- **DRILL READY COBALT PROSPECT INCLUDES ~1.6KM LONG COBALT BEARING MANGANESE AND MAGNETITE IRON OUTCROP UP TO 4M HIGH AND 3M WIDE, HISTORICALLY IDENTIFIED BY QLD GEOLOGICAL GOVERNMENT JOURNAL AS A “COBALT BEARING LODGE”**
- **DRILL READY COPPER AND GOLD TARGETS INCLUDE:**
 - **TARGET 1 – 1,000M LONG NORTH -SOUTH COPPER AND GOLD ZONE WITH PREVIOUS ROCK CHIPS RETURNING UP TO 23.4G/T¹ Au AND 11.6% Cu¹**
 - **TARGET 2 – 700M LONG EAST-WEST GOLD MINERALISATION ZONE WITH PREVIOUS ROCK CHIPS RETURNING UP TO UPTO 79.8G/T¹ Au**

¹(refer ASX announcement 7th August 2017)

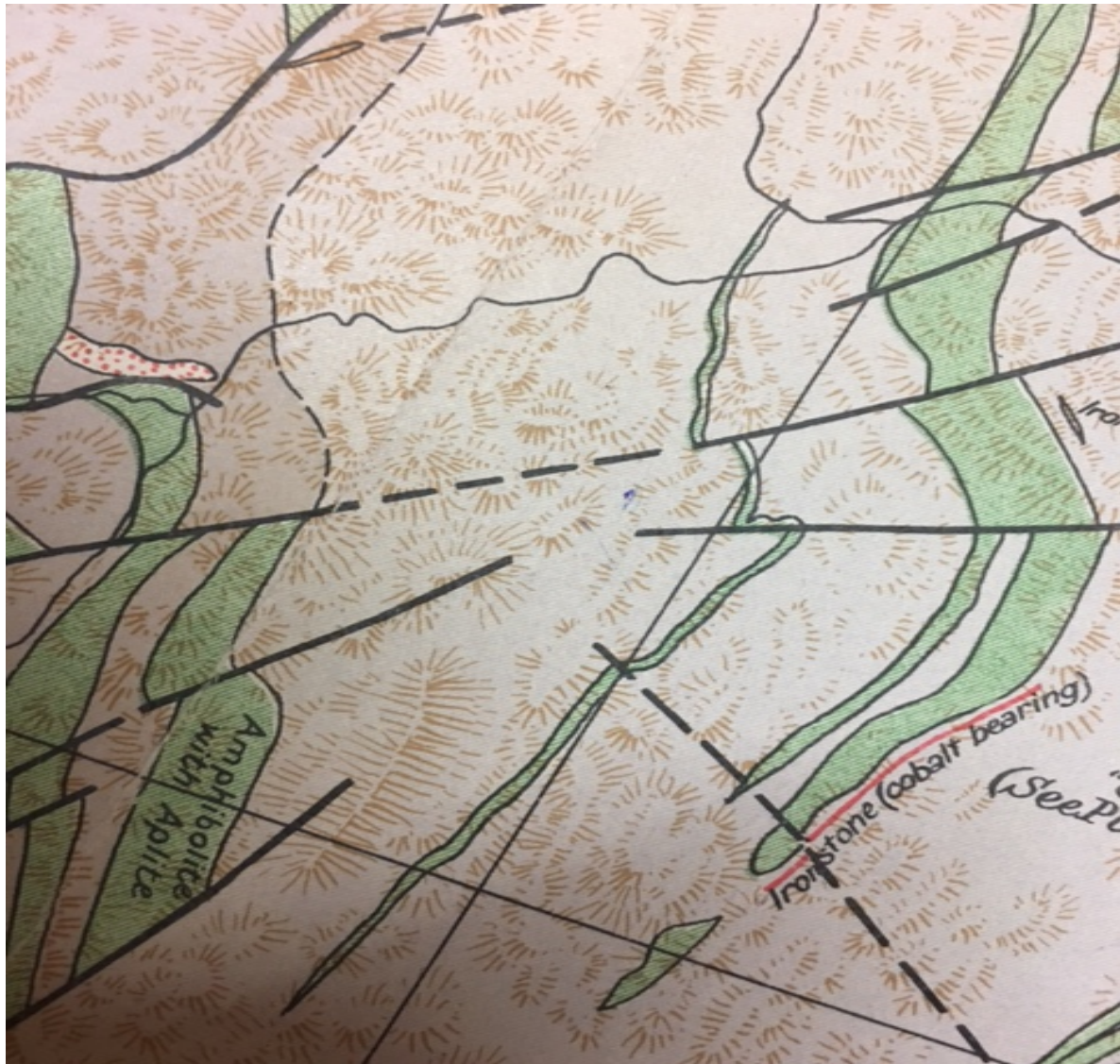


Figure 1: Extract from Queensland Government Geological and Geophysical Report

'Qld Government Geological Report 1939. A report in the Queensland Government Geological and Geophysical Journal within the Cloncurry mineral field a prospect, described as (Ironstone Cobalt bearing) **(See Figure 1)**

The prospect is reported as a "1 mile (1.6klms) long outcrop up to 10ft wide and 12ft high." The Report also describes it as an "iron lode containing crusts and veinlets of erythrite (Cobalt Bloom, weathered Cobalt) and strikes approximately north and south and dips almost vertically". 'The name of the outcrop is Cobalt Ridge.

Following the discovery of the Government Report and investigations by Ausmex, it appears that no exploration on the Cobalt has been carried out in the last 78 years. The 1.6km long outcrop is entirely within the boundaries of Ausmex's EPM 14163.

The company has previously carried out low impact exploration with rock chip sampling, waiting for the cultural heritage clearing to allow follow up drilling. A drilling program to investigate this outcrop and numerous other high-grade targets within EPM 14163 can now begin immediately as the cultural heritage clearance is fully completed. Previously reported rock chip assays included grades of up to 79.8 g/t Au and 11.6% Cu have been produced within several targets as shown in Figure 2 & Figure 3 below (Refer previous ASX announcement 07/08/2017 for Assay results).

The Company will now commence an aggressive drilling program within EPM14163. Over 200 holes have been planned using RC, Diamond and Air track drills over the next 6 months. The 1st phase will commence on the 1,000m long copper/gold prospect, (Fig3) the 700m long gold prospect (Figure 2) and the Cobalt Ridge prospect. (Figure 1)

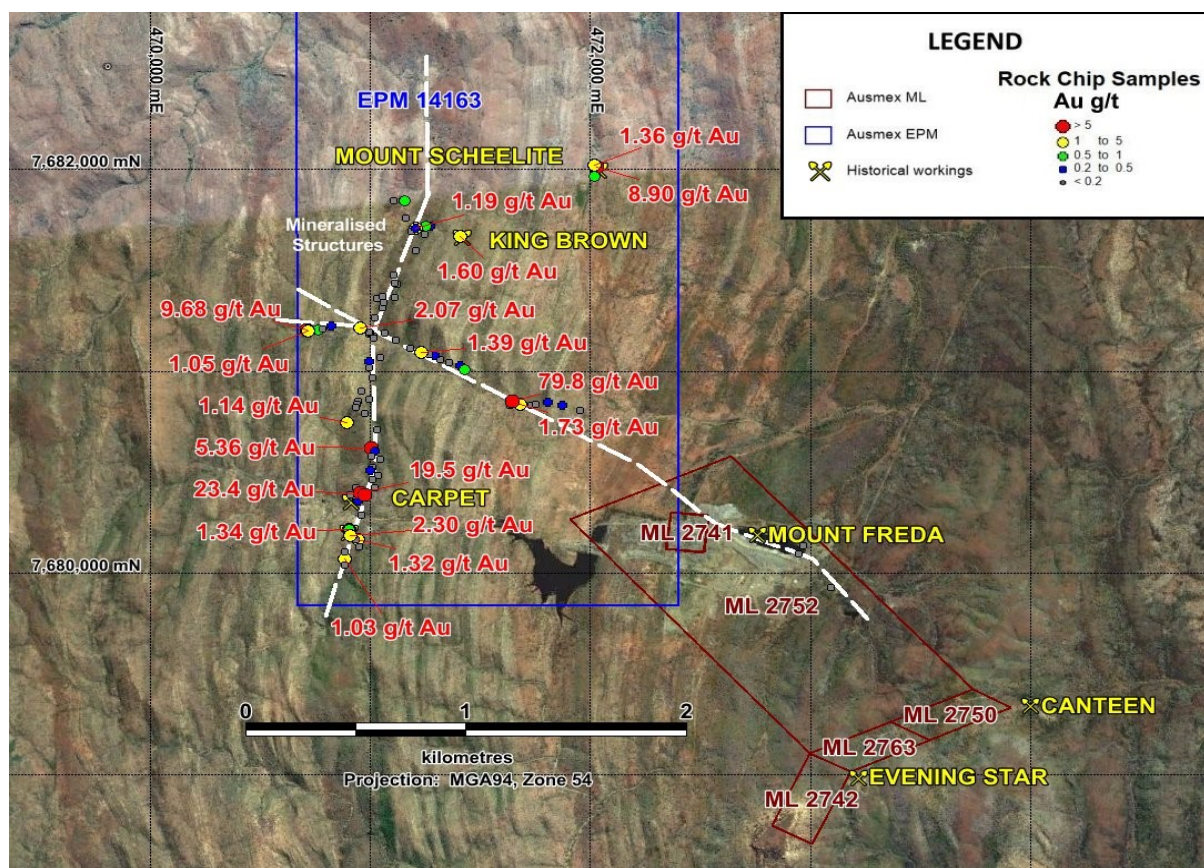


Figure 2: Drilling to commence along a 700m E/W zone of mineralization

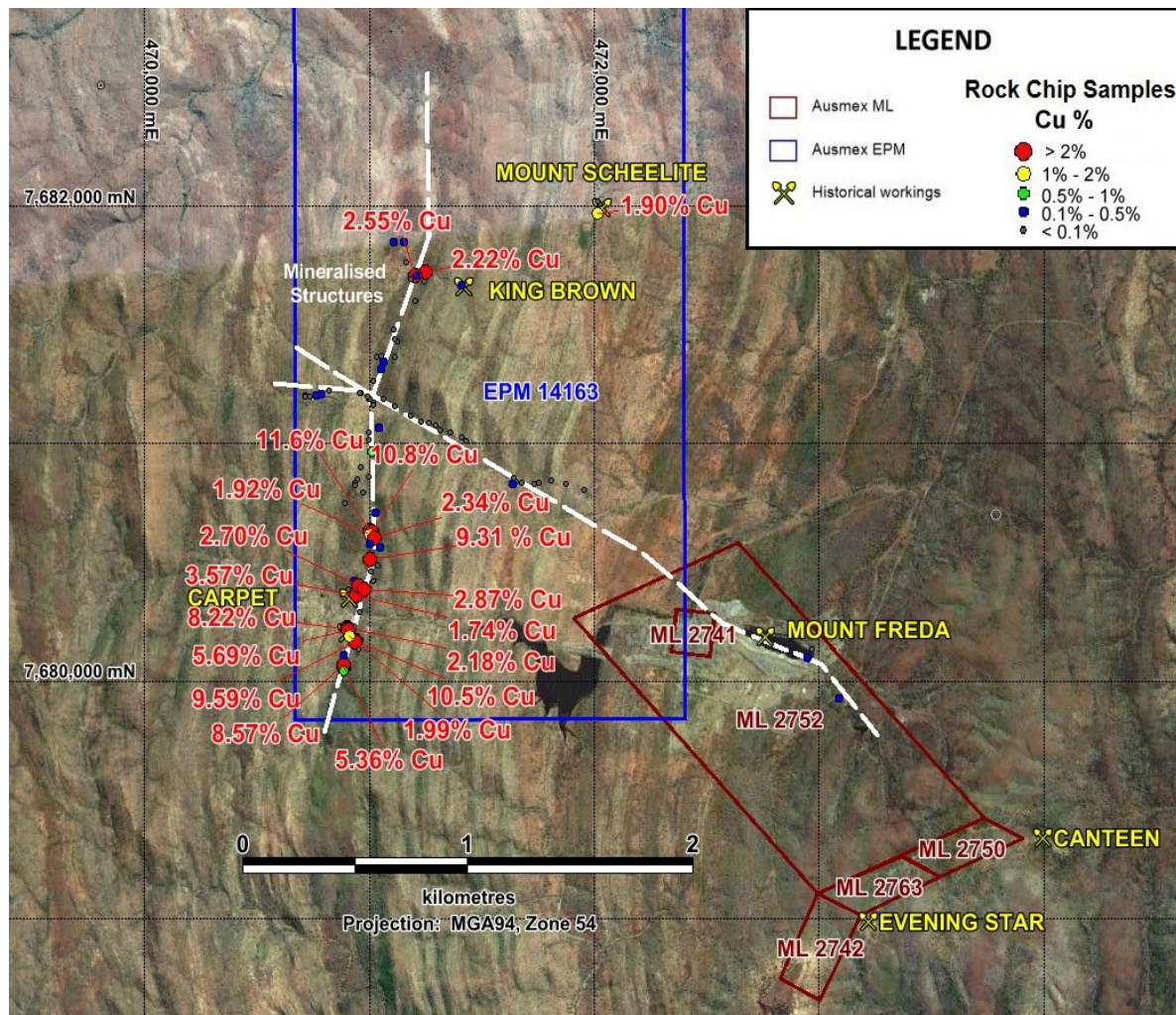


Figure 3: Drilling to commence along a 1,000m N/S zone of gold/copper mineralization discovered during low impact exploration

The drilling will concentrate initially where mineral grades of up to 11.60% Cu, 8.22% Cu, 9.59% Cu and 10.8% Cu from rock chip samples from the outcrops shown in Fig 3). The prospect containing the high copper grades is part of a historical high-grade copper mine known as "The Carpet". There are 7 known and documented historical copper/gold mines located within EPM 14163. A second zone of high grade of gold mineralisation from rock chips was also identified during the low impact exploration phase. A 700m E/W zone of mineralization with gold grades up to 79.8g/t Au and 9.68g/t Au was discovered from protruding quartz outcrops along the 700m long zone, refer Figs 4,5,6,7 below:



Figure 4: Sample WW 98: 1.05g/t Au



Figure 5: Sample WW 97: 9.68g/t Au



Figure 6: Sample WW 101: 79.8g/t Au



Figure 7: Sample WW 102: 0.45g/t Au

Photos displaying the above ground outcropping quartz breccia along the +700m E/W strike length of the historical King Brown Gold/Coper mine. (Refer previous ASX announcement 07/08/2017 for results).

EPM 14163 (~ 14sq km), is just one of the 5 EPM's controlled by Ausmex in the southern Cloncurry region. Exploration results to date appear to support the opinion that the tenements held by the Company contain highly mineralized, multiple known historically worked prospects and mines, as well as the two new mineralized gold systems. There has been limited exploration completed over the tenements in the last three decades. Drill pads are currently being constructed for approx. 200 holes planned over the next 2 quarters using RC, Diamond Core and Air track drilling.

Current Drilling

The Company currently has 2 x Reverse Circulation and 2 Diamond Core rigs, 1x Air track drill, currently drilling at Gilded Rose and Mt Freda stand-alone Gold Projects Drilling is also scheduled to commence within several days on the high-grade copper Mining Leases, the Trump (ML 2549), the Belgium (ML2541), & the Answer (ML2517).

Managing Director Matt Morgan stated:

"The Company has quickly established itself in Cloncurry with ready to go infrastructure whilst rapidly building a competent and experienced team of 7 Geologists. Both RC and diamond core drill rigs are currently drilling at the Gilded Rose Gold and the Mt Freda mine sites, aiming to shortly complete the first phase of drilling targeting JORC compliant Gold Resources for both projects.

We are very excited now that the Cultural Heritage Clearance is completed over EPM 14163 where we have discovered multiple drill ready prospective Cobalt/Gold/Copper mineralisation. We are also commencing drilling in the next few days on 3 more of our Mining Leases (ML's), the Trump, the Answer and the Belgium. All three were high grade producing historical Copper prospects, being 100% owned by AMG. We anticipate exciting results.

Although the Company under the banner of ASX: AGM has only been in operation for ~4 months we have achieved major milestones already with our aggressive style of cost effective exploration.

The Company is awaiting approvals for an ~ 200,000 tonne VAT Leach processing plant at the Mt Freda mine site, with the potential to commence production in the second quarter of 2018. With the potential for early gold VAT Leach production and cash flow, combined with continued exploration results and resource definition within the projects, AMG shareholders should look forward to a strong performance over the coming months"

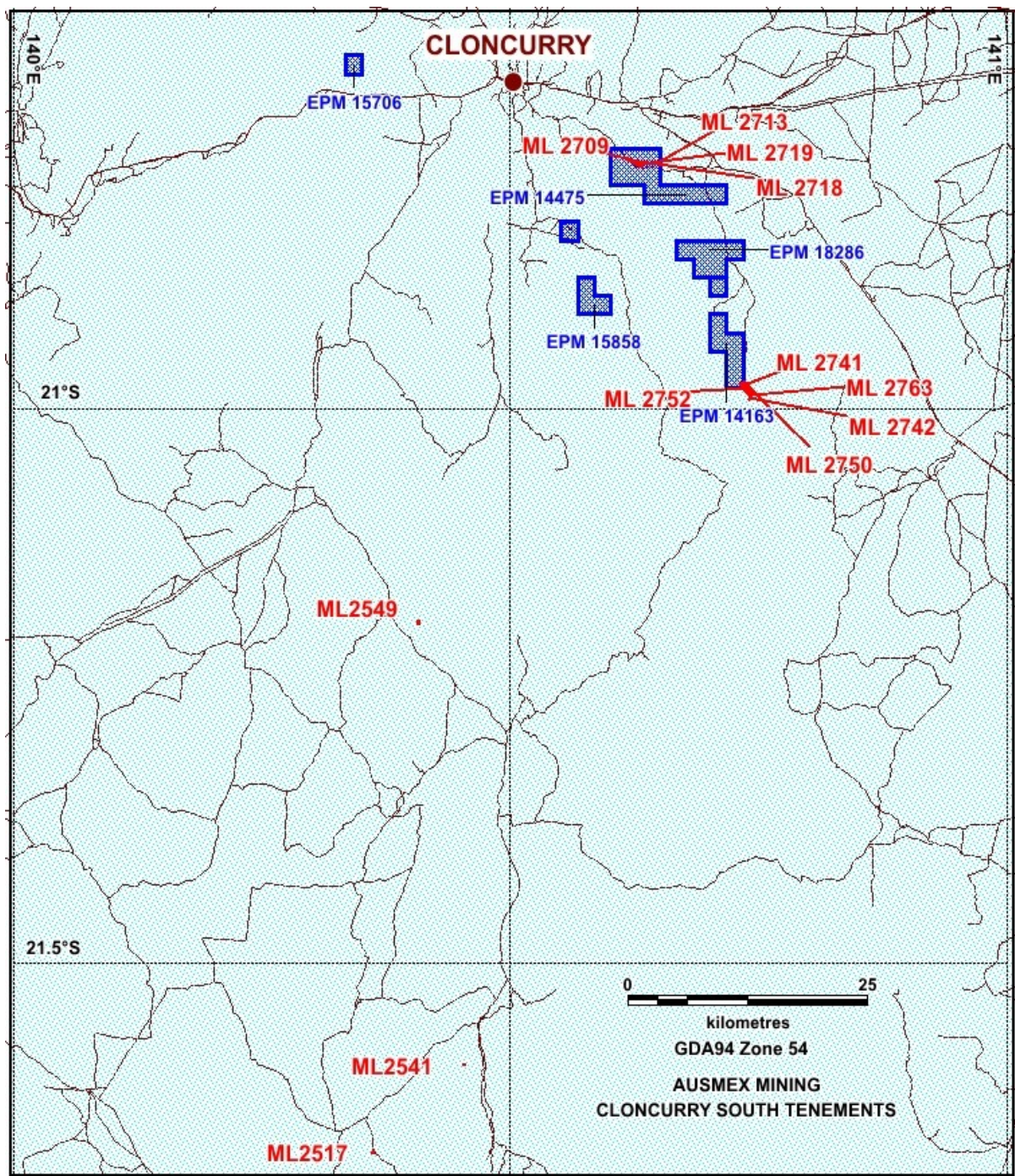


Figure 8. Ausmex current tenement location plan

Ends.

For further information, please contact:

Matt Morgan

Managing Director

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 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	<ul style="list-style-type: none">Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.	<ul style="list-style-type: none">Random Rock chip samples taken by G pickSamples were ~2-3kg in weightSamples were selected from outcropping mineralisation within

Criteria	JORC Code explanation	Commentary
	<ul style="list-style-type: none"> • <i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</i> • <i>Aspects of the determination of mineralisation that are Material to the Public Report.</i> • <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 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.</i> 	EPM 14163
<i>Drilling techniques</i>	<ul style="list-style-type: none"> • <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 type, whether core is oriented and if so, by what method, etc).</i> 	<ul style="list-style-type: none"> • No drilling, logging or sampling was conducted as part of this release.
<i>Drill sample recovery</i>	<ul style="list-style-type: none"> • <i>Method of recording and assessing core and chip sample recoveries and results assessed.</i> • <i>Measures taken to maximise sample recovery and ensure representative nature of the samples.</i> • <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> 	<ul style="list-style-type: none"> • No drilling, logging or sampling was conducted as part of this release
<i>Logging</i>	<ul style="list-style-type: none"> • <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> • <i>Whether logging is qualitative or quantitative in nature. Core (or costean,</i> 	<ul style="list-style-type: none"> • No drilling, logging or sampling was conducted as part of this release

Criteria	JORC Code explanation	Commentary
	<p>channel, etc) photography.</p> <ul style="list-style-type: none"> The total length and percentage of the relevant intersections logged. 	
Sub-sampling techniques and sample preparation	<ul style="list-style-type: none"> If core, whether cut or sawn and whether quarter, half or all core taken. If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry. For all sample types, the nature, quality and appropriateness of the sample preparation technique. Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples. Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling. Whether sample sizes are appropriate to the grain size of the material being sampled. 	<ul style="list-style-type: none"> No drilling, logging or sampling was conducted as part of this release
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total. For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc. Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established. 	<ul style="list-style-type: none"> Industry standard Fire assays for Au were completed by SGS laboratories for Gold and ICP analysis for copper Repeat and checks were conducted by SGS laboratories whilst completing the analysis
Verification of sampling and assaying	<ul style="list-style-type: none"> The verification of significant intersections by either independent or alternative company personnel. The use of twinned holes. Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) 	<ul style="list-style-type: none"> No drilling, logging or sampling was conducted as part of this release No assays were adjusted

Criteria	JORC Code explanation	Commentary
	<ul style="list-style-type: none"> <i>protocols.</i> <i>Discuss any adjustment to assay data.</i> 	
<i>Location of data points</i>	<ul style="list-style-type: none"> <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> <i>Specification of the grid system used.</i> <i>Quality and adequacy of topographic control.</i> 	<ul style="list-style-type: none"> Rock Chip sample locations were collected from within EPM14163. The sample location was recorded by Hand Held GPS (accuracy +/- 5) and recorded in MGA94, Zone 54 datum
<i>Data spacing and distribution</i>	<ul style="list-style-type: none"> <i>Data spacing for reporting of Exploration Results.</i> <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> <i>Whether sample compositing has been applied.</i> 	<ul style="list-style-type: none"> Rock chip samples were taken randomly along the strike of the mineralisation. Data spacing and distribution is NOT sufficient for Mineral Resource estimation No sample compositing has been applied.
<i>Orientation of data in relation to geological structure</i>	<ul style="list-style-type: none"> <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> <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> 	<ul style="list-style-type: none"> The orientation of samples is not likely to bias the assay results.
<i>Sample security</i>	<ul style="list-style-type: none"> <i>The measures taken to ensure sample security.</i> 	<ul style="list-style-type: none"> Samples were taken to Cloncurry by company personnel and despatched by courier to the SGS Laboratory in Townsville
<i>Audits or reviews</i>	<ul style="list-style-type: none"> <i>The results of any audits or reviews of sampling techniques and data.</i> 	<ul style="list-style-type: none"> 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
<i>Mineral tenement and land tenure status</i>	<ul style="list-style-type: none"> <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> <i>The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.</i> 	<ul style="list-style-type: none"> 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. 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.
<i>Exploration done by other parties</i>	<ul style="list-style-type: none"> <i>Acknowledgment and appraisal of exploration by other parties.</i> 	<ul style="list-style-type: none"> All exploration programs conducted by Ausmex Mining Group Limited
<i>Geology</i>	<ul style="list-style-type: none"> <i>Deposit type, geological setting and style of mineralisation.</i> 	<ul style="list-style-type: none"> ML2718, ML2709, ML2713, ML2719 hosts the Gilded Rose shear hosted quartz reef. There are several gold 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

Criteria	JORC Code explanation	Commentary
		<ul style="list-style-type: none"> EPM14163 & EPM 15858 contain There are several gold mineralised hydrothermal quartz reefs within the deposit containing Au, Cu, & Co
<i>Drill hole Information</i>	<ul style="list-style-type: none"> <i>A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:</i> <ul style="list-style-type: none"> <i>easting and northing of the drill hole collar</i> <i>elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</i> <i>dip and azimuth of the hole</i> <i>down hole length and interception depth</i> <i>hole length.</i> <i>If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.</i> 	<ul style="list-style-type: none"> No drilling, logging or sampling was conducted as part of this release.
<i>Data aggregation methods</i>	<ul style="list-style-type: none"> <i>In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.</i> <i>Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.</i> <i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i> 	<ul style="list-style-type: none"> No drilling, logging or sampling was conducted as part of this release No material information is excluded. No intersections have been reported as part of this release. All sample locations and fire assay Au results have been displayed in the previous reported ASX announcement on 7th August 2017.

Criteria	JORC Code explanation	Commentary
<i>Relationship between mineralisation widths and intercept lengths</i>	<ul style="list-style-type: none"> • <i>These relationships are particularly important in the reporting of Exploration Results.</i> • <i>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</i> • <i>If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').</i> 	<ul style="list-style-type: none"> • No drilling, logging or sampling was conducted as part of this release • No material information is excluded. • No intersections have been reported as part of this release.
<i>Diagrams</i>	<ul style="list-style-type: none"> • <i>Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.</i> 	<ul style="list-style-type: none"> • Maps showing the location of the EPMs and MLs are presented in the announcement, results and maps were also previously reported to ASX, refer announcement 7th August 2017.
<i>Balanced reporting</i>	<ul style="list-style-type: none"> • <i>Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.</i> 	<ul style="list-style-type: none"> • All comprehensive assay results were previously reported to ASX, refer announcement 7th August 2017.
<i>Other substantive exploration data</i>	<ul style="list-style-type: none"> • <i>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.</i> 	<ul style="list-style-type: none"> • There is mention of historic mining for high grade gold and copper •
<i>Further work</i>	<ul style="list-style-type: none"> • <i>The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).</i> • <i>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations</i> 	<ul style="list-style-type: none"> • Additional mapping, costeans, geophysical surveys, RAB, RC, and Core drilling

Criteria	JORC Code explanation	Commentary
	<i>and future drilling areas, provided this information is not commercially sensitive.</i>	