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30th October 2020

ASX MARKET RELEASE

ACTIVITY REPORT SEPTEMBER QUARTER 2020

ACTIVITY HIGHLIGHTS CLONCURRY QLD

- Mt Freda Gold Mine Resource Estimate upgrade infill drilling.
- Bulk dewatering of the historical Mt Freda pit.
- Drilling program at the Trump Cu/Au Prospect.



Figure 1: *Upgrade Resource drilling on the decline in the Mt Freda pit.*

EXPLORATION HIGHLIGHTS BURRA SA

- The detailed closed spaced gridded magnetotelluric (MT) survey and the 3D modelling over the southern portion of the historically producing Princess Royal Copper mine completed. Drilling expected to commence within the next 6 weeks, when drill available.

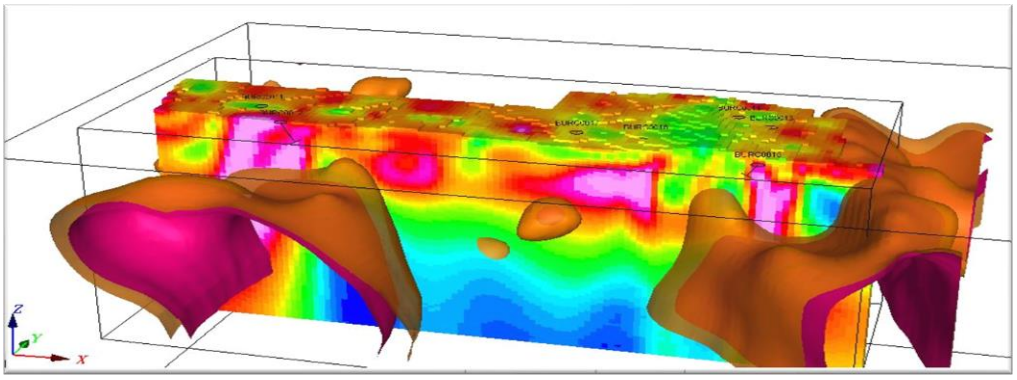


Figure 2: *3D model view of MT 3D voxel and Mag MVI isosurfaces.*

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INTRODUCTION

Ausmex Mining Group Limited ("Ausmex" or "the Company") Directors welcome shareholders to our September 2020 Quarterly Report.

Mt Freda Gold Mine, Cloncurry QLD

The Company continues the massive dewatering program of the historical open cut with over 150,000,000 liters removed and consequently exposing the lower declines which are currently the subject of upgrade resource drilling (*ASX: AMG 11TH Aug 2020*). On completion of the bulk dewatering operations, the company will commence the next stage as we move to mining, by preparing the construction of an access ramp to the bottom of the pit. The access development will allow machines to remove the rock waste from wall slippage and the silt from the open pit. It will also allow access into the pit, by the geotechnical crew to investigate the rock stability, and to take samples for geotechnical analysis.

Previous mining of the Mt Freda orebody by DMR in late 1980's, recorded a head grade of over 5g/t Au before dilution and recovered 4.2g/t Au Gold via processing in the CIP plant. An historical report by Wardley James Capel (WJC) in 1989[1] completed a mineral resource calculation and confirmed, the grade within the resource calculations, mirrored the DMR results. A copy of the report can be accessed on Kitcogold.com. Although the WJC report is not JORC 2012 compliant, the Company considers the report as "high value" considering its contents, including detailed resource calculations and the geological and geotechnical data. The resource calculations by Wardley James Capel included all 46 of the drill holes completed by DMR. The Company remains confident with the data from the historical and detailed report and considers it more than appropriate for the planning and engineering aspects of mining operations at Mt Freda. The Company had considered mining by vertical shaft but has since reappraised that method, after consultations with underground mining engineering groups. Cost and engineering studies for the decline method of mining are already underway (*ASX: AMG 27th October 2020*).

Princess Royal Copper Project (Burra SA) Ausmex Mining Group 100%

With the detailed MT survey complete at the historically producing Princess Royal Copper mine the engagement of contract drillers is taking place to do the follow up drilling of pre-collar reverse circulation holes completed in February 2020 (*ASX: AMG 5th October 2020*).

The Princess Royal Prospect is 100% owned by Ausmex and as a project encompasses, several historic copper-gold workings over a strike length of approximately 2km. Princess Royal is located approximately 10km south east of Burra township and was discovered in 1845 shortly before the discovery of the historical Burra Monster Mine a short distance away. PNX Metals defined a small shallow Inferred Mineral Resource estimate of 216,586t @ 0.96% copper in 2011 – JORC 2004 (*ASX: PNX 9th October 2012*) which is 100% owned by Ausmex (*ASX: AMG 28th April 2020*). The Ausmex Burra tenements are in the G2 Corridor which also hosts the BHP Olympic Dam, OZ Minerals Carrapateena and Prominent Hill Copper/Gold operations.

Footnote 1 – Wardley Australia Limited 27th June 1989 – Mt Freda Mine & Associated Leases. MEW/89044

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Mt Freda Resource Upgrade Drilling

The Company recently completed a JORC2012 mineral resource estimation *(ASX: AMG 3rd June 2020*), unfortunately, with limited drilling information were unable to, (due to JORC 2012 compliance), include the historical drilling data from the late 1980's. The current, resource upgrade drilling program, is to rectify this event. The Company's upgrade drilling is focusing on the "gap infill drilling", as recommended by the current resource geological consultants. The Company and its geological consultants believe that the inclusion of the data from the current "infill drilling program", is expected to significantly upgrade the recent mineral resource estimations of Gold grade and tonnage.

With the upgrade drilling already underway (*ASX: AMG 11th August 2020*), 4 of the 8 infill drill holes are completed with the 5th in progress. If the current drilling or assay information is uninterrupted, we are advised the new resource update is to be expected by the end of November. The expected date for the upgrade was extended from the end of October, due to rig availability and independent laboratory staff shortage. Additional holes may be necessary, dependent, upon the assay results from the current drilling program, but at this stage extended drilling is unlikely.

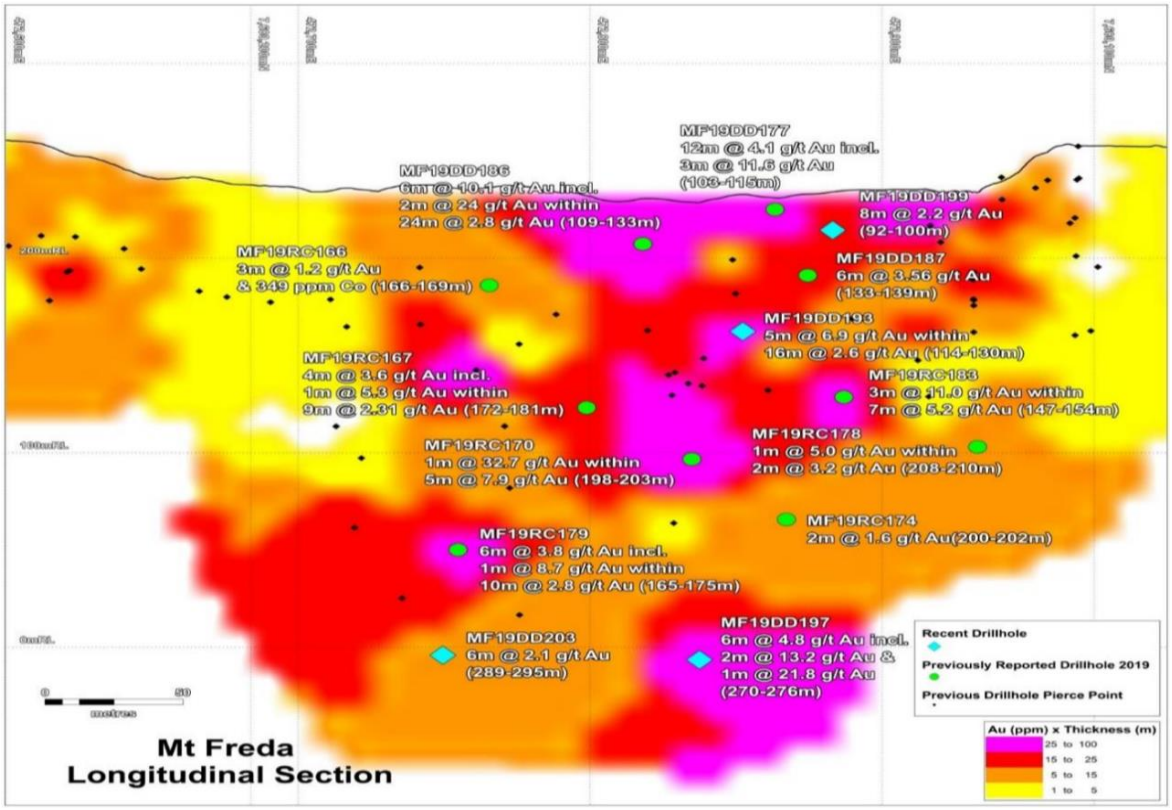


Figure 3: *Mt Freda Open Cut Long Section with drill hole results highlighting the high-grade gold up to 24g/t under the current pit floor, increasing up to 32.7 g/t Au at depth.*

Dewatering of Mt Freda Open Cut - update

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Dewatering of the open cut is well underway with 3 x diesel 6" x 4" water pumps removing the water in the pit. In addition to the 3 above ground pumps, a 3-stage high volume submersible pump was added. The 12" historical 260m deep dewatering bore is still operational and will reduce the water table to 250m i.e.: 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 is 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.

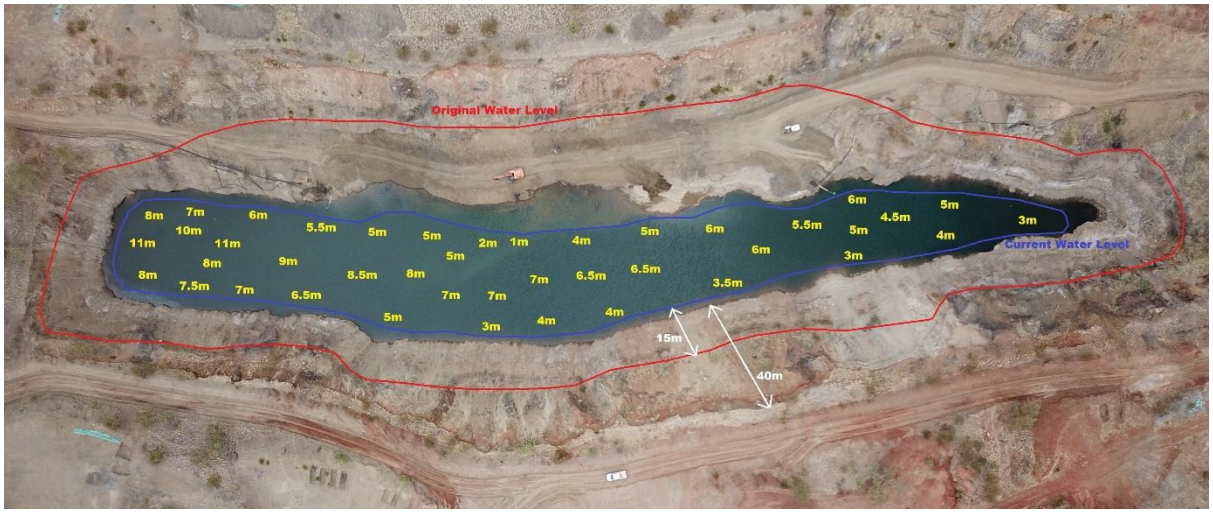


Figure 4: *Pit dewatering continues.*

Drilling of the Trump Prospect

The multiple hole drilling program (*ASX: AMG 2nd September 2020*) at the Trump has commenced with the first hole intersecting 10 meters of mineralisation and is awaiting completion of detailed geological logging, interpretation and assaying.

Previously hole TR18RC07 was drilled unknowingly down dip but recorded continuous mineralization from the surface to the end of the hole at 153m (*ASX: AMG 28th Aug 2018*). Gold grades included 6m @ 32.90g/t Au with one meter containing 5.5 ounces per tonne (172g/t Au). Five exploration holes were drilled, and all holes intersected Cu, Co and or Cu & Au mineralization. The current drilling is also designed to determine the true dip of the Trump orebody that strikes E/W. It was assumed by the study of the outcrops and historical shafts, that the orebody was vertical or a slight dip to the North. The diamond core drilling, unlike the RC drilling will provide lithology and may explain, if the 6m of high-grade Gold is a separate unit (due to the extremely high Gold content). It will also confirm and test the width of Trump orebody. The Trump Mining Lease contains multiple outcrops, identical rock types to the original Trump historical workings. Only the central Trump orebody that contains the historical Trump workings has been drilled to date.

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SEPTEMBER QUARTER ACHIEVEMENTS BURRA, SA

With the completion of the close spaced MT survey and 3D modelling over the southern portion of the historically producing Princess Royal Copper Mine (*ASX: AMG 5th October 2020*) we are now engaging the services of contract drillers to follow up drilling of pre-collar reverse circulation holes completed in February 2020 (*ASX: AMG Announcement 30th April 2020*). RC pre-collars drilled down to 250m followed by diamond tails to extend the hole to +500m.

The new high-resolution survey will assist with the differentiation of discrete conductors from lithological graphitic units.

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 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 (MAusIMM). 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.