

January 25<sup>th</sup> 2021

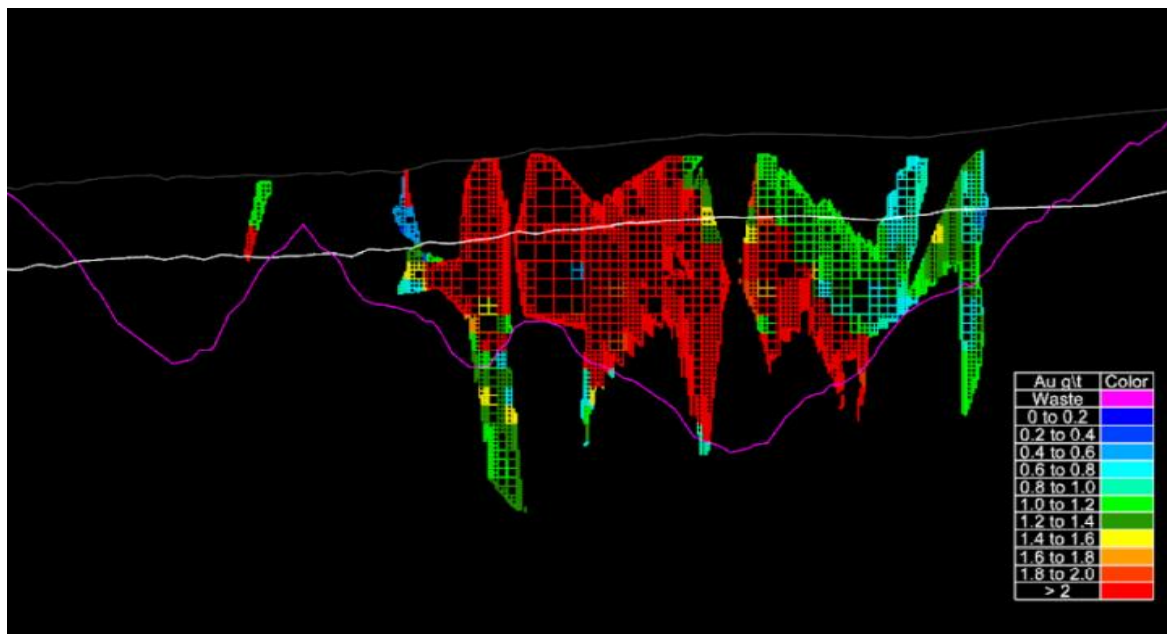
Market Release

## ***ONE STEP CLOSER TO GOLD PRODUCTION***

**RESOURCE UPGRADE FOR MT FREDA, SHAMROCK, COMSTOCK, AND FALCON UNDERWAY. INDEPENDENT CONSULTANTS CONTRACTED TO COMPLETE UNDERGROUND MINE DESIGN FOR MT FREDA.**

### **Golden Mile Falcon and Shamrock – Update.**

The entire Golden Mile Project consists of 8 historical high grade Gold Mines. All 8, strike N/S and parallel, across a 2klm wide mineralised zone. The 3 most Western historical Gold Mines Comstock, Falcon and Shamrock will be the first 3 Gold mines to commence Gold production planned for the first quarter of 2021 (dependent upon granting of the ML). The Golden Mile Project is a JV between Ausmex 80% and WH Soul Pattinson Ltd subsidiary, Round Oak Minerals 20% (ASX: AMG 16<sup>th</sup> April 2018, 8<sup>th</sup> June 2018, and 18<sup>th</sup> August 2019). Under the JV agreement Round Oak Minerals must process all the ore mined from these two projects at their Cloncurry CIP Gold processing plant 60klms to the NNW in the regional township of Cloncurry. The final infill drilling holes (ASX: AMG 7<sup>th</sup> January 2021) are to be completed by the end January of 2021. Upgraded JORC Resource Estimates expected within 2 weeks from assay results from the mineral laboratories for the final holes and are expected to have a possible increase on the Au grade. The Scoping Study is being undertaken by Alpha Mine Planning under project Management by Minecraft Holdings Pty Ltd.



**Image 1. Current Long section from drilling to date at Shamrock and Falcon historical Gold Mines located only 50m apart.**

The current JORC upgrade drilling program at Golden Mile was recommended and designed by the independent geological consultants to infill drill areas to confirm continuity of Gold grades between the holes, already drilled.

**Mt Freda Gold Mine update (located approx 500m South of the Golden Mile Gold Project).**

Mt Freda Gold Mine is an historical Cloncurry high grade Gold Mine that was in production previously with the last campaign in ending in 1989 due to the low gold prices. The JORC upgrade drilling has now been completed and currently with the independent Resource Geologists. The infill drill holes were drilled at closer spacings to previous holes, to confirm continuity of Gold grades. The results of these infill drill holes were announced to the market (ASX: AMG 15<sup>th</sup> Jan 2021). Mt Freda is a granted Mining Lease.

**New Upgraded JORC Resource and Design, Costings and Feasibility Study for decline mine.**

The drill hole data is now undergoing the new upgrade JORC Resource estimates for Mt Freda. Upon receipt of the upgrade JORC resource estimates the Company will transfer the data for the Mine Design, costings and feasibility study with independent consultants who have already been contracted to complete the studies. We expect these studies to be completed within 2-3 weeks after receiving the upgrade JORC Resource Estimate.



**Photo 1. RC rig infill drilling at Mt Freda now completed.**



**Photo 2. Diamond Core rig currently infill drilling at Comstock, 300m West of Falcon Golden Mile.**

### **Feasibility Study.**

At the completion of the current resource infill drill programs at the Falcon, Shamrock, Comstock and Mt Freda, the results will be added and included to the current modelling.

The Feasibility Study for Golden Mile mining projects Comstock, Falcon and Shamrock is being undertaken by Minecraft Holdings Pty Ltd and is already well advanced.

### **Processing of the ore from Falcon, Shamrock and Comstock.**

The Company has a binding agreement with its JV partner Round Oak Minerals Pty Ltd on the Falcon, Shamrock, and the Comstock projects. The JV is between Ausmex Mining Group (80%) and Round Oak Minerals (20%). Round Oak Minerals Pty Ltd is a wholly owned subsidiary of one of Australia's largest diversified investment houses, W.H. Soul Pattinsons Ltd.

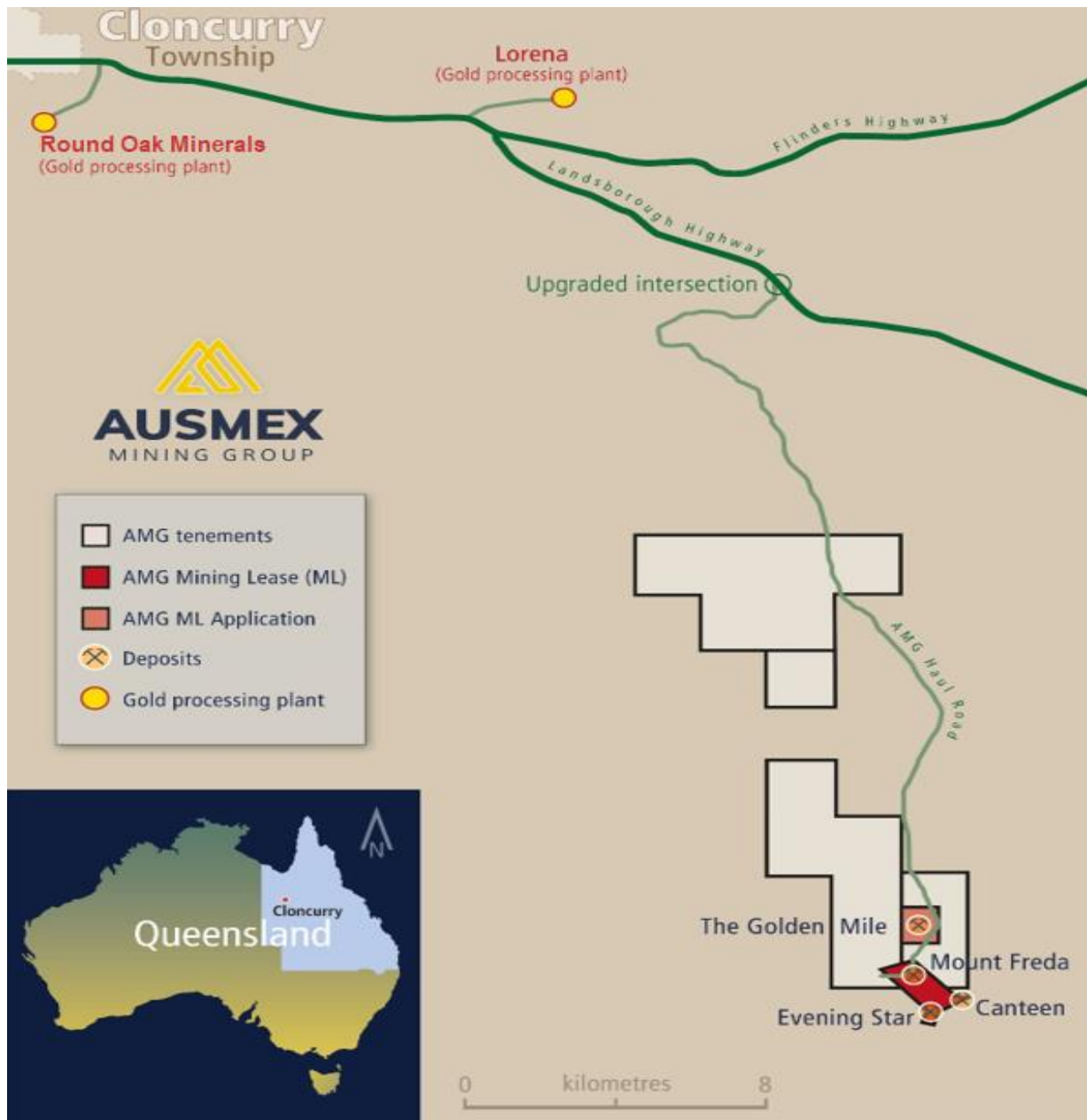
Under the terms of the agreement, Round Oak Minerals *must process all the ore*, mined from the tenement, subject of the JV agreement, that includes the three mines mentioned above (ASX: AMG 16<sup>th</sup> April 2018, 8<sup>th</sup> June 2018, and 18<sup>th</sup> August 2019).

Round Oak Minerals Pty Ltd has a near new 650,000 tpa CIP Gold processing plant, located approx. 60klms to the NNW of the Golden Mile. The terms of the agreement for processing costs are to be negotiated at the time of the commencement of processing. There are Australian industry benchmark prices and costings for processing of third-party ore.

Having the processing agreement, compliments both parties of the JV agreement. The agreement allows Round Oak to utilise their processing plant and enjoy the cash flow from the projects. For Ausmex, it removes the need to raise capital to build and construct and operate its own standalone CIP processing plant.



**Photo 3. Round Oak Minerals CIP plant in Cloncurry.**



**Image 2. Map of the Golden Mile and Cloncurry Gold Processing Plants.**

Authorised by Aaron Day, Managing Director.

For Further Information, please contact

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

### **Forward Looking Statements**

*The materials may include forward looking statements. Forward looking statements inherently involve subjective judgement, and analysis and are subject to significant uncertainties, risks, and contingencies, many of which are outside the control of, and may be unknown to, the company.*

*Actual results and developments may vary materially from that expressed in these materials. The types of uncertainties which are relevant to the company may include, but are not limited to, commodity prices, political uncertainty, changes to the regulatory framework which applies to the business of the company and general economic conditions. Given these uncertainties, readers are cautioned not to place undue reliance on forward looking statements.*

*Any forward-looking statements in these materials speak only at the date of issue. Subject to any continuing obligations under applicable law or relevant stock exchange listing rules, the company does not undertake any obligation to publicly update or revise any of the forward-looking statements, changes in events, conditions, or circumstances on which any statement is based.*

### **Competent Person Statement**

*Statements contained in this report relating to QLD (Cloncurry) exploration results and potential are based on information compiled by Mr. Aaron day, who is a Member of the Australasian Institute of Mining and Metallurgy (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.*