



AEX Gold

(“AEX” or the “Corporation”)

AEX Provides Development Progress on its Nalunaq Project in Greenland

TORONTO, ONTARIO – November 2, 2020 - AEX Gold Inc. (AIM: AEXG; TSXV: AEX), an independent gold company with a portfolio of gold licences in Greenland, announces an operational update for the development of the Nalunaq property in South Greenland.

The Corporation continues to make good progress at the fully funded Nalunaq Project, with significant work having been completed on key work streams since the successful AIM Listing and fundraising in July 2020. The project remains on track, with workstreams progressing in line with management expectations.

Highlights

- Significant progress in the contracting of key infrastructure and long lead items, with camp and ancillary system providers now contracted and the bidding processes for underground development and processing equipment are well progressed;
- Conversations are ongoing with a number of potential working capital or vendor financing providers. AEX is in receipt of a number of attractive proposals and is in a number of further discussions, and will consider all options available before moving forward.
- Terms of Reference for Nalunaq’s Environmental Impact Assessment (“EIA”) and Social Impact Assessment (“SIA”) have been accepted by the Greenlandic authorities and will shortly commence public consultation. The final EIA, SIA and closure plan, as well as a further public consultation, will commence in the first half of 2021;
- Continued progress in the assessment of flotation as an alternative to leaching for second stage processing. Flotation offers an attractive option with overall gold recovery rates of 91% to 97%, and offering the potential for significant cost savings, shorter time to implementation, and limited environmental risks. Discussions with global smelters provide confidence in the marketability of the gold concentrate produced by flotation and the Corporation is now undergoing an advanced costing exercise;

Processing

Further to the announcement on 13 July 2020, the Corporation continues to progress its assessment of flotation as a second stage processing method at Nalunaq, and believes it may offer an attractive alternative to cyanide leaching. Test results have demonstrated overall gold recovery between 91% and 97% from gravity and flotation, significantly above the expected recovery from first stage processing alone (crushing, grinding, and gravity recovery) and comparable to that achieved historically through leaching.

The Corporation has had preliminary discussions with a number of global smelters, and as a result is confident that there is strong market demand for the flotation gold concentrate that would be produced from the tailings of the first stage gravity recovery process at Nalunaq.

In addition, flotation has the potential to provide significant cost advantages when compared to leaching, with lower upfront capital and ongoing operating costs potentially allowing second stage processing and higher gold recoveries to be achieved earlier than would be achieved with leaching due to the lower complexity of flotation. The Corporation is currently undertaking advanced costing for the flotation circuit and is seeking firm bids for process equipment. Several considerations such as implementation time, increased gold recovery from the gravity-alone base case, and environmental considerations will determine the selection of the processing route.

The Corporation is also looking to implement a second testwork program in the second half of 2021 to further test the effectiveness of ore sorting for processing Nalunaq's gold bearing material, which has the potential to complement the phase one and two processing methods. This further testing will be conducted once underground development at Nalunaq has commenced and a truly representative sample of mined materials can be used for testing.

Project Development and Contracting

AEX has successfully contracted parties for the delivery of key infrastructure, including the new camp at Nalunaq and its accompanying ancillary systems, including potable water, sewage facilities and the main fuel storage area. The detailed engineering of the camp facilities, as well as that of the processing plant, the tailings facility and the underground mining development, is also well progressed.

The Corporation has received proposals from underground development contractors and is currently undertaking a technical and commercial evaluation of the bids. The Corporation expects to appoint the underground development contractor in early 2021.

Requests for proposals on long lead processing equipment have been issued, including for the crushing, milling, gravity and flotation systems with bids expected by the end of November 2020 and final contracts to be entered into in early 2021. The Corporation also plans to issue the tender documents for tailings dewatering and filtering circuits early in November with bids expected by mid-December.

Permitting

Collaboration with the local authorities regarding all aspects of project permitting has continued to be very positive, with the Terms of Reference of the EIA and SIA having been reviewed and accepted by the Greenlandic authorities. The public consultation on these documents will be initiated shortly, with submission of the full EIA, SIA, and closure plan expected in the first half of 2021. AEX continues to work with the authorities to meet all of the regulatory requirements for project implementation and permitting.

Financing

Following the successful AIM Listing in July 2020, AEX is fully funded for the development of the Nalunaq Project. As stated at the time of the fundraise, the Corporation is also in discussion with various parties regarding non-equity funding in the form of a modest working capital facility or vendor financing of certain equipment. Management has received a number of offers with attractive terms for both working capital and vendor financing facilities, and is in active discussions with a number of parties in relation to this. With the Corporation fully funded for the development of Nalunaq, Management is taking the time to assess all funding options before moving forward in order to deliver an optimal solution for the company and its shareholders.

Eldur Olafsson, CEO of AEX, commented:

"I am pleased to report on the significant progress that we have made as a team over the past few months since the AIM listing. The commitments we have made already to the project around the camp facilities and the front-end engineering are crucial steps in securing the project timeline.

"On the process engineering front, our team and third-party experts are progressing well and are currently out for firm quotes on long lead process equipment, which will ultimately allow us to commit to the supply of key process components and continue optimizing the project's schedule. Additionally, we have been able to add value to the project by demonstrating that a flotation circuit at Nalunaq is likely to be a very attractive and a cost-effective solution to produce a highly marketable gold grade concentrate, providing the Corporation with gold recovery in the range of 91% - 97%.

"We continue to work diligently as a team on all of the project workstreams as we look to bring Nalunaq into production and we look forward to providing further updates to the market in due course."

AEX cautions that this production decision has been taken before the estimation of Mineral Reserves and is not based on a feasibility study of these Mineral Reserves demonstrating economic and technical viability resulting in significantly higher risk of economic and technical failure.

Qualified Person and QA/QC

The scientific and technical information presented in this press release has been approved by Dr. Jarrett Quinn, P.Eng. (OIQ 5018119), Principal Metallurgist at Jarrett Quinn Consultant Inc., and independent to AEX Gold Inc. for purposes of National Instrument 43-101 - *Standards of Disclosure for Mineral Projects* ("NI 43-101"). Mr. Quinn is a member of L'Ordre des Ingénieurs du Québec and is a "qualified person" for purposes of NI 43-101.

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About AEX

AEX's principal business objectives are the identification, acquisition, exploration and development of gold properties in Greenland. The Corporation's principal asset is a 100% interest in the Nalunaq Project, an advanced exploration stage property with an exploitation license including the previously operating Nalunaq gold mine. The Corporation has a portfolio of gold assets covering 3,356km², the largest portfolio of gold assets in Southern Greenland covering the two known gold belts in the region. AEX is incorporated under the *Canada Business Corporations Act* and wholly owns Nalunaq A/S, incorporated under the *Greenland Public Companies Act*.

Forward-Looking Information

This press release contains forward-looking information within the meaning of applicable securities legislation, which reflects the Corporation's current expectations regarding future events and the future growth of the Corporation's business. In this press release there is forward-looking information based on a number of assumptions and subject to a number of risks and uncertainties, many of which are beyond the Corporation's control, that could cause actual results and events to differ materially from those that are disclosed in or implied by such forward-looking information. Such risks and uncertainties include, but are not limited to the factors discussed under "Risk Factors" in the Final Prospectus available under the Corporation's profile on SEDAR at www.sedar.com. Any forward-looking information included in this press release is based only on information currently available to the Corporation and speaks only as of the date on which it is made. Except as required by applicable securities laws, the Corporation assumes no obligation to update or revise any forward-looking information to reflect new circumstances or events. No securities regulatory authority has either approved or disapproved of the contents of this press release. Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

Inside Information

The information contained within this announcement is considered to be inside information prior to its release, as defined in Article 7 of the Market Abuse Regulation No. 596/2014, and is disclosed in accordance with the Corporation's obligations under Article 17 of those Regulations. Upon the publication of this announcement, this inside information is now considered to be in the public domain.