



AEX Gold

(“AEX” or the “Company”)

AEX Provides an Update on its Nalunaq Development

TORONTO, ONTARIO – February 10, 2021 - AEX Gold Inc. (AIM: AEXG; TSXV: AEX), provides an update on development plans at its Nalunaq property in South Greenland.

As previously disclosed, AEX is planning the redevelopment of the Nalunaq mine with the objective of first gold pour by the end of 2021. In January 2021, the government of Greenland implemented a temporary travel ban, initially effective until at least the end of February 2021, although as with many other countries in the world there is a risk that this could be extended.

The development of Nalunaq is dependent on the Company being able to access the entirety of the property with a significant number of both externally contracted and locally sourced labour. Given the travel restrictions, there can be no certainty that the Company will be able to deploy the sizeable workforce necessary to complete the development of the project and meet the timeframes initially envisaged.

Furthermore, as part of the Company’s detailed planning prior to deploying the greater part of the Nalunaq development programme, the project budget has incurred a number of areas of very significant cost increase, many related to the increased cost of logistics as result of the COVID pandemic, as well as widespread and material inflation relating to mining activities and equipment, resulting from the positive commodity price dynamic globally. Whilst the project’s contingencies were intended to cover such cost overruns, in addition to the above cost increases, there are two notable areas of specific overrun, which in aggregate would require further external capital to resolve.

Firstly, AEX has selected the inclusion of a flotation circuit as a low cost and highly value accretive secondary recovery process targeting a recovery rate of 91-97%, increasing the previous recovery rate from 65-70%. This process has significant economic and ESG benefits for the mine. It does however require a change in civil engineering requirements.

Secondly, AEX has engaged an external consultant to assess various aspects of the mine, including the structural stability of a concrete bulkhead located near the main portal inside the mine. This bulkhead supports historic tailings left by the previous operator and retains the tailings within an underground tailings storage facility. The bulkhead has been assessed as being unsafe and the Board has resolved that it cannot proceed with its previous development plan until this is rectified. Whilst the Board does not consider this to be a major project in its own right, in light of COVID related restrictions to the movement of personnel, it represents a material risk to the successful completion of the summer 2021 development programme. It would also have the effect of delaying production and reducing initial head grade, with a consequent drop in early stage revenue.

With approximately C\$13 million committed to long lead items to date, some of which may be recoverable, and approximately C\$58 million of cash on hand, the Board has assessed that the fluidity of both the operational risks and variability in costs is too great to warrant

committing the bulk of the Company's available liquidity in a timeframe that would permit the Company's current development schedule to be met. Accordingly, the decision to proceed with the development has been deferred.

AEX's planned exploration programme, staffed principally by local contractors and staff, and planned to capitalise on the recent success of the 2020 exploration programme, is not expected to be impacted by current COVID related restrictions.

Management is reviewing various scenarios and will commence a short period of consultation with shareholders and provide an update in due course.

Eldur Olafsson, CEO of AEX, commented:

"The Board has taken the difficult but ultimately prudent decision to defer development and gold production from Nalunaq until such time as the current pandemic subsides and the Company is able to make an accurate assessment of costs and schedule.

"AEX's intention is unwavering in executing its objective to maximise value from its vast southern Greenland gold licences. The potential to add a flotation circuit is an example of adding significant value through increasing recovery rates. Whilst we would prefer not to defer the development schedule this is a necessary action in the context of our current circumstances. We will now engage our shareholders as part of the process in developing the forward plan and report to all shareholders in due course."

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About AEX

AEX's principal business objectives are the identification, acquisition, exploration and development of gold properties in Greenland. The Company'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 Company has a portfolio of gold assets covering 3870 km², 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 Company's current expectations regarding future events and the future growth of the Company'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 Company'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 Company'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 Company and speaks only as of the date on which it is made. Except as required by applicable securities laws, the Company 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 Company'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.