

# INTENTION TO SEEK ADMISSION TO TRADE ON AIM

Released 07:00:08 30 June 2020

RNS Number : 4968R  
AEX Gold Inc  
30 June 2020

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## **AEX GOLD INC. INTENDS TO SEEK ADMISSION TO TRADING ON AIM AND PROPOSED PLACING TO RAISE £45 MILLION**

TORONTO, ONTARIO - JUNE 30, 2020 - AEX Gold Inc. ("AEX" or the "Company") (TSXV: AEX), an independent gold company with a portfolio of gold licences in Greenland, today announces its intention to seek admission of its common shares to trading on AIM ("**Admission**") and conduct a placing of new common shares (the "**New Common Shares**") to raise gross proceeds of £45 million (the "**Placing**"). Marketing to institutional investors only will take place over the coming weeks and the Company expects that Admission will occur in July 2020.

AEX is an independent gold mining company engaged in the identification, acquisition, exploration and development of gold properties in Greenland. The Company's strategy is to leverage its first mover advantage in Greenland, underpinned by the previously producing Nalunaq asset, to build a full-cycle gold mining company in Greenland, delivering shareholder value and providing significant upside potential through its land bank of high-impact exploration assets.

The Company, led by CEO Eldur Ólafsson, has established the largest land package of gold assets in Greenland with a current portfolio of licences covering 3,356 square kilometres, in the two known gold belts in Southern Greenland, the Nanortalik and Tartoq gold belts.

Nalunaq is a previously operating mine, having produced approximately 350 thousand ounces of gold between 2004 and 2009 and has demonstrated a low-cost production potential from past operations. Given the historic production at the asset, the Company intends to capitalise on proven mining and processing methods in its plans to bring the historical mine back onto production. The asset has significant pre-existing infrastructure and development left in place by the previous operators, which are expected to limit the costs and time associated with the development of the asset.

Nalunaq is a high-grade gold asset with an updated Inferred Mineral Resource covering 422,770 tonnes at 18.5 grams per tonne of gold, or 250,970 ounces of gold, which covers the area in and around the historical mine. The updated Inferred Mineral Resource compares to the Company's 43-101 Inferred Resource of 446,900 tonnes at 18.7 grams per tonne of gold, or 263,070 ounces of gold which the Company does not believe to be a material change. In addition, the Company has identified a near-mine Exploration Target of between 2.5 and 10 million tonnes at between 2.4 and 6.0 grams of gold per tonne, or between 200 thousand ounces and 2.0 million ounces of gold. Drilling since 2017 has increased the known extent of the gold mineralised structure at Nalunaq and AEX believes there is potential for additional resources that are not represented in the Inferred Mineral Resource or Exploration Target detailed above.

The potential quantity and grade of the Exploration Target is conceptual in nature, and there has been insufficient exploration to define a mineral resource. The range of tonnages, grade and ounces should be considered as an "exploration target", defined under Section 2.3(2) of NI 43-101 Standards of Disclosure for Mineral Projects. It is uncertain if further exploration will result in this exploration target being delineated as a mineral resource. A discussion on the methodology used to calculate the range of tonnage, grade and ounces is provided at the end of this press release.

The Company intends to use the proceeds from the Placing, along with its existing cash, primarily to fund development activities on Nalunaq and the acquisition of required infrastructure. The Company intends to take a phased approach to processing, with phase 1 consisting of crushing, milling and gravity recovery circuits, which based on historical processing data has demonstrated gold recovery rates of 65 to 70 per cent. The phase 2 process, which the Company expects to begin commissioning within 24 months of commercial phase 1 production is expected to involve leaching of the gravity tailings, partially reusing the existing underground processing equipment that was left on site by the past operators. Previous processing data and test work of the minerals at Nalunaq have demonstrated total gold recoveries of 95 per cent. or more when gravity recovery and leaching of gravity tailings are jointly undertaken.

AEX cautions that its production decision has been taken before the estimation of Mineral Reserves and is not based on a feasibility study of these Mineral Reserves and as such this constitutes a risk to the project's technical, economic and financial viability. The Company intends to conduct a feasibility study to support its planned development and production approach ahead of commencement of operations.

In addition, the Company will use a portion of the net proceeds to fund exploration activities on the wider Nalunaq licence and the remainder of its licence portfolio to prove up additional resource with a view to developing a full-cycle portfolio and delivering long-term shareholder returns.

Stifel Nicolaus Europe Limited is acting as nominated adviser, broker and bookrunner to the Company as part of the Placing and Admission. Cormark Securities Inc. and Paradigm Capital Inc. are acting as co-managers to the Company as part of the Placing.

**Eldur Ólafsson, Founder and Chief Executive Officer, commented:**

*"I am delighted to announce our intention to float AEX Gold on AIM, offering investors a unique opportunity to access a high-grade and extensive gold portfolio in a stable, growing and exciting mining jurisdiction. With the highly prospective geology, as demonstrated by increasing interest from the majors and nations such as the US and China, as well as a supportive government and fiscal system, the Greenland gold mining industry is primed for development and we are ideally placed to take advantage of this opportunity through our dominant position in the country.*

*"As well as providing access to the high-grade, previously producing Nalunaq asset, AEX offers investors significant upside potential through the extensive exploration opportunities at Nalunaq and throughout the wider portfolio, with substantial opportunities already identified in close proximity to Nalunaq. With strong support from important stakeholders such as the Danish and Greenland state development funds, and the management team's deep experience in project delivery, AEX represents an unrivalled opportunity in the London market to build a full cycle gold mining company in an underexplored region.*

*"We are confident that AIM will provide AEX with access to much greater market liquidity, as well as a widening of the current investor base, and are excited to progress to the next phase in the Company's development and to delivering value for all our shareholders."*

**Enquiries**

**AEX Gold Inc.**

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**Use of Proceeds from the Placing**

The Company intends to raise a minimum gross proceeds of £45 million from the Placing. Pricing for the Placing will be determined by a bookbuilding process conducted as part of marketing, and there can be no certainty that an acceptable price will be achieved.

Equipment	£13m
Engineering, Procurement, Construction Management & Indirect Costs	£10m
Building & Infrastructure	£6m
<b>Nalunaq Development Total</b>	<b>£29m</b>
Nalunaq Surface & Underground Exploration	£4m
Wider Portfolio Exploration	£2m
<b>Exploration Total</b>	<b>£6m</b>
Additional Contingency	£5m
General Corporate Purposes & Transaction Costs	£5m
<b>Contingency &amp; Corporate Total</b>	<b>£10m</b>

In conjunction with the Placing, the Company intends to appoint Sigurbjorn Thorkelsson as a Director of the Company shortly prior to Admission.

## Indicative Transaction Timetable

Completion of placing announcement	24 July 2020
Publication of admission document	24 July 2020
Settlement and Admission	29 July 2020 (subject to TSX-V approvals)

*All timings above are indicative and are subject to change and any changes to this timetable will be announced.*

## TSX-V Approval

Pursuant to the rules of the TSX-V, the Placing is conditional on TSX-V approval. The Company will apply for conditional approval for the Placing prior to Admission.

## AIM Rules for Companies

In line with the requirements of the AIM Rules for Companies, including the requirement to have a Competent Person's Report ("**CPR**") prepared within six months of any admission document, the Company has today uploaded a CPR onto its website at [aexgold.com](http://aexgold.com) and [sedar.com](http://sedar.com). All scientific and technical disclosure in this CPR is in compliance with NI 43-101 standards. The one exception to this is that the Qualified Person, James Gilbertson, has not undertaken a site visit since 2015 given season accessibility and the ongoing COVID-19 pandemic, however the Qualified Person has relied upon a site visit conducted by Bill Kellaway, Chairman and Principal Geologist at SRK Exploration Services Limited (albeit not a Qualified Person for NI 43-101 purposes) in 2018. The Company notes that this document does not replace the Company's existing 43-101 technical report (referenced below) available on [www.sedar.com](http://www.sedar.com).

## Standard

The reporting standard adopted for the reporting of the Mineral Resources is that defined by the terms and definitions given in the terminology, definitions and guidelines given in the Canadian Institute of Mining, Metallurgy and Petroleum (CIM) Standards on Mineral resources and Mineral Reserves (December 2014) as required by NI 43-101. The CIM Code is an internationally recognised reporting code as defined by the Combined Reserves International Reporting Standards Committee.

All scientific or technical information in this press release has been approved on the Company's behalf by James Gilbertson, SRK Exploration Services Ltd., a Qualified Person under National Instrument 43-101 - Standards of Disclosure for Mineral Projects. For further information about the technical information and drilling results described herein, please see the National Instrument 43-101 - Standards of Disclosure for Mineral Projects compliant technical report prepared by SRK Exploration Services Ltd. dated effective December 16, 2016, titled "An Independent Technical Report on the Nalunaq Gold Project, South Greenland" and the technical report prepared by SRK dated effective January 30, 2017, titled "An Independent report on the Tartoq Project, South Greenland" (the "Technical Reports"). The Competent Person's Report titled "A Competent Person's Report on the Assets of AEX Gold, South Greenland" dated June 26, 2020, will be filed on SEDAR under the Company's issuer profile at [www.sedar.com](http://www.sedar.com) and available on the Company's website [www.aexgold.com](http://www.aexgold.com).

## FURTHER INFORMATION

Members of the public are not eligible to take part in the Placing. This announcement (including this "Further Information" section) is for information purposes only and does not constitute a prospectus or any offer to sell or the solicitation of an offer to buy any security in the United States of America or in any other jurisdiction. Any such offer, if made, will be made pursuant to the Admission Document proposed to be published in due course. In particular, this announcement is not for distribution in or into the United States, Australia, the Republic of South Africa or Japan or to any national resident or citizen of the United States, Australia, the Republic of South Africa or Japan. The distribution of this announcement in other jurisdictions including (without limitation) the United States, Australia, the Republic of South Africa or Japan (or to any resident thereof) may be restricted by law and therefore persons into whose possession this announcement comes should inform themselves of and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

This announcement is directed only at: (a) persons in member states of the European Economic Area (the "**EEA**") who are "qualified investors" within the meaning of Article 2(e) of the EU Prospectus Regulation 2017/1129/EU (the "**Prospectus Regulation**") ("**Qualified Investors**"); (b) persons in the United Kingdom who are Qualified Investors and who (i) have professional experience in matters relating to investments and who fall within the definition of "investment professionals" in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "**Order**"); (ii) who are high net worth companies, unincorporated associations and other persons to whom it may lawfully be communicated in accordance with Article 49(2)(a) to (d) of the Order; or (iii) other persons to whom it may lawfully be communicated (all such persons together being referred to as "**Relevant Persons**"). Any investment activity in connection with this announcement and the Placing is only available to, and will only be engaged with, Relevant Persons. Any person who is not a Relevant Person should not act or rely on this announcement or any of its contents. No prospectus will be made available in connection with the matters contained in this announcement and no such prospectus is required (in accordance with the Prospectus Regulation) to be published.

Acquiring investments to which this announcement relates may expose an investor to a significant risk of losing all or part of the amount invested. Persons needing advice should consult with an independent financial adviser authorised under the Financial Services and Markets Act 2000, as amended ("**FSMA**"), who specialises in advising on the acquisition of shares and other securities, if that person is in the United Kingdom, or any appropriately authorised person under applicable laws, if that person is located in any other jurisdiction.

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The distribution of this announcement and the proposed New Common Shares as referred to in this announcement in certain jurisdictions may be restricted by law. No action has been taken by the Company, Stifel Nicolaus Europe Limited ("Stifel"), Cormark Securities Inc. ("Cormark"), or Paradigm Capital Inc. ("Paradigm") that would permit an offering of such shares or possession or distribution of this announcement or any other offering or publicity material relating to such shares in any jurisdiction where action for that purpose is required, other than the United Kingdom. Persons into whose possession this announcement comes are required by the Company, Stifel, Cormark, or Paradigm to inform themselves about, and to observe, such restrictions.

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The New Common Shares to be issued or sold pursuant to the Placing will not be admitted to trading on any stock exchange other than the AIM Market of the London Stock Exchange and the TSX-V.

Neither the content of the Company's website nor any website accessible by hyperlinks on the Company's website is incorporated in, or forms part of, this announcement.

Any forwarding, distribution, reproduction, or disclosure of any information contained in this announcement in whole or in part is unauthorised. Failure to comply with these restrictions may constitute a violation of the United States Securities Act of 1933 (as amended) (the "**US Securities Act**") or the applicable laws of other jurisdictions. Subject to certain exceptions, the securities referred to in this announcement may not be offered or sold in the United States, Australia, Canada, Japan, South Africa or certain other jurisdictions or for the account or benefit of any national resident or citizen of certain jurisdictions. The securities referred to in this announcement have not and will not be registered under the US Securities Act, and may not be offered or sold in the United States absent registration or an exemption from, or a transaction not subject to, registration under the US Securities Act. There will be no public offering of the securities in the United States. Any failure to comply with these restrictions may constitute a violation of the securities law of any such jurisdictions.

Stifel, which is authorised and regulated by the Financial Conduct Authority in the United Kingdom, is acting exclusively for the Company and no-one else in connection with Admission and the Placing. It will not regard any other person as its client in relation to Admission and the Placing and will not be responsible to anyone other than the Company for providing the regulatory protections afforded to its clients, nor for providing advice in relation to the contents of this announcement or any transaction, arrangement or other matter referred to herein. Stifel has not authorised the contents of any part of this document. The responsibilities of Stifel as the Company's nominated adviser under the AIM Rules for Companies and the AIM Rules for Nominated Advisers will be owed solely to the London Stock Exchange and not to the Company, any of its directors, nor any other person in respect of a decision to subscribe for or acquire New Common Shares in reliance on the final form admission document relating to the Company.

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### **Cautionary Statements**

Certain statements in this press release are forward-looking statements and information (collectively "forward-looking statements"), within the meaning of the applicable Canadian securities legislation, as well as other applicable international securities laws. The forward-looking statements contained in this press release are forward-looking and not historical facts.

Some of the forward-looking statements may be identified by statements that express, or involve discussions as to expectations, beliefs, plans, objectives, assumptions or future events or performance (often, but not always, through the use of phrases such as "will likely result", "are expected to", "will continue", "is anticipated", "is targeting", "estimated", "intend", "plan", "guidance", "objective", "projection", "aim", "goals", "target", "schedules", and "outlook").

Because actual results or outcomes could differ materially from those expressed in any forward-looking statements, investors should not place undue reliance on any such forward-looking statements. By their nature, forward-looking statements involve numerous assumptions, inherent risks and uncertainties, both general and specific, which contribute to the possibility that the predicted outcomes will not occur. Some of these risks, uncertainties and other factors are similar to those faced by other mining companies and some are unique to the Company. The forward-looking information contained in this news release speaks only as of the date hereof. The Company does not assume any obligation to publicly update the information, except as may be required pursuant to applicable laws.

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Investors should note that the potential quality and grade at Nalunaq's Exploration Target is conceptual in nature, there is insufficient exploration to define a mineral resource and it is uncertain if further exploration will result in the target being delineated as a mineral resource. To derive the Exploration Target, SRK ES extrapolated their estimate from the Inferred Mineral Resource out across the rest of the known Main Vein that has been delineated by historic surface diamond drilling and channel sampling, as well as the acquired surface samples from 2015, 2016 and 2019 that demonstrate the continuity of the Main Vein. SRK ES considers this area as holding significant resource potential. In an attempt to quantify the Exploration Target, SRK ES has used the relative proportions of the high and low grade domains seen across the Inferred Mineral Resource, as well as their average grades, and extrapolated this behaviour across the Exploration Target.

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