High Gold Recovery Results from Flotation Test Work at Nalunaq

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TORONTO, July 13, 2020 - AEX Gold Inc. (TSXV:AEX) ("AEX" or the "Corporation") is pleased to provide an update on the results of a recent metallurgical test work program which was aimed at progressing and optimizing the parameters for flotation, following historical test work programs on the Nalunaq Gold Project, in South Greenland.

Key Highlights:

- Historical flotation test work programs reported by Kvaerner (2002)[1] at Nalunaq indicated total gold recovery comparable to cyanide leaching (95% or more);
- Past flotation test work programs were limited in scope, and efforts to optimize the flotation parameters and conditions were also limited;
- AEX's 2020 flotation test work program was conducted at the facilities of SGS Canada Inc. (‘'SGS") in Lakefield, Ontario, Canada;
- The program yielded total gold recovery between 91 and 97% with optimized flotation parameters;
- Additional test work with SGS will now be initiated to further optimize the flotation parameters. AEX has engaged an engineering firm to define the initial parameters for a flotation plant, including capital and operating costs, based on a preliminary process flowsheet supported by the current and historical test work results;
- AEX has also initiated discussions with third-party refiners to progress discussions around the refining costs of flotation concentrates;
- As part of this additional analysis, AEX is conducting internal trade-off studies to further assess the potential of flotation from both a cost and environmental perspective compared to leaching, and the results of these assessments will be announced in due course.

Eldur Olafsson, CEO of AEX, stated:

"A gravity and flotation gold recovery plant at Nalunaq could offer an attractive option for processing Nalunaq's mineralized materials, with gold recoveries comparable to cyanide leaching, resulting in potentially lower costs, a quicker implementation, and the environmental benefit of removing cyanide from the process. The results of this test work further demonstrate the exceptional metallurgy at Nalunaq. We are excited about this development and about establishing a mining operation in Greenland with a lower environmental footprint through a potential cyanide-free operation."

Background

Gold at Nalunaq is mineralised in a quartz vein hosted in an amphibolite-granite sequence and is classified as a narrow-vein orogenic lode-gold type system. Historical metallurgical test work has shown Nalunaq's mineralized material to be highly amenable to both cyanide leaching and flotation. However, a limited number of historical flotation tests were undertaken early in the project development stages (1997-2002). From reviewing historical test work and operating data of the project, the Corporation believes that flotation was not sufficiently progressed and that additional test works were warranted.

Two historical metallurgical test work programs were undertaken at Lakefield Research (now SGS Canada Inc.), in 1997 and 2002. Both programs included flotation testing on laboratory gravity tailings samples. Results from these studies are detailed in the 2002 Nalunaq Gold Project Feasibility Study (Kvaerner, 2002).

Table 1 summarizes selected results from the historical flotation test work programs. The 1997 flotation tests were undertaken on a relatively high-grade sample (23 g/t gold) and produced high-grade concentrates (>1000 g/t gold) with flotation recoveries between 68% and 82%. Only rougher flotation was undertaken in

the 1997 test work program.

Two composite samples (350 Level and 450 Level Composites) were tested during the 2002 test work program. Flotation feed grades were 4.8 g/t and 2.3 g/t gold, respectively. Cleaner concentrate grades ranged from 105 g/t to 637 g/t gold. Flotation gold recoveries ranged from 77% to 80%. Overall recovery (gravity and flotation) for all laboratory tests presented in Table 1 exceeded 90% gold recovery.

Table 1: Selected historical Nalunaq flotation test work results (Nalunaq 43-101 report, 2016)

Year	Sample	Test	Flotation Feed Grade, g/t Au	Grind (P80), µm	Concentrate Grade*, g/t Au	Flotation Gold Recovery+, %	Overal Gold Recove %++
1997	Nalunaq Sample	F2	23	87	1418 - 3947	68 - 82	93 - 96
1997	Nalunaq Sample	F3	23	87	1227	82	96
2002	350 Level Comp.	F4	4.8	83	418 - 637	81 - 83	95 - 96
2002	450 Level Comp.	F6	2.3	85	105 - 149	77 - 80	91 - 93

*Rougher concentrate grades for 1997 tests, cleaner concentrate grades for 2002 tests
+Flotation stage recovery
++Gravity and Flotation (Gravity recovery for F2, F3, F4, and F6 were 78%, 78%, 77%, and 63%, respectively)

Current test work Program (2020)

Samples from Nalunaq were taken in 2016, as detailed in the project's Technical Report[2]. The sample tested was taken from the top of pillars on the western and eastern sides of stope number 300-18 in the 310 Level West, South Block. The sample was taken such that it was representative of the true mining width, including quartz vein, hangingwall and footwall material, emulating the dilution that would occur during normal mining operations. Sampling lines were marked on the pillars using spray paint and 201.6 kg of material was collected manually. The sampled material was placed in plastic barrels for despatch. The sample was analysed and contained 39.03 g/t gold and 2.40 g/t silver.

Due to the relatively high-grade, the sample was diluted (50%:50%) with host rock (devoid of gold) from the Nalunaq mine to better represent the historical mine head grade. The dilution material was hand-picked from broken material in the drive at the 460 level in Target Block, and comprised of unmineralized amphibolite and granite. The diluted sample average assay was 17.7 g/t[3].

Tests were conducted on 2 kg charges of ground Knelson concentrator tailings. Flotation was completed using a Denver D1 flotation machine at approximately 35% solids. The flotation circuit consisted of a rougher, rougher scavenger, and three stages of cleaning of the rougher concentrate.

Eight laboratory flotation tests were undertaken in the 2020 optimization test program. The particle size of the flotation feed sample was 80% passing 66 µm and the head grade was 3.13 g/t gold. Two reagent schemes were tested: a combination of potassium amyl xanthate (PAX) and a dithiophosphate-based (DTP) collector or a phosphine-based collector. Concentrate gold grades and recoveries in the cleaner stages ranged from 68 g/t to 331 g/t gold and 55% to 83%, respectively. Overall gold recoveries (gravity and flotation) for the test work ranged from 91% to 97%.

Table 2: 2020 Nalunaq flotation test work results

Test	Test Description	Cleaner Concentrate Grades, g/t Au	Flotation Gold Recovery+, %	Overall Gold Recovery, %++
1	Base case (PAX+DTP)	87 - 289	70 - 83	94 - 97
2	Phosphine-based collector, Rougher only	98 - 268	70 - 79	96 - 97
3	Test 1, 25% more collector	68 - 331	56 - 82	91 - 96
4	Test 1, 50% more collector	81 - 286	55 - 81	91 - 96
5	Test 1, 25% less collector	77 - 249	64 - 83	92 - 96
6	Test 1, 50% less collector	107 - 329	67 - 81	93 - 96
7	Test 1, 50% less DTP	138 - 331	66 - 80	93 - 96
8	Test 6 with copper sulphate	131 - 305	71 - 79	94 - 96

+Flotation stage recovery
++Gravity and Flotation (Gravity recovery was 80% for all tests)

Figure 2: Gold grade-recovery curves for the 2020 laboratory flotation tests

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 James Purchase, P.Geo. (OGQ 2082), Director of Geology and Resources of G Mining Services 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 and Mr. Purchase are members of L'Ordre des Ingénieurs du Québec and L'Ordre des Géologues du Québec respectively, and are "qualified persons" for purposes of NI 43-101.

Sample Preparation and Assaying Techniques

Sample preparation and assays were carried out by SGS Mineral Services UK Ltd. of Cornwall, England.

Gold assays were performed with the M4 screened metallics method, which is a UKAS 17025 accredited method. This involves stage pulverising a 1 kg sample through a 106 µm screen until between 30 g and 50 g of oversize material remain. This entire oversize fraction along with two similar sized duplicate fractions of the undersize are then assayed to extinction in order to determine gold content. The Screened Metallics protocol reduces the likelihood of factors such as the nugget effect influencing the results of the head assay. The final assay grade was 39.03 g/t Au.

Metallurgical Procedures

Metallurgical test work was conducted by SGS Canada Inc. of Lakefield, Ontario, Canada, using the following methodology.

For the mineralized material, 36 kg of sample was split from the original sample using a rotary riffle splitter. For the dilution material, 36 kg was split out using the cone and quarter method. Both samples were crushed to 20 mesh, combined and tumbled (drum tumbler) to homogenize the sample. A rotary riffle was used to split out 10 kg charges for testwork. One charge was further split using the rotary riffle to obtain a 251.7 g

sample. The sample was then split into four samples (three samples for gold fire assay to extinction (GC FAA35V) and the fourth sample for arsenic (GC XRF75F) and sulfur (GC CSA06V) analysis). All three methods are accredited under ISO/IEC 17025. The average gold assay for the three splits was 17.7 g/t. Arsenic and sulfur assayed 0.051% and 0.29%, respectively

Two 10 kg samples were ground in a batch rod mill to roughly 80% passing 75 µm before being passed as a combined feed through a Knelson MD-3 Concentrator. Roughly 100 grams gravity concentrate was generated, while the remaining tailings were filtered, homogenized by hand, and analyzed for moisture content. Using the percent moisture, the samples were then split into 2 kg aliquots on a dry weight basis. This material was then stored in a freezer to prevent oxidation before flotation testwork.

Flotation tests were conducted on 2 kg charges of ground Knelson concentrator tailings. Flotation was completed using a Denver D1 flotation machine at approximately 35% solids. The flotation circuit consisted of a rougher, rougher scavenger, and 3 stages of cleaning of the rougher concentrate. Collector and frother were added incrementally throughout the test. A total of 6 products were collected from the tests, 3rd cleaner concentrate, 3rd cleaner tailings, 2nd Cleaner tailings, 1st cleaner tailings, rougher scavenger concentrate, and rougher scavenger tailings. pH and ORP were measured throughout the test. Gold (GC FAA35V) was assayed from the products to create a metallurgical balance of the test.

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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. 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.

[1] Kvaerner (2002), Nalunaq Gold Project Feasibility Study, prepared for Nalunaq I/S, Internal report, prepared by KVAERNER Engineering & Construction UK Ltd.

[2] An Independent Technical Report on the Nalunaq Gold Project, South Greenland" dated March 20, 2017 (effective date of December 16, 2016), prepared for Nalunaq A/S by SRK Exploration Services Ltd.

[3] AEX Gold Inc. Press Release, Excellent Gravity Recoverable Gold (GRG) Test Work Results at Nalunaq, July 10th, 2020.

SOURCE: AEX Gold Inc.

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