AEX 2020 Early Drilling Results at Nalunaq Confirm Continuity of Main Vein Structure at Depth

21.10.2020 | ACCESS Newswire

TORONTO, October 21, 2020 - AEX Gold Inc. (AIM:AEXG)(TSXV:AEX), an independent gold company with a portfolio of gold licences in Greenland, announces an update to its 2020 exploration drilling campaign at its Nalunaq property in South Greenland.

Objective of drilling program

- To confirm the company's understanding of an area to the south west of the deposit that is thought to be a parallel structure now known as "Valley Block".
- This area previously demonstrated good continuity of the Main Vein through extensive drilling between 2017-2020 and returned high-grade intersections.
- The 2020 infill drilling program was designed to understand the thickness and continuity of the Main Vein in the Valley Block.

Drilling result highlights

- Infill drilling at Nalunaq successfully intercepted the Main Vein with true thicknesses of up to 1.36 meters and visible gold, among the thickest intersections ever drilled at Nalunaq.
- Eleven holes were completed for a total of 2,191 metres, with nine reaching target depth and the Main Vein identified in 6 holes. Initial results include 4.2 g/t over 1.5 meters and 6.6 g/t over 1.35 meters with visible gold (full results are available in table 2 below). Previous drilling of the same area included 0.25 meters @ 120.4 g/t, 0.67 meters @ 46.10 g/t, 0.50 meters @ 19.75 g/t and 0.44 meters @ 16.6 g/t.
- These combined results support the interpretation that this is a high-grade domain similar to the South Block (see AEX's Vrify model, available on the Company's website).
- The thickness and continuity of the vein also suggests that Valley Block has a similar footprint to other historically mined blocks at Nalunaq, further strengthening our confidence in the development of Valley Block in 2021.
- Valley Block is open in all directions and is readily accessible from existing South Block workings, the lowest part of the mine.

Eldur Olafsson, CEO of AEX, commented:

"The results of the drilling activities continue to illustrate the significant potential for expanding the resource base at Nalunaq, which remains open at depth. The ‘nugget' nature of the Nalunaq deposit and the high variability of grade that comes with these kinds of deposits means that this drilling campaign was about further defining the structure at the mine and we are delighted with the preliminary results of this program. The infill drilling in the vicinity of the historical mining area of South Block substantiates the previous high-grade results of drilling activities in the area and is indicative of the potential for Valley Block. The vein structure that was hit is thicker than the historical averages in the best known mine blocks at Nalunaq, which supports our plan to undertake an underground development program in this zone and significantly helps in de-risking that strategy ahead of site mobilization next year."

Nalunaq

Drilling in 2020 was designed to improve confidence in the Valley Block ahead of planned exploration underground development in this area in late 2021 / early 2022. This zone lies approximately 100 meters to the south of the South Block (Figure 1) and has now been drilled to 30 meters or closer drill spacing over an area of approximately 200 meters by 250 meters. Valley Block remains open along strike to the south west and is open at depth and up-dip.

Figure 1 Preliminary outline of the “Valley Block”. AEX2002 and AEX2003 denoted by a star, looking East-West.

Table 1: Diluted grades of all historical drill holes within the Valley Block grading >1 g/t Au

Hole ID	From (m)	To (m)	Interval (m)	Au (g/t)	Au (g/t), diluted to 1.5 m true thickness
AEX1804	175.33	176.0	0.67	46.0	20.6
NQ111	155.15	155.40	0.25	120.4	20.1
AEX1710	147.10	147.60	0.50	19.75	6.6
NQ113	167.00	167.44	0.44	16.6	4.9
NQ133	161.00	161.20	0.2	10.7	1.4
NQ131	212.04	212.32	0.28	6.9	1.3
NQ-89	182.80	183.15	0.35	4.7	1.1
NQ-36	189.27	190.73	1.46	1.1	1.1

The Qualified Person has not verified the data disclosed in Table 1, through sampling, analytical, nor test data. The information was obtained from drilling reports sourced from the previous operators. The Qualified Person has not completed sufficient work to verify the historical drilling results in Table 1. The information provides an indication of the exploration potential of the Valley Block but may not be representative of expected results

Drilling at Nalunaq is primarily used to determine the presence of the Main Vein structure, with drilling generally under calling grades when compared to historical production due to the strong nugget effect observed at Nalunaq (see section below). Fundamental sampling error can also be high at Nalunaq with coarse gold often present in the unsampled half of drill core, which remains in the core box.

The first batch of assay results from the 2020 field season are shown in Table 2, with the location of the drillholes shown in Table 3.

2020 Drilling Assay Results

Table 2 Summary of significant Main Vein intersections from the initial sample batch sent from the four 2020 drill holes assayed to date. Intervals provided as true widths. A cut-off of 0.05 g/t Au has been used to report Main Vein intersections.

Hole ID	From (m)	To (m)	Interval (m)	True Width (m)	Au (g/t)	Main Vein Description (True Width)
AEX1909	No significant intercept					

AEX2001				No significant intercept		
AEX2002	173.30	174.80	1.50	1.36	4.2	3 cm quartz vein in 1 m zone of moderate calc-silicate alteration
AEX2003	161.90	163.25	1.35	1.30	6.6	1.2 m quartz vein with abundant diopside inclusions and fine-grained visible gold at the footwall contact

Table 3 Summary of 2020 drill holes (Projection WGS 84 UTM zone 23N). The upper part of hole AEX1909 was drilled in 2019.

Hole ID	X	Y	Z	Core Diameter	Dip	Azimuth	Total Depth (m)
AEX1909	509426	6691201	236	NQ	85	315	287.50
AEX2001	509426	6691201	236	NQ	55	315	215.70
AEX2002	509113	6690844	307	NQ	80	315	231.00
AEX2003	509113	6690844	307	NQ	70	315	219.00
AEX2004	509113	6690844	307	NQ	60	315	200.80
AEX2005	509127	6690868	306	NQ	80	315	148.50
AEX2006	509133	6690904	304	NQ	85	315	216.00
AEX2007	509133	6690904	304	NQ	70	315	213.00
AEX2008	509127	6690868	306	NQ	62	315	175.30
AEX2009	509127	6690868	306	NQ	85	315	321.00
AEX2010	509499	6691504	240	NQ	80	315	100.50

A note on drilling at Nalunaq and the nugget effect - "Drill for structure, drift for grade."

The high variability of gold grades in high-nugget deposits such as Nalunaq means accurate estimation of grade from drilling data alone is challenging. Historic operators of Nalunaq defined mineral resources based predominantly on underground channel sampling from development drives, and drilling was used as a guide to confirm the presence of Main Vein. A comparison of all past surface drilling in mined areas with block model grades (estimated from underground channel samples which reconcile with production) suggests that surface drilling typically under-calls gold grade (Figure 3). This phenomenon is not unique to Nalunaq, and AEX emphasises that whilst drilling is useful for identifying the mineralised structure, it is not a reliable indicator of grade. With this in mind, the 2020 drilling program has been successful, locating the Main Vein structure in six holes. Ultimately, underground exploration development will be required in order to estimate grade and mineral resources above the inferred category.

Figure 3 Main vein intercepts in historical drilling were compared to the nearest block in the official 2017 SRK block model (both datasets diluted to 1.5 meters mining width). Grades are plotted on the above scatter plot. Points highlighted in the red box represent historical drilling intervals that underreported the production grades. Dashed lines show 5 g/t Au cut-off, which the historical mining cut-off grade. Note log scale.

Selective sampling of historic cores may have missed the Main Vein structure where there is subtle gold-bearing alteration and no well-developed quartz vein. To ensure all potential mineralisation is captured, the entire length of the drill hole was half-core sampled in 2020. Samples were also assayed for 33 trace

elements by ICP-AES with four-acid digestion to better understand the geochemistry of mineralised intersections. This dataset will support a future study investigating geochemical indicators for potential high-grade domains. Holes AEX1703 and AEX1707 from the 2017 drilling campaign were also re-examined and sampled over their entire lengths, although assays are pending.

Sampling and QAQC Disclosure

Drill core was cut in half using a diamond blade core saw. Where a bottom of hole orientation line was present, the cut line was marked approximately 5 degrees off axis, and the right-hand side of the core was sampled. Drill core samples were placed into calico or thick polymer bags with a sample ticket, weighed, and assigned a sample ID. Each sample was sealed with a security tag, which assigns a unique security ID to the sample. Samples were transported from site to an accredited laboratory for analysis; priority samples were sent to SGS Burnaby, BC, Canada and all remaining samples were sent to SGS Sudbury, ON, Canada.

Sample preparation scheme PRP94 was used on all samples, with the addition of a rotary split. This involves crushing to 75% passing 2 mm, rotary split off 1 kg, and pulverizing the split to better than 85% passing 75 microns. Samples were then analysed by 50g fire assay with AAS finish, technique GE_FAA50V5 which has a detection limit of 0.005 ppm Au. Samples containing visible gold and samples considered to be the Main Vein were assayed with screen-metallics fire assay technique GO FAS50M which has a detection limit of 0.01 ppm Au. This involves screening 1 kg of pulverised sample to 106 µm followed by 50 g fire assay of the entire plus fraction and duplicate analysis of the minus fraction. In addition, all samples were assayed with a Four-Acid Digestion / 33 element ICP-AES package, technique GE_ICP40Q12.

The QA/QC program of AEX consists of the systematic insertion of certified standards of known gold content, and blanks, at a rate of 1 in 20 or 5% per QAQC type. In addition, SGS insert blanks and standards into the analytical process. The average sample mass was 2.83 kg.

Qualified Person Statement

The scientific and technical information presented in this press release has been approved by 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. Purchase is a member of the L'Ordre des Géologues du Québec, and a "qualified person" for purposes of NI 43-101. The Qualified Person has not completed sufficient work to verify the historic drilling results outlined in Table 1.

Enquiries:

AEX Gold Inc.	
George Fowlie, Director and CFO	1-416-587-9801 gf@aexgold.com
Eldur Olafsson, Director and CEO	+354-665-2003 eo@aexgold.com
Stifel Nicolaus Europe Limited (Nominated Adviser and Broker)	+44 (0) 20 7710 7600
Callum Stewart Simon Mensley Ashton Clanfield	
Camarco (Financial PR)	+44 (0) 20 3757 4980
Gordon Poole Nick Hennis Emily Hall	

Further Information:

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 3,356km^2, 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.

Glossary

Au	Gold
g	grams
g/t	Grams per tonne
kg	Kilograms
µm	Micrometer
mm	Millimetre
oz.	Ounces
ppm	Parts per million

SOURCE: AEX Gold Inc.

View source version on accesswire.com:
https://www.accesswire.com/611330/AEX-2020-Early-Drilling-Results-at-Nalunaq-Confirm-Continuity-of-Main-Vein-Stru