

06:45 19 Nov 2020

AEX Gold third quarter results demonstrate significant increase in activity across portfolio as it transitions towards development

AEX Gold Inc. (LON:AEXG) (CVE:AEX) has posted results for the third quarter ended September 30, 2020, which its boss said demonstrated the significant increase in activity across its portfolio as its business transitions towards development.

Commenting in the results statement, AEX Gold CEO, Eldur Olafsson said: "Following the successful \$72.7 million fundraise and AIM listing in July 2020, the Company was able to leverage its strong cash balance and the remaining months of Greenlandic autumn to front-end surface drilling initially planned for 2021.

"Furthermore, the launch of the request for proposal process for underground development contractors, and front-end engineering and surface drilling all provided significant advancement to the project during Q3 and puts us in an excellent position ahead of our onsite development activities in 2021. We look forward to providing updates to the market on our many exciting workstreams in due course."

READ: AEX Gold continues to make good progress at the fully-funded Nalunaq Project in South Greenland

The London and Toronto-listed independent gold company with a portfolio of gold licences in Greenland had a cash balance of C\$68.7 million as at September 30, 2020, up from C\$1.5 million as at December 31, 2019, with no debt, and total working capital of C\$67.5 million versus C\$1.2 million at December 31, 2019.

AEX Gold reported an increase in exploration and evaluation expenses during the third quarter to C\$2.9 million (Q3 2019: C\$1.8 million), driven by increased activity on the Nalunaq Property and its regional exploration portfolio., while general and administrative expenses during the quarter were C\$1.1 million (Q3 2019: C\$0.2 million), with the increase a result of higher management, consulting and professional fees associated with its AIM listing and as it moves towards development at Nalunaq.

As would be expected, the company reported a net loss of C\$4.6 million in Q3 2020 (Q3 2019: C\$2.6 million), pushed up by the increased exploration and evaluation activities and corporate activity during the period, as well as non-cash foreign exchange loss.

On July 31, 2020, AEX Gold completed its admission to London's AIM market, in addition to its existing Toronto Venture Exchange listing, with the issue of 94,444,445 common shares at a price of 0.45p (C\$0.77) per share via an equity placing raising gross proceeds of C\$74.6 million.

Operationally during the third quarter, the group said it successfully managed the mobilization and demobilization of a small crew based at Nalunaq from August to the end of October to accomplish key activities at Nalunaq and the other exploration licenses. The procedure for mitigating the risks related to coronavirus (COVID-19) proved to be effective,

1 Year Share Price Graph



Share Information

Code: AEXG
Listing: AIM
Sector: Gold & silver
Website:

Company Synopsis:

AEX Gold is focussed on building a full-cycle gold company in South Greenland's gold district. AEX was founded in 2017 as an exploration company with a focus on locating high-grade gold deposits in Greenland. The Corporation currently owns five licences in South Greenland covering an area of 828 km², meaning it has established an unrivalled footprint and the largest gold licence portfolio in Greenland.

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and the local authorities were very supportive, the company added.

The 2020 surface drilling program at Nalunaq commenced during the period in August and was finalized following the end of the period, in the second half of October, with eleven drill holes for a total of 2,191 metres drilled. The Main Vein was identified in six of the eleven holes drilled, with some of the intersects yielding the thickest interceptions (1.50 meters) ever recorded at Nalunaq, the company said.

Initial results from the drilling were announced on October 21, 2020, and the remaining results will be reported when received during Q4 2020, it added. Meanwhile, Terms of Reference of the environmental impact assessment (EIA) and social impact assessment (SIA) have been accepted by the authorities in October 2020 and will now progress to public consultation.

The corporation also conducted exploration activities over the exploration licence areas, as well as its wider regional portfolio, as part of the 2020 summer work program announced on August 24, 2020, and it said the results of these exploration activities will be announced as soon as received in Q4 2020.

Early in November 2020, AEX Gold was granted an addendum to the Anoritoq Licence, increasing the size of the licence to 1,889 square kilometres and also following the period end, the group was granted one new Mineral Exploration Licence in South Greenland, namely Kangerluarsuk, covering an area totalling 335 square kilometres, taking its full license area to 3,870 square kilometres.

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