NEWS RELEASE

Advanced Explorations Inc. Receives Positive Feasibility Study on Roche Bay Iron Project C Zone

(TSX VENTURE: AXI)
(FRANKFURT: AE6)

TORONTO, ONTARIO--(Marketwire - Aug. 10, 2012) - Advanced Explorations Inc. (the "Company" or "AEI") is pleased to announce positive results of its Feasibility Study ("FS") conducted on the C Zone of its Roche Bay Iron Project. The FS has been completed by TetraTech Wardrop ("TetraTech") and confirms that the project has a Net Present Value of US $642 million (pre-tax). The complete report will be filed by the authors on SEDAR within 45 days of this press release.

Highlights of the Roche Bay Iron Project Feasibility Study:

- **5.5 million tonnes per year start-up production** based upon **501 million tonnes @26.35% Fe (indicated)***
- **High quality, low impurity, 66% Fe concentrate production** with demonstrated potential to produce 68% + concentrate
- **Mine life of 15 years (C Zone)**
- Low mine **stripping ratio of 0.92:1** over life of mine **(LOM)** reducing overall mine costs and mine footprint per tonne of ore
- **Pre-Tax Net Present Value ("NPV") of U.S. $642 million** at a discount rate of 8% and a concentrate selling price of U.S. $104/tonne of iron concentrate (FOB Roche Bay)
- Start-up mine **cash flow (net) of U.S. $2.9 billion**
- **Pre-Tax Internal Rate of Return ("IRR") of 16%**
- **Capital cost ("CAPEX") of U.S. $1.2 billion** (excluding contingency)
- **Operating Cost ("OPEX") of U.S. $49.13/tonne of iron concentrate** (averaged over the life of mine)
- **Reduced infrastructure costs** due to the proximity (6 kms) of ore body to natural, deep water harbour (no rail, extended power lines, or slurry pipelines and no dependency on third parties to provide these services).

John Gingerich, president & CEO, commented:

"The completion of our Feasibility Study marks a significant milestone for the Company, and lays a clear foundation for the path forward to production. The positive economics at this initial modest start-up production rate demonstrate that we have an excellent project with substantial opportunities for expansion and to further lower the operating cost using power solutions such as Liquefied Natural Gas (LNG). The location of the project at tidewater and its consequent low infrastructure requirements promote future expansion and lower operational and construction risks, which compares favourably with many projects in Brazil, Australia and Canada. We are well positioned to become a globally competitive, low cost producer and are on our way to become one of the lowest cost iron ore producers in North America".

Project Overview

The Roche Bay Iron Project is situated on the east coast of the Melville Peninsula, approximately 60km southwest of the community of Hall Beach, and approximately 240 km west of Iqaluit, Nunavut. The C Zone ore body is located approximately 6 km from tidewater where the project has a natural deep water harbour (+20m depth) capable of accepting large Cape-size vessels. The proximity to tidewater provides for significant operational and construction advantages. The objectives of the current Feasibility Study for the Roche Bay C Zone project include the definition of an initial start-up operation comprising a 5.5 million tonne Fe concentrate production facility producing a high quality, globally marketable concentrate, ideally suited for pellet plants and other customer markets.

Key elements of the project include:

- Resource Estimate (filed on SEDAR March 6, 2012):*

The current mineral resource for the project's C Zone includes 501 million tonnes in the Indicated category averaging 26.35% total iron at a 20% iron cut-off grade.

Cut-off grade Fe %	Tonnes (Millions)	Total Iron (%)	Fe_3O_4 %	SiO_2 %	Al_2O_3 %	MnO %	P %	S %
15	561.4	25.46	24.25	51.50	3.22	0.073	0.087	0.76
20	501.3	26.35	25.67	51.22	2.98	0.071	0.088	0.75
25	316.8	28.36	29.87	50.15	2.38	0.061	0.090	0.66

A further 66 million tonnes averaging 26.37% total iron at a 20% iron cut-off remains in the Inferred category.

Cut-off grade Fe %	Tonnes (Millions)	Total Iron (%)	Fe_3O_4 %	SiO_2 %	Al_2O_3 %	MnO %	P %	S %
15	73.0	25.58	24.49	51.53	3.06	0.070	0.086	0.78
20	65.9	26.37	25.72	51.23	2.88	0.068	0.086	0.76
25	42.5	28.38	29.86	50.04	2.26	0.057	0.088	0.68

* The January 17, 2012 mineral resource estimate and March 6, 2012 NI 43-101 technical report were completed by Mr. Greg Greenough, P.Geo., and Mr. Paul Palmer, P. Eng., qualified persons for Golder Associates Ltd. Mr. Palmer has provided written permission for the release of the mineral resource estimate in the form and context in which it is provided here.

- Deep water (+20m) port facility located 6 km from ore zone capable of accepting largest Cape-size vessels
- 53 MW power plant with additional standby power and Arctic Diesel Storage Area
- Heat recovery system from power plant
- 5.5 million tonne per year (Mtpy) concentrator (design capacity 6 Mtpy)
- Concentrate storage facility with concentrate handling: conveyor / stacker / reclaimer
- Proposed shipping window from July to December using a combination of standard and ice-class vessels requiring no assisted ice-breaking
- Tailings and water management infrastructure
- Supporting infrastructure including camp, power distribution, maintenance shops, admin, warehouse, and communications centre
- Mine at C Zone, including primary crushing plant

CAPEX

Pre-production capital costs amount to U.S. $1.24 billion (contingency not included). Total pre-production capital costs (including 10% contingency) are U.S. $1.37 billion and are summarized in Table 1 below.

Table 1: Capital Cost ($M USD)	
Open Pit Mine	$242
Power	$86
Process	$340
Tailings /Reclaim & Water Treatment Facilities	$66
Site Infrastructure	$363
Indirect Costs	$272
Total Capital Costs (including contingency)	**$1.37 B**

OPEX

Total operating costs per tonne of iron concentrate amount to U.S. $49.13 and are summarized in Table 2 below.

Table 2: Operating Cost (USD/tonne concentrate)	
Mining Costs	$16.52
Process Costs	$9.80
Powerplant OPEX	$16.20
Infrastructure OPEX	$1.96
General & Administrative Costs	$4.65
Total OPEX	**$49.13**

Financial Analysis

The financial analysis used in the FS is based on the assumption that pre-production/pre-stripping (mine) would begin in 2015 with a mine life of 15 years.

Table 3: Sensitivity Analysis according to Iron Ore Concentrate Selling Price	
Price (Netback FOB) $USD	**NPV ($M USD)**
116	$1,017
104	$642
92	$267

Table 4: Sensitivity Analysis according to Discount Rates	
Discount Rate	**NPV ($M USD)**
5%	$1,186
8%	$642
10%	$396

Project Opportunities

In addition to the above, the Company believes that significant opportunities exist to add value by considering the following:

- **Lower operating cost from LNG usage:** Power makes up approximately 40% of the project's current operating cost, and LNG costs about 50% less than Arctic Diesel. Using fuel costs derived from the current Study (FS) this would represent an approximate savings of $8 / tonne of concentrate production (16.6% of total OPEX). Achieving these savings will firmly situate the project in a sustainable cost competitive position, relative to comparable projects. The Company is currently engaged in a scoping level study in

partnership with the Government of Nunavut regarding the use of an LNG and alternative power options.

- **Tuktu Direct Ship Ore Potential:** Discovery potential of a direct ship ore resource at the Tuktu Project, 60 km north of Roche Bay, could result in higher production rates, lower capital investment and earlier cash flow.

- **Production Increase:** Increased production can lead to lower capital cost per tonne of production and operating cost per tonne (through economies of scale).

Qualified Persons

The Qualified Persons responsible for the Feasibility Study include the following number of specialist service groups and sub-consultants.

Property Description & Location History Geological Setting and Mineralization Deposit Types Exploration Drilling Sample Preparation Analyses and Security Data Verification Mineral Resource Estimates Adjacent Properties	Golder Associates Ltd.
Mineral Processing & Metallurgical Testing Mineral Reserve Estimates Mining Methods Recovery Methods Site Geotechnical Water Management Water Treatment Infrastructure Waste Storage and Disposal Stockpiles (Iron Ore Concentrate, ROM) Roads Ship Loading System Power Supply and Distribution Fuel Storage and Distribution Ancillary Buildings and Facilities Control Philosophy Communications Conveyors Pipelines (connecting facilities) Stream Diversion Rejects Capital Costs Operating Costs Economic Analysis Pre-tax Model Summary of Financial Results Taxes, Royalties Sensitivity Analysis Transportation Logistics	Tetra Tech Inc.

Tailings Management Facility Dams Airstrip Environmental Studies Waste and Tailings Disposal, Site Monitoring and Water Management Permitting Social or Community Requirements Mine Closure	EBA Consulting Engineers
Port Facilities	PND Engineers Inc.
Market Studies and Contracts	Raw Materials Group

The Feasibility Study is based on the review of technical studies performed to this date. The Feasibility Study also includes expert contributions including EBA Consulting Inc., PND Engineers Inc., Raw Materials Group, Golder Associates Ltd. and Tetra Tech Inc., and was overall reviewed for its technical content by Tetra Tech Inc. under the direction of Mr. Paul Souter, P. Eng. As the Company's Independent Qualified Person, Mr. Paul Souter, P.Eng. has also reviewed the contents of this release. The resource and geology sections are based upon AEI's most recent NI 43-101 Technical Report which Golder Associates Ltd. authored and filed on SEDAR March 6, 2012. Bernie Swarbrick, B.Sc., MBA, Vice President of Capital Projects and Studies for Advanced Explorations Inc., is a Qualified Person within the meaning of NI 43-101 and has reviewed and approved the contents of this press release.

ON BEHALF OF THE BOARD

John Gingerich, President & CEO

ABOUT Advanced Explorations Inc.

The Ocean-based Roche Bay Project boasts an NI 43-101 compliant resource estimate of over 500 million tonnes outlined within a small portion of the potential 140 km of banded iron formation. Recently, the Company announced a positive outcome of the feasibility study for the project's C Zone. To date, AEI has delineated over 1 billion tonnes of iron under NI 43-101 among its Roche Bay and Tuktu deposits and continues to explore other targeted deposits in areas to the north, south and west of Roche Bay. The management team has extensive technical, exploration and Canadian Arctic mining expertise to effectively develop the high quality iron ore opportunities on the Melville Peninsula.

This news release also includes forward-looking statements that involve a number of risks and uncertainties. The information reflects numerous assumptions as to industry performance, general business and economic conditions, regulatory and legal requirements, taxes and other matters, many of which are beyond the control of the company. Similarly, this information assumes certain future business decisions that are subject to change. There can be no assurance

that the results predicted here will be realized. Actual results may vary from those represented, and those variations may be material.

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For further information: (416) 203-0057 x226