

*Translated from German.*

## Iron Nuggets - The new Gold

*Interview with John Gingerich (Advanced Explorations Inc.)*

*In Nunavut, in the deep space of Canada's north, there is one of the largest iron ore projects. A first NI43-101 resource estimate showed a resource of more than 100 million tons of iron. Furthermore, the strategic location of Advanced Exploration's Roche Bay Project near deep tidewater offers a low cost production opportunity. We spoke with CEO John Gingerich about the current status of the project, the production plans and the future development of the Roche Bay Region.*

**?** For your Roche Bay Magnetite Project you recently announced a first resource estimate. Could you please give a short summary about the most important facts?!

**A** It represents a milestone for AEI and our entire team. We had some timing setbacks because of the markets but that is now behind us. The key outcome is that we have not drilled the entire strike length of the C-Zone and it is already larger than the 1980's estimate. The report highlighted a subset of the drilling to date which is an inferred resource of 360 million tons of 28.1% Fe with a cutoff grade of 25% Fe to a depth of 250 meters from surface.

**?** The report reflects considerable work completed by AEI to date and enables us to finalize the project's economic study.

**A** This will be a key element to demonstrating the strength of our project to potential strategic partners and investors as we can show that there is an attractive opportunity to exploit the higher grade aspects of the deposit in the early years with exceptional life of mine potential.



Source: Advanced Exploration

**?** This resource estimate only includes around 5 of a 40km long iron ore trend. What results do you expect for the rest of these 40km?

**A** The banded iron formation strikes for many kilometers beyond the 25 km strike within our current property holdings. There are other zones identified in the airborne magnetic survey that have yet to be classified. With the C-Zone drilling indicating potential for a larger than previously identified deposit, we are confident that, once the other 4 zones (A, B, D and E) are drilled, we can exceed the historical esti-

mates and at similar grades.

**?** What are your current plans for a production scenario? Shipping of the iron ore? Shipping a concentrate? Producing own steel by getting the rest of the required products to Roche Bay? Or something else?

**A** Previously released metallurgical test results show that a high quality concentrate of 67% iron can be produced from this long life resource (AEI News releases dated November 12, 2008 & August 13, 2007). We feel that the concentrate is suitable for further on-site processing and the production of high quality iron nuggets with over 95% iron content. What is key to this plan is that we can produce a product that has historically sold at up to 8 times the value of concentrate thus allowing the potential to produce an equivalent cash flow from a much smaller mine footprint. This has a big impact on the size of the facility (cost) and the amount of product that must be shipped. The ideal location of our deposit directly at tide water enables us not only to take advantage of regional synergies like the proximity of the port of Churchill but also represents a unique opportunity for savings in transportation.

**?** How does the current economy crisis effect Advanced Exploration's current work and

your future production plans?

**A** Financing opportunities in this market are certainly challenging, and all juniors are affected heavily by the crisis. The limited funds available in the venture markets will slow down but not necessarily stop our activities. However, we are fortunate in that both the Federal and Nunavut governments have placed mining development as a priority in respect to their social-economic development strategy. We have already had discussions with government with respect to establishing programs to assist companies operating in the north and are very encouraged by recent infrastructure development initiatives. Some of these initiatives may not have a near term impact but will certainly be of benefit as we move towards a development decision.

**?** What would be the lowest iron ore grade level at which a production would make sense at current market conditions?

**A** With our current strategy of selling a high grade nugget the grade of the deposit is less important. The leveraged advantages of location and the high value product largely decouple the potential influences of variation in mine grades. For other companies and projects which sell lower value products (concentrate/fines, lump/pellets) this is more of an issue.

**?** What production start would you assume at the moment?

**A** If we are able to remain on plan it is possible to be production by 2013.

**?** Advanced Explorations Inc. extended a Memorandum of Understanding to acquire a 100% interest in the Roche Bay Project. That seems that you feel very confident about this project. Doesn't it?

**A** The project has excellent prospects to succeed. The location close to tide water cuts transportation costs and the nugget opportunity provides a niche market for AEI to sell to mini mills in North America, Asia and Europe. In addition, the current development vision (iron nuggets) which we have identified gives us confidence that we can develop a very long life iron ore mine.

The location, quality of product and proven resources differentiate us from similar projects in the Canadian North and give us a competitive edge that the market has not yet fully understood.

**?** Is it possible for Advanced Explorations Inc. to bring a project like Roche Bay into production alone?

**A** In these markets any significant development will ultimately require a strategic partner. The partner would not only be an important source of capital and expertise; they would also bring confidence to the market. The challenge in the current undervalued markets is to ensure the deal is fair to our shareholders.

**?** What further plans does Advanced Explorations Inc. have for 2009?

**A** Our primary focus is to close a deal with a strategic partner. This would allow us to push rapidly forward to complete our definitive feasibility study within a year and be ready for project financing in 2010/11 when the global economy has hopefully recovered.

**?** Will Advanced Explorations be present at the Precious Metals show in Munich 2009 or any other German show within this year?

**A** We are currently reviewing show opportunities in Germany for this year as our European investors who attend these shows are very important to us and we would like to meet with them more often.

We intended to be present at the Rohstoff-Messe in March, but the date was too close to the Convention of the Prospectors and Developers Association of Canada for us to do both shows and release the resource estimate at the same time.

Advanced Explorations Inc.		
Quote	0.20 CAD	TSX-V
Quote	0.129 EUR	Frankfurt
MaCap	7.5 mm CAD	
WKN	A0D 8ZT	Frankfurt
ISIN	CA00765C1086	
Symbol	AXI	TSX-V
Symbol	AE6	Frankfurt
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