NEWS RELEASE

Advanced Explorations Inc. and XinXing Ductile Iron Pipes Co., Ltd. Sign Agreement to Jointly Explore Tuktu 2 Iron Project

(TSX VENTURE: AXI)
(FRANKFURT: AE6)

TORONTO, ONTARIO--(Marketwire - Aug. 21, 2012) - Advanced Explorations Inc. ("AEI" or the "Company") is pleased to announce that it has entered into an agreement with XinXing Ductile Iron Pipes Co., Ltd. ("XDIP") for the further exploration and development of the Company's Tuktu 2 project (the "Agreement"). Under the Agreement, XDIP will have the right to earn 50% of AEI's interest in the Tuktu 2 project by providing investments totalling $20,000,000 in three stages, with an initial $5,000,000 payment to AEI secured by a two-year, non-interest bearing convertible debenture.

AEI will use these funds to initiate a drill program on Tuktu 2 sufficient to investigate its direct-ship ore ("DSO") potential. Should the results of the program warrant further exploration, XDIP has agreed to make additional future investments of $5 million and $10 million toward the Tuktu 2 project. The Tuktu 2 exploration work will focus on further delineating the scope and scale of any DSO resources, with the ultimate goal of completing a Tuktu 2 feasibility study. Under the Agreement, upon completion of XDIP's investment commitments and upon review of the advancement of a Tuktu 2 feasibility study, the Agreement contemplates the formation of a joint venture for the specific purpose of developing the potential Tuktu 2 iron ore asset ("Tuktu DSO JV").

John Gingerich, president & CEO, commented:

> "The Tuktu 2 agreement provides the opportunity to fast track exploration and rapidly assess the project's economic potential and if warranted, move quickly towards a development scenario that could then be aligned with the development of the Roche Bay iron project south of Tuktu. Our Roche Bay agreement with XDIP does not include the Tuktu area, and this Agreement provides an important step to an integrated vision. We are very pleased that our partner shares our vision of a broader regional development scenario."

Additional terms of the agreement are as follows:

- AEI will grant XDIP preferred off-take rights in proportion to their earned interest in the Tuktu DSO JV.

- Although this Agreement contemplates a 50:50 joint venture, the proportionate interest of the parties in the Tuktu DSO JV entity is subject to adjustment based on identified minimum resource thresholds (measured and indicated). If upon completing a feasibility study the reserve base is less than 35 million tonnes of DSO then XDIP will acquire an additional 10% interest (60% in aggregate); however, if the reserve base exceeds 45 million tonnes of DSO then XDIP's earn-in will be limited to a 40% interest in the joint venture entity.

- The first $5,000,000 investment will be immediately secured by a two-year, non-interest bearing convertible debenture as issued by the Company to XDIP. Such a debenture will be convertible either directly into common shares in the capital of the Company up to a maximum shareholdings by XDIP of 19%, or convertible into shares of the Tuktu DSO JV relative to the minimum resource threshold as specified above. The debenture will be convertible into shares of the Company with the conversion price being the greater of either: (a) a 10% discount of the weighted average trading price of the ten days before and after XDIP submitting their intent to convert, or (b) the amount equal to $0.25 per share.

AEI's current Tuktu 1 deposit, which is comprised of 465 million tonnes of iron ore at 31.1% iron in the inferred category, as well as all other claims included in the Tuktu Project area may be the subject of further discussions between the parties at formation of the Tuktu DSO JV but are currently not part of this agreement.

The Agreement has been approved by the boards of both parties but is subject to approval by the TSX Venture Exchange.

ON BEHALF OF THE BOARD

John Gingerich, President & CEO

ABOUT Advanced Explorations Inc.

Advanced Explorations Inc., based in Toronto, Ontario, is a resource development company focused on developing its Roche Bay and Tuktu Iron Ore Projects in one of the world's largest developing iron ore districts, the Melville Peninsula in Nunavut. 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. A positive feasibility

study for the Roche Bay Project's C Zone revealed a net present value of $642M on a base case 5.5 Mtpa start-up concentrate operation and substantial upside potential including becoming a low quartile cost producer. To date, the Company 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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