



TGX:TSX-V

TRUE NORTH GEMS

True North Gems Signs Partnership Agreement to Construct and Operate the Aappaluttoq Ruby Project

Vancouver, BC, November 20, 2012 – True North Gems Inc. (TGX: TSX-V) (“True North” or the “Company”) is pleased to announce the signing of a Letter of Intent (“LOI”) with Greenland Mining Services A/S (“GMS”). Under this agreement GMS will provide the majority of capital costs to become a 20% shareholder in True North Gems Greenland (“TNGG”), a wholly owned subsidiary of the Company and titleholder of the Aappaluttoq ruby project. GMS is predominantly owned by international arctic contractor Leonhard Nilsen & Sonner A/S (LNS) of Norway. The combined GMS-LNS partnership has 70 years of experience in logistics and mining in arctic environments.

To earn the entire 20% shareholding in TNGG, GMS will be committed to fully engineer, build and fund the complete mine support infrastructure, an estimated investment of US \$23 million (approximately 60% of projected capital expenditures). This will include all civil engineering costs, the capital cost of open pit pre-strip, and the construction cost of all mine-related buildings including ore storage, port facilities, mine operations camp, workshop, site roads, power plant, and fuel and explosive storage. The Company will retain responsibility for designing and funding capital costs for the ore processing circuit and building, rough gem sorting and grading facility, and gem marketing and sales.

“This agreement marks a very important milestone in the development of the Aappaluttoq ruby project,” stated Nicholas Houghton, President and CEO of True North. “Not only does it provide substantial capital contributions for the construction of the mine, but it also brings in an experienced Greenlandic and Arctic mining operator. This will considerably de-risk the project and act as a growth catalyst for the future Greenlandic mining industry.”

Under this agreement and during mine operations, GMS will retain the right to operate the mine site on a cost plus basis, and will be responsible for providing all the necessary mining equipment required throughout the mine life. During mine operations, certain surface infrastructure components will be leased by GMS to TNGG, subject to a buy-out at any time.

“We are delighted to forge a partnership with True North,” said Finn Mortensen, Chairman of GMS. “The GMS mining and arctic operating expertise will allow True North to focus on their primary strengths: processing, marketing, branding and the sale of Greenland ruby and pink sapphire.”

True North and GMS will develop a mutually agreeable construction plan, timeline and budget that will provide sufficient detail at the full feasibility level to facilitate final schedules, layouts, equipment procurement, and definitive capital cost allocations based on this agreement. This LOI is binding but

conditional upon the finalization of the option and shareholders agreement by March 1, 2013, receipt of requisite regulatory approval and the granting of the Exploitation Permit.

GMS is a major supplier of services to the oil, gas and mineral industry in Greenland. The overall LNS Group of 15 companies is a major mining and construction company based in Northern Norway. The LNS group has worked on a variety of projects over the last 50 years and has focused on operations in Svalbard, Spitsbergen, Iceland, Greenland, Russia, Antarctica and throughout Scandinavia.

Conference Call

In connection with this release the Company will hold a conference call on Tuesday, November 20, 2012 at 8:00am PST. To access the call please dial 416-695-7806 (local Toronto and international) or 1-888-789-9572 (North American toll free), and enter passcode 9743014.

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