

13 June 2014

XANADU DIVESTS EKHGOVIIN CHULUU COKING COAL JOINT VENTURE

HIGHLIGHTS

- Xanadu has entered binding agreements to sell its 50% interest in the Ekhgoviin Chuluu coking coal joint venture to Aspire Mining.
- Xanadu will receive consideration of up to 15 million shares in Aspire Mining based on joint venture milestones.
- Aspire Mining is well placed to advance and add value to the Nuurstei Coking Coal Project in northern Mongolia, including synergies with its Ovoot Coking Coal Project.

COKING COAL DIVESTMENT

Xanadu Mines Ltd (ASX: XAM – “Xanadu”) is pleased to announce that it has entered into a binding agreement to sell its 50% interest in the Ekhgoviin Chuluu LLC joint venture (“Ekhgoviin Chuluu”) to ASX listed Aspire Mining Ltd (ASX:AKM) (“Aspire Mining”). The joint venture currently has a 60% interest (a 30% effective interest to Xanadu) in the Nuurstei Coking Coal Project (“Nuurstei”) in northern Mongolia.

Xanadu will receive consideration of up to 15 million shares in Aspire Mining based on project milestones being met. Aspire Mining will issue 10 million shares to Xanadu upon the joint venture agreeing to undertake feasibility studies in the Nuurstei area or the Mineral Resource Authority of Mongolia granting a mining licence over all or part of the Nuurstei area. Aspire Mining will issue a further 5 million shares upon a JORC compliant resource of 30 million tonnes of coal being identified within the Nuurstei area. Aspire Mining will also assume Xanadu’s joint venture spending obligations including a US\$200,000 milestone payment. The Noble Group will retain their 50% interest in the joint venture, along with marketing rights over all Nuurstei Project production.

Xanadu’s Managing Director, George Lloyd, said “Our exit from Ekhgoviin Chuluu is aligned with our commitment to reduce expenditure commitments and focus on our copper exploration projects. Aspire has established a strategic position in north-western Mongolia’s coal resources and is well placed to advance and add further value to the Nuurstei Project, including through synergies with its Ovoot Coking Coal Project.”

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