

Alexander Nubia International Inc. Provides Corporate Update

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Toronto, Ontario CANADA, May 16, 2014 /FSC/ -[Alexander Nubia International Inc.](#) (the "Company" or "Alexander Nubia") (TSX-V: AAN) is pleased to provide an update on its recent corporate developments.

Mr. Alexander Massoud, Chief Executive Officer of the Company, stated, "the Company wishes to recognize the efforts and commitment by certain directors, vendors and consultants of Alexander Nubia in advancing the Company over the past three years. Alexander Nubia has delivered on a number of significant technical and corporate milestones which reflect the caliber of the team. We look forward to an exciting 2014 which will coincide with new technical results and encouraging discussions with the Egyptian government regarding Egypt's mineral resource sector and Alexander Nubia."

Replacement of Convertible Debenture

The Company announces plans to issue convertible debentures in exchange for the convertible debentures issued by the Company in May 2012 (the "2012 Debentures"), which are due to be repaid on May 29, 2014. No cash consideration will be paid. Upon maturity of the 2012 Debentures, the Company intends to issue to holders of the 2012 Debentures new 12% unsecured convertible debentures in the aggregate principal amount of \$215,000 (the "2014 Debentures") with a maturity date of May 29, 2016. Interest shall accrue and be payable at maturity.

All warrants issued in connection with the 2012 Debentures shall expire unexercised on May 29, 2014. In consideration of the exchange of the 2012 Debentures, a total of 3,990,000 common share purchase warrants of the Corporation (each, a "Warrant") will be issued to holders of 2014 Debentures on a pro rata basis, representing a 75% Warrant coverage based on the principal amount and interest on the 2012 Debentures. Each Warrant entitles the holder thereof to acquire one common share of the Company ("Common Share") at a price of \$0.05 until the date that is two years from the Closing Date.

If the Corporation completes a public offering or private placement of Common Shares or securities convertible into Common Shares (an "Equity Financing") prior to the Maturity Date and the Equity Financing raises gross proceeds of at least \$1,500,000 (a "Qualified Equity Financing"), or if the Corporation completes a transaction to sell part of the Corporation's assets directly or indirectly to another party which results in proceeds of at least \$1,500,000 (a "Qualified Asset Transaction") then the Corporation shall repay a minimum of \$150,000 of the amount outstanding under the 2014 Debentures with the proceeds received from the Qualified Equity Financing or the Qualified Asset Transaction, as the case may be.

The Corporation shall use its commercially reasonable efforts to repay a minimum amount of \$51,000 of the principal amount outstanding under the 2014 Debentures within 12 months of the Closing Date (the "Minimum Payment"). In the event the Corporation does not pay the Minimum Payment, the interest rate will increase from 12% to 15% per annum, commencing 12 months from the Closing Date.

At any time after the earlier of (i) the closing date of a Qualified Equity Financing or Qualified Asset Transaction; and (ii) the first anniversary of the Closing Date (the "One Year Anniversary Date"), the holder may convert, at its sole option, (x) all or any portion of the principal amount of the 2014 Debentures into Common Shares at a price per share equal to the greater of Cdn \$0.10 per share and the Discounted Market Price (as defined in the policies of the TSX Venture Exchange) at the time of such conversion; and/or (y) subject to TSX Venture Exchange (the "Exchange") approval at the time of making the required shares for debt application, all or any portion of the accrued and unpaid interest owing on the 2014 Debentures into Common Shares at a price per share equal to the greater of Cdn \$0.05 per share and the Discounted Market Price (as defined in the policies of the Exchange) at the time of such conversion.

As further consideration for agreeing to exchange the 2012 Debentures, holders of the 2014 Debentures will receive a fee in the amount of \$26,000 (the "Upfront Fee") to arm's length and non-arm's length parties. The

Upfront Fee will be converted to Common Shares (the "Upfront Fee Shares") based on the greater of the Discounted Market Price on May 29, 2014 and \$0.05. Issuance of Common Shares to non-arm's length parties is subject to the approval of disinterested shareholders at the Company's next annual and special meeting.

Accrued and unpaid interest on the 2012 Debentures in the amount of \$51,600 payable to arm's length and non-arm's length parties will be converted to Common Shares (the "Interest Payment Shares") based on the greater of the Discounted Market Price on May 29, 2014 and \$0.05. Issuance of Common Shares to non-arm's length parties is subject to the approval of disinterested shareholders at the Company's next annual and special meeting.

The issuance of the 2014 Debentures, the Warrants, Upfront Fee Shares and the Interest Payment Shares is subject to the approval of the Exchange. All securities will be subject to a four-month statutory hold period, in accordance with applicable securities legislation.

Shares for Debt

The Company announces that it has reached terms with certain creditors of the Company to exchange shares for debt. Specifically, the Company agreed, subject to approval of the Exchange, to issue an aggregate of 3,792,000 Common Shares (including the Upfront Fee Shares and Interest Payment Shares), at a deemed price equal to the greater of the Discounted Market Price at the time of issuance and \$0.05 per share, to settle approximately \$189,600 of debt owed to arm's length and non-arm's length parties. The Company chose to settle this outstanding indebtedness with Common Shares in order to preserve its working capital for operations. Issuance of the Common Shares to non-arm's length parties is subject to the approval of disinterested shareholders at the Company's next annual and special meeting. All Common Shares issued in connection with the shares for debt transaction are subject to a four-month statutory hold period, in accordance with applicable securities legislation.

Bonus Shares

In consideration for services performed to the Company, the Compensation Committee of the Company has recommended and the Board of Directors has approved a one-time bonus of 2,500,000 Common Shares to be issued to certain of the Company's directors, officers, employees and consultants (the "Bonus Shares") at a deemed price of \$0.05 per share. The purpose of the Bonus Shares is to recognize the commitment of certain individuals who have deferred compensation and continued to provide services to the Company over the past three years.

The issuance of Bonus Shares is subject to Exchange approval and is subject to the approval of disinterested shareholders at the Company's next annual and special meeting. Bonus Shares will be subject to a four-month statutory hold period, in accordance with applicable securities legislation.

Amendment of Performance Agreements

Subject to approval of the Exchange and the approval of disinterested shareholders, the Company has approved amendments to the terms of the performance agreements dated September 28, 2010, as amended, between the Company and certain officers, employees and consultants of the Company, to extend the deadline to achieve exploration milestones for the Company's Abu Marawat and Fatiri concessions.

The Company received at the Annual Shareholder's meeting in June 21, 2013, disinterested shareholder approval, to amend the terms of the performance agreements dated September 28, 2010 between the Company and certain officers and employees of the Company (the "Performance Agreements"), which reflects the successful application to extend the exploration period of the Abu Marawat Concession. Subsequent to the June 21, 2013 amendment, to extend the date by which the milestones set out in the Performance Agreements must be achieved. Pursuant to the terms of the amended Performance Agreements, the Company is authorized to issue a maximum of 10,744,446 Common Shares. All other terms with respect to the issuance of such shares remain the same.

Milestones and Deadlines under Performance Agreements

Milestone	Number of Performance Shares Allotted(1)	Original Deadline	Amended Deadline
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The Corporation achieving a Mineral Resource (as defined by the Canadian Institute of Mining and NI 43-101) of gold or gold equivalents of at least 1.0 million ounces

5,372,223	On or before	On or before July
	February 28,	28, 2016
	2014	

The Corporation achieving a Mineral Resource (as defined by the Canadian Institute of Mining and NI 43-101) of gold or gold equivalents of at least 1.5 million ounces.

2,686,111	On or before	On or before
	August 28, 2014	January 28, 2017

The Corporation achieving a Mineral Resource (as defined by the Canadian Institute of Mining and NI 43-101) of gold or gold equivalents of at least 2 million ounces.

2,686,112	On or before	On or before July
	February 28,	28, 2018
	2015	

TOTAL	10,744,446
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Stock Options

Options to purchase up to 3,710,000 Common Shares were approved for grant by the Board of Directors of the Company, which included the grant of 2,500,000 stock options to certain directors and officers of the Company. The options are exercisable for a period of three years from the date of grant at an exercise price of \$0.05. The options will vest over a two year period, with the first 25% of the options vesting on the date of grant and 25% vesting every 6 months thereafter. The stock option grants are subject to the necessary regulatory approvals.

Pursuant to the Company's "rolling" stock option plan (the "Plan"), up to 10% of the Company's total issued and outstanding Common Shares at the date of grant may be reserved for issuance. There are currently 13,657,986 stock options issuable under the Plan, of which 3,961,501 stock options were unallocated and available for grant by the Company immediately following the grant of the aforementioned options.

The Company also announces that it has cancelled options to purchase up to 2,464,745 Common Shares previously issued to certain directors, officers, employees and consultants of the company, with exercise prices of \$0.20 and \$0.15, including options to purchase 1,017,998 Common Shares previously granted to certain directors and officers. Subsequent to the cancellation of the aforementioned options, 6,426,246 stock options remain unallocated and available for grant by the Company.

Appointment of Corporate Secretary

The Company also announces that the Board of Directors has appointed Christina Boddy as Corporate Secretary of the Company. Ms. Boddy is a member of the Canadian Society of Corporate Secretaries and has acted as Corporate Secretary for a number of public companies.

About Alexander Nubia International Inc.

Alexander Nubia (AAN: TSX.V), is an Egypt-focused multi-commodity (gold, copper, zinc, and silver) exploration and development company. It is focused on exploration within the Abu Marawat Concession, which contains its two main properties, the Hamama volcanogenic massive sulphide ("VMS") deposit and the Abu Marawat mesothermal vein deposit, the latter with an NI 43-101-compliant inferred gold-copper-rich resource. In addition, Alexander Nubia's two large concessions, which have a long history of gold and copper mining dating back to the Pharaonic era, include three past-producing gold mines that were operational during the 20th century.

Alexander Nubia's flagship project, Hamama VMS, has a number of characteristics that are similar to other major VMS deposits in the Arabian Nubian Shield: Bisha (Nevsun Resources), Hassai (La Mancha), Jabal Sayid (Barrick Gold). Drilling at Hamama intersected high-grade semi-massive and massive volcanogenic

sulphide mineralization, which includes a broad zone of VMS gossan with high-grade gold and silver (an oxidized "gold cap") above a primary zinc-gold-silver-rich exhalite horizon, and an extensive mineralized footwall stringer and breccia zone. The main Gold Cap extends 650 metres along strike, averages 43.8 metres wide, and grades 2.05 g/t gold and 44.7 g/t silver. Drilling has confirmed an oxidized zone extending 30 to 45 metres in depth.

The land package is enhanced by excellent and nearby infrastructure, which includes access to highway and railway, a high-capacity electricity grid, and nearby major cities: Qena, on the Nile River, and Port of Safaga, on the Red Sea.

For more information on Alexander Nubia visit us at www.alexandernubia.com or please contact:

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Cautionary Note Regarding Forward-Looking Statements

The securities of [Alexander Nubia International Inc.](http://www.alexandernubia.com) described herein have not been and will not be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act") or any state securities laws and may not be offered or sold within the United States or to U.S. Persons unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration is available. Some of the statements contained in this release are forward-looking statements, such as estimates and statements that describe the Company's future plans, objectives or goals, including words to the effect that the Company or management expects a stated condition or result to occur. Since forward-looking statements address future events and conditions; by their very nature they involve inherent risks and uncertainties. Actual results in each case could differ materially from those currently anticipated in such statements. Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

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