

## ASX RELEASE



**For Immediate Release – 9 April, 2014**

### **Aspire Signs MOU with Sainshand Industrial Park**

#### **Recognises Importance of Ovoot Coking Coal to Industrial Development at Sainshand Industrial Park**

Aspire Mining Limited (ASX: AKM, the “**Company**” or “**Aspire**”) is pleased to announce that its Mongolian subsidiary has signed a non-binding Memorandum of Understanding (“**MOU**”) with Sainshand Industrial Complex SOE relating to the future potential supply of coking coal produced at the Company’s wholly owned northern Mongolian Ovoot Coking Coal Project (“**Ovoot Project**”).

The Sainshand Industrial Complex SOE is a Mongolian Government entity established to oversee the development of the Sainshand Industrial Park (the “**Sainshand Park**”), the largest industrial development project in Mongolia. The Sainshand Park infrastructure has been designed by Fluor Corporation and it is intended to house both coke and steel plants, amongst other industries. Sainshand Park is located along the existing Trans-Mongolian Railway with rail and road access to northeast China (refer Figure 1).



Figure 1: Location of Sainshand Industrial Park and Key Commodity Supply Sources

The non-binding MOU relates to an intent by Sainshand Industrial Complex SOE to enter into future purchase agreements for Ovoot Project coking coal and establishes a basis of information sharing prior to negotiation. This is an important step for the Ovoot Project as it is recognised alongside the Tavan Tolgoi Coal operation as being a key supplier of raw materials to the Sainshand Park.

Blending studies completed by the Company in 2013 have shown that Ovoot Project coking coal can add significant value to Tavan Tolgoi's low and non-coking coals (refer ASX Announcement dated 29 July 2013).

In order to supply the Sainshand Park with Ovoot Project coking coal, the Erdenet – Ovoot Project Railway ("**Northern Rail Line**") connecting to the Trans-Mongolian Railway will need to be completed. Northern Railways LLC, Aspire's Mongolian rail infrastructure subsidiary has applied to the Mongolian Government for a rail concession over the Northern Rail Line. Mongolian Government approval is required before this rail project can proceed.

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## **ABOUT ASPIRE MINING LIMITED**

Aspire is listed on the ASX (Code: AKM) and owns 100% of the Ovoot Coking Coal Project in northern Mongolia. Aspire completed a Pre-Feasibility Study (PFS) for the Ovoot Project in May 2012, a PFS Revision in December 2012 and was granted its Mining Licence in August 2012. Aspire is targeting first production of 5Mtpa at the Ovoot Project in 2017 subject to funding, approvals, licenses and construction of rail infrastructure. Aspire's wholly owned subsidiary Northern Railways LLC is currently continuing to progress the development of railway which will connect the Ovoot Project directly to the existing Mongolian rail network. For the key assumptions used to achieve the first year target of 5mtpa of marketable coking coal, refer to December 2013 Quarterly Report announced 31 January 2014.

Aspire's development timeline for its Ovoot Project relies primarily on i) the provision of a rail concession and other approvals from the Government of Mongolia for Northern Railways to build, and operate the Northern Rail Line, connecting the Ovoot Project to the Trans-Mongolian Railway at Erdenet; and ii) financing of the Northern Rail Line. The timing with respect to the grant of a rail concession is outside of the control of Aspire. Certain activities to further progress the Ovoot Project and Northern Rail Line development, and which will follow the grant of the rail concession licences, include the completion of detailed engineering work to support definitive financing negotiations. The Company's development timeline to achieve first production by 2017/18 is indicative and assumes the grant of necessary Government licences, agreements and approvals in 2014.

## **ABOUT NORTHERN RAILWAYS LLC**

Northern Railways LLC ("Northern Railways") is the Mongolian registered rail infrastructure subsidiary of Aspire Mining Limited, established as the entity to focus on developing railway infrastructure in northern Mongolia.

Northern Railways is in charge of the advancement of an extension to the existing Trans-Mongolian Railway of approximately 547 kilometers from the current terminus at Erdenet through to the Ovoot Coking Coal Project ("Northern Rail Line"), thereby connecting the northern Mongolian Khuvsgul,

