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## ASX RELEASE



**For Immediate Release – 13 June, 2014**

### **Aspire and Noble Group Enter into Mongolian Coking Coal Joint Venture**

- **Aspire acquires Xanadu Mines 50% interest in Ekhgoviin Chuluu Joint Venture**
- **Aspire and the Noble Group agree to jointly explore and develop the Nuurstei Coking Coal Project in northern Mongolia**
- **Potential synergies with Aspire's 100% owned Ovoot Coking Coal Project**

Aspire Mining Limited (ASX: AKM, the “**Company**” or “**Aspire**”) is pleased to announce that it has entered into a binding agreement to acquire the Xanadu Mines Limited (“**Xanadu**”) 50% interest in the Ekhgoviin Chuluu Joint Venture (“**ECJV**”), with the Noble Group retaining its 50% ownership. The ECJV currently has a 60% interest in the Nuurstei Coking Coal Project (“**Nuurstei Project**”) in Northern Mongolia with the ability to raise this interest to 90%.

The transaction fits neatly within Aspire's strategy to explore and develop Mongolian metallurgical coal projects, and the opportunity to do so jointly with the Noble Group serves to enhance the existing Strategic Alliance between the two firms which includes a number of transactions relating to project financing, supply chain logistics, port and rail capacity access.

Aspire will acquire Xanadu's 50% interest in the ECJV by agreeing to issue 10 million shares in Aspire to Xanadu including upon the ECJV entering into an agreement to undertake feasibility studies in the Nuurstei Project area or upon the Mineral Resource Authority of Mongolia granting a mining license over all or part of the Nuurstei Project area. Aspire has agreed to issue a further 5 million shares in Aspire to Xanadu in the event that 30 million tonnes of JORC compliant resources are identified in the Nuurstei Project area.

Aspire will assume Xanadu's obligation to pay for an additional interest in the Nuurstei Project and will pay the minority vendors in the Nuurstei Project US\$200,000 on the grant of a Mining License over the project area. The ECJV will then hold a 90% interest in the Nuurstei Project. The minority interest of 10% will be free carried through to production.

The Noble Group will retain their 50% interest in the ECJV, along with marketing rights over all Nuurstei Project production. Noble and Aspire have also agreed to work together to identify additional near term Mongolian coking coal production opportunities with terms to be agreed on a case by case basis .



**Figure 1: Nuurstei Coal Project location in northern Mongolia**

The Nuurstei Project was acquired by the ECJV in mid-2011 and immediately had drilling success. Subsequent test work has shown that the Nuurstei Project contains a low volatile bituminous coal with moderate to high ash levels and low sulphur. Washed coal has high indicative coking properties however further testwork is required.

The Nuurstei Project is located just 10 kms from the Khuvsgul provincial capital of Moron in northern Mongolia and is relatively close to a public sealed road currently being constructed connecting Moron to Erdenet and funded through the Government road building programme. The Nuurstei Project is also within a relatively short trucking distance to the proposed Northern Rail Line being developed by Aspire’s subsidiary, Northern Railways LLC, and thus potentially a foundation customer for this proposed rail line. Preliminary indications are that Nuurstei Project coking coal could also be a useful blending partner for Aspire’s wholly owned Ovoot Project coking coal, and there would be a number of other operational and marketing synergies between the two operations.

Aspire’s Managing Director, Mr David Paull, said “Aspire is very pleased to become involved in developing the Nuurstei Project in partnership with the Noble Group as we investigate the possibility of a start to production from the Nuurstei Project pre-rail”.

“There are many potential synergies with the Ovoot Coking Coal Project, not the least of which potentially being an important initial customer for Northern Railways LLC”.

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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 2018 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 an agreement 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 completion of this agreement is outside of the control of Aspire. The Company's development timeline to achieve first production by 2018 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 has been studying 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, Bulgan, and Orkhon provinces to the existing Trans-Mongolian rail network. In accordance with Mongolian National Rail Policy, the multi-user rail line will be available for the transport of bulk materials, agricultural and general freight and passengers from the region to export markets including China, Russia and seaborne markets.

### **Competent Persons Statement**

The technical information contained in this announcement has been reviewed by Mr Neil Lithgow – Non-Executive Director for Aspire Mining Limited. Mr Lithgow is a Member of the Australian Institute of Geoscientists and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves." Mr Lithgow consents to the inclusion in the report of the matters based on this information in the form and context in which it appears.

### **For more information contact:**

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