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ASX RELEASE



For Immediate Release – 2 February 2018

China Gezhouba Group International Engineering Co Ltd included in Consortium as Joint EPC Contractor for Erdenet to Ovoot Railway Project

- **Northern Railway’s Erdenet to Ovoot Railway Consortium Agreement has been amended to include China Gezhouba Group International Engineering Co Ltd (“CGGC”) as the nominated Joint EPC Contractor for the Rail Project.**
- **Consortium to support the Erdenet to Ovoot Railway Project now expanded to include CGGC with existing participants, Aspire, China Railway 20 Bureau Corporation Group (“CR20BG”) and China Railway First Survey and Design Institute Group Co Ltd (“FSDI”).**
- **A new EPC Framework Agreement has been entered into between Northern Railways LLC, CR20BG and CGGC which recognises their joint participation in construction.**
- **Combination of CGGC with the China Railway Construction Corp subsidiaries, CR20BG and FSDI, creates a strong technical, operational and financial alliance.**
- **Under the terms of the Consortium Agreement CGGC and CRB20G have agreed to support Northern Railways LLC in sourcing debt and equity funding for construction of the Erdenet to Ovoot Railway Project.**

Mongolian metallurgical coal explorer and infrastructure company, Aspire Mining Limited (ASX: AKM, the **Company** or **Aspire**), is pleased to announce that in combination with its rail subsidiary, Northern Railways LLC (Northern Railways), it has entered into:

1. A Consortium Agreement with CGGC, CR20BG and FSDI to support the funding and development of the Erdenet to Ovoot Railway Project.
2. A new EPC Framework Agreement between Northern Railways, CR20BG and CGGC which recognises the joint participation of the nominated EPC contractors for the Erdenet to Ovoot Railway Project.

These agreements have been ratified at a formal meeting in the presence of the Mongolian Minister of Roads and Infrastructure Minister Baterdene and the Mongolian Ambassador to China, Mr Ganhuyag.

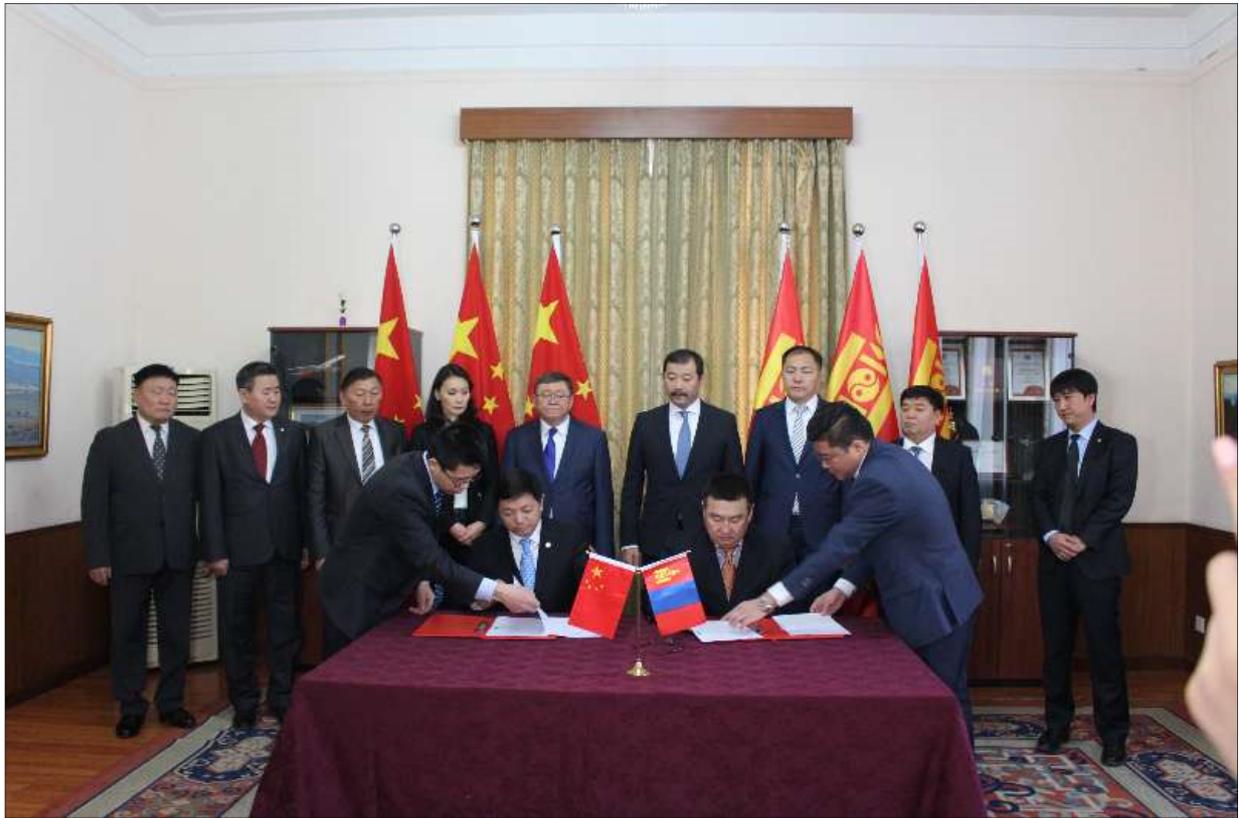


Figure 1: Consortium signing ceremony held in the Mongolian Embassy in Beijing.

The new Consortium Agreement and EPC Framework Agreement essentially supplement and replace the Consortium Agreement between Northern Railways, Aspire, CR20BG and FSDI announced on 11 May 2015 and the EPC Framework Agreement announced on 5 November 2014, by adding CGGC as a party.

The Consortium Agreement operates until the termination or operation of the 30 year Concession Agreement for Northern Railways to build and operate the Erdenet to Ovoot Railway (Concession Agreement) by the commissioning of that railway; and:

- a) provides Northern Railways with the exclusive license to use patented intellectual properties developed by CR20BG, FSDI and CGGC required to design and construct the Erdenet to Ovoot Railway; and
- b) provides that the parties will work together to:
 1. Complete the conditions precedent to the Concession Agreement;
 2. Complete the funding of the EPC Contract; and
 3. Complete the Erdenet to Ovoot Railway Project.

The EPC Framework Agreement outlines the key terms and principles to be negotiated and embodied in the formal fixed price lump sum turnkey engineering, procurement and construction contract (Formal EPC Contract) for the Erdenet to Ovoot Railway required under the Concession Agreement. There are conditions precedent to be satisfied by the parties, including the execution of the Consortium Agreement and the successful completion of the Erdenet to Ovoot Feasibility Study.

Unless otherwise agreed by the parties, the EPC Framework Agreement operates until the earlier of expiration of the Concession Agreement or execution of the Formal EPC Contract.

The Consortium Agreement and EPC Framework Agreement follow on from the announcement on 12 October 2017 where Northern Railways and CGGC entered into a binding agreement for CGGC to complete the Erdenet to Ovoot Rail Feasibility Study by 31 March 2018. Under this agreement, CGGC has until 15 February 2018 to decide whether to make additional investments in Northern Railways to complete remaining conditions precedent relating to the Erdenet to Ovoot Rail Concession Agreement due to be completed by 20 August 2018.

With the combined resources of CGGC and CR20BG the Erdenet to Ovoot Railway Project is now well placed to attract the necessary funding to build this key portion of the Northern Rail Corridor.



Figure 2: Consortium Representatives Meeting at the offices of CGGC in Beijing.

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About Aspire Mining Limited

Aspire Mining Limited is listed on the ASX (ASX: AKM) with mining and exploration licences in Mongolia's Northern provinces and is focused on identifying, exploring and developing quality coking coal assets.

Ovoot Coking Coal Project (100%)

Aspire is also the owner of the world class Ovoot Coking Coal Project (Ovoot Project). The full realisation of the Ovoot Project is dependent on the construction of the Erdenet to Ovoot Railway which is being progressed by Northern Railways LLC (Northern Railways).

Nuurstei Coking Coal Project (90%)

Aspire has a 90% interest in Nuurstei Coking Coal Project (Nuurstei Project) located in northern Mongolia.

The close proximity of the Nuurstei Project to existing infrastructure (town, road, rail and services) provides an excellent opportunity to assess the economics of a road-based operation prior to the construction completion of the Erdenet to Ovoot Railway.

Depending on the further analysis of the results of the intended 2018 drilling program, future positive economic studies, funding and the grant of necessary approvals and licenses, the Nuurstei Project could commence a road based production operation and access the new Erdenet to Ovoot Railway two years from commencement of its construction.

About Northern Railways LLC

Northern Railways LLC (Northern Railways) is a Mongolian registered rail infrastructure company mandated to pursue the development of the Erdenet to Ovoot Railway and is supported by a consortium consisting of Aspire Mining, and subsidiaries of Fortune 500 listed China Railway Construction Corporation – China Railway 20 Bureau Group Corporation (CR20G) and China Railway First Survey & Design Institute (FSDI).

The Erdenet to Ovoot Railway extends 549 km between the town of Erdenet to Aspire's Ovoot Project, which connects northern Mongolia to China and international markets. In accordance with Mongolian National Rail Policy, the Erdenet to Ovoot Railway is a multi-user rail line and will be available for the transport of bulk materials, agricultural and general freight from the region to export markets including China, Russia and seaborne markets.

The Erdenet to Ovoot Railway will play an important part in the establishment of a new Northern Rail Economic Corridor through Mongolia, the subject of a trilateral programme agreed by the governments of China, Russia and Mongolia. This Economic Corridor through Mongolia links closely with Chinese policies to establish a New Silk Road to improve Euro-Asian trade, and Russia's policy of establishing a Euro-Asian economic zone.

In August 2015, Northern Railways was granted an exclusive 30 year concession by the Mongolian Government to build and operate the Erdenet to Ovoot Railway. Northern Railways is now progressing negotiations for the required funding for the completion of a bankable feasibility study and other studies necessary to support applications for licences, permits and approvals, and negotiations for the EPC contract.

In October 2017 Northern Railways entered into a binding contract with China Gezhouba Group Corporation (CGGC) to complete the Bankable Feasibility Study for the Erdenet to Ovoot Railway. CGGC will also decide by 15 February 2018 whether it wishes to commit to funding all of the rail concession and funding conditions precedent for the rail project which would then earn CGGC a 51% interest in Northern Railways LLC.

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