

Aspire Mining Limited

ABN: 46 122 417 243

9th Floor, 182 St Georges Terrace
Perth, WA 6000
PO Box 1918
Subiaco WA 6904

Tel: (08) 9287 4555

Fax: (08) 9321 4914

Web: www.aspiremininglimited.com
Email: info@aspiremininglimited.com

MEDIA RELEASE



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Cooperation Agreement Signed Between Russia and Mongolia Lowers Coal Rail Costs

- **A long awaited intergovernmental agreement on transporting goods by rail has been signed in Ulaanbaatar on 8 June 2018 by Mongolia’s Minister for Roads and Transportation Mr Bat-Erdene and the Russian Transport Minister Mr Ditrikh. (source : www.news.mn).**
- **The Agreement allows for Mongolian sourced freight to enjoy tariff discount on transit transport for its exports through Russia for 25 years.**
- **Mongolian coal exports will receive a 66.4% discount and container transport a 52% discount on the Russian rail system.**
- **Minister Bat-Erdene in a subsequent interview noted that:**
 - **the Russian and Mongolian ministries had discussed the Northern Rail line which will connect the Tuvan capital of Kyzyl with the Erdenet – Ovoot Railway.**
 - **Mongolia and Russia will cooperate to export Russian coal to the south from Kyzyl through Mongolia and Russia will cooperate to see the export of Mongolian coal east to Far East Russian Ports and west to Europe via the Black Sea.**

(source: Daily News UB)

Aspire’s Executive Chairman Mr David Paull commented that “This Rail Cooperation Agreement has two important positive impacts for Aspire.

The first is that it lowers rail transit costs through Russia to Far East Ports and potentially west to the Black Sea Ports to a point where it is competitive with transport costs to Northern Chinese customers, opening up a larger and more diverse customer base.

The second impact is the agreement from the Mongolian Government side to cooperate to assist Russian exports south from the Russian city of Kyzyl to connect with the Erdenet – Ovoot Railway once the Northern Corridor is completed. As Aspire noted in the recent ASX release dated 4 June 2018, the Rail Feasibility Study did not include any Russian transit freight. Addition transit freight demand will increase the investment returns on the Erdenet – Ovoot Railway further.”

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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 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, and mandated to pursue the development of the Erdenet to Ovoot Railway, is supported by a consortium consisting of Aspire Mining, and subsidiaries of Fortune 500 listed China Railway Construction Corporation Limited – China Railway 20 Bureau Group Corporation and China Railway First Survey & Design Institute Group Co Ltd.

The Erdenet to Ovoot Railway extends 549km 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 the Northern Rail Corridor through Mongolia, the subject of a trilateral program agreed by the Presidents of China, Russia and Mongolia. The Northern Rail Corridor through Mongolia is primarily aimed at improving trade by reducing regulation, improving capacity at borders and improving road and rail infrastructure to meet this increased demand for transport services. The Northern Rail 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 years concession by the Mongolian Government to build and operate the Erdenet to Ovoot Railway. Northern Railways is now progressing funding negotiations for the completion of the concession conditions precedent, other studies to support applications for licenses, permits and approvals, the EPC contract and railway construction.

For more information contact:

Corporate

David Paull
Managing Director

Aspire Mining Ltd

+61 8 9287 4555