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## ASX RELEASE

**For Immediate Release – 13 August 2018**

### **Erdenet to Ovoot Railway**

- **Time to Complete Rail Concession Conditions Precedent Extended 18 Months to 20 February 2020.**
- **After request from Mongolian Government, rail design upgraded to Mongolian Class II with capability to move up to 30 Mtpa of freight to take account of expected transit freight demand.**

Mongolian coal explorer, Aspire Mining Limited (ASX: AKM, the **Company** or **Aspire**), is pleased to announce that its rail subsidiary, Northern Railways LLC, has received an executed Third Amendment to the Erdenet to Ovoot Rail Concession Agreement to extend the date for completion of the conditions precedent from 20 August 2018 to 20 February 2020.

The amendment is executed by the parties to the Concession Agreement as varied, the Government of Mongolia, represented by its National Development Agency, Northern Railways LLC, China Gezhouba Group International Engineering Co Ltd, China Railway 20 Bureau Group Corporation and China Railway First Survey & Design Institute Group Co Ltd.

While the recently completed Rail Feasibility Study is an important milestone, remaining important conditions include:

- Definitive Environmental Impact Assessment and Management Plan;
- Land Use Agreements; and
- Funding availability.

The Company is targeting the June Quarter 2019 to complete these outstanding Conditions Precedent.

The Rail Feasibility Study review has been completed and translation into Mongolian has commenced. Consistent with Mongolian Government expectations, modifications have been made to the design to ensure compliance with Mongolian Class II rail standards so that it is capable of delivering up to 30 Mtpa. This reflects an expectation of significant transit freight demand. This will result in a marginal increase in construction cost but it sits well within the 10% contingency range. While engineered to carry up to 30 Mtpa, the Rail Feasibility Study has not assumed any benefit from transit freight volumes. Further detail on the rail feasibility is included in the ASX announcements made on 22 March 2018 and 4 June 2018.

**END**

## **About Aspire Mining Limited**

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

Aspire is the 100% owner of the world class Ovoot Coking Coal Project (Ovoot Project) which is the second largest coking coal project by reserves in Mongolia. The Ovoot Project development is dependent on the construction of the Erdenet to Ovoot Railway being progressed by Aspire's subsidiary, Northern Railways LLC (Northern Railways). Production from the Ovoot Project can coincide with the commissioning of the Erdenet to Ovoot Railway.

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 of the Erdenet to Ovoot Railway.

Depending on the further analysis of the results of an 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 then later have access to the new Erdenet to Ovoot Railway two years from commencement of the rail 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 547km 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:**

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