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ASX RELEASE



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Aspire signs Non-Binding MoU with Sinosteel MECC

- **Aspire and Sinosteel MECC to discuss Engineering, Procurement and Construction (EPC) funding options for Ovoot Early Development Project (OEDP) wash plant.**
- **Aspire and Sinosteel MECC to enter into project funding talks for OEDP, including metallurgical coal pre-payments and/or revenue streaming agreement.**

Leading pure-play metallurgical coal project developer, Aspire Mining Limited (**ASX: AKM**, the **Company** or **Aspire**), is pleased to advise that it has signed a Non-binding Memorandum of Understanding (MoU) with Sinosteel Equipment & Engineering Co., Ltd. (Sinosteel MECC) in relation to the early development of the world-class Ovoot Coking Coal Project in Mongolia.

The MoU with Sinosteel MECC covers potential Engineering, Procurement and Construction (EPC) and trade-based funding opportunities for the Ovoot Early Development Project (OEDP).

Sinosteel MECC and Aspire (the Parties) will enter into talks regarding EPC-based funding as well as trade-based finance solutions:

- The OEDP Pre-feasibility Study (PFS) includes the construction of a 5Mtpa Coal Handling and Preparation Plant (CHPP) at the Ovoot Mine Site at an anticipated cost of US\$37 million. The Parties will discuss a possible Engineering, Procurement and Construction contract and funding opportunities.
- The Parties will discuss trade-based financings including future metallurgical coal sale pre-payments and/or a streaming funding facility whereby development capital can be raised on a basis that is non-dilutive to existing equity holders to assist in funding the required mine development.

Under the MoU, Aspire will share information on OEDP development progress with Sinosteel MECC including but not limited to mine development, permitting and licenses, transport logistics, project financing, cash cost analysis and situational updates. Sinosteel MECC will also support Aspire to access its Coal Trading Platform, which can be used to sell coal on a spot basis in China.

The signing of the non-binding MoU with Sinosteel MECC comes after Aspire completed a \$33.5 million placement on 3 December 2019 with major shareholder Mr Tserenpuntsag, whose stake in the Company is now 51%. Mr Tserenpuntsag has provided commitments to the Company to provide loan guarantees of up to A\$100m on a commercial arms-length basis and half of future equity requirements to complete OEDP's construction and development. An updated OEDP PFS released on 11 November 2019 includes a capital estimate of US\$260 million.

Aspire is completing a Definitive Feasibility Study, scheduled to be finalised around May 2020 subject to receiving permits and approvals to complete drilling. Assuming finance is secured and all permits received by Q1 2020, Aspire expects to commence pre-stripping of waste at Ovoot from Q3 2020.

Aspire Mining's Executive Chairman, Mr David Paull, noted: *"Aspire recognises the importance of having a strong partnership with companies like Sinosteel MECC that play such a major role in the Chinese steel industry, the main market for Ovoot's high-quality coking coal product. We look forward to working alongside Sinosteel MECC as one of our key partners in bringing the Ovoot Early Development Project into production and delivering value for all Shareholders."*

This announcement is authorised for release by David Paull, Executive Chairman.

ENDS

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About Aspire Mining Limited

Leading pure-play metallurgical coal project developer, Aspire Mining Limited (ASX: AKM), is the 100% owner of the world-class Ovoot Coking Coal Project in Mongolia.

Aspire is targeting early production of washed coking coal from a first-stage development of the Ovoot Project, known as the Ovoot Early Development Plan (OEDP). The OEDP is focused on a truck and rail operation to deliver up to 4Mtpa to end markets. Operational expansion can occur following the construction of the Erdenet-to-Ovoot Railway, which is being progressed by Aspire's subsidiary, Northern Railways LLC.

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

About Northern Railways LLC

Northern Railways LLC is a Mongolian-registered rail infrastructure company, mandated to pursue the development of the Erdenet-to-Ovoot Railway, and supported by a consortium comprising Aspire Mining, China Gezhouba Group (CGGC) 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 to be a multi-user rail line and available for the transport of bulk materials, agricultural and general freight from the region to export markets including China, Russia and seaborne markets.

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. CGGC has completed a Bankable Feasibility Study for the Erdenet-to-Ovoot Railway. A capacity guarantee from the operators of the Mongolian railway network is required by CGGC to progress further funding.

About Sinosteel MECC

Sinosteel Equipment & Engineering Co., Ltd (Sinosteel MECC) is a publicly listed company with majority shares held by Sinosteel Group. It was established in 1972 as a professional, internationally operated engineering company with business covering domestic and overseas EPC/EP business, equipment and spare parts supply, project management, project and equipment manufacturing supervision.

Sinosteel MECC is a flagship of Sinosteel Group in developing and processing of mineral resources as EPC contractor with full qualifications. As a well-known metallurgical engineering company in China, Sinosteel MECC has completed more than 400 state key metallurgical projects in the field of

mining, coking, sintering, pelletizing, blast furnace, EAF, converter, continuous casting machine, wire rod and bar mill, hot strip mill, plate mill, Steckel mill, cold strip mill, processing and finishing line, environment protecting and energy saving systems for major Chinese steel enterprises. Sinosteel MECC actively promotes its international business operation, developing its business from spare parts and individual equipment supply to undertaking of large-scale metallurgical turnkey projects.