



## ASX RELEASE

**For Immediate Release – 5 November, 2014**

### **Aspire Mining and CRCC's Subsidiaries sign EPC Framework Agreement for Erdenet to Ovoot Railway in Mongolia**

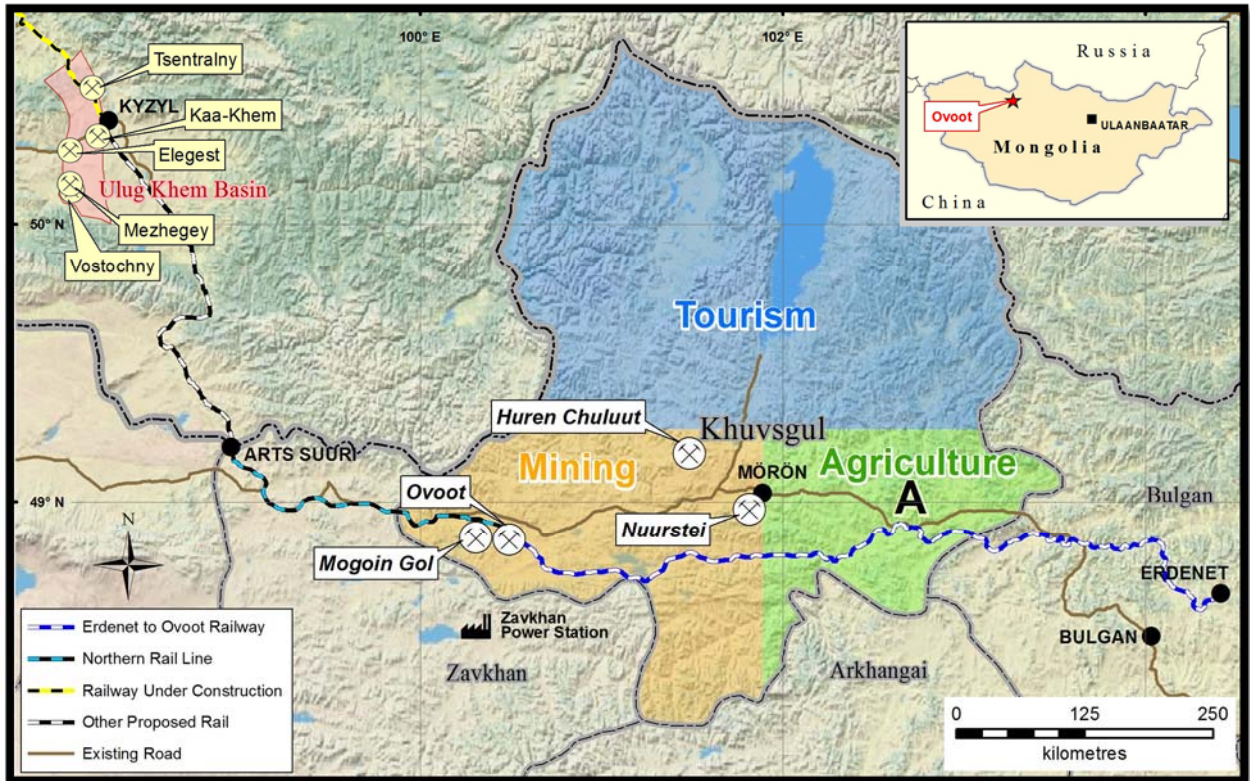
- **Aspire's Mongolian rail infrastructure subsidiary, Northern Railways LLC, has signed an EPC Framework Agreement with China Railway 20 Bureau Group Corporation**
- **Covers Phase 1 of the Northern Mongolian Rail Corridor extending rail from Erdenet heading west to Aspire's wholly owned Ovoot Coking Coal Project**
- **Chinese financial institutions have now commenced preliminary financial analysis for both the Ovoot Project and the Erdenet – Ovoot Railway**

Aspire Mining Limited (ASX: AKM, the "**Company**" or "**Aspire**") is pleased to announce that its Mongolian rail infrastructure subsidiary, Northern Railways LLC ("**Northern Railways**"), has signed an EPC Framework Agreement ("**Framework Agreement**") with China Railway 20 Bureau Group Corporation ("**CR20G**"), a wholly owned subsidiary of China Railways Construction Corporation ("**CRCC**").

The Framework Agreement covers the completion of engineering work over the Erdenet – Ovoot section of the Northern Rail Line (refer Figure 1). It also provides a basis for negotiations between Northern Railways and CR20G for the award of a fixed price, lump sum turnkey engineering, procurement and construction contract ("**EPC Contract**") upon the satisfaction of certain conditions precedent for both Parties. These conditions precedent include the appropriate allocation of risk, adherence to international standards and codes of practice, and the receipt of necessary permits and licenses to be awarded to Northern Railways.

In addition, CR20G will assist Northern Railways in sourcing project financing from Chinese and other financiers. Financial institutions in China have now commenced preliminary due diligence on both the Ovoot Coking Coal Project ("**Ovoot Project**") and the Erdenet – Ovoot Railway economics.

A Fortune-500 company, CRCC is one of the world's largest international rail engineering construction firms, with significant engineering and construction capabilities working on major projects including roads, highway, light and heavy rail, bridges, tunnels, housing and other projects both domestically in China and internationally. CR20G is a wholly owned subsidiary of CRCC, employs over 20,000 personnel and has significant international experience completing recent rail projects in Angola, Mongolia and Mozambique.



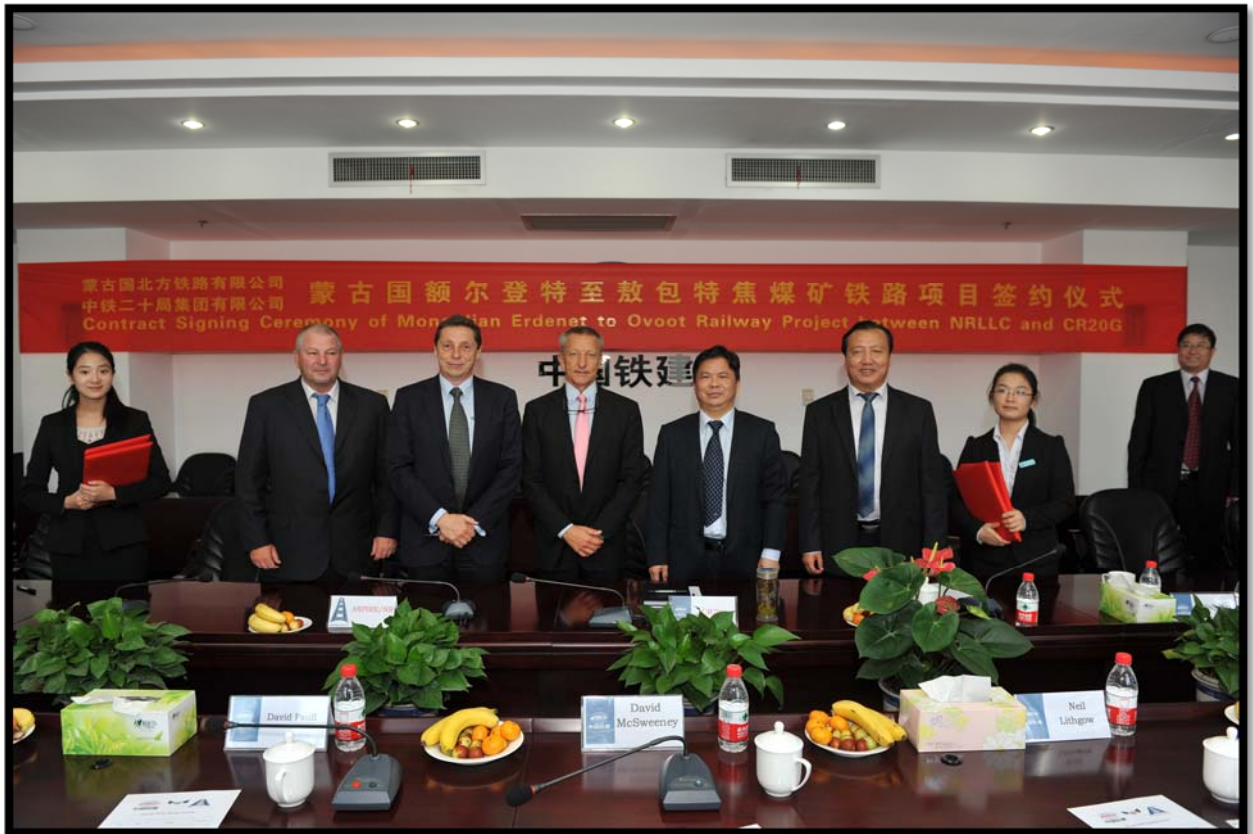
**Figure 1: Mongolian Rail Policy for Northern Mongolia includes rail corridor extending west from Erdenet to Ovoot to Arts Surri**

The execution of the Framework Agreement follows the recent inclusion of the Northern Rail Line in the Mongolian Government's National Rail Policy and the inclusion of Phase 1 (Erdenet – Ovoot) on the Concession List of approved projects.

Aspire's Managing Director, Mr David Paull, commented "We are very pleased to welcome China Railway 20 Bureau Group as a strategic partner with Northern Railways to build this important rail project".

"CR20G's keen interest to work with Northern Railways as we continue to await the grant of a concession clearly indicates that it shares the same vision and intent as both Northern Railways and the Mongolian Government to see rail developed in the north of the country".

"We are also pleased to also have the support of CR20G for access to Chinese financing and look forward to progressing with other interested financial institutions as we compile a total funding package", Mr Paull said.



**Picture: (from left) Aspire Mining Limited Directors Neil Lithgow, David Paull and David McSweeney (Chair), CR20G's Mr Li Lingxuan (Vice President) and Mr Deng Yong (General Manager) at the CR20G Signing Ceremony in Xi'An, China**

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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 2018/19 subject to funding, approvals, licenses and construction of rail infrastructure. 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 construction of the Erdenet – Ovoot Railway (Phase 1) of the Northern Rail Line connecting the Ovoot Project to the Trans-Mongolian Railway at Erdenet; and
- ii) financing of the Erdenet – Ovoot Railway.

The timing with respect to the grant of a rail concession agreement is outside of the control of Aspire. Certain activities to further progress the Ovoot Project and Erdenet – Ovoot Railway development include the completion of detailed engineering work to support definitive financing negotiations. The Company's development timeline to achieve first production by 2018/19 is indicative and assumes the grant of necessary Government licenses, 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 the development of Phase 1 of the Northern Rail Line - a rail infrastructure project listed in Mongolia's National Rail Policy linking Northern Mongolian provinces to existing railway

Phase 1 extends 547km between the town of Erdenet to Aspire's Ovoot Project, connecting this large coking coal basin to China and international markets. In accordance with Mongolian National Rail Policy, the Erdenet – Ovoot Railway will be a multi-user rail line 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.

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