



ASX RELEASE

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Mongolian Blend Confirmed as Premium Coking Coal

Chinese Coking Coal Market Expected to Improve 2015 - 2020

- **Mongolian Blend, containing between 25% - 50% Ovoot Project indicative coking coal with the balance thermal and non-coking coals, confirmed as Primary (“JM”) Coking Coal using Chinese coal classifications.**
- **Independently determined price relativity for the Mongolian Blend confirms significant value uplift through blending.**
- **China’s demand for Primary Coking Coal predicted to improve due to changes in steel making technologies and depletion of domestic coal reserves combined with continued steel production growth.**
- **Supply gap for Primary Coking Coals in China expected to peak at 83mt by 2020 to be fed by Mongolian and seaborne imports.**

Aspire Mining Limited (ASX: AKM, the “**Company**” or “**Aspire**”) is pleased to advise that it has received an independent Chinese Coal Market Report (“**Report**”) commissioned by the Company from a leading coal consultancy firm in China (“**Coal Consultant**”) confirming the marketability of a blended coking coal product (“**Mongolian Blend**”).

The Mongolian Blend is a blend of between 25-50% Aspire’s Ovoot Project indicative coking coal and other Mongolian selected thermal and non-coking coals. The Report was commissioned to assess the marketability and indicative pricing of the Mongolian Blend in order to complete a Scoping Study to support the development of a regional coal blending facility at the Sainshand Industrial Park (“**Sainshand**”) located along the Trans-Mongolian Railway in southern Mongolia (refer Figure 1).

The Report confirmed that the Mongolian Blend would be classified as a “JM” Primary Coking Coal according to Chinese coal classifications. The Mongolian Blend is considered “**similar or even better than those primary coking coals imported into the China market from countries like Australia, the USA and Canada**”, due to its medium ash, low sulphur and high G value.

Mongolian Blend Operation

Indicative relative pricing for Mongolian Blend product provided by the Coal Consultant was benchmarked on a well-known and referenced Chinese JM coking coal CFR Tangshan Port price and is net of logistics costs to the Mongolia/China border at Zamyn Uud/Erenhot. Preliminary internal analysis

by Aspire, including this price relativity, indicates a positive cashflow blending operation to be based at Sainshand based on current pricing.

Sainshand is located 240 kilometers from the Mongolian/Chinese border and provides a strategic location for a coal blending operation. Aspire has signed a non-binding Memorandum of Understanding to become a key future supplier of coal to the industrial park and in September 2014 received a coal blending concept study, completed by German engineering firm, Tenova Takraf.

Coal can be transported to Sainshand from a number of mines through the expanding Mongolian rail network with Ovoot Project coking coal being delivered along the Erdenet to Ovoot railway recently included in Mongolia's Rail Policy, connecting to the Trans-Mongolian Railway at Erdenet.

From Sainshand, the Mongolian Blend can then be transported by the Trans-Mongolian Railway to the Chinese border for sale to Chinese customers. The Trans-Mongolian Railway is currently undergoing a capacity expansion to 34 mtpa, with future plans to see this increase further to 100 mtpa. The rail expansions, coupled with recent infrastructure agreements between the Mongolian and Chinese Governments, will see more efficient cross border cooperation which includes the Erenhot rail border crossing (refer Figure 1).



Figure 1: Mongolian Rail Policy and Sainshand Industrial Park

China Coking Coal Market Analysis

The Coal Consultant also confirmed that continued demand increases from the Chinese steel industry will see China import more coking coal from Mongolia and the seaborne market, with the supply gap expected to grow from 51mt in 2013 to 83mt by 2020.

Primary Coking Coals, such as the Mongolian Blend, are in particular high demand within China, primarily due to the low ratio of these coals in China's own coal reserves and the growing requirement for higher quality coking coals in the coke industry. These higher quality coking coals are increasing in demand faster than their lower quality counterparts as China trends towards the use of larger blast furnaces to achieve higher productivity, use of advanced technology and balancing environmental concerns.

Aspire's Managing Director Mr David Paull said "The China coal market report received confirms the importance of coking coals at the premium end of the scale for use in China. Demand continues to grow and we are well positioned in our development timeframe for our Ovoot Coking Coal Project to deliver a premium coking coal product into the Chinese market".

"The marketability of the Mongolian Blend is particularly exciting as it confirms the value in establishing a blending operation at the Sainshand Industrial Park to add value to a range of thermal and low caking coals produced in Mongolia at present but with limited economic market outlets.

"Both our Ovoot Project and the potential Blending Facility will benefit from Mongolia's improving infrastructure landscape with planned railway to be built in the north to service the Ovoot Project, along with the upgrades to the Trans-Mongolian railway and rail border crossings with China", Mr Paull said.

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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 2019 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 2019 is indicative and assumes the grant of necessary Government licenses, agreements and approvals in 2015.

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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Corporate

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