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## ASX RELEASE

**For Immediate Release – 1 December, 2015**

### **Northern Railways Receives Construction License for Erdenet to Ovoot Railway**

Mongolian metallurgical coal explorer and infrastructure company, 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 received its Construction License for the Erdenet to Ovoot Railway (**Rail Project**) from the Mongolian Government.

This is a key license and follows on from the signing of the Concession Agreement with Northern Railways on 3 September 2015. The Construction License is a precondition for commencement of negotiation for the grant of a long term lease with the Mongolian Government over the land strip on which the rail line will be built and for Northern Railways to then enter into land use agreements with the local communities.

The Construction License also allows for the establishment of a Commission comprising Northern Railways, the Ministry of Roads and Transport and UBTZ (Mongolia's national railway operator) to agree traffic management protocols and the point at which the Erdenet to Ovoot Railway connects to the existing UBTZ network.

The Rail Project spans 547km and forms part of Mongolia's Rail Policy to provide rail access to its northern provinces through the extension of its existing rail network from Erdenet to the Russian/Mongolian border at Arts Suuri with a Russian connection planned to Kyzyl (refer Figure 1). At full operation, the Rail Project will have capacity to move 30 Mtpa of bulk commodities, agricultural, general and passenger freight including transit freight between Russia and China.

Aspire's Managing Director, Mr David Paull said that, "The continued support of the Mongolian Government to progress the development of the Erdenet to Ovoot Railway is appreciated. Over the last three months since the Concession was signed substantial progress has been made in terms of completing conditions needed to be met under the Concession Agreement. We have also hosted a country visit to Mongolia by senior executives from a large Chinese banking institution".

"Northern Railways is actively pursuing funding options in Northern Railways to complete the other Rail Concession conditions precedent including environmental permitting and the completion of the Bankable Feasibility Study", Mr Paull said.



Figure 1: Erdenet – Ovoot railway forming part of the Mongolian rail policy and the trilateral Economic Corridor between Russia, Mongolia and China

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## **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 currently owns a 50% interest in and is the operator of the Ekhgoviin Chuluu Joint Venture (ECJV), and has an option to increase its ownership to 100% of the ECJV. The ECJV owns a 90% interest in the Nuurstei Coking Coal Project (Nuurstei), and following a successful 2014 exploration program is conducting additional exploration work through 2015 with the aim of identifying a JORC 2012 coal resource and defining coal quality across the deposit. Depending on the results of the 2015 program, future positive economic studies, funding and the grant of necessary approvals and licenses, Nuurstei could commence a road based production operation as early as 2016, and access the new Erdenet to Ovoot railway as early as two years from commencement of its construction.

Aspire is also the owner of the world class Ovoot Coking Coal Project (Ovoot) 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 which is being progressed by Northern Railways LLC (Northern Railways). Northern Railways has been granted a rail concession in August 2015 and is progressing the negotiations and completion of a bankable feasibility study, funding, EPC contract, applications for licences, permits and approvals to commence railway construction.

Production from the Ovoot project can coincide with the commissioning of the Erdenet to Ovoot railway.

## **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 – China Railway 20 Bureau Group Corporation (CR20G) and China Railway First Survey & Design Institute (FSDI).

The Erdenet – 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 – 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 an Economic Corridor through Mongolia, the subject of a trilateral agreement signed by the Presidents of China, Russia and Mongolia. The Economic Corridor through Mongolia is primarily aimed at improving trade by reducing regulation, improving capacity at borders and to improve road and rail infrastructure to meet this increased demand for transport services. This Economic 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 year concession by the Mongolian Government to build and operate the Erdenet to Ovoot Railway. Northern Railways is now progressing the completion of a bankable feasibility study and other studies to support applications for licences, permits and approvals, as well as progressing negotiations for the EPC contract and financing of the railway construction.

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