

Aspire Mining Limited

ABN: 46 122 417 243

69 Kewdale Rd Welshpool
WA 6106
PO Box 1918
Subiaco WA 6904

Tel: (08) 9287 4555

Fax: (08) 9353 6974

Web: www.aspiremininglimited.com
Email: info@aspiremininglimited.com

ASX RELEASE



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Northern Railways Signs MOU to Provide 5 Mtpa of Freight Capacity on Erdenet to Ovoot Railway

- **Northern Railways has signed an MOU with the 100% owner of the Huren Chuulut Iron Ore Project to access the Erdenet to Ovoot Railway.**
- **Huren Chuulut development plan calls for production of 5 mtpa of magnetite concentrate.**
- **MOU focuses on sharing information and coordinate planning to lay the groundwork for a formal rail haulage services agreement.**
- **Huren Chuulut is potentially the first major user of the Erdenet to Ovoot Railway as it could access the rail line before construction is completed through to the Ovoot Coking Coal Project.**

Mongolian metallurgical coal explorer and infrastructure company, Aspire Mining Limited (ASX: AKM, the **Company** or **Aspire**), has, through its rail subsidiary, Northern Railways LLC ("**Northern Railways**"), entered into a Memorandum of Understanding ("MOU") with MTGT LLC, the 100% owner of the Huren Chuulut Iron Ore Project.

Huren Chuulut is a large iron ore deposit located approximately 50 kilometres to the north west of the Khuvsgul capital of Moron and 60 kilometres north of the approved rail alignment for the Erdenet to Ovoot Railway. This Project needs rail to Erdenet to be able to connect to customers in China. Mongolia currently exports iron ore to Chinese customers along the Trans Mongolian Railway.

The MOU covers the sharing of development progress, mutual support in funding activities and the provisional allocation of 5 Mtpa of freight capacity as soon as the rail line has been extended to the proposed connection point approximately two thirds along the total 549 kilometre Erdenet to Ovoot Railway.

It is expected that the Northern Rail Corridor will see significant demand for its freight capacity of at least 15Mtpa, growing to 30Mtpa in the long term.

Aspire's Managing Director David Paull said that this MOU demonstrated that the Erdenet to Ovoot Railway will not only benefit Mongolia's coking coal industry. Once completed, the Northern Rail Corridor, of which the Erdenet to Ovoot Railway is an important part, will see transport of a range of resources, agriculture and manufactured goods".

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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 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 which is 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 also 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 Project) which announced an initial JORC Compliant Resources on 13 April 2016.

About Northern Railways LLC

Northern Railways LLC (Northern Railways) is a Mongolian registered rail infrastructure company mandated to pursue the development of the Erdenet to Ovoot Railway, and 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 and China Railway First Survey & Design Institute Group Co Ltd.

The Erdenet to Ovoot Railway will extend 549km between the town of Erdenet and Aspire's Ovoot Project, and will connect 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 to improve road and rail infrastructure to meet this increased demand for transport services. The Northern Rail Corridor 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 progressing funding negotiations for 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.

For more information contact:

Corporate

David Paull

Aspire Mining Ltd

+61 8 9287 4555

Managing Director