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ASX RELEASE

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Funding Provided to Complete First Stage of Bankable Feasibility Study for the Erdenet to Ovoot Railway

- The recently granted 30 year Rail Concession for the Erdenet to Ovoot Railway provides for an 18 month period to complete a number of condition precedents including the completion of a Bankable Feasibility Study.
- A Pre-Feasibility Study was completed in July 2013.
- A contract was executed in January 2015 with China Railway 20 Bureau Group Corporation (CR20G) to complete the first stage of the Feasibility Study (refer ASX announcement dated 27 January 2015).
- Completion of the first stage of the Feasibility Study requires funding of US\$1.0 million (of the total contract sum of US\$6.5m plus VAT) to ensure that this work commences immediately.
- Key terms for the financing of this first stage work will comprise:
 - A US\$600,000 loan by rail and financial adviser Signum Resources Corporation to Northern Railways LLC. The loan period will be the earlier of i) two (2) years, or ii) the date of receipt of further development funding for a minimum of US\$15m to be provided to Northern Railways. Interest payable on the loan, totalling US\$100,000, will be capitalised until the facility is repaid.
 - US\$200,000 funding by Aspire out of working capital.
 - A commitment by Signum to a placement of 13.89 million shares in Aspire at A\$0.02 per share to raise US\$200,000.
- Provision of this funding will allow CR20G to mobilise and conduct the first stage Feasibility Study fieldwork before the Mongolian winter in order to maintain the development schedule for the 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 it has entered into a funding arrangement with Northern Railways LLC (**Northern Railways**) rail funding adviser, Signum Resources Corporation (**Signum**), to ensure that the Erdenet to Ovoot railway (**Rail Project**) continues to meet the development timetable set by the Rail Concession Agreement recently executed with the Government of Mongolia (**GOM**).

The Rail Project is part of an extension of Mongolia's national rail network from Erdenet to Aspire's Ovoot Coking Coal Project (**Ovoot Project**), which represents the first stage of a new rail connection linking Mongolia to Russia. The total Rail Project construction capital cost is currently estimated at US\$1.2bn.

The Rail Concession Agreement provides Northern Railways with the exclusive right to build and operate the 547km Rail Project for a period of 30 years. An 18 month timeframe has been set for the achievement of the Concession Agreement conditions precedent, which include the completion of a Bankable Feasibility Study (**Feasibility Study** or **BFS**).

Signum has agreed to provide a US\$600,000 loan to Northern Railways and a placement of US\$200,000 at A\$0.02 per share in Aspire to fund the completion of the first stage of the Feasibility Study.

Signum will assist Northern Railways in sourcing the funding for the balance of the Feasibility Study costs and to identify strategic partners and new funding sources for Northern Railways.

Northern Railways will work exclusively with China Railway Construction Corporation (**China Railways**) subsidiaries, China Railway 20 Bureau Group Corporation (**CR20G**) and China Railway First Survey & Design Institute (**FSDI**), to complete the BFS and negotiate the terms of the EPC contract to be awarded to CR20G.

China Railways is a Fortune 500 listed company, and China's largest rail construction organisation. Through its various subsidiary companies China Railways are involved in the development of a number of rail projects along the planned Economic Corridor spanning between Russia, Mongolia and China, including the Erdenet to Ovoot railway and the construction of the Kuragino to Kyzyl railway which will eventually connect with the Erdenet to Ovoot railway (refer Figure 1).



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

Background

- On September 4, 2014, the Russian president Mr Vladimir Putin signed a number of agreements with the Mongolian President Mr Tsakhia Elbegdorj concerning cooperation on trade and rail infrastructure, in particular investigating a new rail connection between Mongolia and Russia extending from Erdenet to Ovoot to the Arts Suuri border in Mongolia, and then potentially connecting on the Russian side to the Russian city of Kyzyl.
- In October 2014, the Mongolian National Rail Policy was amended to include a new “northern railway” extending from the current terminus at Erdenet through to the Mongolian/Russian border at Arts Suuri.
- In November 2014, the Erdenet to Ovoot section of the northern railway was added to the Concession List of Approved Projects available for a Public-Private-Partnership with the Government of Mongolia.
- In late March 2015, the Government of Mongolia instructed its Investment Agency to enter into a direct negotiation for a concession with Northern Railways over the Erdenet to Ovoot section of this new railway connection with Russia.
- On 12 August the Company announced that it had been awarded a 30 year the Rail Concession to build and operate the Erdenet to Ovoot Railway.

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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.

