



# **The Northern Rail Corridor**

## **An important new One Belt One Road Route for China – Europe Trade**

*September 2016*

*Silk Road Summit – Washington DC*

# Northern Rail Corridor Now in One Belt One Road Policy



## Incorporating China's One Belt One Road; Mongolian Steppe Road and Russia's Eurasian Economic Union Policy

### Linking the Seaport of Tianjin to the Trans-Siberian Railway through Mongolia

*Kuragino – Kyzyl – Arts Suuri – Ovoot – Erdenet – Salkhit – Zamyn Uud – Jining – Beijing – Tainjin*

- Northern Railway Corridor one of 6 key rail and maritime economic corridors identified in China's One Belt One Road Policy
- Northern Railway Corridor endorsed by Russian, Mongolian and Chinese Governments in June 2016.

### Requires:

Expansion of the Trans Mongolian Railway into a Dual Track Service

Construction of the Erdenet to Ovoot Railway (547kms : Northern Railways LLC)

Construction of Ovoot - Arts Suuri – Kyzyl Railway (approx 525 kms)

Construction of Kyzyl to Kuragino Railway (406 kms)

# Northern Rail Corridor

## New Path To Europe to Support Trade Between Chinese, Russian and European Industrial Centres.

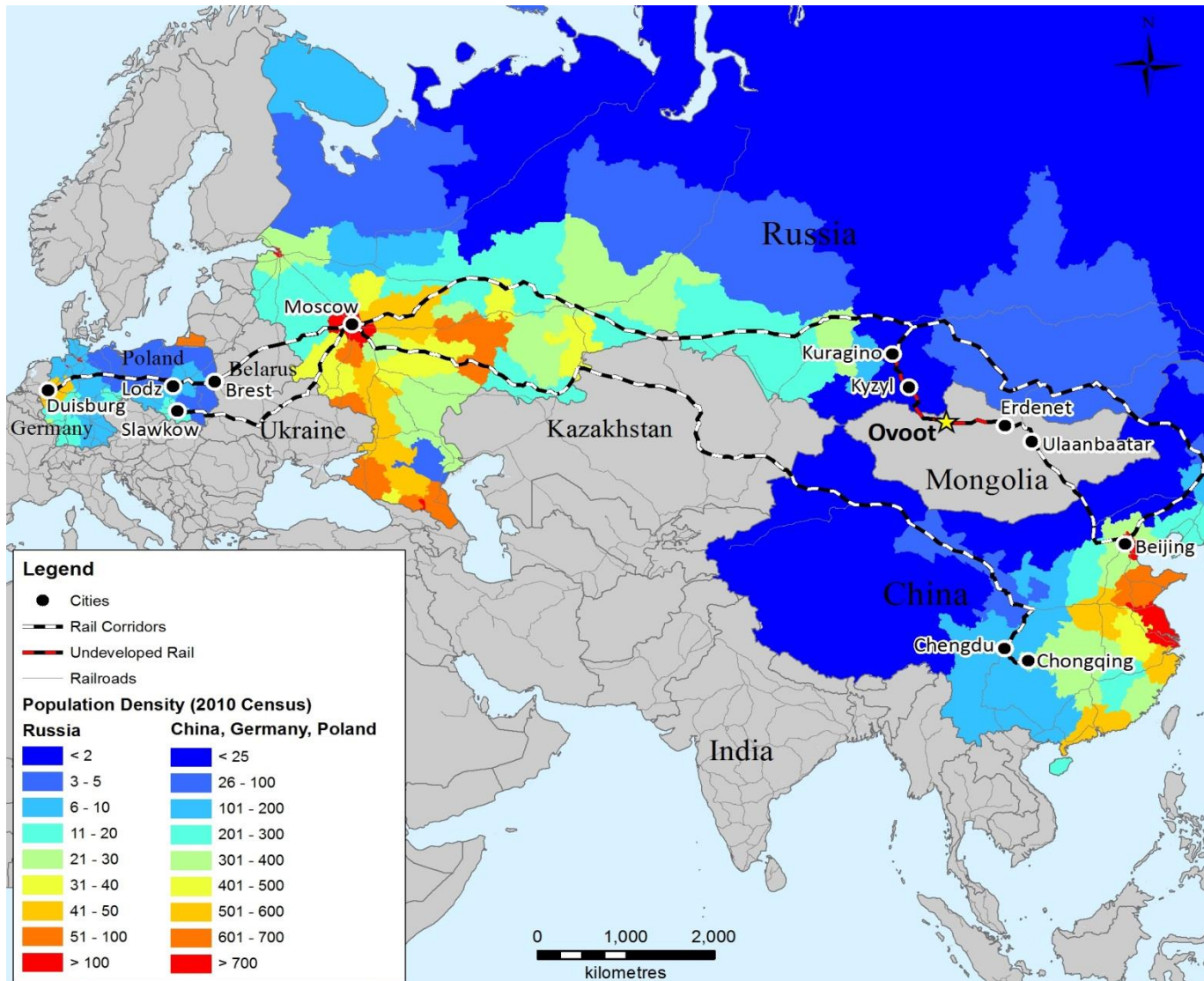


### Incorporating China's One Belt One Road; Mongolian Steppe Road and Russia's Eurasian Economic Union Policy

- One Belt One Road includes three (3) overland rail routes that recreate the ancient Euro-Asian trade corridors:
  - China – Kazakhstan – Europe
  - China – Russia – Europe (via Manzhouli crossing)
  - **China – Mongolia – Russia – Europe**
- The Corridor through Mongolia provides the shortest distance for Chinese goods to reach European markets from north east China.
- Rail is always quicker and some times cheaper than sea freight options.
- **Inclusion of the Erdenet – Ovoot – Arts Suuri alignment in Northern Rail Corridor provides an alternate route that:**
  - Reduces substantial capacity upgrades along TSR
  - Drives the volume requirements needed to dual track the Trans-Mongolian Railway, thereby slashing travel time and cost



# Complimentary Rail Corridors



- Chengdu – Kazakhstan – Poland (9,826 kms)
  - Opened 2013
  - Express service takes 12 -14 days
  - Used for electronics and vehicle sub assemblies.
  - Freight volumes increased to 1,000 trains a year carrying 60% of rail freight task
  - Freight Volumes nearly doubling each year
- Beijing – Russia - Poland (13,000 kms)
  - Goes around Mongolia
  - One gauge change
  - Carries 30% of rail freight task.
- Beijing – Mongolia – Russia – Poland (8,150 kms)
  - Shorter distance
  - Targets industrialized NE China
  - Requires Mongolian Dual Track expansion and Northern Rail Corridor to speed up and reduce costs.

# Strategic Consortium To Build Erdenet – Ovoot Railway



## About Aspire

- Listed on Australian Stock Exchange (ASX: AKM) and focused on the exploration and development of quality metallurgical coal assets in Mongolia.
- Highly experienced Board of Directors and proven executive management team with six years + operating Mongolia experience and a track record of identifying and delivering bulk commodity projects through to production – including Aquila Resources (subject of a completed A\$1.4bn takeover) and Gindalbie Metals.
- Incorporated Northern Railways LLC as vehicle to own, manage and operate rail infrastructure in northern Mongolia.
- Subsidiary Northern Railways LLC received 30 year BOT Concession in 2015 under a PPP with Mongolian Government



**China Railway 20 Bureau Group Corp**  
(Subsidiary of China Railways Corporation)

## About China Railway 20 Bureau Group Corp (CR20G) & China Railway First Survey and Design Institute (FSDI)

- Wholly owned subsidiary of the China Railways Construction Group (a Fortune 500 Company)
  - One of the World's largest international rail engineering construction firms
  - Significant experience in engineering, design, and construction of domestic and international projects including railway, bridges, tunnels, roads/highways, and building complexes and other infrastructure.
  - CR20G employ over 20,000 staff, and earns approximately US\$5 billion pa from its construction revenue
  - Rail concession linked to CR20G being awarded EPC Contract
  - EPC Framework Agreement with RailCo to construct the Erdenet – Ovoot Railway
  - Committed to assist RailCo fundraising from Chinese financial institutions
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- Subsidiary of the China Railways Construction Group
  - Significant experience in the completion of Feasibility studies, engineering survey and design and supervision for over 400,000km of railway domestically and internationally including projects in Tanzania and Nigeria.
  - Employs over 4,000 staff of which half are engineers



**China Railway First Survey & Design Institute**

## About Noble

- Listed on Singapore Stock Exchange (SGX: N21) manages the global supply chain of agricultural and energy products, metals and minerals. Noble operates from over 140 locations, employing more than 70 nationalities.
- Manages a diversified portfolio of essential raw materials, integrating the sourcing, marketing, processing, financing and transportation of those materials.
- 10% Ownership in Northern Railways
- Incentivised Option to fund 10% of the Northern Railway capital expenditure
- 10.5% shareholding in Aspire Mining and a Board representative

