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ASX RELEASE

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Preliminary Economic Assessment Demonstrates Viable Rail Link Between Ovoot and Border with Russia

- **Aspire Mining subsidiary, Northern Railways LLC (80%), has received the Preliminary Economic Assessment (PEA) for a planned rail line between Ovoot and the Russian-Mongolian border port of Arts Suuri¹.**
- **The PEA confirms a technically and commercially viable 238.6km line from Aspire's Ovoot Coking Coal Project to the Russian border junction to link with the proposed Kyzyl - Arts Suuri section of the Russian rail network.**
- **This extension north west from Ovoot to Arts Suuri when combined with the planned the planned Erdenet - Ovoot rail line would complete the Mongolian section of the Northern Railway Corridor.**
- **The Northern Rail Corridor is a combined initiative of the Mongolian, Chinese and Russian Governments with the potential to be the fastest, lowest cost rail path linking North Eastern China, Mongolia, Russia and Europe, significantly enhancing regional trade flows and economic benefits.**
- **The proposed rail extension would open up additional Russian and European markets for the potential benefit of Aspire's Ovoot Coking Coal Project.**

Mongolian metallurgical coal and infrastructure company, Aspire Mining Limited (ASX: AKM, the **Company** or **Aspire**), is pleased to announce that its rail subsidiary, Northern Railways (NR) (80% owned), has received a Preliminary Economic Assessment (PEA) from Perfect Road Project LLC, a Mongolian rail design and engineering group, for a rail link between the Company's Ovoot Project and the Mongolia-Russian border port of Arts Suuri.

The PEA concludes that the favoured route for construction of the Ovoot - Arts Suuri rail link would see a 238.6km extension from the Ovoot railway heading west/north-west to the Mongolian border port at a current estimated capital cost of US\$581.82M (excluding contingencies) or approximately US\$2.44M/km. This confirms the capital cost is in the range estimated by an earlier scoping study completed in 2015¹ and comparable to the Erdenet to Ovoot Feasibility Study recently completed by NR consortium partner China Gezhouba Group International Limited¹.

The PEA applied Mongolian class 2 railway design standards to ensure compatibility with the Erdenet - Ovoot rail project and will have up to 15Mtpa capacity – with additional capacity able to be later added

¹ Refer related ASX announcements 22 March 2018 and 7 September 2015

to meet demand growth. Opportunity to further reduce construction costs have also been identified in the PEA. The PEA assumed a multitask freight service with two way transport of container freight, coking coal and other resource and agricultural commodities.

In the Company’s view, the sequential development of the Ovoot - Arts Suuri rail extension – and connection to the markets beyond - would yield material long term benefits in expansion and diversification of both rail services and export markets and add significant value to the Erdenet to Ovoot Railway. Development of the Ovoot - Arts Suuri rail would link with planned rail development in the Tuva region in southern Russia. As per Aspire’s ASX announcement 22 March 2018, Russian railway design institute Mosgioprotrans , is to complete a similar PEA on a railway to link Kyzyl to Arts Suuri to extend the Kuragino to Kyzyl rail line. That extension is currently targeted for completion in 2022.

The new economic corridor could potentially create the fastest and lowest cost rail path linking North Eastern China, Mongolia, Russia and Europe, and play an integral part in regional development. The corridor has broad support from regional and federal governments in Russia and sits within China’s One Belt, One Road (OBOR) policy and would substantially enhance trade and economic ties between the regions. The Mongolian government has included the Erdenet-Ovoot-Arts Suuri rail corridor in its national railway policy and identified the Erdenet to Ovoot railway as a priority project.

In 2016², the Northern Rail Corridor was confirmed by German logistics company, Transcare, as a cost and time advantageous corridor linking China and Europe that would satisfy the growing demand for freight services in the region once completed.



Figure 1: Erdenet – Ovoot Railway and Northern Rail Corridor

² Refer ASX announcement 31 October 2016

Impact on Erdenet – Ovoot Railway

Linking the Erdenet - Ovoot Railway into the Northern Rail Corridor substantially improves economics for all stakeholders. The recently completed Feasibility Study for the Erdenet - Ovoot railway assumed Mongolian-only domestic freight volumes of up to 16 Mtpa with a capacity of up to 30 Mtpa³. By utilizing more of the 30Mtpa capacity, the financial robustness of the Erdenet - Ovoot Railway increases significantly.

Increasing two-way freight volumes on the Northern Rail Corridor will drive further capacity increases and efficiencies along the Trans Mongolian Railway, further cementing the competitiveness of rail between China and Russia through Mongolia.

Aspire's Executive Chairman, Mr David Paull, noted that "The delivery of this Preliminary Economic Assessment ("PEA") provides further confirmation of the viability of the Northern Rail Corridor.

The Company has provided this PEA to the Mongolian Ministry of Roads and Transport and Mongolian rail operator UBTZ Railways JSC to provide further justification to proceed to implementing the Ovoot to Arts Suuri rail project as part of the Northern Rail Corridor."

³Refer ASX announcement 13 August 2018

END

Forward Looking Statements

This announcement contains certain statements which may constitute "forward-looking statements". Such statements are only predictions and are subject to inherent risks and uncertainties which could cause actual values, results, performance achievements to differ materially from those expressed, implied or projected in any forward-looking statements.

About Aspire Mining Limited

Aspire Mining Limited is 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.

Aspire is targeting early production of washed coking coal from the Ovoot Project via a truck and rail operation to end markets within 12 to 15 months of final operational and Board approvals (the Ovoot Early Development Plan). Operational expansion can occur following the construction of the Erdenet to Ovoot Railway being progressed by Aspire's subsidiary, Northern Railways LLC (Northern Railways).

Aspire has a 90% interest in Nuurstei Coking Coal Project (Nuurstei Project) located in northern Mongolia.

The proximity of the Nuurstei Project to existing infrastructure (town, road, rail and services) also provides an excellent opportunity to assess the economics of a road-based operation prior to the construction of the Erdenet to Ovoot Railway. However, that assessment is currently on hold with the focus on the Ovoot Early Development Plan.

Dependent on that further analysis of the results of an additional drilling program, future positive economic studies, funding and the grant of necessary approvals and licenses, the Nuurstei Project could commence a road-based production operation and then later have access to the new Erdenet to Ovoot Railway two years from commencement of the rail construction.

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 Limited – China Railway 20 Bureau Group Corporation and China Railway First Survey & Design Institute Group Co Ltd.

The Erdenet to 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 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 improving road and rail infrastructure to meet this increased demand for transport services. The Northern Rail 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 years concession by the Mongolian Government to build and operate the Erdenet to Ovoot Railway. Northern Railways is now progressing funding negotiations for the completion of the concession conditions precedent, other studies to support applications for licenses, permits and approvals, the EPC contract and railway construction.

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