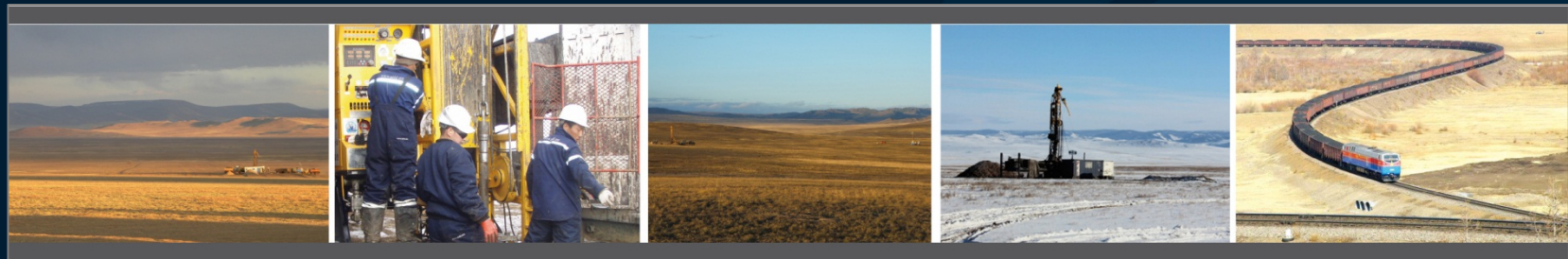


# Ovoot Coking Coal Project Update

## Investor Presentation



# Important Information



•**Nature of this document:** This document has been prepared by Aspire Mining Limited (“Aspire”, “AKM”, or the “Company”) and contains summary information about the Company and its subsidiaries as at November 2012. The information in this document does not summarise all information that an investor should consider when making an investment decision. It should be read in conjunction with the Company’s other periodic and continuous disclosure announcements lodged with the Australian Securities Exchange (“ASX”), which are available at [www.asx.com.au](http://www.asx.com.au) or [www.aspiremininglimited.com](http://www.aspiremininglimited.com). In attending this presentation or viewing this document you agree to be bound by the following terms and conditions.

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•**Forward-looking statements:** This document contains certain “forward-looking statements”. The words “anticipate”, “believe”, “expect”, “project”, “forecast”, “estimate”, “likely”, “intend”, “should”, “could”, “may”, “target”, “plan”, “consider”, “foresee”, “aim”, “will” and other similar expressions are intended to identify forward-looking statements. Indications of, and guidance on, future production, production targets, resources, reserves, capital expenditure and financial position and performance are also forward-looking statements. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors, many of which are outside the control of Aspire.

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•**Financial data:** All dollar values are in Australian dollars (A\$) and financial data is presented within the financial year ended 30 June unless otherwise stated.

•**Effect of rounding:** A number of figures, amounts, percentages, estimates, calculations of value and fractions in this document are subject to the effect of rounding. Accordingly, the actual calculation of these figures may differ from the figures set out in this document.

Mongolia's mineral exports are plummeting. No wonder politicians want more Oyu Tolgoi

1 November 2012

- Frik Els, MINING.com

**Mongolian resource grab turns off investors**

3 November 2012

- Andrew White, The Weekend Australian

**Mongolia in the spotlight**

22 March 2011

- Robin Bromby, The Australian

**NO Mining Boom for Mongolia**

18 October 2012

- Kristie Batten, MiningNews.net

**GEOGRAPHY RULES: WHY MONGOLIA'S CHINA MINING STRATEGY IS A MISTAKE**

6 September 2012

- Gabe Collins and Andrew Erickson, Wall Street Journal

Mine boom is big issue at Mongolia poll

2 August 2012

-Herald Sun

**Mongolia and mining – caution needed**

14 January 2011

- Robin Bromby, The Australian

**Search for Mongolian riches strikes a hump**

25 October 2012

- Paul Garvey, The Australian

# A New Evolving Democracy



**100**

Newspapers currently available in Mongolia

**30**

Television stations broadcasting nation-wide

NB: No Libel Laws

**19,000**

**Candidates**

The number of people running for local elections

**0.7 percent**

Of the population totalling only 2.8 million people!

**14**

The number of Prime Ministers in Mongolia since its independence in 1990

**4**

The number of Presidents in Mongolia since its independence in 1990

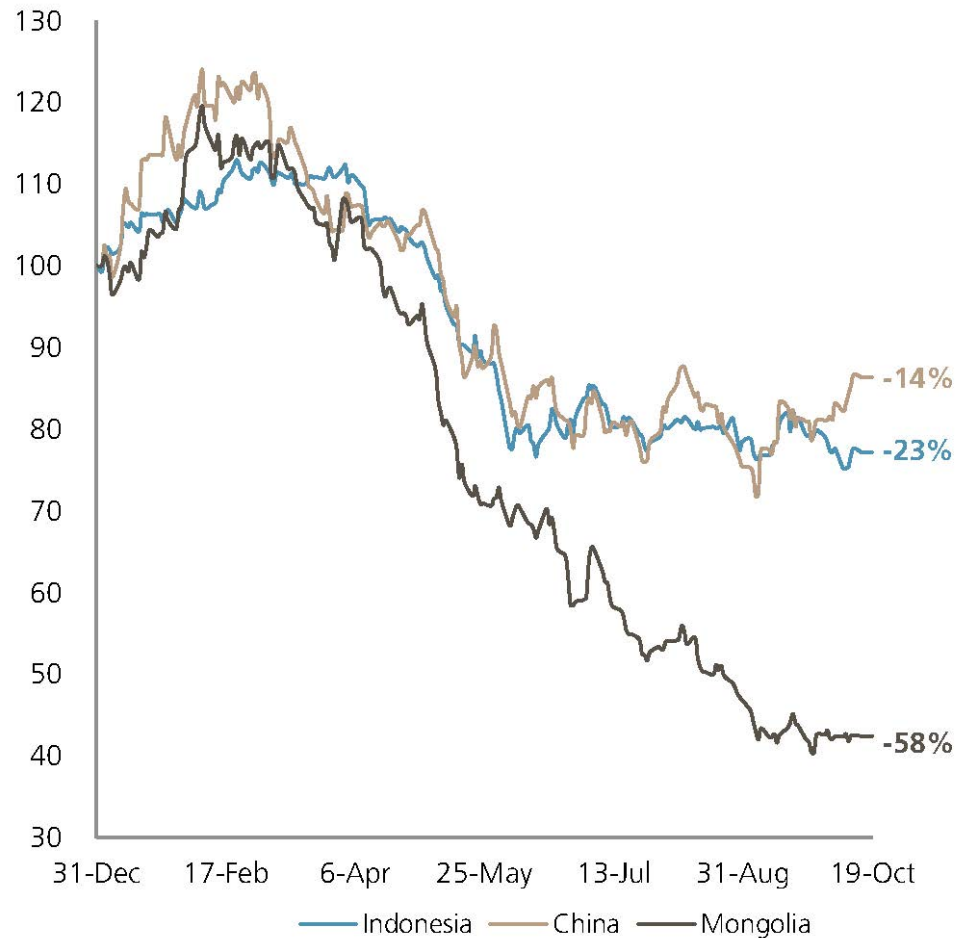
**Parliamentary proceedings** are broadcast live

**Internet postings** of all transcripts from Parliament and the various Committees including all discussions

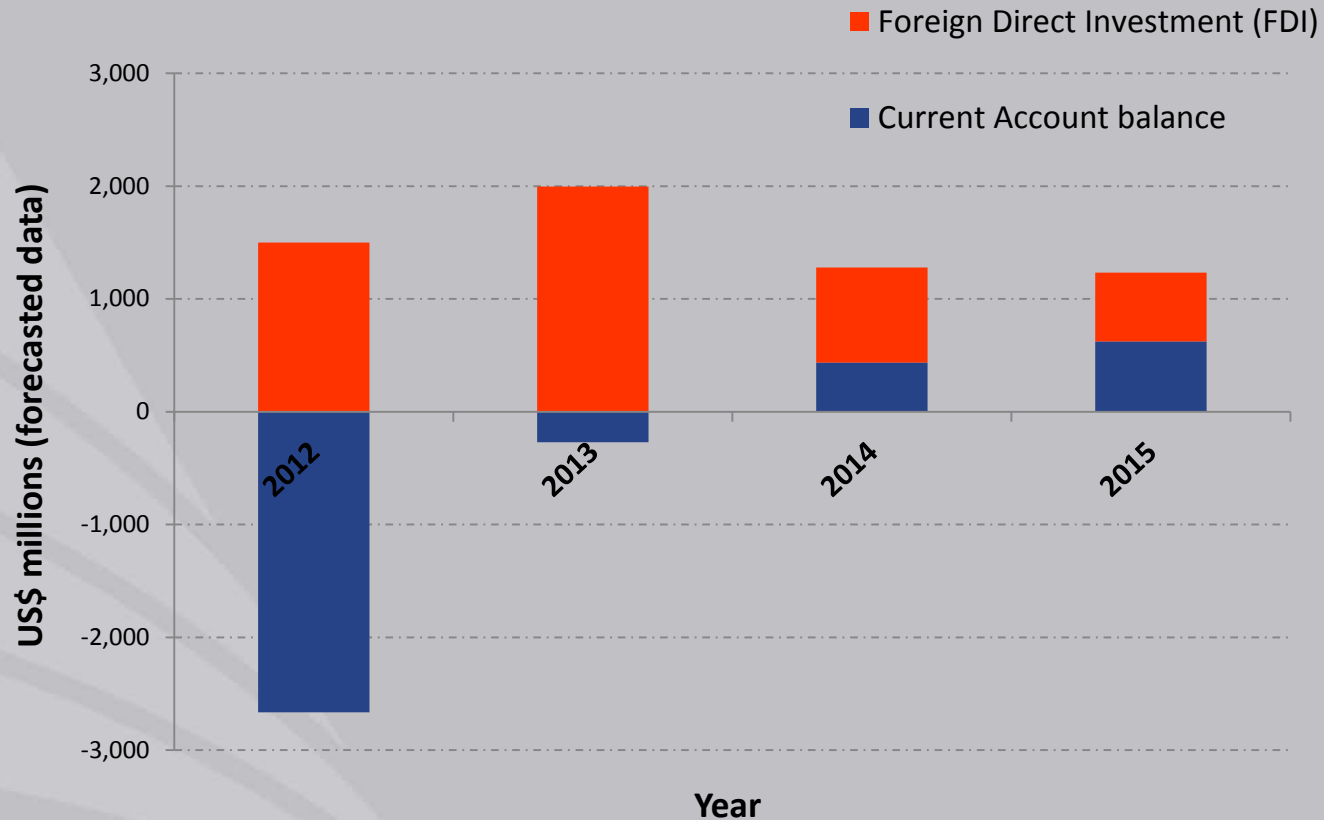
# Performance Comparison of Mongolian Coking Coal Companies versus Indonesian and Chinese



YTD Indexed price performance (%)



# Mongolia Needs Foreign Investment





# Reading Between the Lines



- **23 October:** IFC and World Bank **report Mongolia as a top improver for the year for ease of doing business in east Asia** moving up 12 places since the previous year (The World Bank)
- **24 October:** **China & Mongolia recently signed a cooperation deal** for agriculture to further promote bilateral cooperation (China Daily)
- **30-31 October:** The Foreign Investment Review Law is being revised with the Government **considering increasing the threshold which triggers a Government approval** from the current US\$70m to US\$375-715m (opening address by Mongolian Deputy Minister for Economic Development, Mongolian Investment Summit, Hong Kong)
- **31 October:** “We are working on the mining law, **trying to make it more manageable and transparent for foreign investors**”, Rinchinnyam Amarjargal, current Member of Parliament (The Wall Street Journal)
- **31 October:** Mongolian Government plans to issue US\$1.5billion worth of Bonds with **funds to be used on financing long and medium term infrastructure projects** such as the Sainshand Industrial Complex and 1,800km of railway (The Wall Street Journal, Business Mongolia)

Mongolia Aims to Woo Foreign Investors  
31 October 2012

- Wall Street Journal

China, Mongolia sign agricultural co-op deal  
21 November 2012  
- ChinaDaily

# Reading Between the Lines



- **5 November:** Oyu Tolgoi (“OT”) Power Agreement with China is secured (Dow Jones Newswires)
- **13 November:** “confident that both issues [foreign investment legislation and SouthGobi corruption investigation] will be resolved soon”, Mr Bold, Mongolian Ambassador to Australia (ABC)
- **20 November:** Mongolia’s 2013 budget has been passed:
  - Government work plan for next 4 years **doesn’t include renegotiating OT investment agreement**
  - **Income from royalties do not contravene** what is agreed in the investment agreement
- Local **Mongolian businesses appear bullish for 2013**, 76% plan to access capital markets to fund growth requirements (survey by Mongolian Broker House BD Sec)

Report Finds Mongolia one of the Global Top 10 Reformers on Ease of Doing Business Index  
23 October 2012  
- The World Bank

Mongolia Envoy Sees Oyu Tolgoi Renegotiation Unlikely, Reveals Power Supply Pact  
5 November 2012  
- Dow Jones Newswires



# Company Snapshot – Corporate Structure



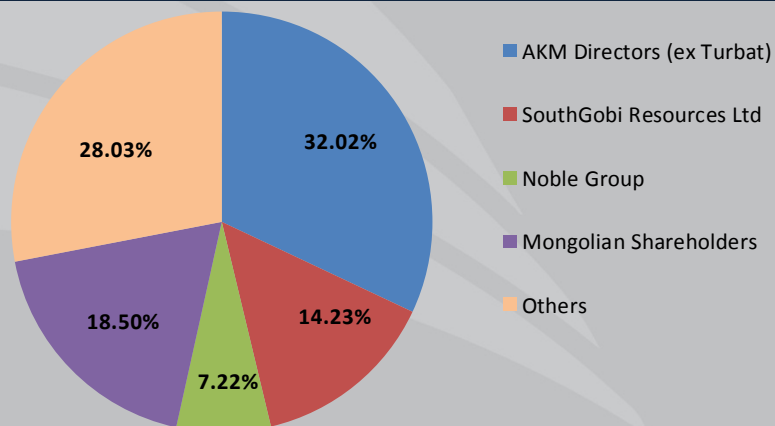
## Capital Structure (ASX:AKM)

		Undiluted	Diluted
Share Price (12 Nov 12)	\$	0.083	0.083
Shares Outstanding	m	620.5	867.7
<b>Market Capitalisation</b>	<b>\$m</b>	<b>51.5</b>	<b>72.0</b>
Options on Issue	m	247.1	
<b>Net Cash</b>	<b>\$m</b>	<b>14.3<sup>1</sup></b>	<b>26.4<sup>2</sup></b>
<b>Enterprise Value</b>	<b>\$m</b>	<b>37.2</b>	<b>45.6</b>

<sup>1</sup> As of 30 Sept 2012

<sup>2</sup> Includes cash from options exercisable at 5c. Excluding cash from exercise of 15c options

## Ownership (Fully Diluted)\*



## Board of Directors

- **David McSweeney** (Non-Exec Chairman) – lawyer by training and has over 20 years experience in the resources sector ranging from exploration to project management, project finance, commercial and legal structuring and corporate development.
- **David Paull** (Managing Director) – over 20 years experience in resource business development and industrial minerals marketing. Recently has been involved with working on private equity and seed capital opportunities in the biofuels, transport services and resource sectors.
- **Neil Lithgow** (Non-Exec Director) – has been working on private equity and seed capital opportunities in the biofuels, transport services and resource sectors.
- **Sado Demchigsuren Turbat** (Non-Exec Director) – has over 12 years of experience in the resource sector in Mongolia and is a key resource person on Mongolian mining industry policy and regulative framework.
- **Mark Read** (Non-Exec Director) – immediate past CEO and Managing Director of ASX listed coal engineering and technology company Sedgman Ltd where he was responsible for an overseas expansion in emerging high-grade coal regions including Mongolia and Mozambique.
- **Andrew Edwards** (Non-Exec Director) – recently retired senior partner with PricewaterhouseCoopers spanning 35 years. As Managing Partner of the Perth practice Andrew was responsible for leading its Advisory business.
- **Phil Rundell** (Company Secretary) – a former Partner of a big 4 accounting firm and is now a sole practitioner Chartered Accountant specialising in providing company secretarial, compliance, accounting and reconstruction services

## Project Locations



## Project Interests

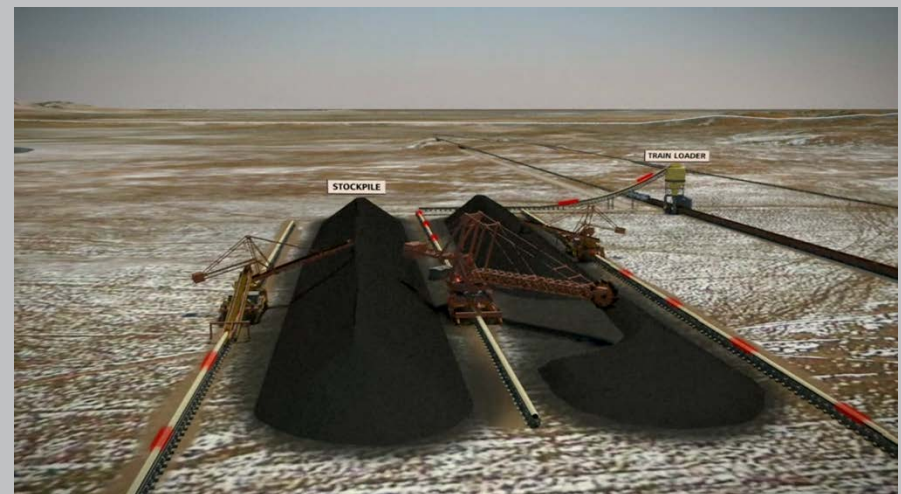
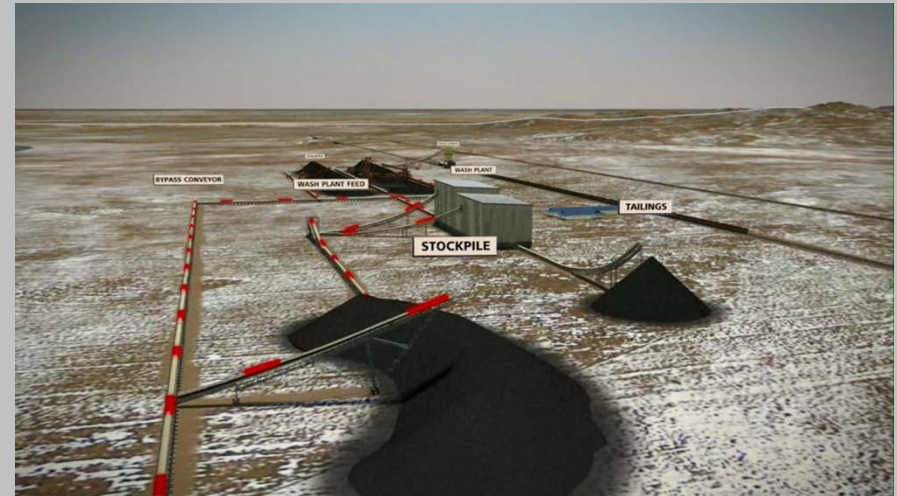
- **Ovoot Coking Coal Project (100%)**
- **Jilchigbulag Coal Project (100%)**
- **Nuramt Coal Project (100%)**
- **Zavkhan Iron Ore Project (Earning 70%)**



# Ovoot Coking Coal Project Overview

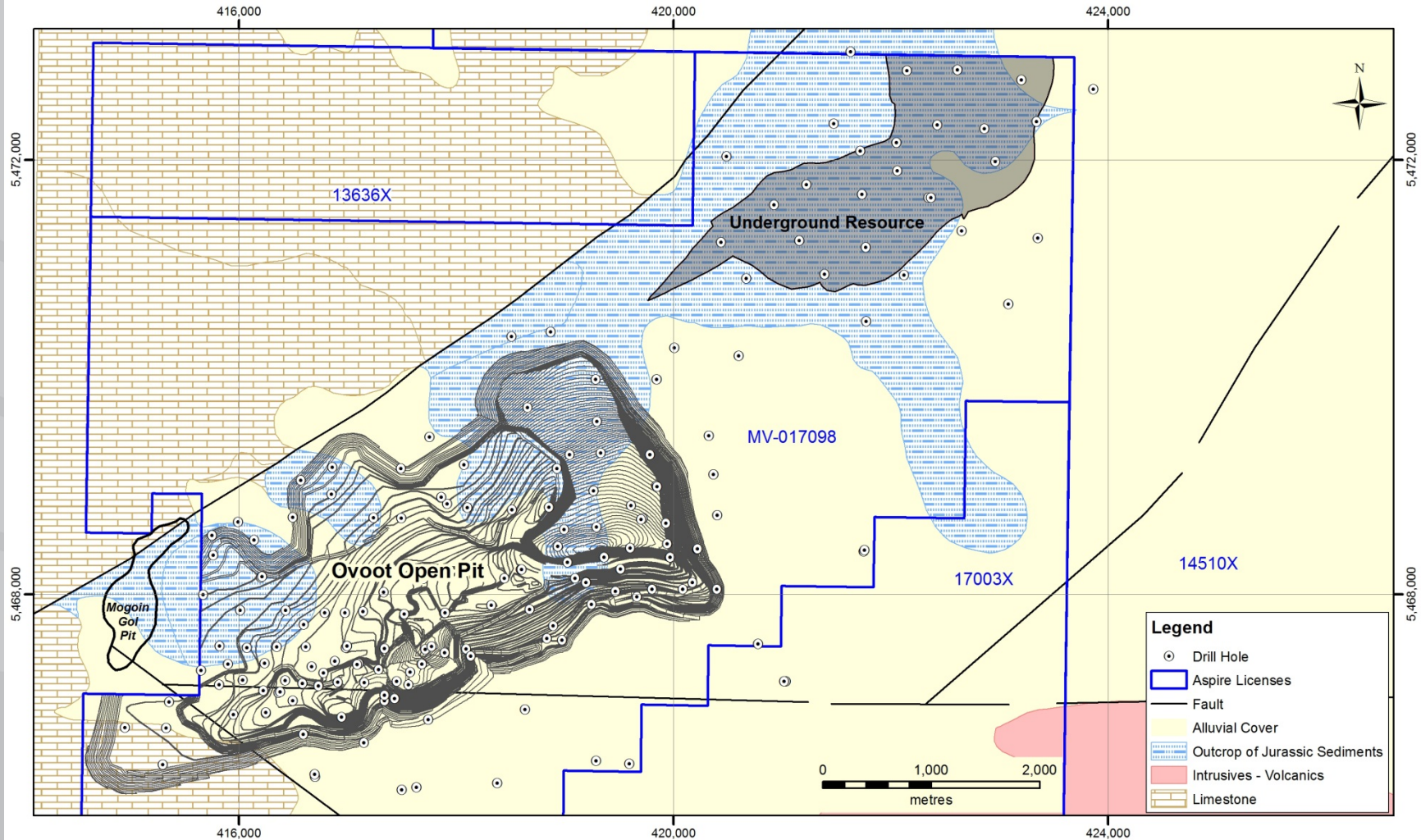


- Acquired Project 100% in February 2010: 509 sqkm
- Rail Pre-Feasibility completed April 2012
- Project PFS completed May 2012
  - Based on 166 Holes, 38,000m of drilling
- Ovoot Project Probable Reserves increased to 219 Mt in November 2012
- Mining Licence issued August 2012
- Indicative Quality Specifications indicate a high quality coking coal product
- Ovoot Project PFS Revision completed November 2012
  - FOR cost to China < US\$100/t of coking coal





# Ovoot Open Pit & Underground Resource Outline



# Ovoot PFS at a Glance

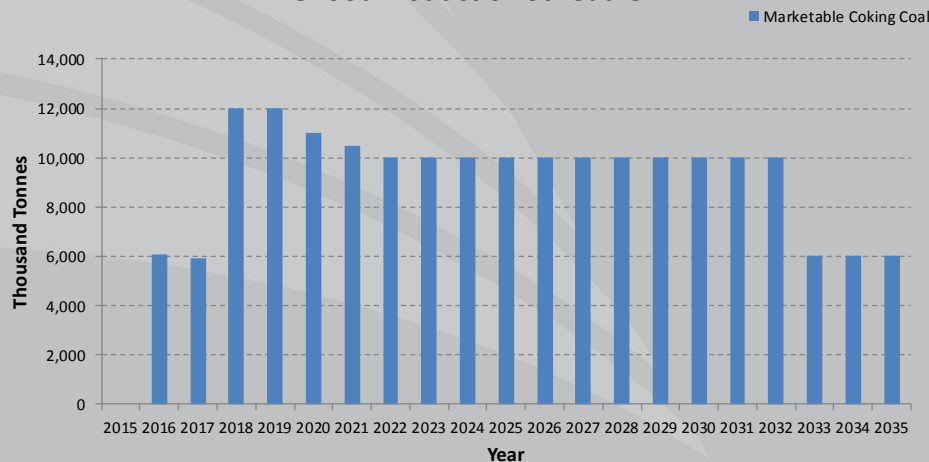


- Large single open pit operation
- JORC Coal Reserves of 219Mt (211Mt from the open pit)
- High Yield of 82% to saleable coking coal
- 20 yr Life of Mine producing 180Mt in total and up to 12 Mtpa of saleable coking coal
- Underground Mining Study completed with maiden Reserves of 8Mt mined over 11 year life

Reserves <sup>1</sup>	Probable (Mt)	Total (Mt)	Marketable (Mt)
Ovoot Open Pit	211	211	174
Ovoot Underground	8	8	6
<b>Total</b>	<b>219</b>	<b>219</b>	<b>180</b>

Resource <sup>1</sup>	Above 300 m (Mt)	Below 300 m (Mt)	Total (Mt)
Measured	139	17	156
Indicated	58	28 <sup>2</sup>	86
Inferred	12	3 <sup>2</sup>	15
<b>Total</b>	<b>209</b>	<b>48</b>	<b>257</b>

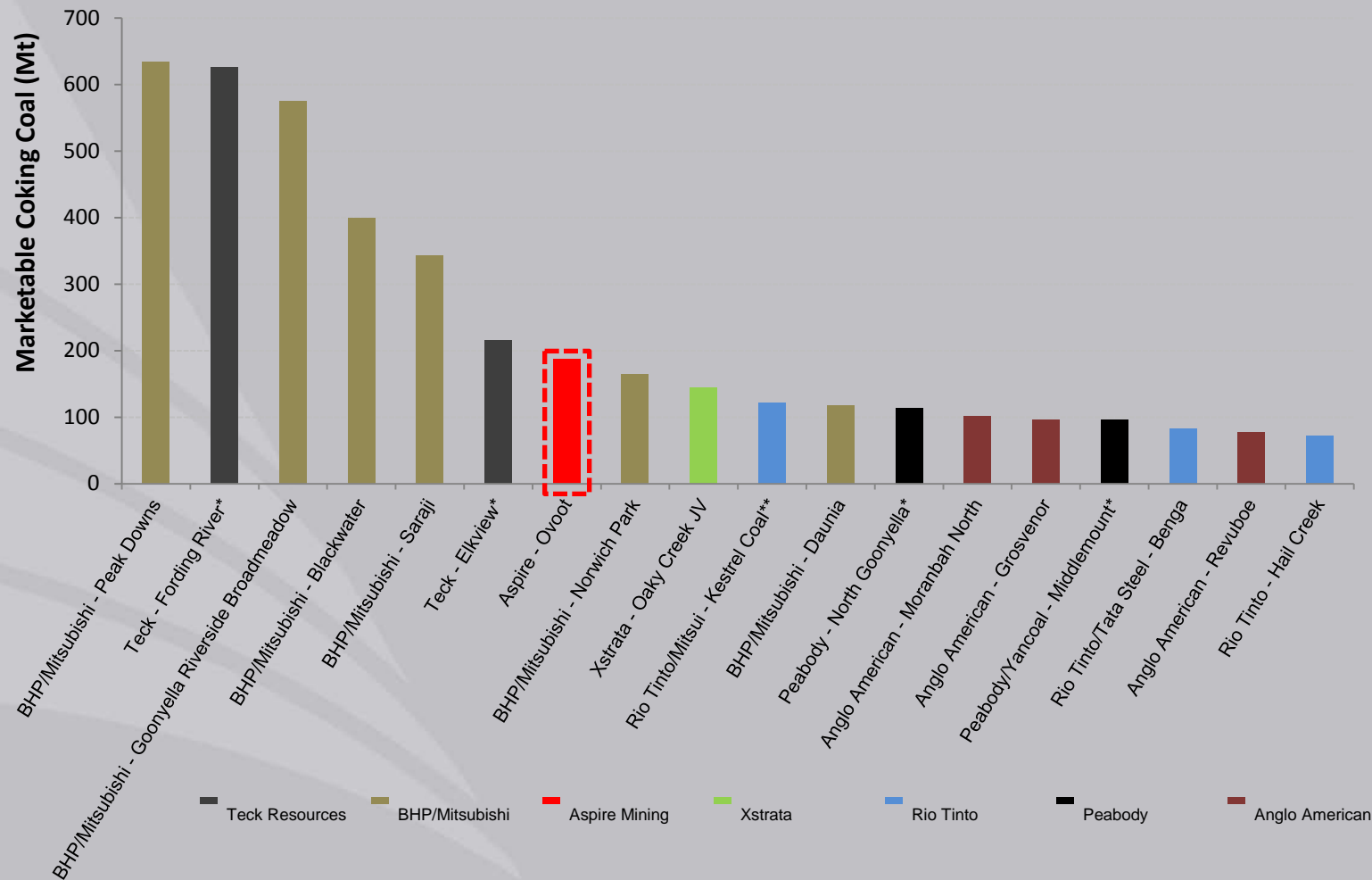
Ovoot Production Schedule



Note 1: Updated Reserves and Resources at 2 November 2012

Note 2: Of the total Ovoot Coal Resources, 27.9Mt are considered Underground located in the North East Area of the Resource and not included as part of the May 2012 Pre-Feasibility Study

# Aspire's Ovoot Project Sits Comfortably Amongst other Tier 1 Assets



Source: Company website, Company annual reports, Company factsheets, Raw Materials Group/stockholm/www.rmg.com.se

\*Total Coal Reserves reported where marketable reserves are not reported

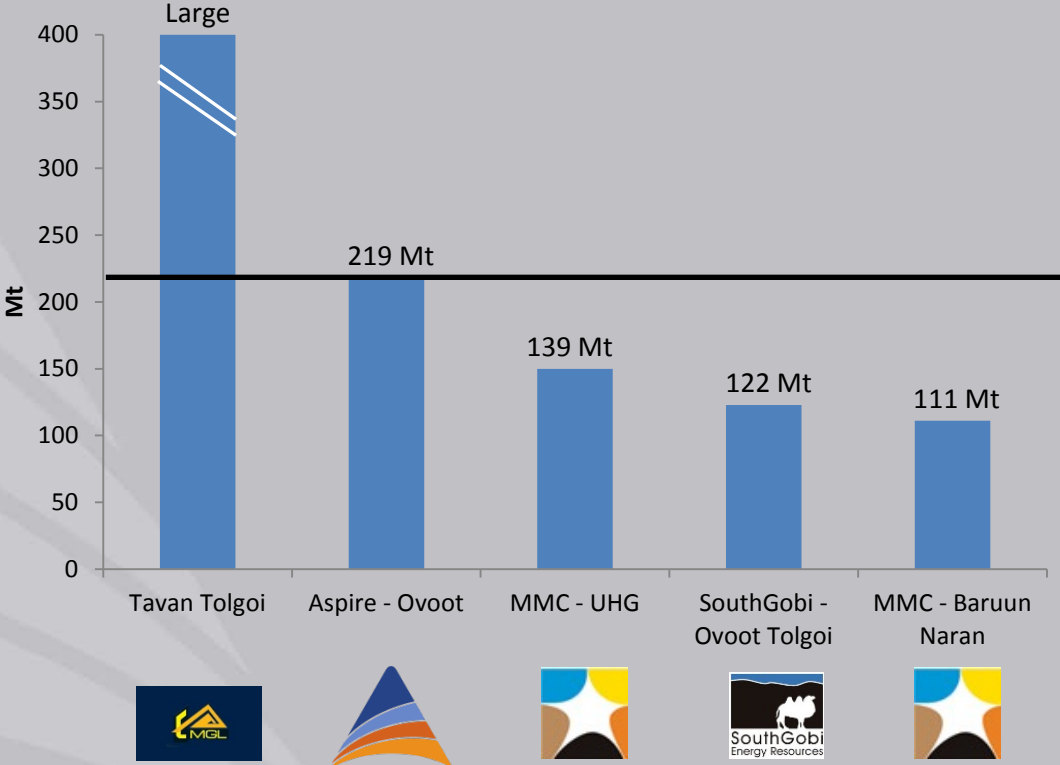
\*\*Total Coal Reserves reported where marketable reserves and coking/thermal fraction is not reported



# Ovoot - Second Largest Coking Coal Reserve in Mongolia

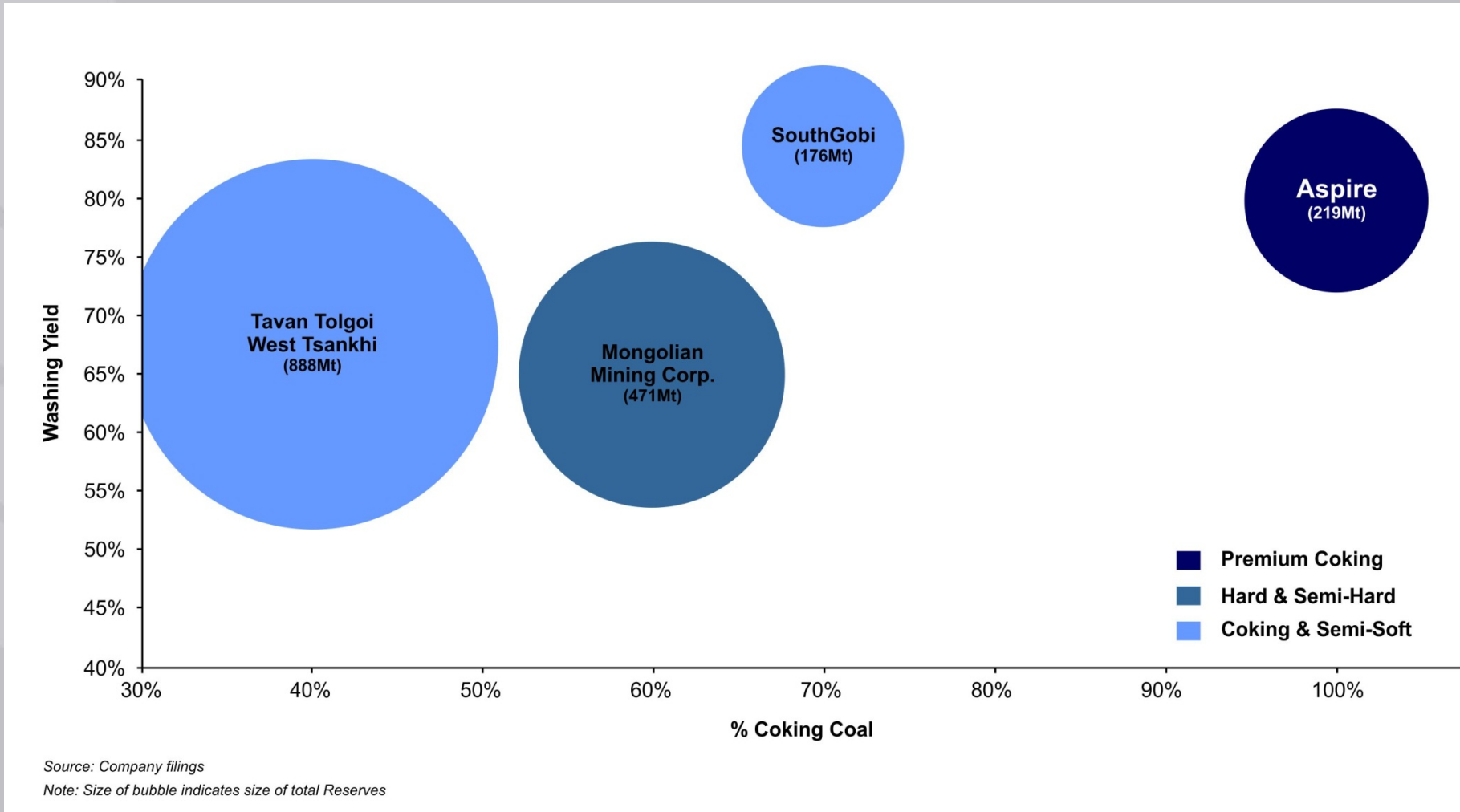


### Mongolian Coking Coal Reserves



Source: Company website, Company annual reports, Project technical reports

# Exceptional Deposit – High Washing Yield and % Coking = Highest In-Situ Value per tonne



# Ovoot Indicative Product Quality & Fluidity Properties



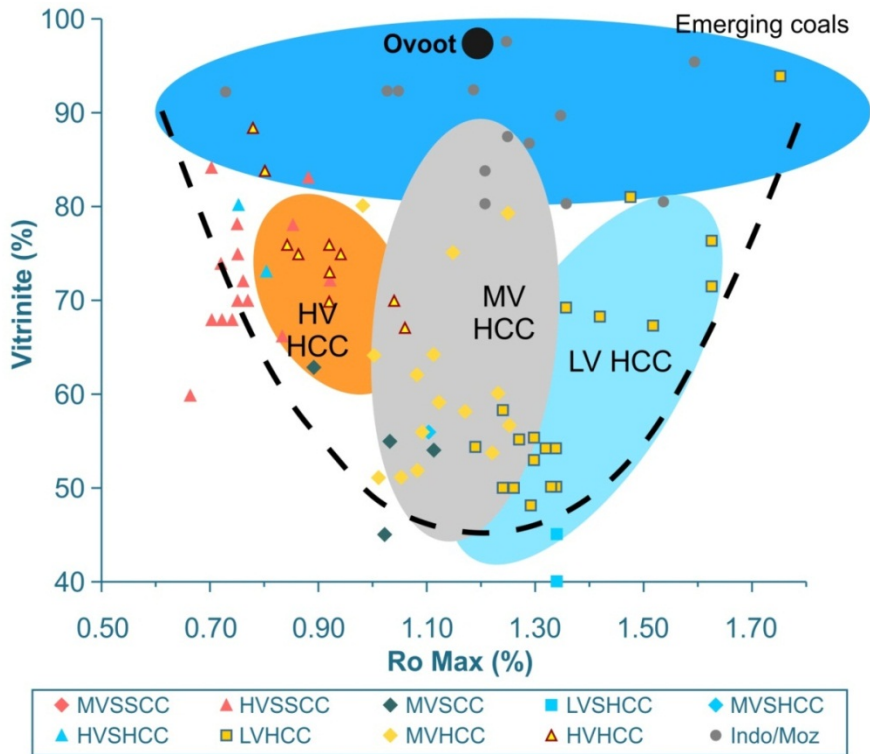
	Yield %	Ash %	Volatiles %	CSN	RoMax	Sulphur %
<b>Indicative Washed Coal Quality</b>	<b>82</b>	<b>9.5</b>	<b>25 – 28</b>	<b>8 - 9</b>	<b>1.2</b>	<b>1</b>

- Air dried basis
- ISO Coal Classification: Medium Rank B, high vitrinite, low ash, coking coal
- Vitrinite levels 96% - 97%
- **Rare combination of high rank combined with high fluidity**

<b>World Class Fluidity Properties</b>	
<b>Gray-King Coke Type</b>	<b>G11</b>
<b>Maximum Fluidity (log ddpm)</b>	<b>3.67</b>
<b>Plastic Range</b>	<b>106°C</b>
<b>Max. Contraction %</b>	<b>35%</b>
<b>Max. Dilation %</b>	<b>250%</b>

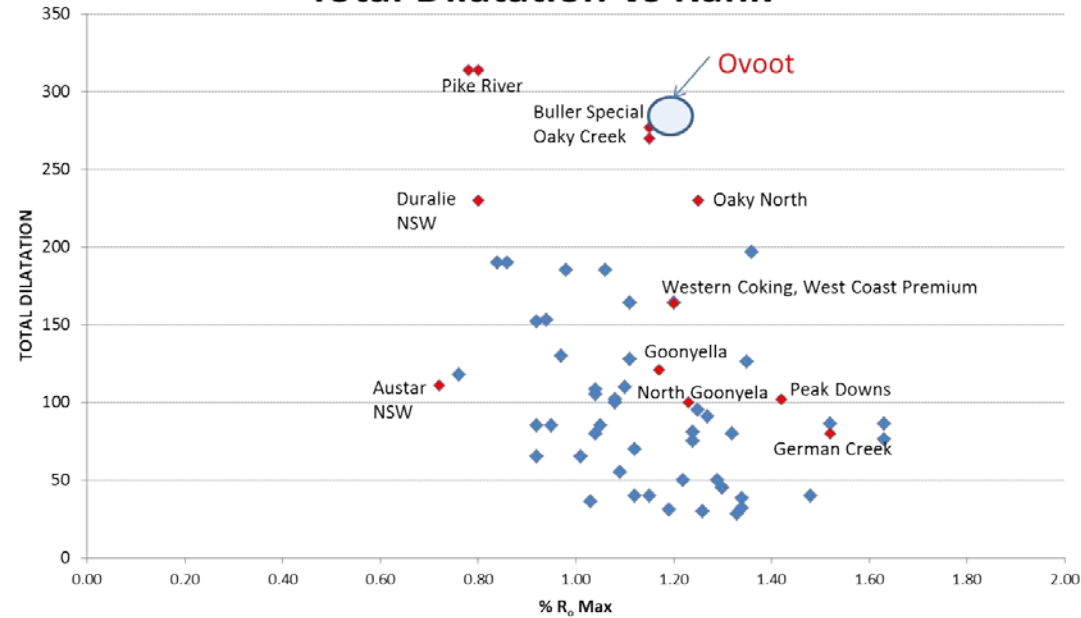


# Ideal Rank for Blending



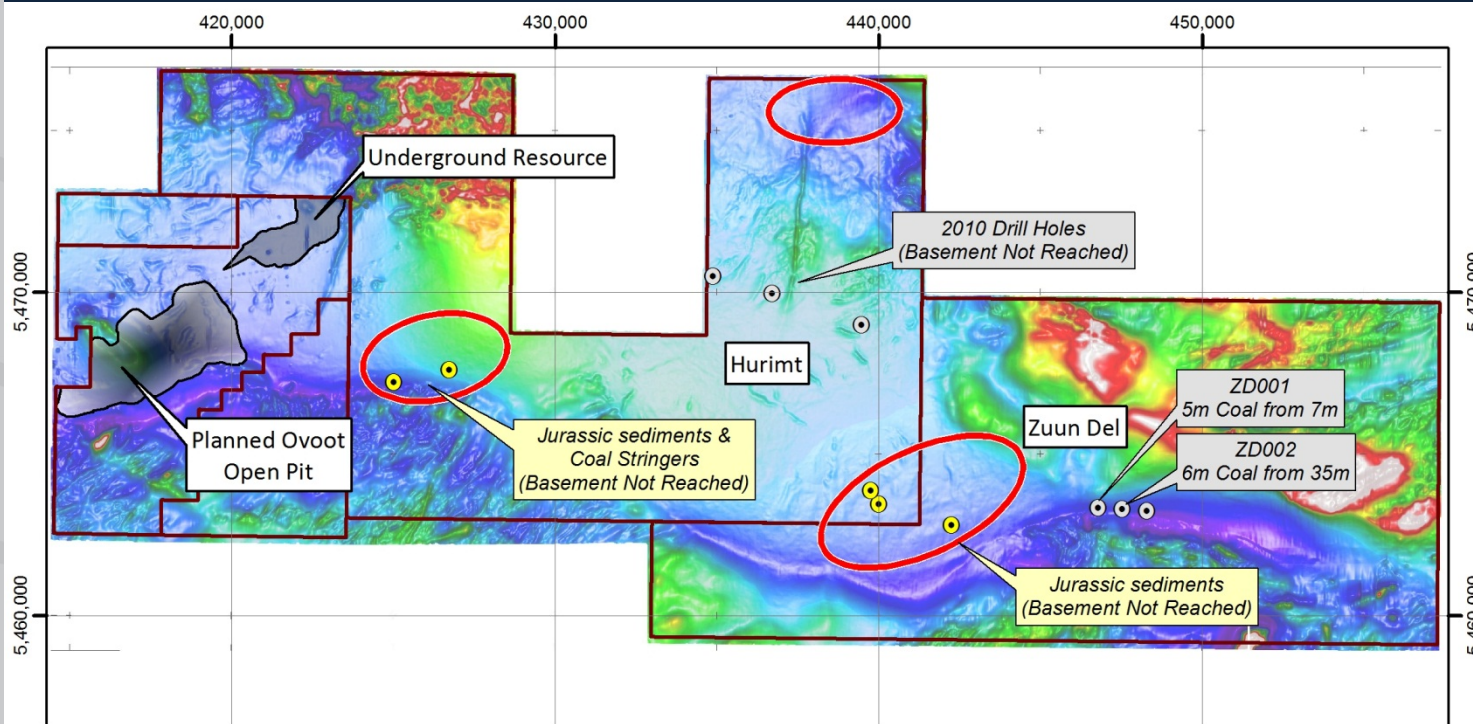
Source: G. Quinn, ICC and Wood Mackenzie

## World Traded Hard Coking Coals Total Dilatation vs Rank



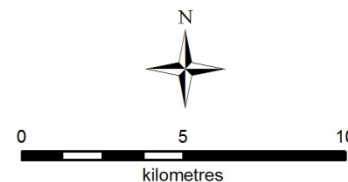
# Substantial Room to Grow Resource

## Project Tenement and Geology



### Legend

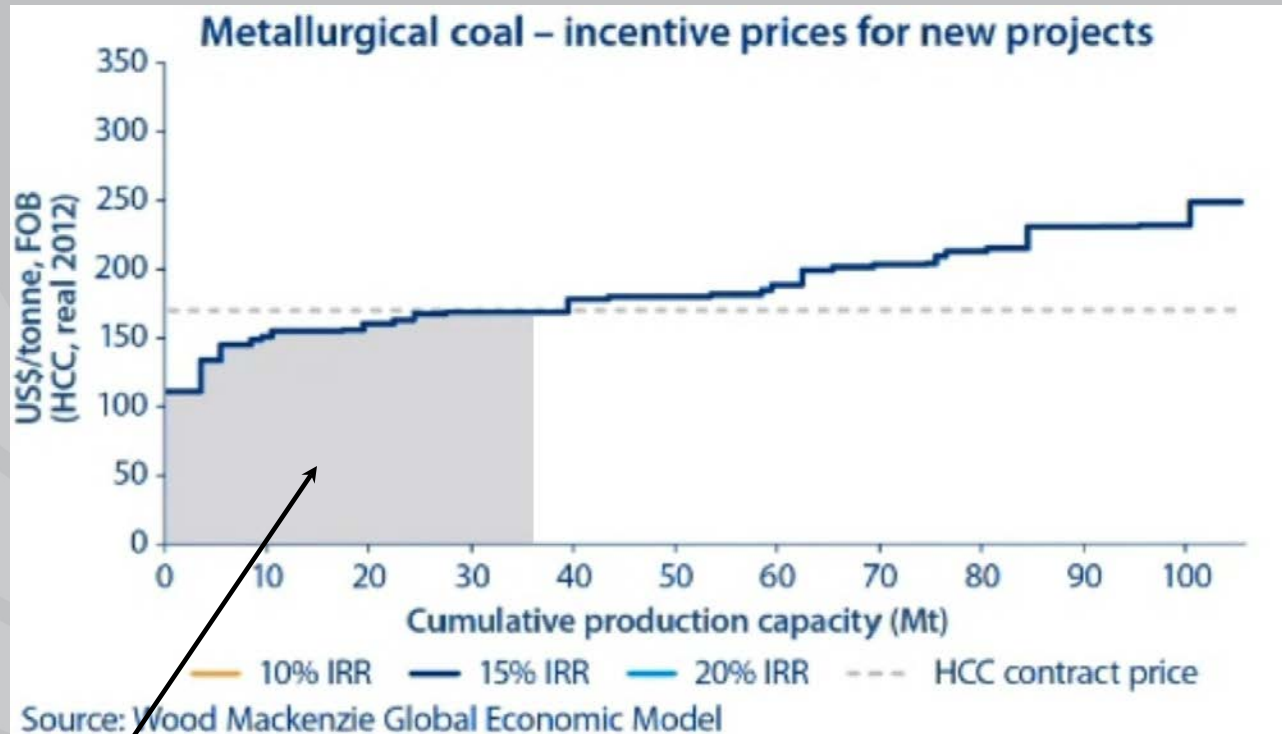
- 2012 Drill Hole
- ⊙ 2010 Drill Hole
- ▭ Aspire Licences
- Exploration Targets



- +500sqkm project area.
- Comprehensive airborne magnetics programme clearly defines extensive basin.
- Basin essentially untested



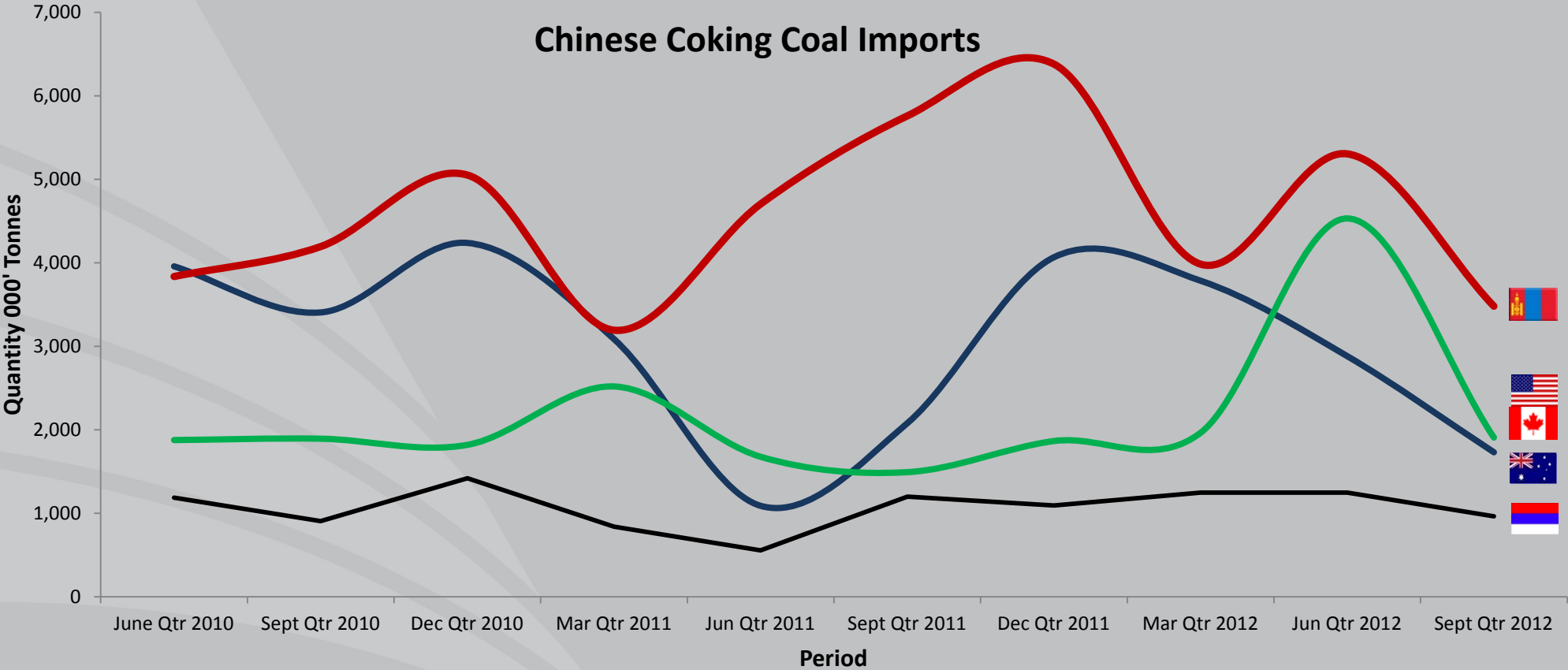
# Large New Coking Coal Deposits Need to be Developed



According to Wood MacKenzie analysis, only 36% of current Met Coal Projects future production can achieve 15% return using the current contract price of US\$170/tonne



# Mongolian Coking Coal now the Dominant Source



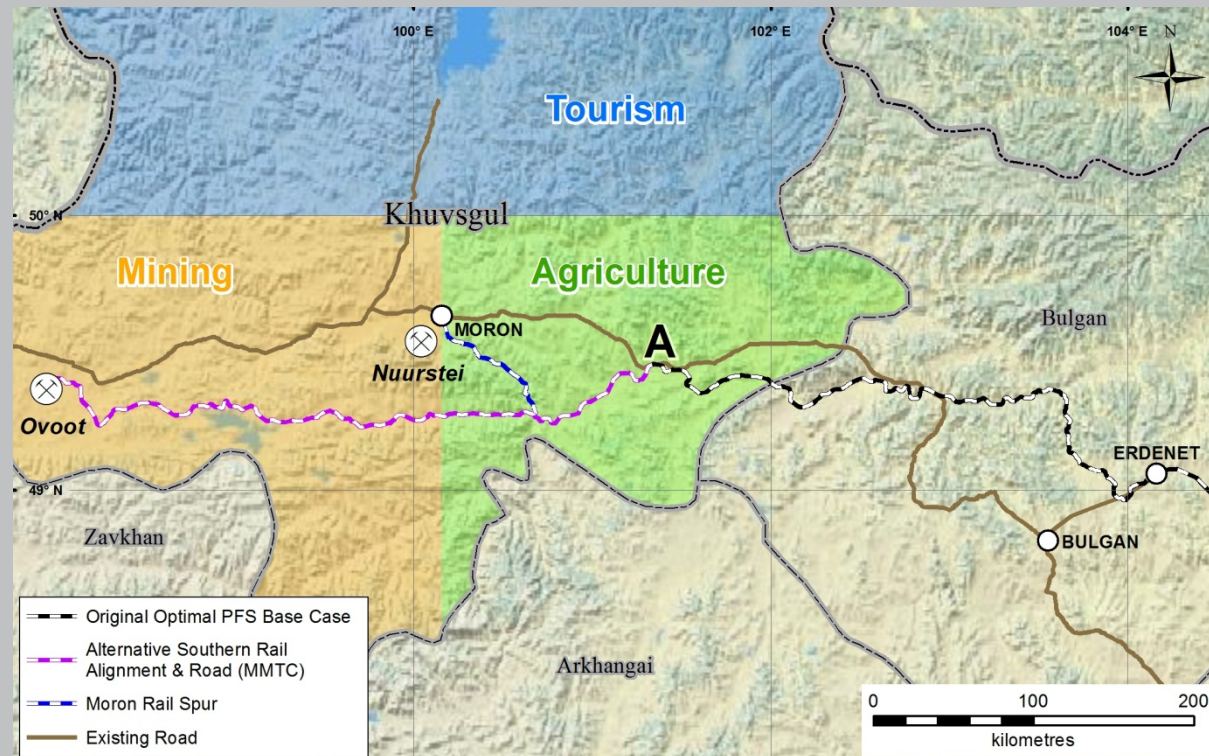
Source: China Coal Resource, Shanxi Fenwei Energy Consulting

# Rail Infrastructure – Key to Unlocking Northern Mongolia

## Commentary

- Ovoot Coking Coal Project is 550kms from Trans-Mongolian rail terminus
- Opens up major transport corridor in Northern Mongolia
- Rail construction can be broken up into two sections: Erdenet to Point A and Point A to Ovoot
- Open access multiple bulk commodity users, freight and passenger
- “Erdenet to Point A line”
  - 290km, multiuser rail line designed. Capacity upgradeable as demand requires.
- Brings rail within truck-able distance of Ovoot Coking Coal Project
- Road to connect Ovoot to Point A. Part of Multi-Modal Transport Corridor (MMTC)

## Potential Rail Route



# Northern Railways LLC

## Subsidiary of Aspire Mining

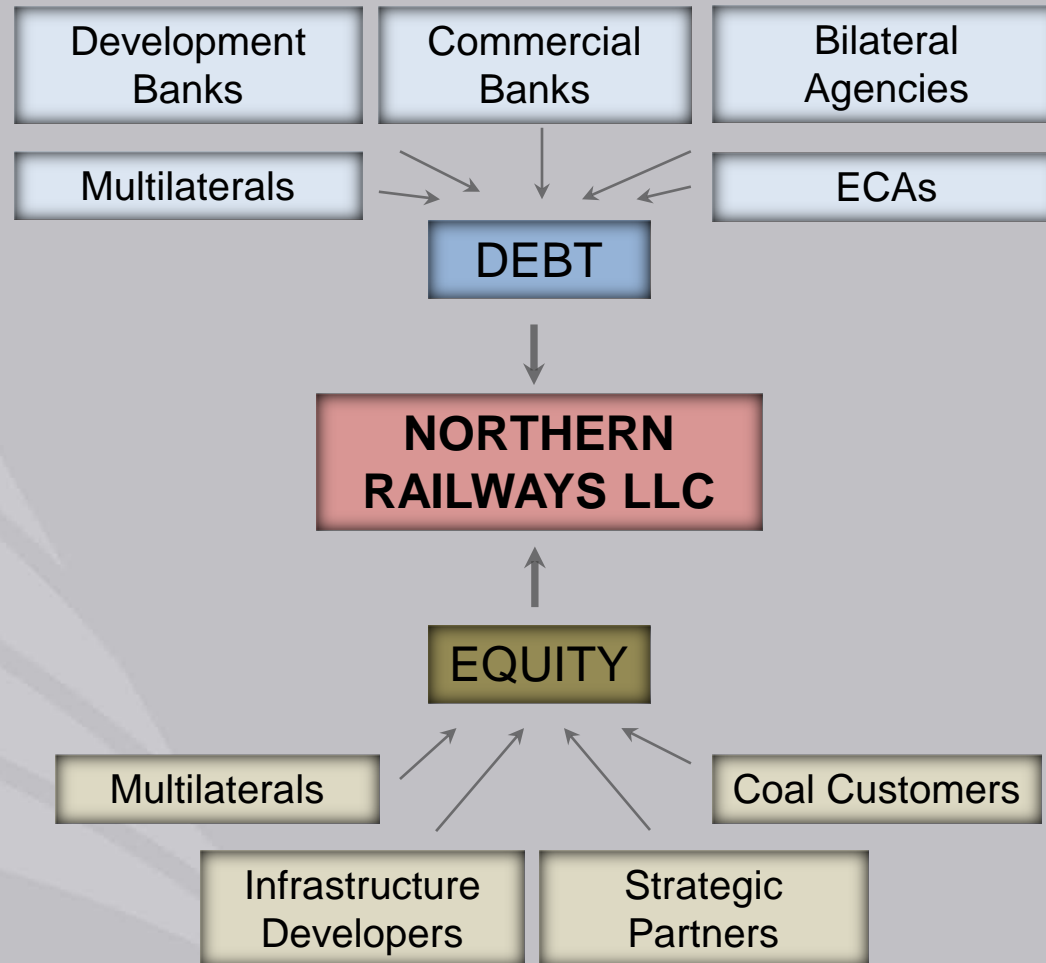


- Focused on infrastructure to connect Ovoot to Erdenet
- Stand alone Special Purpose Vehicle to:
  - Apply for BOOT (Build Own Operate Transfer) rail concession
  - Manage EPC contractors
  - Raise required funds through issuing debt and equity securities
- 51% ownership to be vested in the Mongolian Government after expiration of the concession
- Rail connection from Ovoot to existing Trans-Mongolian Rail line requires an investment of US\$1.2B + by Northern Railways LLC.
- Open access to rail – inclusive of passenger and general freight. Broad community benefits
- Attractive to specialist financial sponsors and multi-lateral financiers with a social agenda



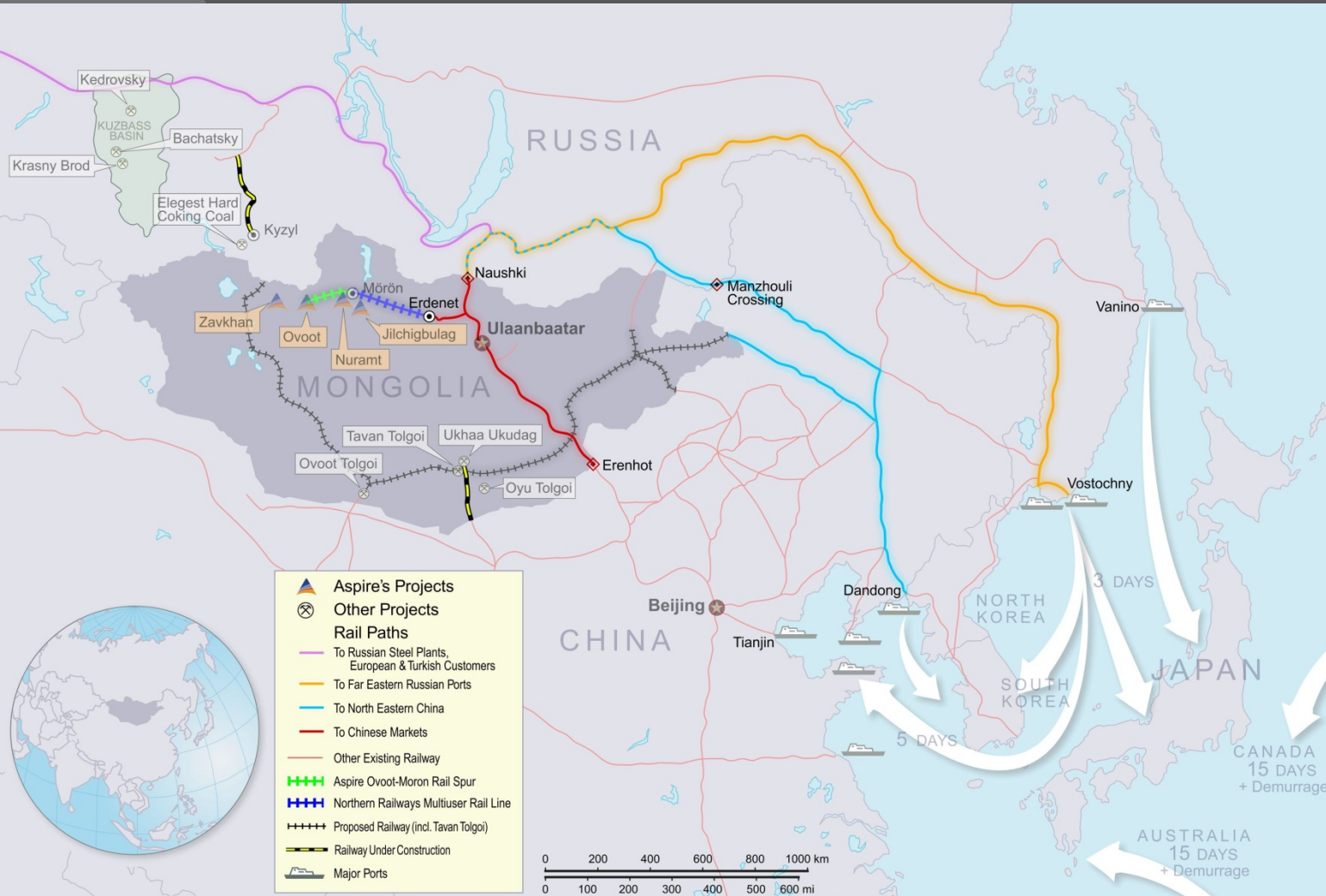
Trans-Mongolian Railway, coal from Baganuur coal mine

# Sources of Debt and Equity Financing





# Potential Routes to Coal Markets – Rail Access



Asian **Importers** of Metallurgical Coal:

Japan 68.6Mt<sup>1</sup>

Korea 25.9Mt<sup>1</sup>

Taiwan 5.7Mt<sup>1</sup>

**100.4Mt**

Russian total Metallurgical Coal **Exports** to Asian markets (incl. China):

**3.8Mt<sup>1</sup>**

1. Source: TEX Report, 2011 data.

# Focus has moved from Exploration to Commercial Negotiations to Develop the Ovoot Project



## Next Steps

- ❖ Investigating a relatively small scale pre-rail trucking option
- ❖ Resource remodelling
- ❖ Complete revised Rail PFS along the alternative southern alignment
- ❖ Commence discussions with potential customers
- ❖ Identify a suitable Strategic Partner or Partners
- ❖ Scale back exploration and overheads
- ❖ Complete Environmental Impact Assessment on alternative southern alignment
- ❖ Rail Concession



# Competent Person Statement



## **Competent Persons Statement**

*In accordance with the Australian Securities Exchange requirements, the technical information contained in this announcement in relation to the JORC Compliant Coal Reserves and JORC Compliant Coal Resource for the Ovoot Coking Coal Project in Mongolia has been reviewed by Mr Ian De Klerk and Mr Kevin John Irving of Xstract Mining Consultants Pty Ltd.*

*The Coal Resources documented in this release are stated in accordance with the guidelines set out in the JORC Code, 2004. They are based on information compiled and reviewed by Mr. Ian de Klerk who is a Member of the Australasian Institute of Mining and Metallurgy (Member #301019) and is a full time employee of Xstract Mining Consultants Pty Ltd. He has more than 20 years' experience in the evaluation of coal deposits and the estimation of coal resources. Mr. de Klerk has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration to qualify him as a Competent Person as defined in the JORC Code, 2004. Neither Mr. de Klerk nor Xstract have any material interest or entitlement, direct or indirect, in the securities of Aspire Mining Limited or any companies associated with Aspire Mining Limited. Fees for work undertaken are on a time and materials basis. Mr. de Klerk consents to the inclusion of the Coal Resources based on his information in the form and context in which it appears.*

*The Coal Reserves documented in this release are stated in accordance with the guidelines set out in the JORC Code, 2004. They are based on information compiled and reviewed by Mr. Kevin Irving who is a Fellow of the Australasian Institute of Mining and Metallurgy (Member #223116) and is a full time employee of Xstract Mining Consultants Pty Ltd. He has more than 35 years' experience in the mining of coal deposits and the estimation of Coal Reserves and the assessment of Modifying Factors. Mr. Irving has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration to qualify him as a Competent Person as defined in the JORC Code, 2004. Neither Mr. Irving nor Xstract have any material interest or entitlement, direct or indirect, in the securities of Aspire Mining Limited or any companies associated with Aspire Mining Limited. Fees for work undertaken are on a time and materials basis. Mr. Irving consents to the inclusion of the Coal Reserves based on his information in the form and context in which it appears.*

*The technical information contained in this announcement in relation to the Ovoot Coking Coal Project in Mongolia has been reviewed by Mr Neil Lithgow – Non Executive Director for Aspire Mining Limited. Mr Lithgow is a Member of the Australian Institute of Geoscientists and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves." Mr Lithgow consents to the inclusion in the report of the matters based on this information in the form and context in which it appears.*

# Contact details



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