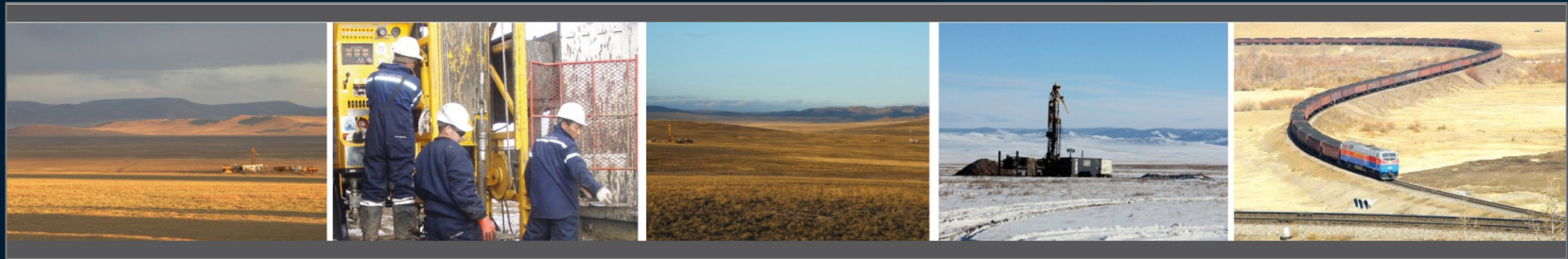


# Ovoot Coking Coal Project

## Investor Presentation to Proactive Investors Forum



# 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 the date of release of this document. 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.

# Company Snapshot – Corporate Structure



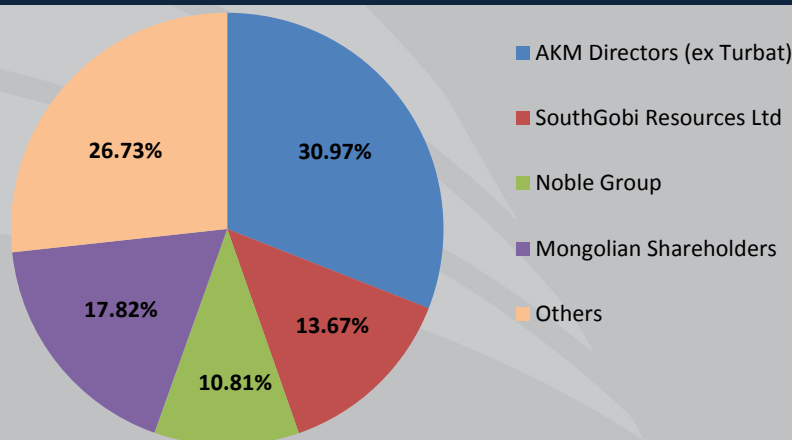
## Capital Structure (ASX:AKM)

		Undiluted	Diluted
Share Price (29 April 13)	\$	0.065	0.065
Shares Outstanding	m	655.6	903.2
<b>Market Capitalisation</b>	<b>\$m</b>	<b>42.6</b>	<b>58.7</b>
Options and Performance Rights on Issue	m	247.7	
<b>Net Cash</b>	<b>\$m</b>	<b>10.2<sup>1</sup></b>	<b>22.2<sup>2</sup></b>
<b>Enterprise Value</b>	<b>\$m</b>	<b>32.4</b>	<b>36.5</b>

<sup>1</sup> As of 31 Mar 2013

<sup>2</sup> Includes cash from options exercisable at 5c.

## Ownership (Fully Diluted)



## Board of Directors

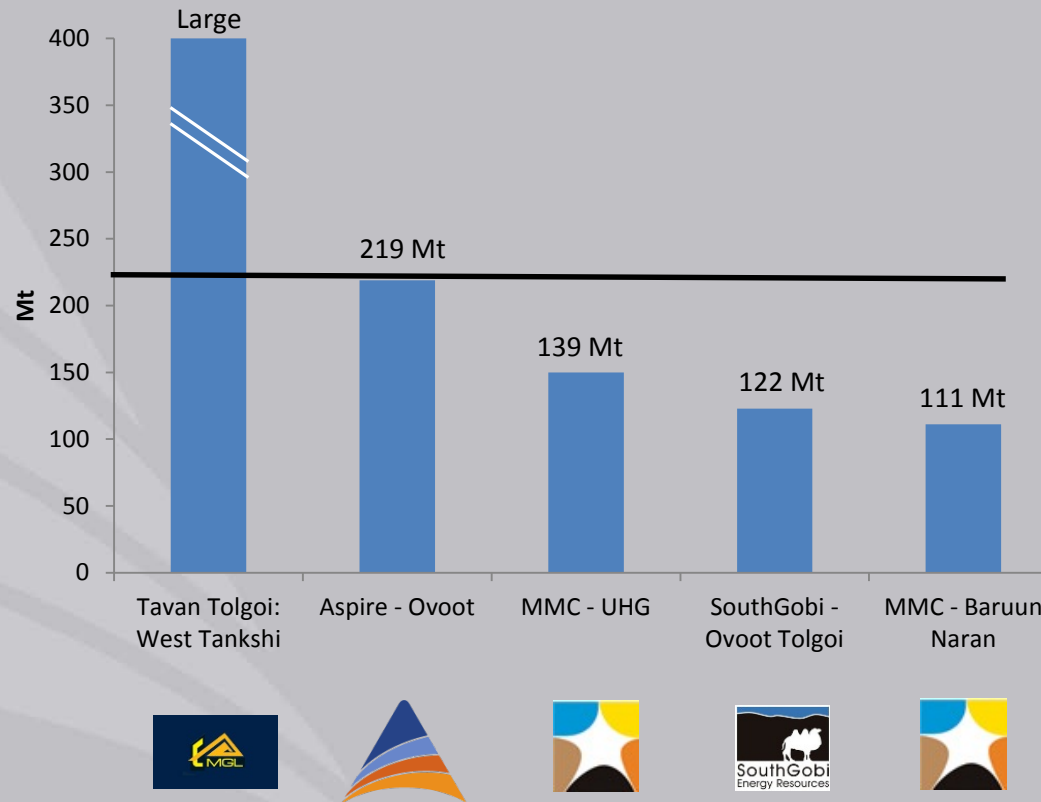
- **David McSweeney** (Non-Exec Chairman) – lawyer by training and has over 20 years experience in the resources sector ranging from exploration to project management, project finance, commercial and legal structuring and corporate development.
- **David Paull** (Managing Director) – over 20 years experience 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.
- **Hannah Badenach** (Non-Exec Director) – Current VP of Asset Development & Operations at Noble Resources Limited and a lawyer, having practiced law for several years in Asia, including two years in Mongolia, starting in 2004 with Lynch & Mahoney. She was previously Managing Director of QGX Mongol LLC where she was responsible for the general management of the company.
- **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

# Significant Mongolian Coal Projects



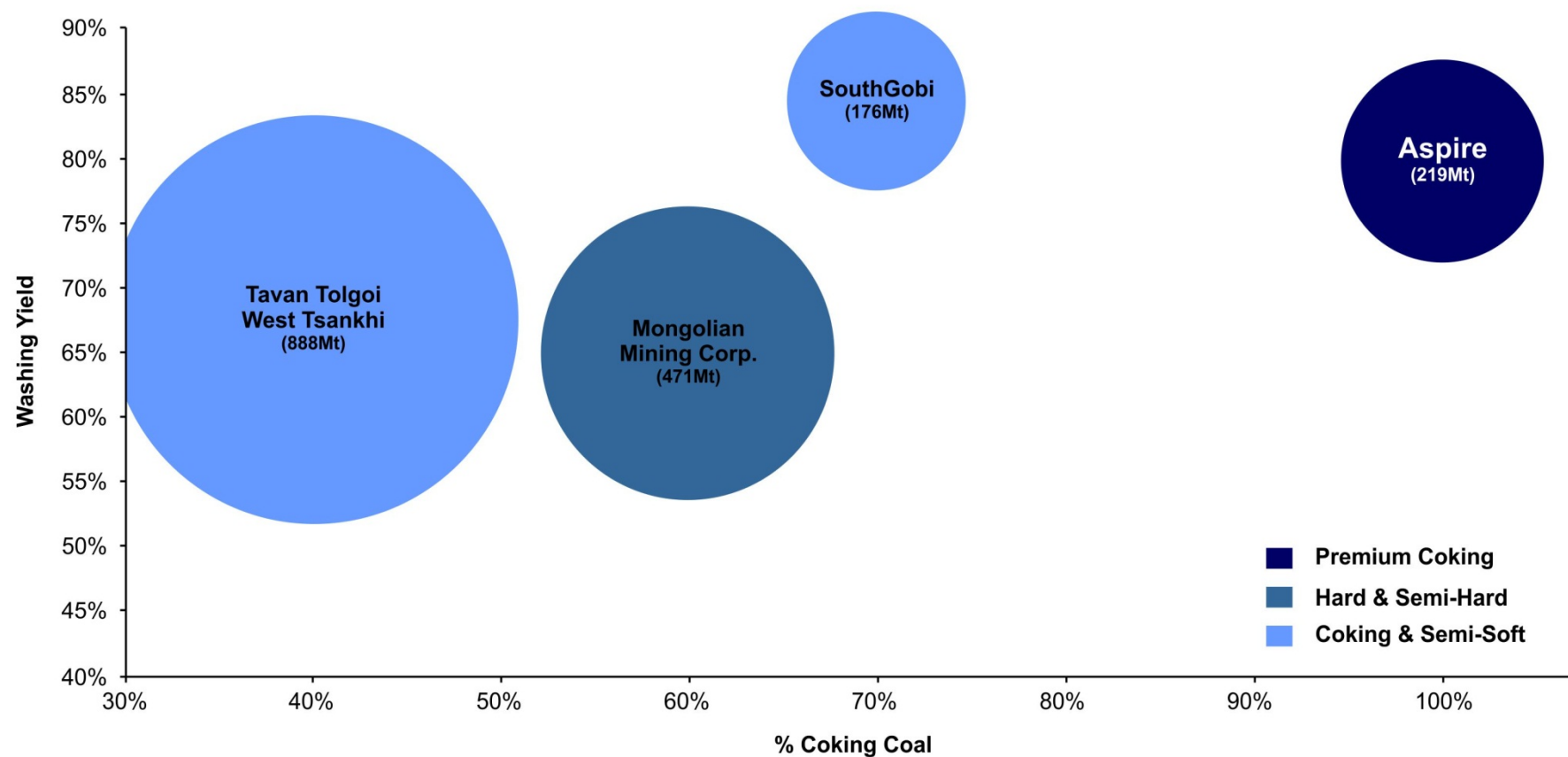
# Ovoot - Second Largest Coking Coal Reserve in Mongolia

## Mongolian Coking Coal Reserves





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



Source: Company filings

Note: Size of bubble indicates size of total Reserves

# Ovoot Coking Coal Project



## An Important New Coal Discovery in Northern Mongolia

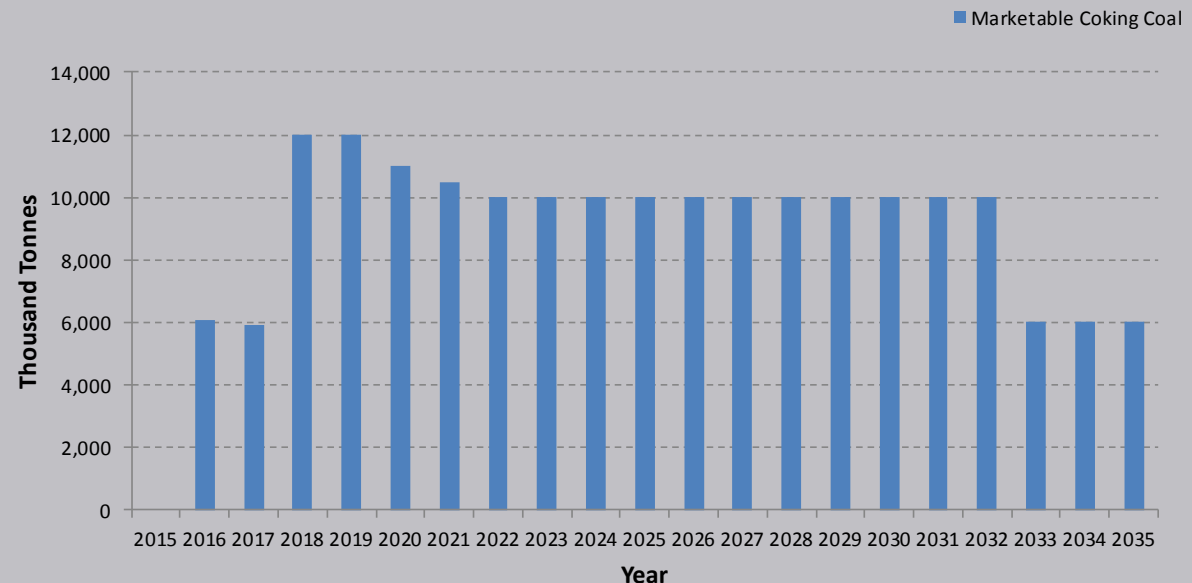
### ➤ PFS Key Highlights

- 20 year Life
- Producing in excess of 184 mt
- Producing up to 12 Mtpa
- Annual Revenue US\$2 - \$2.4 bn per annum (at \$160-\$200/t)
- Government Royalties at 7.5% of \$150m - \$180m per annum
- Significant Employment and supporting social investments

### ➤ Robust Project Economics

- NPV<sub>12</sub> after tax estimated US\$1.7 bn<sup>Note1</sup>
- Net Cash Surplus after tax US\$8.3 bn<sup>Note1</sup>

Ovoot Production Schedule



Note 1: Based on long term average coking coal price of US\$200/t in 2012 real dollars. Includes royalties.

# Ovoot PFS Revision Financial Highlights

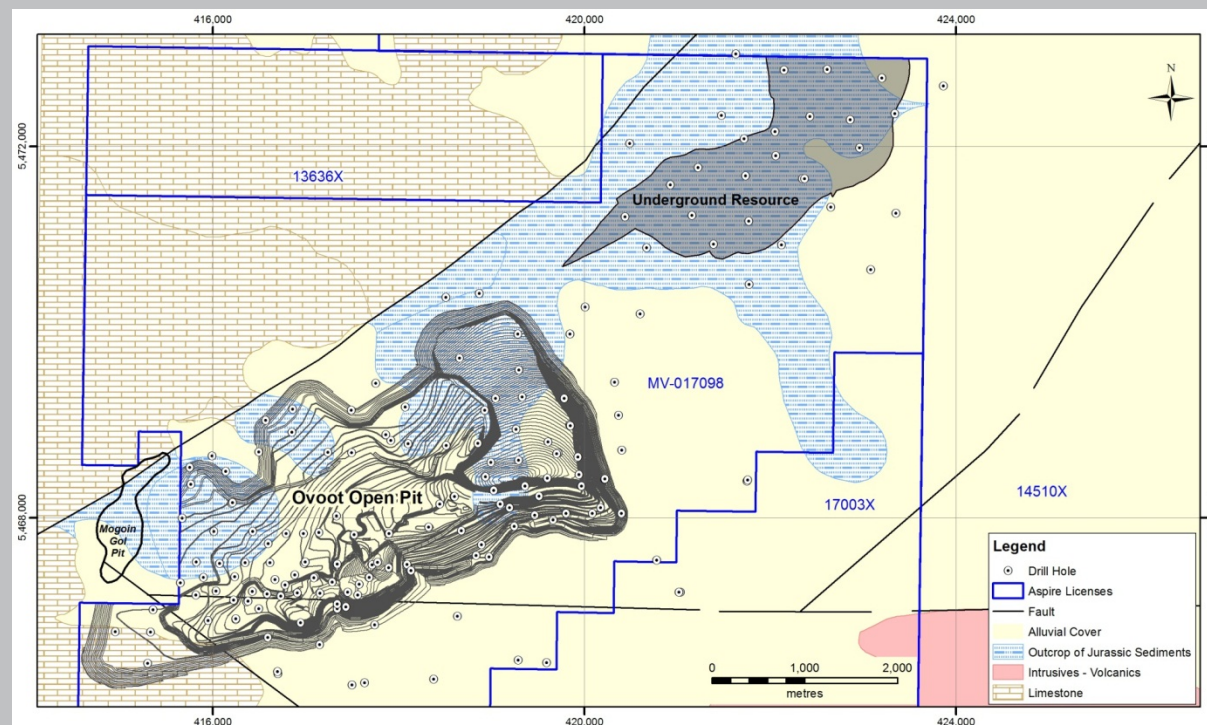
## ➤ OPEX

- Average operating cost ex mine gate US\$36/t for Life of Mine
- Average operating cost estimated at US\$115/t<sup>Note1</sup> for Life of Mine
- 0-5 Years: Average operating cost to deliver coal to China US\$91/t<sup>Note1</sup>

### Mine CAPEX Requirements

Stage 1	
CAPEX	US\$551m + \$264m (mining fleet)
Production	up to 6 Mtpa
Commencement	2016
Stage 2	
CAPEX	US\$261.5m + \$264.1m (mining fleet)
Production	up to 12 Mtpa
Commencement	From 2018

NB: Includes contingencies and a total of US\$528.1 for mining fleet

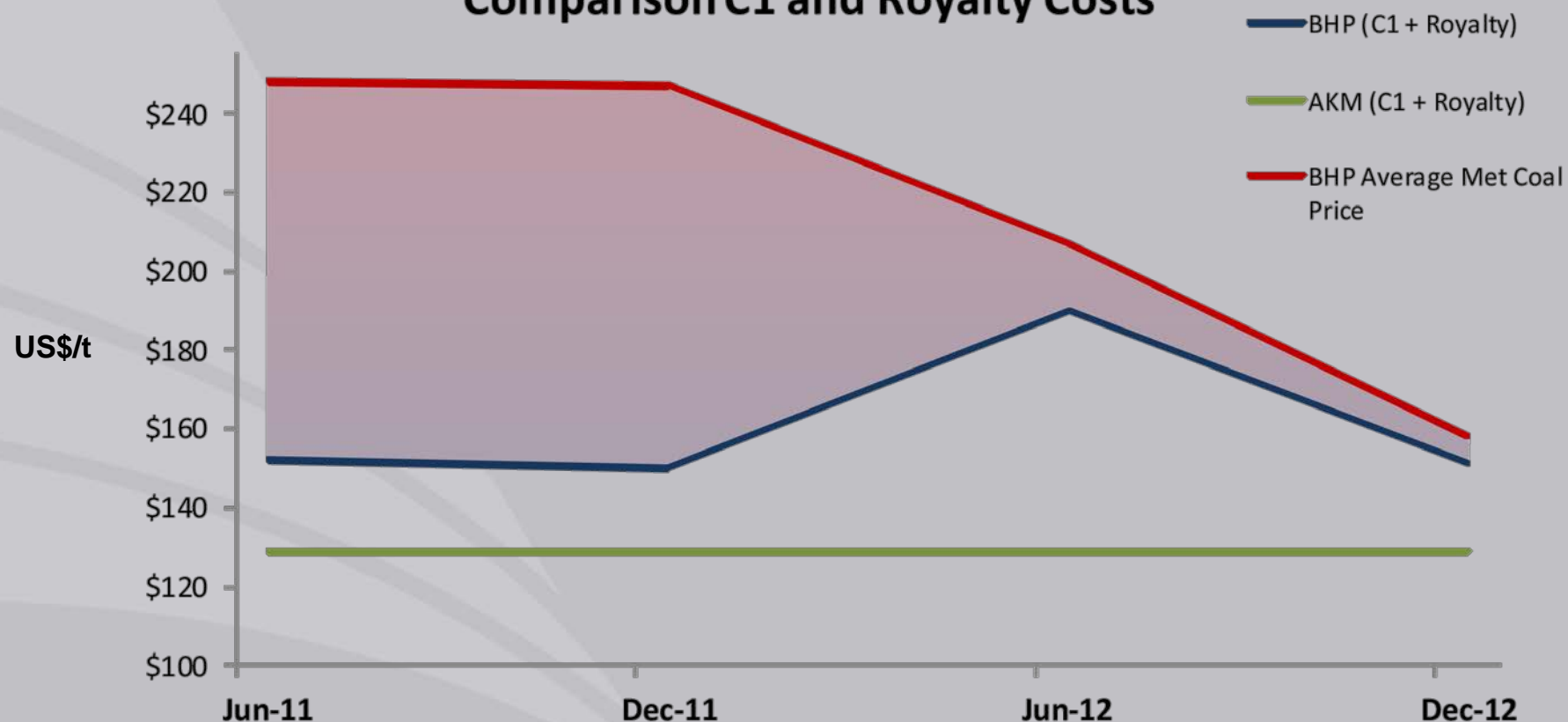


Note 1: Prices are in 2012 real dollars (excluding royalty), and includes all freight and border costs providing sales assumptions hold.



# A Comparison of C1 + Royalty Costs

**BHP Vs Ovoot Coking Coal  
Comparison C1 and Royalty Costs**



# VITROCOAL

## Low Ash, High Fluidity Coking Coal



- Ovoot Coking Coal displays **High fluidity and plastic** properties
- An ideal **blend** coking coal indicated by industry leading Gray-King Index and Rank
- Chinese classification “**FM Premium Fat Coal**” – attracts hard coking coal pricing
- Russian classification “**Fat Coking Coal**” (Zh and KZh)



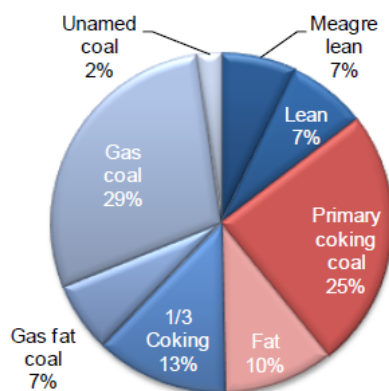
Indicative Ovoot Washed Coking Coal Specification	
Moisture	9%
Ash	9%
Volatiles	25-28%
Sulphur	1.2%
CSN	9
Max Fluidity Log	3.60
Max Dilation	+300%
Gray King	G11
G Caking Index	+95
Y Index mm	+26
RoMax	1.2
Yield	+80%

# Chinese Blending Coal Requirements

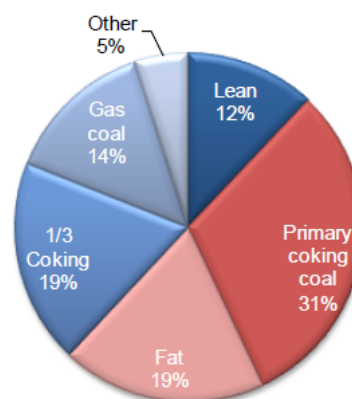
Chinese demand increasing due to lack of domestic hard coking coal



Coking Coal Reserves



Typical Chinese Coke Blend



- Needs greater proportion of hard coking coal for use in larger BF's to maintain productivity
- Lack of 'hard coking coal' – especially low-volatile and high-fluidity
- Coal industry consolidation – elimination of small coal mines
- Increased competitiveness of imports – new steel industries on China's coast
- Semi-soft coking coal will be 'dragged in'

# Marketing Activities Commenced with Major Asian Potential Customers

**Initial discussions with North Asian coking coal end users has confirmed that Ovoot Coking Coal fits neatly into the clean fat coking coal category**

- Washed bulk sample being provided to interested parties for their product assessment
- Excellent preliminary feedback
- High demand for fat coking coals from potential Chinese Customers





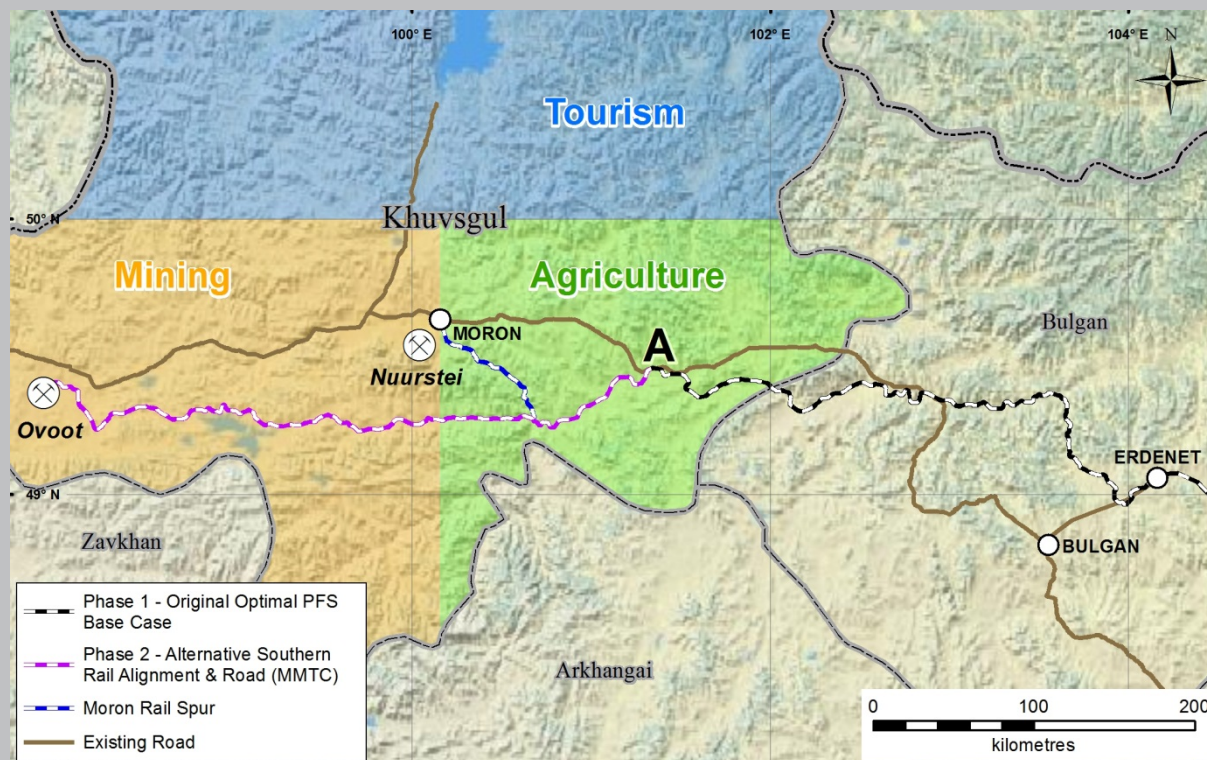
# Rail Infrastructure

## Key to Unlocking Northern Mongolia

### Commentary

- Ovoot Coking Coal Project is 550kms (direct) from Trans-Mongolian rail terminus
- Opens up major transport corridor in Northern Mongolia (passing through Orkhon, Bulgan, Khuvsgul and Zavkhan provinces)
- Open access multiple bulk commodity users, freight and passenger
- Rail construction can be broken up into Phases or developed as a single line
- Erdenet to Ovoot “Northern Rail Line”
  - 595 km
  - 22 Mtpa Capacity (multiuser)
  - 220 km south of the Khuvsgul lake
  - >120 km south of the defined Tourism zone Khuvsgul Province<sup>1</sup>
- Connects the Ovoot Project and Northern Mongolia) directly onto the Trans-Mongolian Railway network for access to international markets

### 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\$1.3 bn by Northern Railways LLC<sup>Note1</sup>.
- 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

Northern Rail Line Rail Capex	
<b>Alignment</b>	Erdenet to Ovoot (595km)
<b>CAPEX<sup>1</sup></b>	US\$1,300m + contingencies
<b>Commencement</b>	Mid 2016 (Capacity: 22Mtpa)
NB: Capex estimate according the Revised Rail PFS completed in March 2013.	
As part of its Opex estimates, Aspire will pay to Northern Railways the normal commercial tariff to access Northern Rail Line.	

Note 1: Capex estimates based on the Revised Rail Pre-Feasibility Study completed in March 2013. Further de-rating of the line is estimated by the Company to reduce capex down to approximately US\$1,200m.

# Permanent Infrastructure to Benefit Mongolia for Long Term

**Rail  
Infrastructure:**  
**US\$1,300 million**

**70%**



**30%**

**Minesite:**  
**US\$565 million**

# Potential Routes to Coal Markets – Rail Access



Asian **Importers** of Metallurgical Coal:

Japan 71.5Mt<sup>1</sup>

Korea 25.8Mt<sup>1</sup>

Taiwan 5.5Mt<sup>1</sup>

**102.6Mt**

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

**7.6Mt<sup>1</sup>**

# Steps to Develop the Ovoot Project



## Focus Areas over coming 12 months

### Mine

- ❖ Progress small scale pre-rail trucking option
- ❖ Commence discussions with potential customers

### Rail

- ❖ Progress Bankable Feasibility Study for Railway
- ❖ Complete Environmental Impact Assessments on western portion of the Rail alignment
- ❖ Rail concession and approvals
- ❖ EPC Contract Discussion
- ❖ Rail Financing consortium

# The Government is Fast Tracking Changes to Re-Attract Foreign Direct Investment in Mongolia



## Foreign Investment Law

- Oct 2012: The Mongolian Minister for Economic Development announced that the Foreign Investment Law would be considered for **revision** in particular the **threshold triggering Government approval for foreign investment** would increase.
- Dec 2012: President Ts. Elbegdorj has **publically confirmed** that:
  - Mongolia's implementation of the revised law has "made Mongolia's investment environment unfavourable" and
  - Mongolia "should not turn our back to foreign investors"
- Mar 2013: On March 7<sup>th</sup> Mr Luvsanvandan Bold, the Mongolia Foreign Minister was quoted as saying that the threshold for Parliamentary approval of a foreign investment in a strategic entity would be increased to 1 trillion tugrik (~ US\$715m). **"...there will be changes in the law in the near future so that the international community and investors will be happy"**.
- 27 Mar 2013: Government **submitted draft FIL amendment for Parliamentary approval**, recommending the removal of threshold triggering approval limiting it to non-SOE investments only.
- 19 Apr 2013: **Parliament approved changes** to remove the \$75m threshold and removed the requirement for Parliamentary approval to private foreign owned investors.
- 19 Apr 2013: Government is planning to submit an Investment Agreement within the coming months which will **aim to provide greater stability and clarity** for Foreign Investors.





# Update on the Minerals Draft Law



## Minerals Draft Law

- President Tsakhia Elbegdorj recently held private meeting with various members of Mongolian business, government, academia, mining industry to discuss and hear views on the current Draft minerals law.
- President's Office **confirmed that the existing 2006 Minerals Law remained in force** and that the New Draft law would not be finalised until after the June 2013 Presidential election.
- A **new Draft Working Committee** would be established and would include members so various stakeholders (including Mining Industry) can help refine the "Draft Law".

# Foreign Perception is Unforgiving

Perceived Risk	Actual Situation
<ul style="list-style-type: none"><li>X Changes to Laws</li><li>X Government Election turmoil</li><li>X Presidential Election uncertainty</li></ul> <p style="text-align: center;"></p> <p style="text-align: center;">Will hinder explorers/miners from progressing the development of Projects?</p>	<ul style="list-style-type: none"><li>✓ Aspire continues to own 100% of the Ovoot Project – the second largest coking coal Reserve in Mongolia (219Mt)</li><li>✓ Aspire received its Mining Licence</li><li>✓ Aspire receive MRAM approval for its Mongolian Feasibility Study</li><li>✓ Aspire received approval to construct a road between Ovoot and Moron</li></ul> <p style="text-align: center;"></p> <p style="text-align: center;">Development Progress has not been affected over the last 12 months.....</p>

# Other Miners' Progress since May 2012

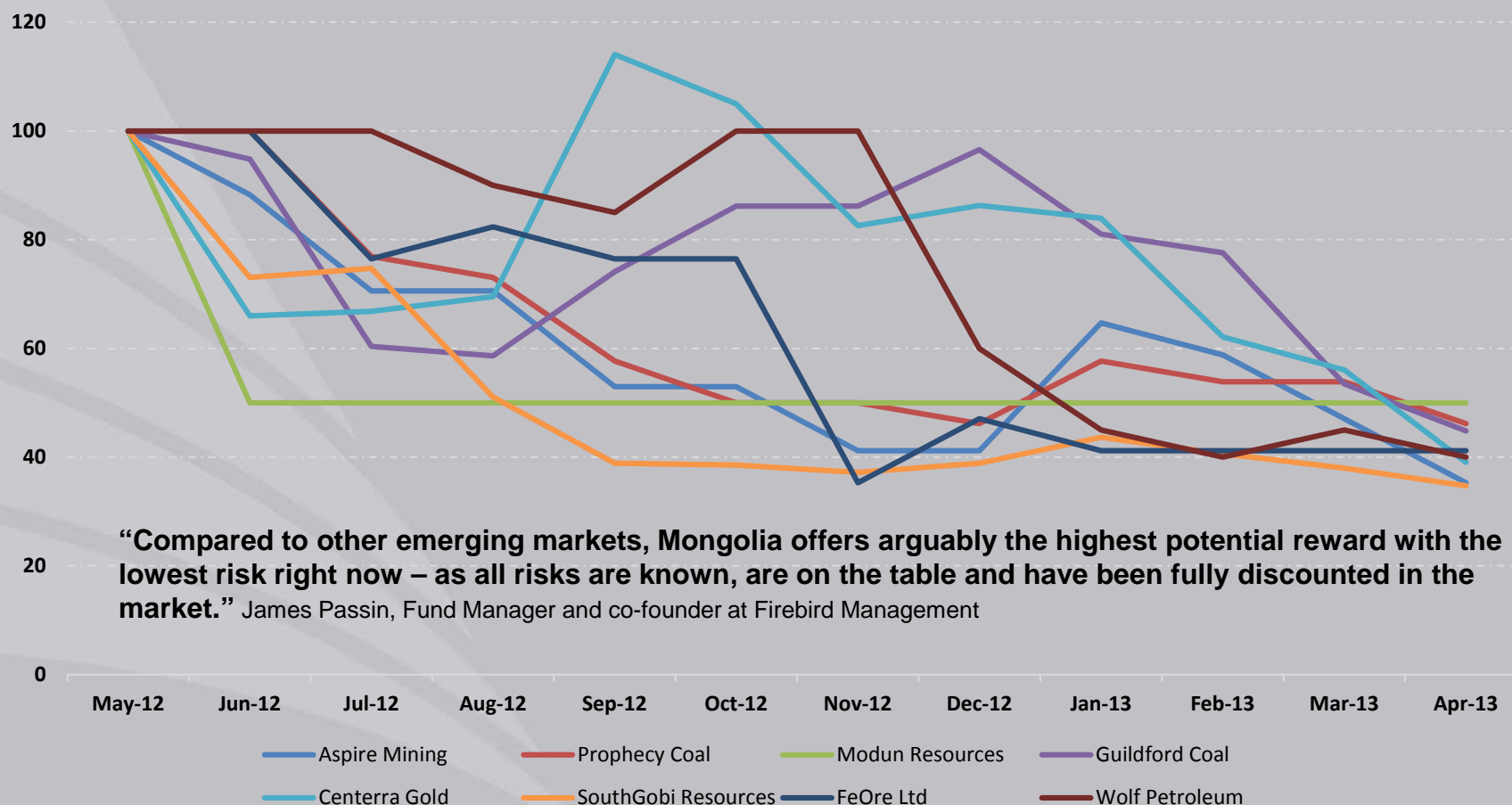


Company	Development Progress
<b>Mongolian Alt Group MAK</b> (Private)	<ul style="list-style-type: none"> <li>✓ EBRD €190million debt financing for the Tsagaan Suvarga copper project</li> <li>✓ 10year US\$98m ECA transaction provided by BNP Paribas, BHF Bank</li> </ul>
<b>Prophecy Coal</b> (TSX)	<ul style="list-style-type: none"> <li>✓ Energy Authority of Mongolia entered into a Cooperation Covenant to see the Chandgana Power Project online by 2016</li> <li>✓ Land Use Rights Granted for Chandgana Power Plant by Murun Soum</li> </ul>
<b>Modun Resources</b> (ASX)	<ul style="list-style-type: none"> <li>✓ Mongolian Ministry of Nature approved the Environmental Impact Study for Nuurst thermal project</li> <li>✓ MRAM approved Coal Resource Registration</li> </ul>
<b>Guildford Coal</b> (ASX)	<ul style="list-style-type: none"> <li>✓ Mining Licences granted for South Gobi coal project for both North Pit and East Pit</li> </ul>
<b>Centerra Gold</b> (TSX)	<ul style="list-style-type: none"> <li>✓ MRAM granted Mining Licence for ATO project in Eastern Mongolian</li> <li>✓ Regulatory approval granted on mine plan for heap leach facility at Boroo mine</li> </ul>
<b>SouthGobi Resources</b> (HKSE)	<ul style="list-style-type: none"> <li>✓ MRAM approved Pre-Mining Agreement for Licence 9443X nearby the Soumber deposit which now allows commencement of application for Mining Licence</li> <li>✓ Government approved recommencement of mining operations at Ovoot Tolgoi</li> </ul>
<b>FeOre Limited</b> (ASX)	<ul style="list-style-type: none"> <li>✓ MRAM approved Feasibility Study for Ereeny iron ore project</li> <li>✓ Mining Licence Granted for Dartsagt iron ore project</li> <li>✓ Approval granted to construct for high-power connection to Ereeny from nearby Choir power plant</li> </ul>
<b>Wolf Petroleum</b> (ASX)	<ul style="list-style-type: none"> <li>✓ Oil Production Sharing Contract signed with Government of Mongolia (via Petroleum Authority of Mongolia) for Sukhbaatar Block</li> </ul>

# Development Progress is not Reflected in Share Price



Share Price Performance since May 2012 (Indexed)



**“Compared to other emerging markets, Mongolia offers arguably the highest potential reward with the lowest risk right now – as all risks are known, are on the table and have been fully discounted in the market.”** James Passin, Fund Manager and co-founder at Firebird Management

# Risk is in the eye of the Beholder





# 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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