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ASX RELEASE

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AGREEMENT SIGNED TO DEVELOP MONGOLIAN RAIL INFRASTRUCTURE

Mongolian Ministry of Roads and Transportation and JSC Russian Railways agree to modernise and extend Mongolia's rail network and have identified a number of projects to study including:

- **Expansion of main Trans-Mongolian Railway including a dual track, and potentially electrified line to facilitate freight capacity of 100 mtpa;**
- **Expansion of railway in northern Mongolia including extending rail from Erdenet past Aspire's Ovoot Project to the Russian border at Arts Suuri;**
- **Undertake studies to link rail from Arts Suuri to the Kyzyl - Kuragino Railway and thereby Russia's Trans-Siberian Railway; and**
- **Cooperation to increase Russian transit freight to China, via Mongolia's rail network to 20 mtpa.**

Aspire Mining Limited (ASX: AKM, the "**Company**" or "**Aspire**") is pleased to report that during this weeks' visit by Russian President Mr Vladimir Putin to Mongolia, 15 agreements were signed covering cooperation in transport and infrastructure, mining, education and communications. The Russian President's working visit follows China's President Mr Xi Jinping visit to Mongolia only two weeks earlier, and underlines the improved ties between Mongolia and its closest neighbours.

Specifically, an agreement between Mongolia's Ministry of Roads and Transportation ("**MRT**") and JSC Russian Railways ("**RZD**") was signed whereby both parties agreed to a process to modernise and expand the operations and capabilities of Ulaanbaatar Railways, ("**UBTZ**") in Mongolia. It was also agreed to investigate the expansion of railway in northern Mongolia from Erdenet past Aspire's Ovoot Project to the Russian border at Arts Suuri. UBTZ, Mongolia's rail network operator, is a joint venture of Russian/Mongolian interests.

This agreement is consistent with previous announcements regarding increasing trade between Russia, Mongolia and China and improving the transport infrastructure required to do so. It was reported during this weeks' meetings that Russia and Mongolia are aiming to improve Russian transit freight to China through Mongolia's rail network, increasing it from a relatively nominal amount at present to 20 million tonnes per annum by 2020.

Under the agreement, UBTZ and RZD agree on the need for large scale expansion of rail capacity in Mongolia, and will jointly fund feasibility studies to look at a range of rail projects prioritizing the following:

- The dual tracking of the main Trans-Mongolian Railway which will lift capacity to 100 mtpa, and in addition, examine the feasibility of electrification of this line. The Trans-Mongolian Railway is already being upgraded to 34 mtpa from a current 20 mtpa capacity, following tripartite agreements between Mongolia, Russia and China entered into late 2013.
- The extension of the existing UBTZ Railway in northern Mongolia from Erdenet - Ovoot (547 km), and from Ovoot - Arts Suuri (215 km) on the Russian border. The studies will also assess a Russian connection which would extend the railway from Arts Suuri to link with the Kyzyl - Kuragino Railway, thereby establishing a new transit rail corridor connecting Russia with China.
- Upgrading the Erdenet to Darhan rail line to take account of the sharply higher freight volumes that will be passing through Erdenet along the Northern Rail Line.



Figure 1: Mongolian Rail System with planned upgrades and extensions

The extension of railway from Erdenet, past the Ovoot Coking Coal Project (“**Ovoot Project**”) and linking into the Russian rail system to encourage transit freight from Russia, has significant implications for the development of the Ovoot Project. The feasibility of the Erdenet - Ovoot Project section (“**Northern Rail Line**”) is now not solely dependent on freight volumes from the Ovoot Project alone. There is now an expectation of significant Russian transit freight along the Northern Rail Line. This development ties in and compliments the planned large expansion to the Trans-Mongolian trunk line to provide ample capacity and reduce transport costs to improve the competitive positioning of Mongolia as a source of bulk commodities, particularly coal.

This agreement to improve transport infrastructure should also be read in conjunction with agreements reached with the Chinese Government a fortnight ago where rail and seaport access was facilitated for Mongolian exports from north Chinese ports.

Aspire's Managing Director Mr David Paull said that "Aspire and our subsidiary, Northern Railways, welcomes this important new rail agreement between Russia and Mongolia that explicitly recognizes the Ovoot Coking Coal Project as a key user of this new rail transit corridor. This agreement officially puts rail in the north of Mongolia on the map.

"Northern Railways continues to be in close contact with UBTZ with regards to working together through the next steps and a joint development of the Erdenet to Ovoot (Northern Rail Line) section".

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ABOUT ASPIRE MINING LIMITED

Aspire is listed on the ASX (Code: AKM) and owns 100% of the Ovoot Coking Coal Project in northern Mongolia. Aspire completed a Pre-Feasibility Study (PFS) for the Ovoot Project in May 2012, a PFS Revision in December 2012 and was granted its Mining Licence in August 2012. Aspire is targeting first production of 5Mtpa at the Ovoot Project in 2018 subject to funding, approvals, licenses and construction of rail infrastructure. Aspire's wholly owned subsidiary Northern Railways LLC is currently continuing to progress the development of railway which will connect the Ovoot Project directly to the existing Mongolian rail network. For the key assumptions used to achieve the first year target of 5mtpa of marketable coking coal, refer to December 2013 Quarterly Report announced 31 January 2014.

Aspire's development timeline for its Ovoot Project relies primarily on:

- i) the provision of approvals from the Government of Mongolia for Northern Railways to build, and operate the Northern Rail Line, connecting the Ovoot Project to the Trans-Mongolian Railway at Erdenet; and
- ii) financing of the Northern Rail Line.

ABOUT NORTHERN RAILWAYS LLC

Northern Railways LLC ("Northern Railways") is the Mongolian registered rail infrastructure subsidiary of Aspire Mining Limited, established as the entity to focus on developing railway infrastructure in northern Mongolia.

Northern Railways is in charge of the advancement of an extension to the existing Trans-Mongolian Railway of approximately 547 kilometers from the current terminus at Erdenet through to the Ovoot Coking Coal Project ("Northern Rail Line"), thereby connecting the northern Mongolian Khuvsgul, Bulgan, and Orkhon provinces to the existing Trans-Mongolian rail network. In accordance with Mongolian National Rail Policy, the multi-user rail line will be available for the transport of bulk materials, agricultural and general freight and passengers from the region to export markets including China, Russia and seaborne markets.

Competent Persons Statement

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.

