

# Aspire Mining Limited



## Investor Presentation

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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.

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# Company Snapshot – Corporate Structure



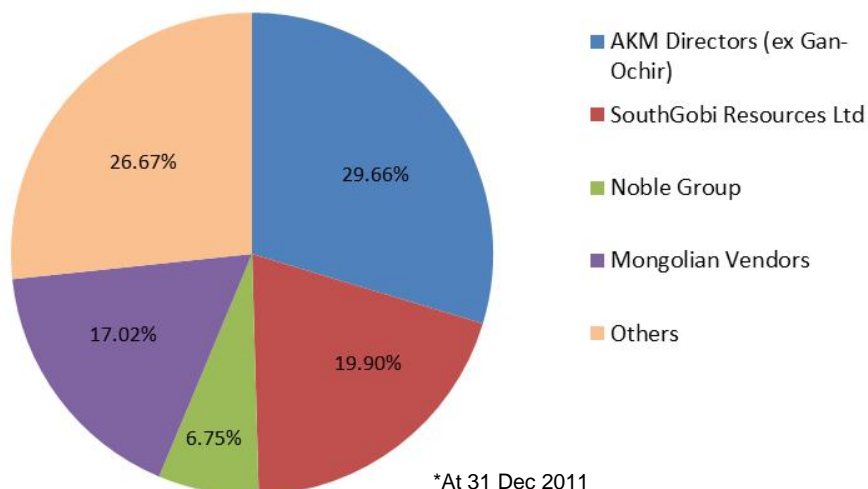
## Capital Structure (ASX:AKM)

		Undiluted	Diluted
Share Price (2 March 12)	\$	0.390	0.390
Shares Outstanding	m	620.5	929.1 <sup>2</sup>
<b>Market Capitalisation</b>	<b>\$m</b>	<b>242.0</b>	<b>362.3</b>
Options on Issue	m	247.1	
<b>Net Cash</b>	<b>\$m</b>	<b>34.2<sup>1</sup></b>	<b>71.1<sup>2</sup></b>
<b>Enterprise Value</b>	<b>\$m</b>	<b>207.8</b>	<b>291.2</b>

<sup>1</sup> As of 31 December 2011

<sup>2</sup> Assuming full take up of top up rights by SouthGobi

## Ownership (Fully Diluted)\*



\*At 31 Dec 2011

## Share Price (LTM)



# Aspire's Strategic Investor Interest



SouthGobi  
Energy Resources



19.9%  
Interest



**ASPIRE**  
MINING LTD



10.1%  
Interest





# Projects

## Project Locations



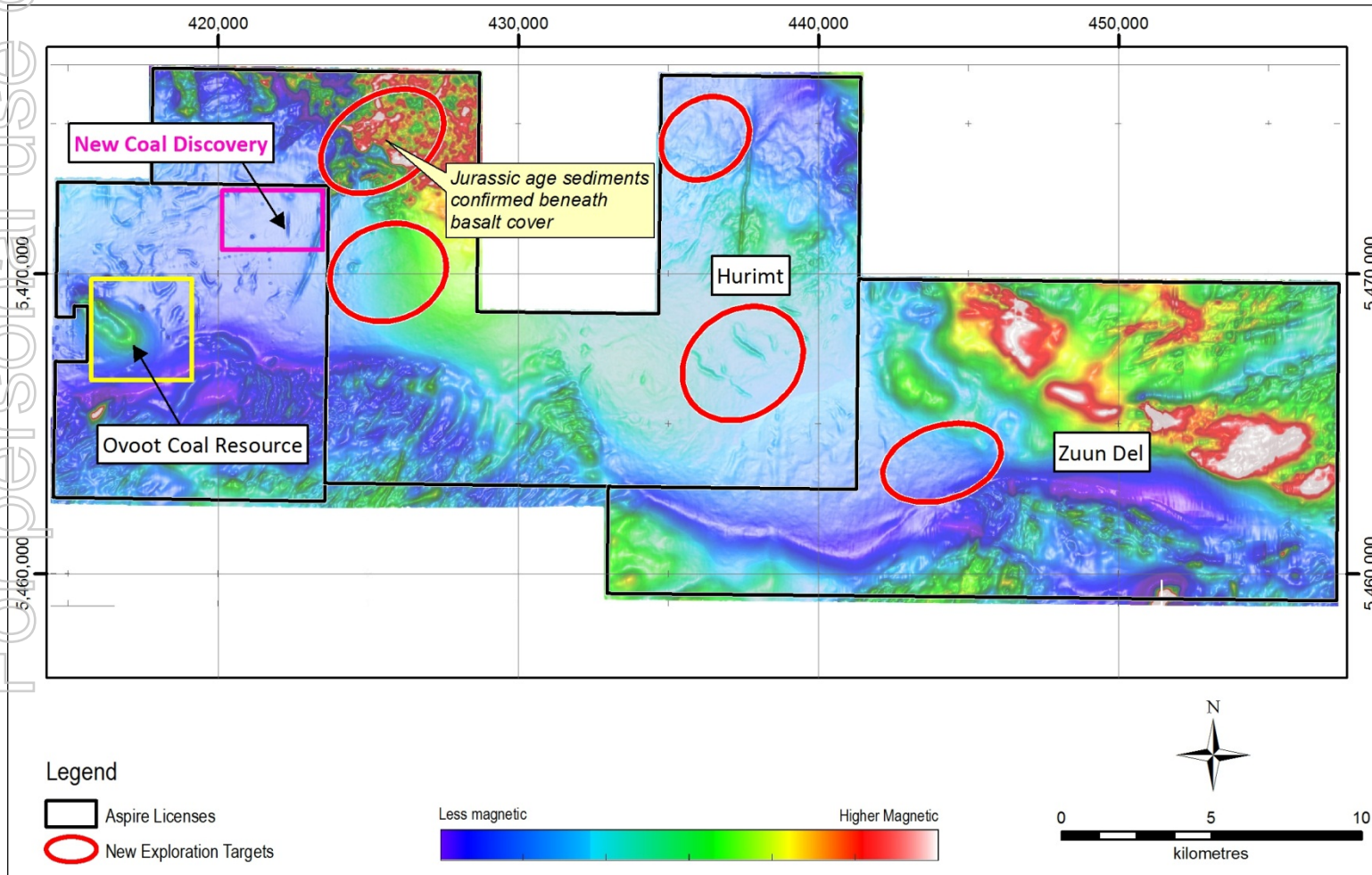
## Project Interests

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



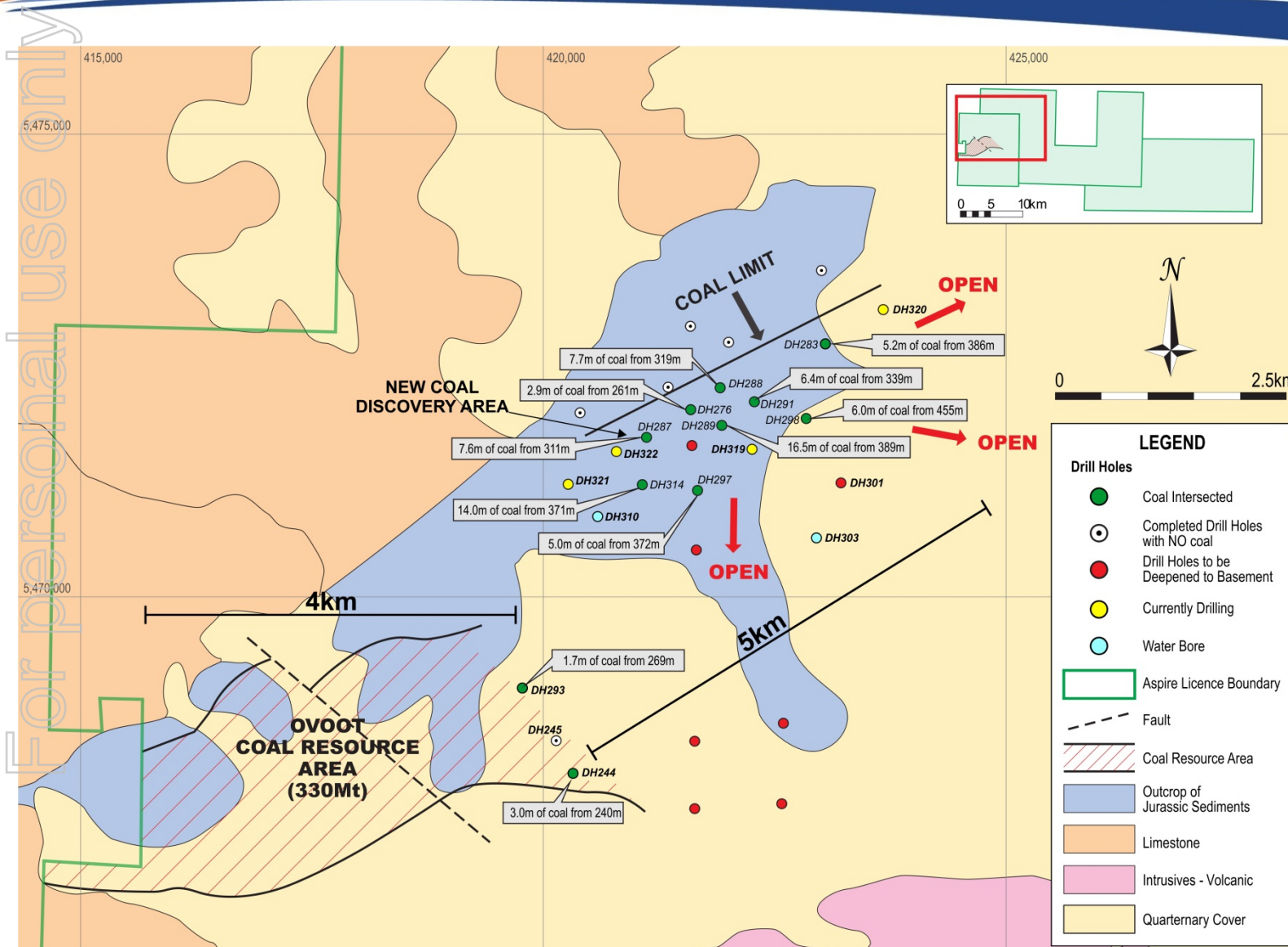
# Ovoot – Room to Grow to Tier 1 Resource

## Project Tenement and Geology



- +500sqkm project area.
- 25,000m drilling programme for 2011/2012.
- Comprehensive airborne magnetics programme clearly defines extensive basin.
- 5 exploration target areas.

# New Coal Seams Identified



- New area identified starting 4km from the edge of the existing resource.
- Extends for 3km x 1km.
- Drilled only 20% of the Ovoot Basin but have identified two coal resource areas.

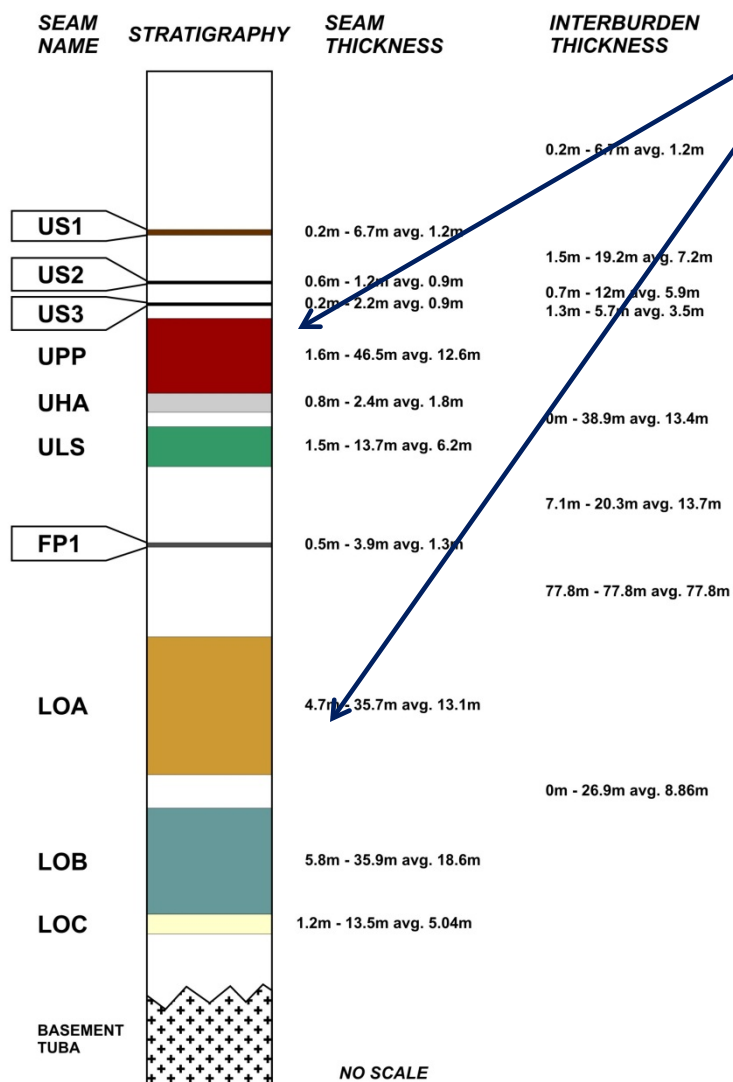
Both areas:

- May link up
- Opportunity for repeats in Basin
- Drilling to continue south, east, and west



# Ovoot JORC Resource & Coal Seam Stratigraphy

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93% of Resource Tonnes are located in the Upper and three plies of the Lower Seam

## JORC Resource (October 2010)

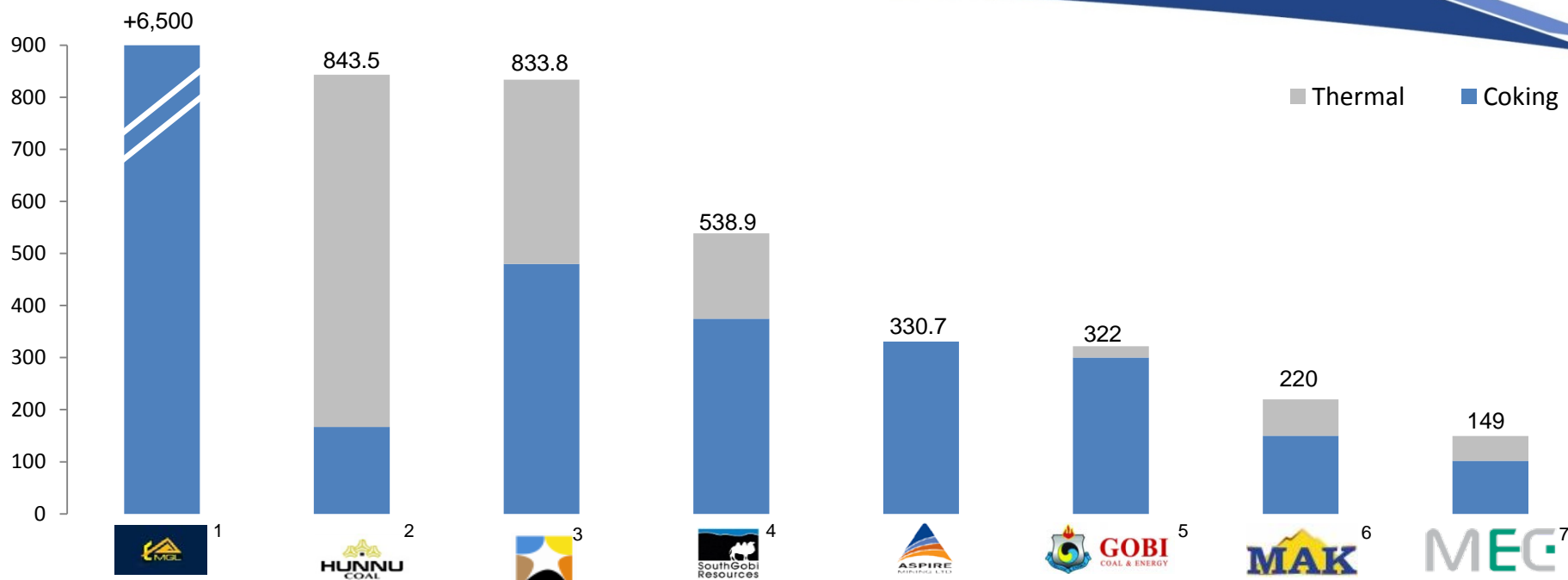
	Above 250m Depth	Below 250m Depth	Total
Measured	70.4	22.9	93.3
Indicated	135.0	47.4	182.4
Inferred	41.9	13.1	55.0
<b>Total</b>	<b>247.3</b>	<b>83.4</b>	<b>330.7</b>

- More than 80% of the resource is in the 'Measured' and 'Indicated' categories
- 75% of resource sits above 250 metres – potential for a large scale open pit operation

Updated Resource – March 2012 Quarter



# Mongolian Peer Comparison



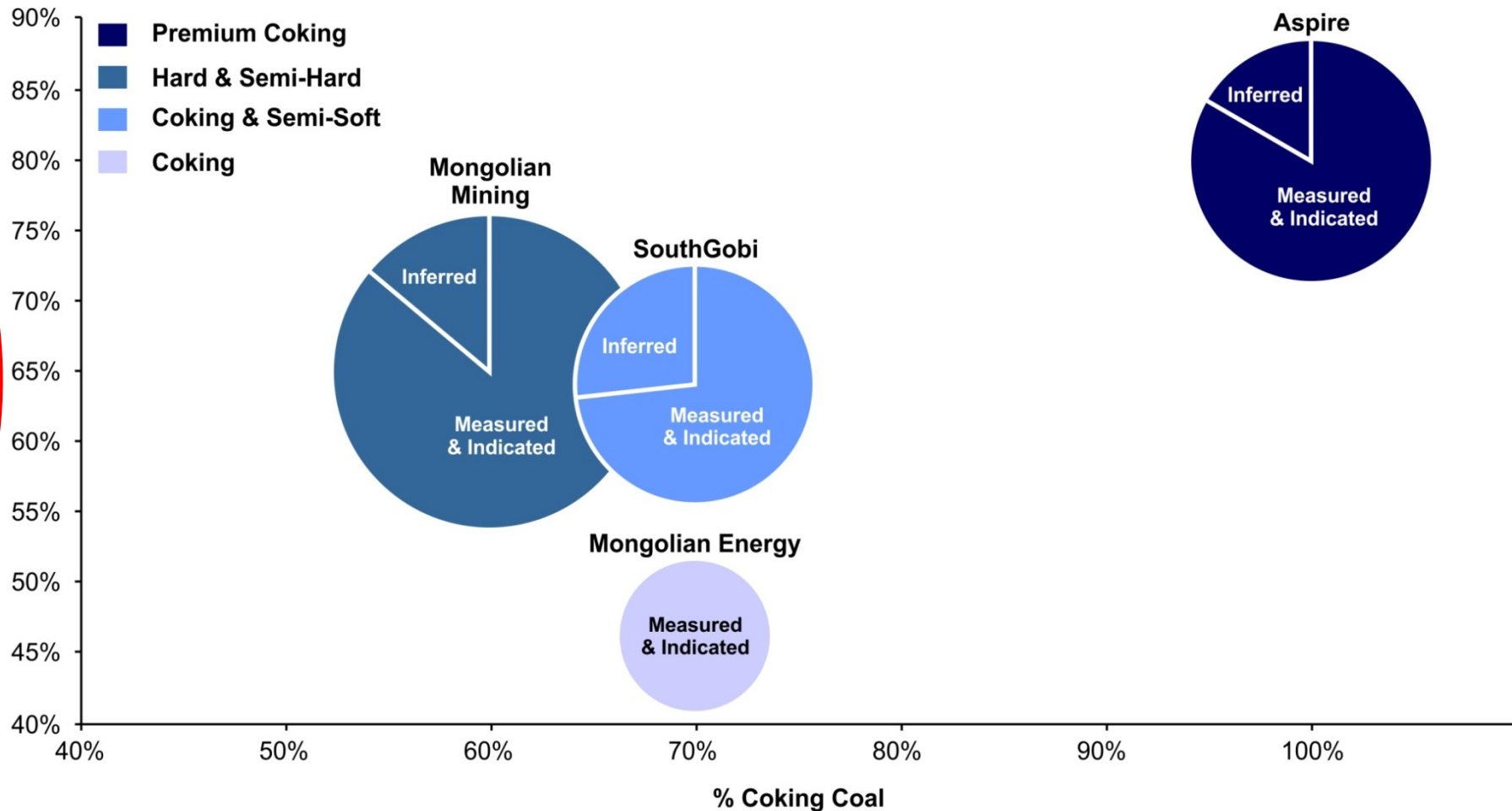
Typical Coking Quality	Hard and Semi Soft	Semi Soft	Hard and Semi Soft	Semi Soft	Premium Coking Coal	Semi Soft	Semi Soft	Coking coal
No. Projects <sup>8</sup>	1	2	2	3	1	2	n/a	1
Market Cap (US\$) <sup>9</sup>	Private	\$437.4M	\$2.97B	\$1.25B	\$292.1M	Private	Private	\$679.2M

Source:

1. Tavan Tolgoi deposit; Publicly available data
2. Hunnu Coal; Company website, Annual Report 2011, ASX Announcements
3. Mongolian Mining Corp; Company website, Technical report dated 28 Sept 2010
4. SouthGobi Resources; Company website, Technical Report dated 21 Oct 2009
5. Gobi Coal & Energy; Argonaut Securities data
6. MAK; Argonaut Securities data
7. Mongolian Energy Corp; Company website Technical report dated Oct 2009
8. Argonaut Securities data
9. At 12 Dec 2011

# Exceptional Deposit – Highest Washing Yields and % Coking = Highest In-Situ Value

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Source: Company filings, Goldman Sachs

Note: Size of bubble indicates size of total resource

# Ovoot Indicative Product Quality & Fluidity Properties

	Yield %	IM %	Ash %	Volatiles %	CSN	Sulphur %
<b>Indicative Washed Coal Quality</b>	<b>80%</b>	<b>0.6%</b>	<b>8%</b>	<b>25 - 28%</b>	<b>8 - 9</b>	<b>1%</b>

- Air dried basis
- Above table based on R.D. 1.4 cut for all 7 sample batches from the 2010 Exploration Programme
- ISO Coal Classification: Medium Rank B, high vitrinite, low ash, coking coal
- Vitrinite levels 96% - 97%
- Ro Max: 1.2

<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>





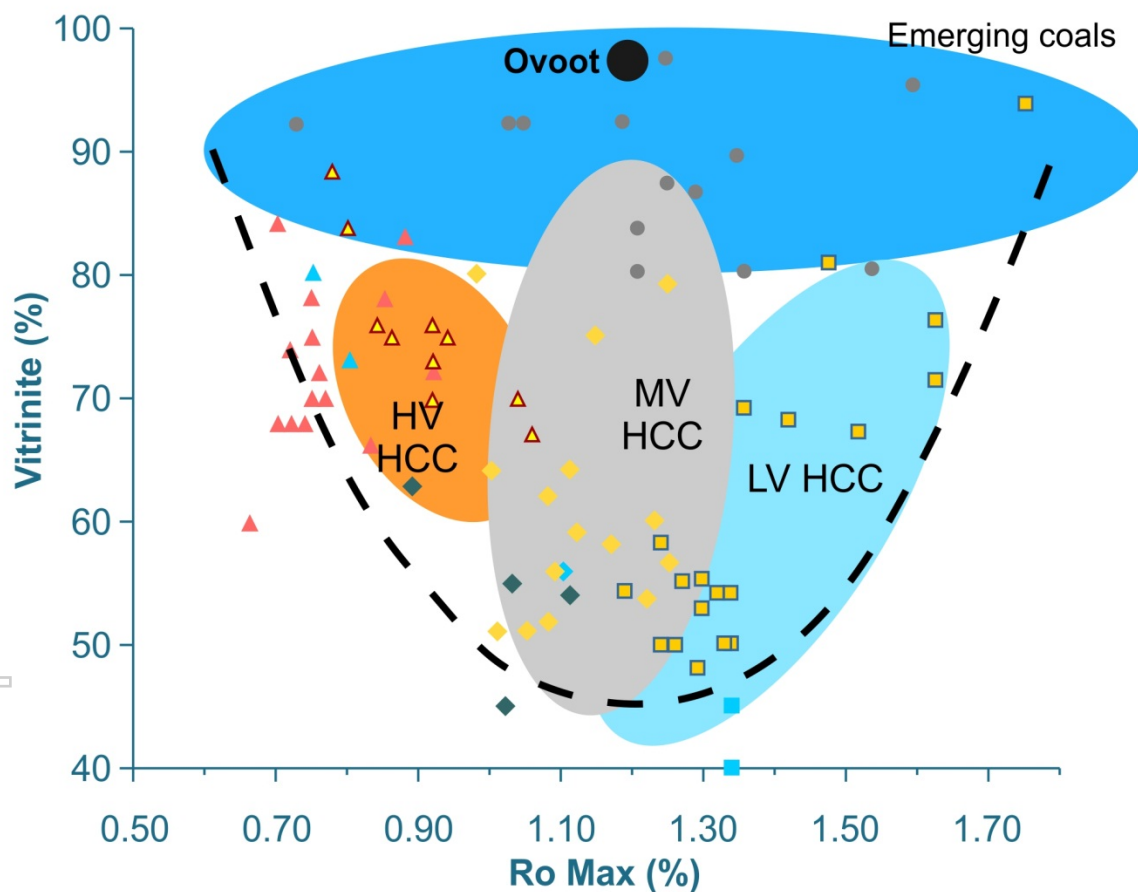
# An Attractive, High Quality, Globally Competitive Product

## Coal marketing experts Wood Mackenzie describe Ovoot coal as:

- A strongly caking coking coal with superior blend carrying capacity
- Within the ideal range for mid volatile hard coking coal and fat coal classifications
- Presents as a value add blend coal with cheaper inert coals due its very high vitrinite content and good fluidity



# Ideal Rank for Blending



## Ovoot Coal Rank (Ro Max %) 1.2

- Target average for many blends
- Highest available vitrinite coal on market.

Vitrinite: A maceral group that is rich in oxygen and composed of humic material associated with peat formation and has a shiny appearance resembling glass.

◆ MVSSCC	▲ HVSSCC	◆ MVSCC	■ LVSHCC	◆ MVSHCC
▲ HVSHCC	■ LVHCC	◆ MVHCC	▲ HVHCC	● Indo/Moz

Source: G. Quinn, ICC and Wood Mackenzie

# Noble Alliance Agreement

## Noble Alliance Agreement

(announced 30 November 2011)

### Strategic Alliance

- Supply Chain Logistics through to seaborne trade
- Marketing advice
- Identifying strategic partners
  - Logistics support
  - Northern Railways LLC funding

### Logistics

- Establish suitable logistic paths to end customers in China and seaborne market
- Manage logistics where needed

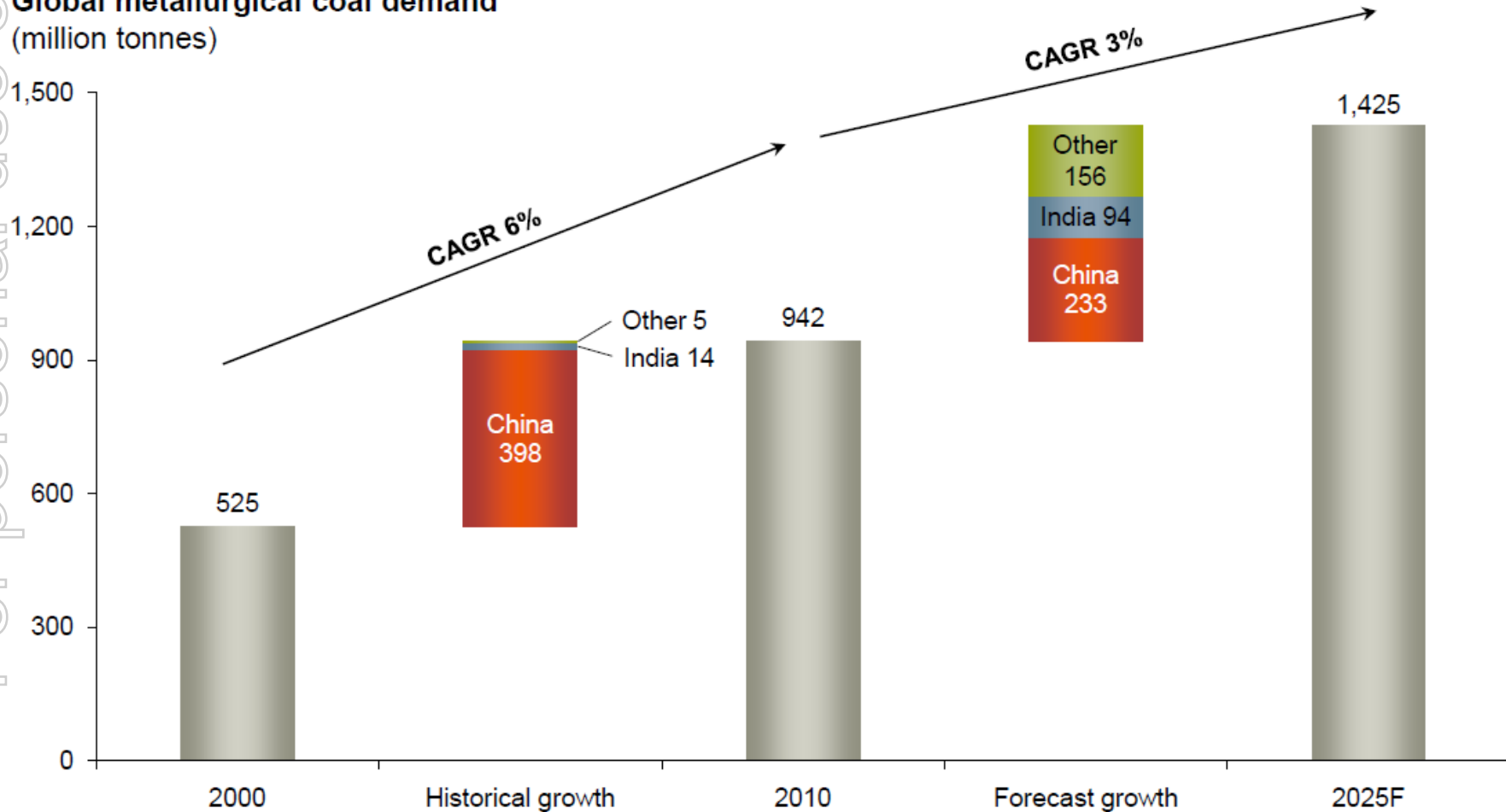
### Marketing Services

- Market at least 50% of the first 5 million tonnes of coal sales
- Offtake limited to 33% of marketing allocation
- Conditional on establishing logistics path to customer



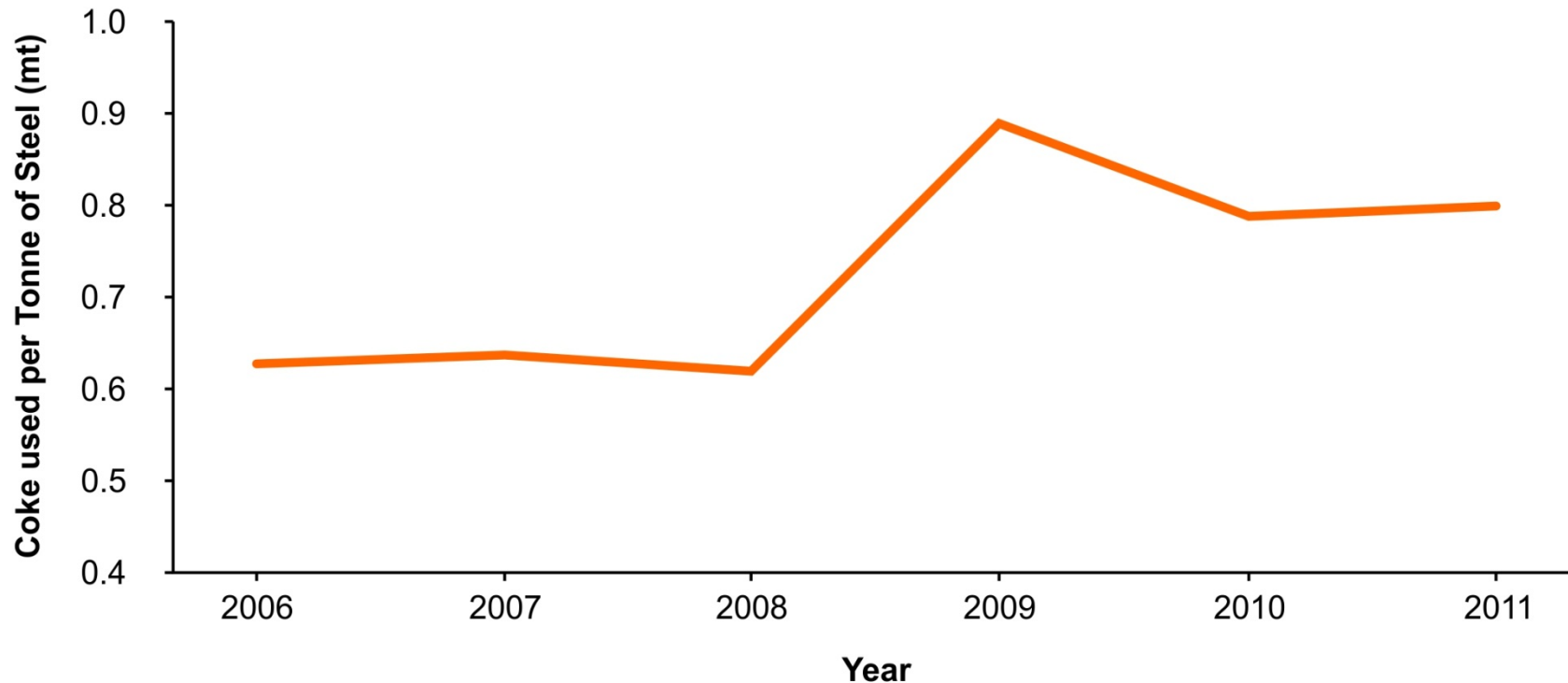
# Large New Coking Coal Deposits Need to be Developed

Global metallurgical coal demand  
(million tonnes)



# Chinese Coke Consumption in Crude Steel Production

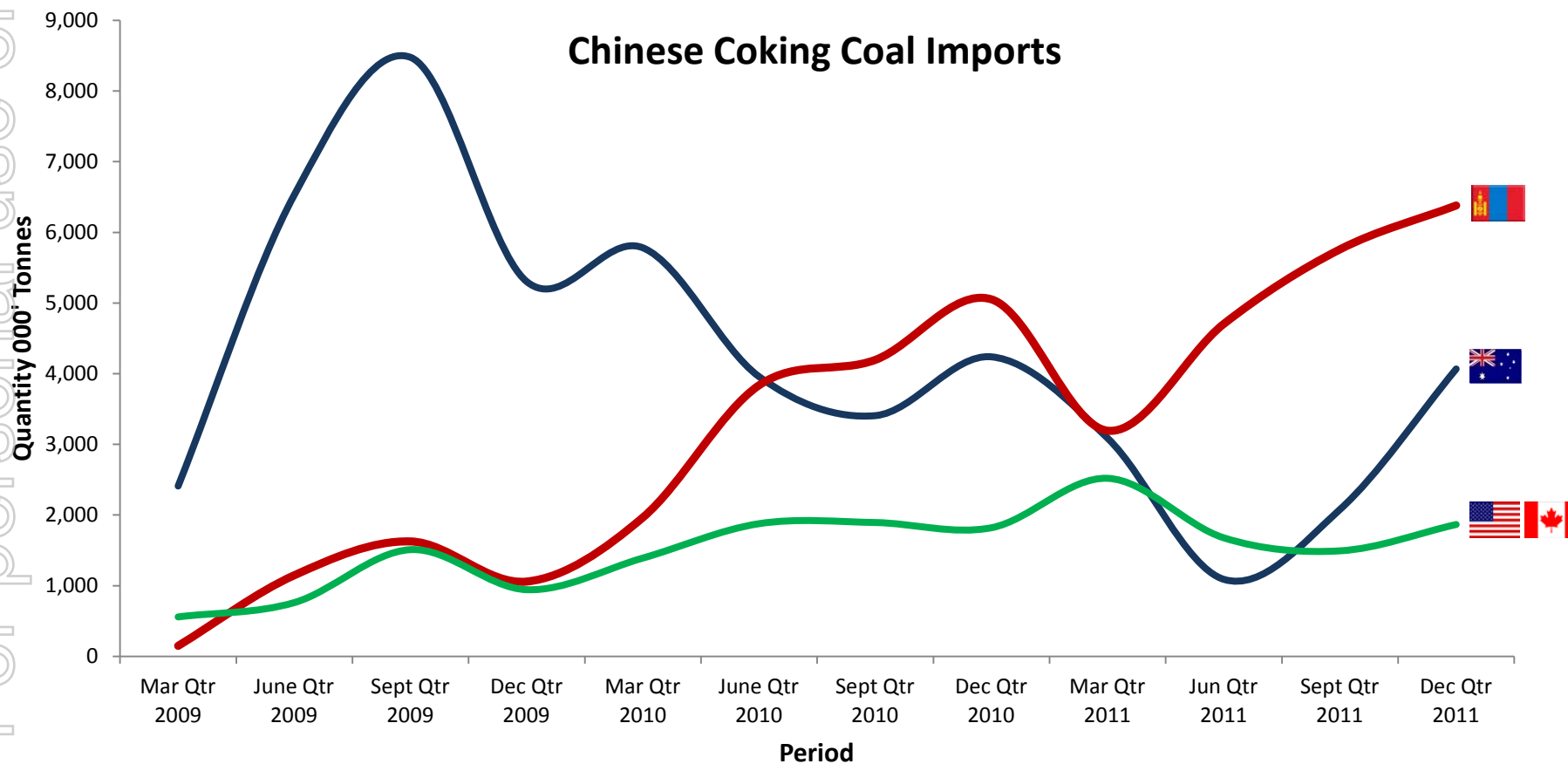
**Lower Quality Coking Coal = Lower Quality Coke = More Coke/T of Steel Produced**



- **Ovoot's superior blending properties should enhance coke quality while using lower quality coals**

# Mongolian Coking Coal now the Dominant Source

## Chinese Coking Coal Imports



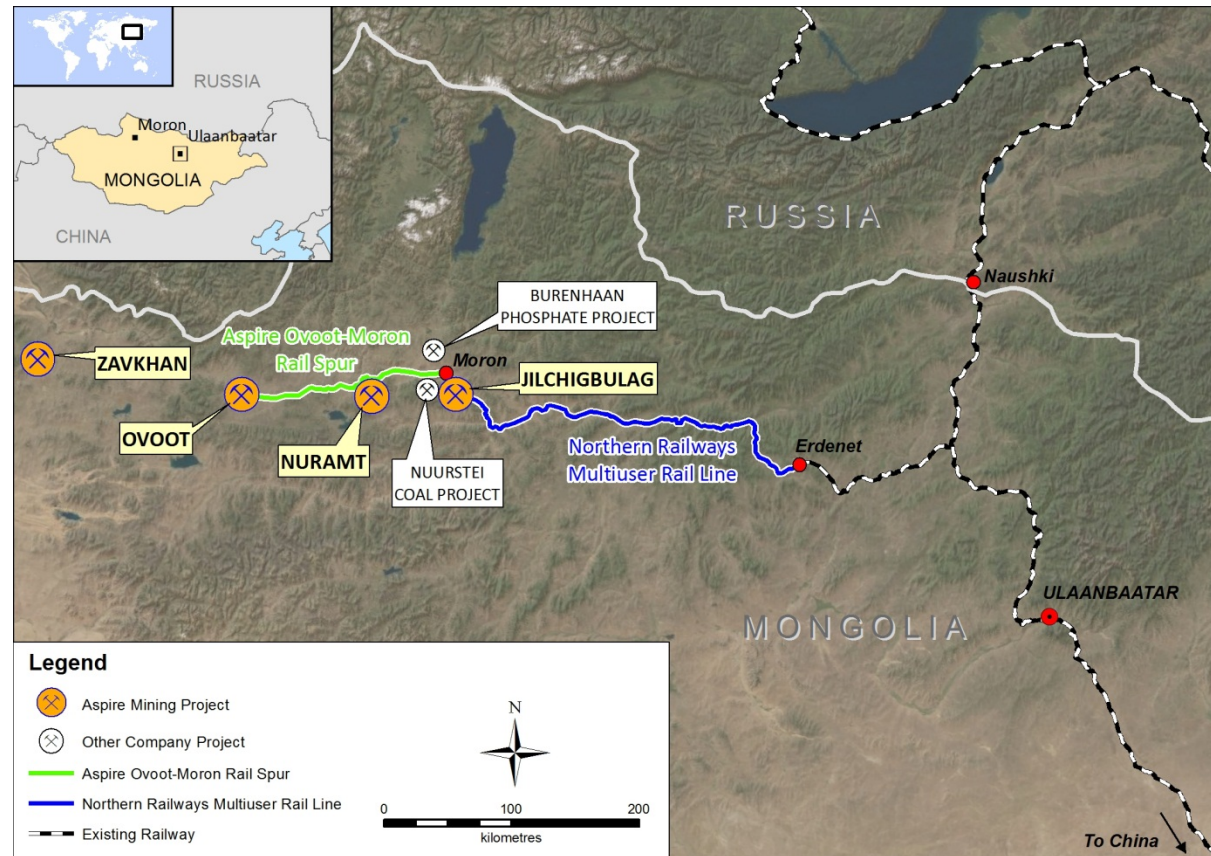


# Rail Critical to Development of Ovoot Coking Coal Project

## Commentary

- Ovoot Coking Coal Project is 550kms from Trans-Mongolian rail terminus
- Users include coking coal, phosphate, freight and passenger
- “Erdenet to Moron line”
  - 400km, +20 Mtpa capacity multiuser rail line designed
- Brings rail within truck-able distance of Ovoot Coking Coal Project
  - Rail spur to connect Ovoot to Moron – part of Project CAPEX
- Northern Railways LLC to seek BOOT Rail License, and attract funding

## Potential Rail Route



- Focused on Erdenet to Moron rail line
- Stand alone Special Purpose Vehicle to:
  - Apply for BOOT (Build Own Operate Transfer) rail licence
  - Manage EPC contractors
  - Raise required funds through issuing debt and equity securities
- Open access to rail – inclusive of passenger and general freight. Broad community benefits
- Rail infrastructure focus will attract specialist financial sponsors and multi-lateral financiers with a social agenda
- Commercial financial returns available through applying for tariffs to high value bulk commodities



# Northern Railways LLC – Developer of Multiuser Rail



- Currently a subsidiary of Aspire Mining
- Applying for Rail Construction and Operating licenses
- Sole focus – funding, building and operating the Erdenet to Moron Multiuser Rail

## Northern Railways LLC



### USERS

	<u>MTPA</u>
• Aspire	up to 12
• Xanadu/Noble Group	up to 4
• Crown Phosphate	up to 6
• Other Resource projects	?
• General freight/Passenger rail	?

Total +20 Mtpa

### FINANCING SOURCES

- Multi lateral groups
- Commercial/Development Banks
- Infrastructure Investors
- Sovereign Wealth Funds
- End users/Offtake partners
- Rail line users



# Burenkhaan Phosphate Project

## Overview



### Burenkhaan Phosphate Project

- World Class Phosphate Deposit located in Mongolia
  - 218 M tons @ 18.0%  $P_2O_5$  Resource Base
  - Two Mining Licenses and six exploration licenses
  - Pre-feasibility stage
  - Excellent exploration potential to increase resource base
- 100% owned through subsidiary Talst Margad LLC
- Feasible rail and sea export routes identified
- Experienced team with Mongolian, Canadian, Russian and US representation

**Potential to export to India, China, Japan, Korea, Pakistan, Russia**

Source: Crown Phosphate Presentation  
"Near term phosphate production with a world class asset" dated November 2011

# Erdenet – Moron Rail line: Catalyst for Development of Northern Mongolia

## Rail Connection to Moron will Provide Enormous Benefits for Northern Mongolia:

- Stimulus to Non-Resource related Industries
- Provide additional tourist transport options to Northern Mongolia
- Increase wealth of the Khuvsgul province, currently one of the poorest and most populated
  - Opportunities for processing and efficient distribution of agricultural products
  - Over 83% GDP is dependant on low margin agricultural sector
- Rail transport of bulk commodities, such as coal, is far more environmentally sustainable than trucking



# Erdenet – Moron Rail line: Catalyst for Development of Northern Mongolia (continued)

## Social

- Provide job opportunities
  - 125,000 people in the Khuvsgul province (>65% under 35 years of age).
  - Well educated but high unemployment.
- Retain Communities and Family Groups
  - Majority of new jobs now generated in southern Mongolia and Ulaanbaatar. In 2011, 200 people left the two soums covering Ovoot.
  - Local unemployment of over 650 people, many with University degrees.
- Community Infrastructure
  - Improvements to roads, rail, power, water, and sewerage
  - Health and education
  - Improve standard of living



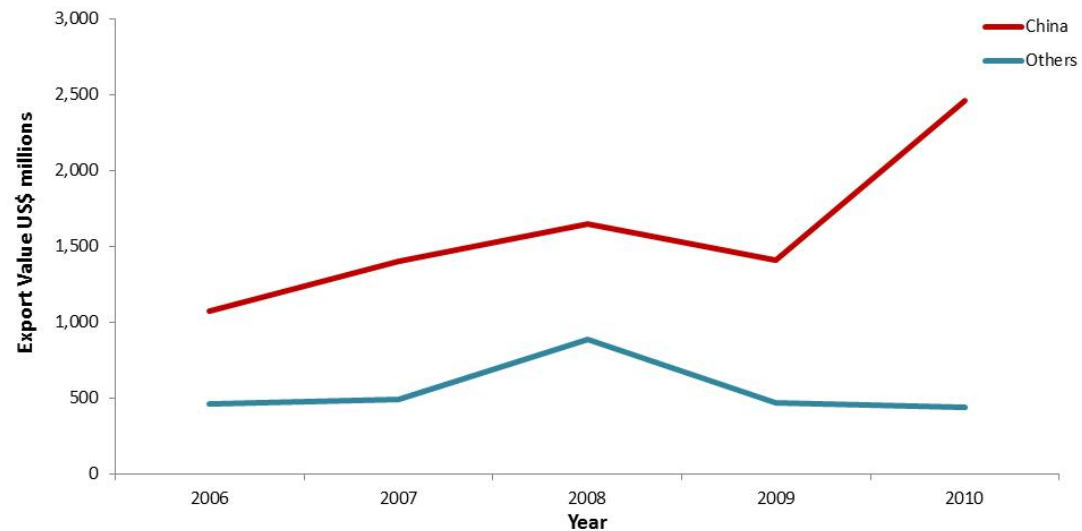
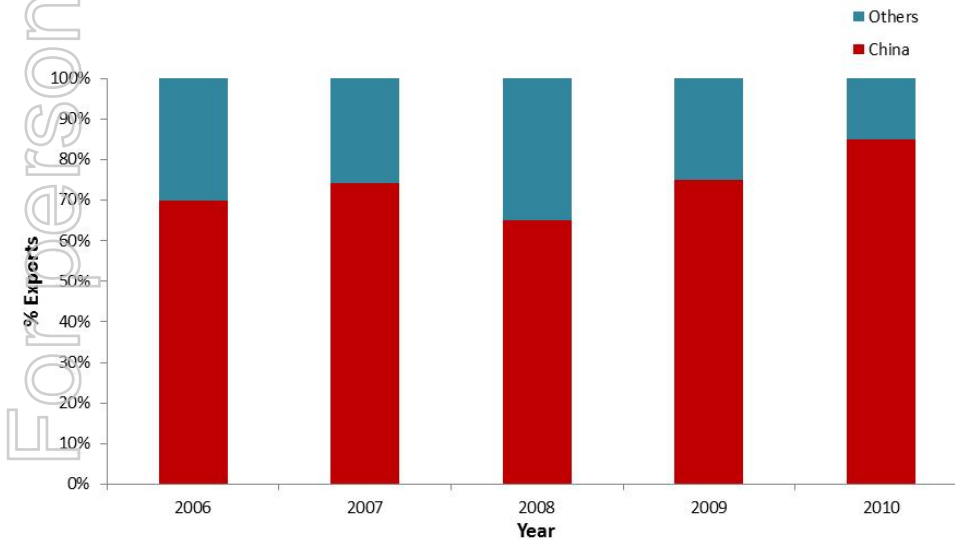
- **Rail to Moron is part of the 2008 – 2015 Development Plan for Khuvsgul Province**



# Erdenet – Moron Rail line: Catalyst for Development of Northern Mongolia (continued)

- Northern Mongolian coal miners looking at exports through Russia
- Rebalance exports to Russia and other seaborne markets (refer to below charts)\*

China Dominates Mongolian Exports



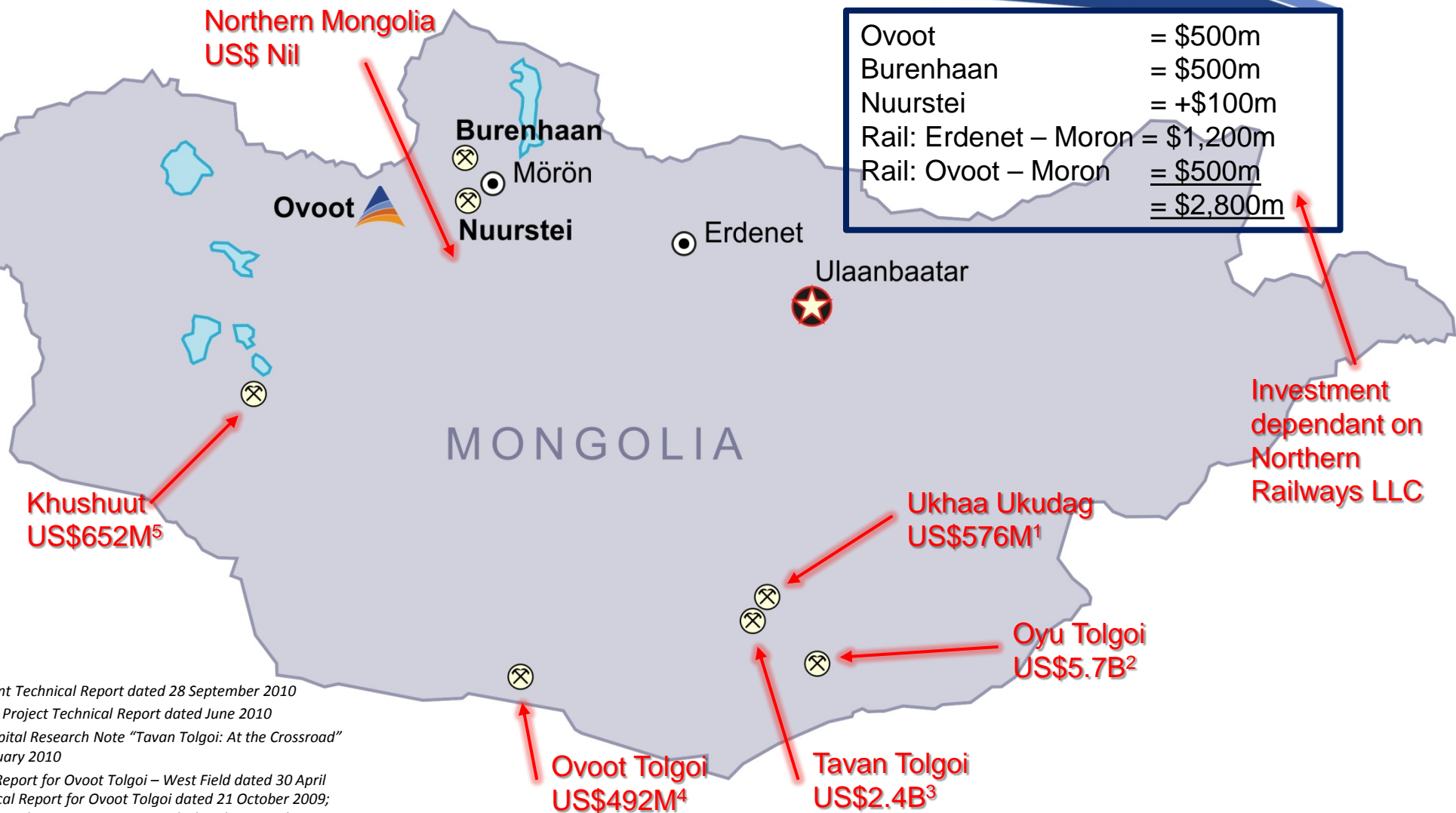
\*Source: USGS 2006 Minerals Yearbook, Mongolia, dated October 2007; Congressional Research Service "Mongolia and US Policy: Political and Economic Relations dated 18 June 2009; World Bank Mongolia Quarterly Economic Update dated July 2010; ANZ Research Mongolia Country Brief dated 5 August 2011; Eurasia Capital Mongolia Outlook 2011 dated 11 January 2011



# Mongolian Investment is Geographically Unbalanced

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Ovoot	= \$500m
Burehaan	= \$500m
Nuurstei	= +\$100m
Rail: Erdenet – Moron	= \$1,200m
Rail: Ovoot – Moron	= \$500m
	= \$2,800m



## Sources:

1. Independent Technical Report dated 28 September 2010
2. Oyu Tolgoi Project Technical Report dated June 2010
3. Eurasia Capital Research Note "Tavan Tolgoi: At the Crossroad" dated 8 February 2010
4. Technical Report for Ovoot Tolgoi – West Field dated 30 April 2009; Technical Report for Ovoot Tolgoi dated 21 October 2009; Technical Report by Minarco MineConsult dated 28 March 2011.
5. Independent Technical Review Khushuut dated October 2009

# Potential Routes to Coal Markets – Rail Access

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Asian **Importers** of Coking Coal:

Japan 53.6Mt<sup>1</sup>

Korea 19.2Mt<sup>1</sup>

Taiwan 5.3Mt<sup>1</sup>

**78.1Mt**

Russian total Coking Coal **Exports** to Asian markets:

**3.15Mt<sup>1</sup>**

1. Source: Wood Mackenzie 2010 data

# Ovoot Development Timeframe

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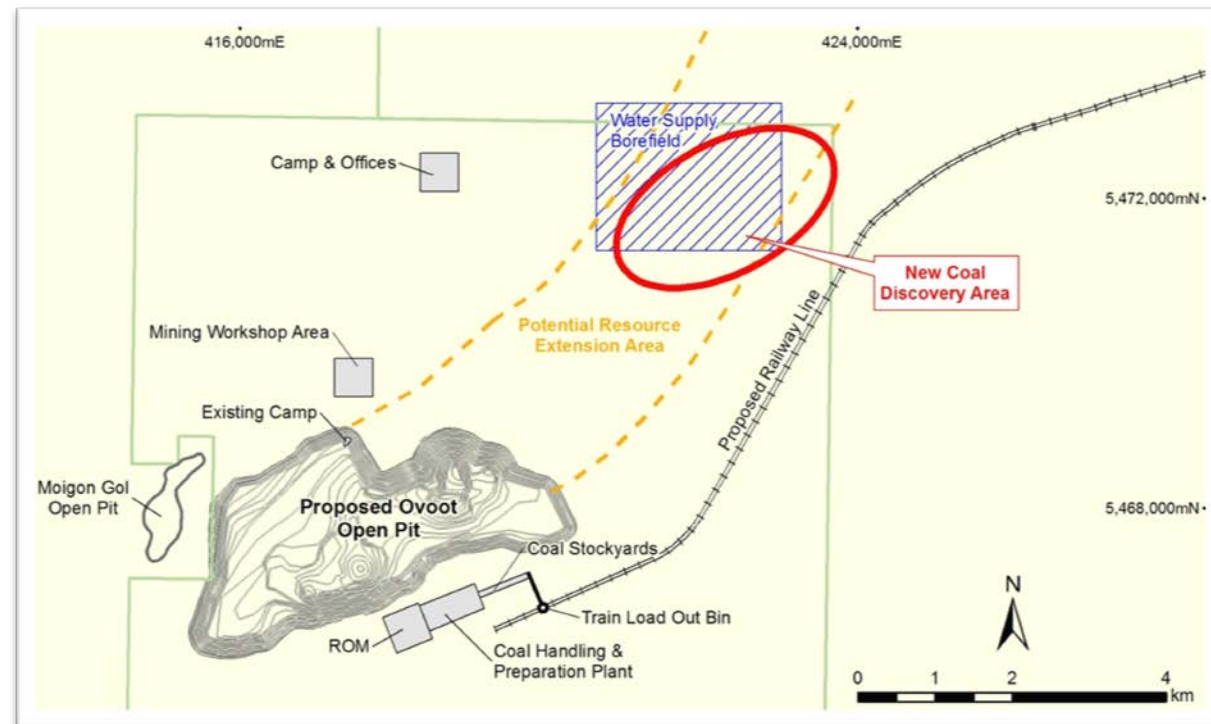
	2012				2013				2014				2015				2016			
Project Development Timeline	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Pre-Feasibility Study																				
Feasibility Study																				
Funding Negotiations																				
Rail Development																				
Wash plant train development																				

*Note: In order for any development to proceed, a mining license needs to be received from the Mongolian Government, economic studies need to be completed and demonstrate positive returns, capital expenditure financed as well as receive approvals and agreements to access transport infrastructure to deliver coal to customers.*

# Ovoot: Major New Quality Coking Coal Supply Source

## Pre-Feasibility Study

- Targeting the development of a 15 million tonne per annum ROM open pit mine at Ovoot
- ROM 15mtpa, indicative wash yields of 80%= 12 Mtpa saleable coking coal\*
- 2 x Wash Plant facilities
- Initial Wash Plant to commission in January 2016
- Ovoot to Moron rail spur to coincide with second washing train in January 2018
- Pre-Feasibility Study expected completion March 2012 Quarter
- Anticipate to update current Resource and establish maiden Reserve



\*Note: These production targets are conceptual in nature and are based entirely on the existing mineral resource base of the Ovoot Coking Coal Project. The development of the larger Ovoot Coking Coal Project remains subject to completion of positive feasibility studies, the grant of a mining licence, developing the necessary rail infrastructure between Ovoot and Erdenet and securing sufficient port and rail capacity from Erdenet to take product to market. Whilst Aspire believes that a sufficient amount of the existing mineral resource base has reasonable prospects for eventual economic extraction, there has been insufficient work done at this stage to define an ore reserve and it is uncertain if further work will ultimately result in the determination of an ore reserve.



# Summary



## Ovoot ...

- Is independent, strategic and 100% owned coking coal deposit located in Northern Mongolia
- Has a maiden 330 MT resource with strong exploration potential and future resource growth
- Is a premium, high vitrinite, high fluidity coking coal
- Fully funded exploration and development programme through to completion of feasibility study completion
- Raised A\$60m for exploration and development in last 2 years
- Pre-Feasibility study underway to assess globally significant production scale:
- Alternative paths to the seaborne markets and China

**Ovoot Coking Coal Project is a Catalyst for  
Development of Northern Mongolia**

# Creating Employment Opportunities in Northern Mongolia

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# Competent Person Statement



*In accordance with the Australian Securities Exchange requirements, 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.*

*The technical information contained in this announcement in relation to the JORC Compliant Coal Resource for the Ovoot Coking Coal Project in Mongolia has been reviewed by Mr Chris Arndt and Dr Bielin Shi of CSA Global Pty Ltd. The information in this report that relates to Mineral Resources is based on information compiled by Dr Bielin Shi, who is a member of the Australasian Institute of Mining and Metallurgy. Dr Bielin Shi has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which she is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Mineral Resources and Ore Reserves".*

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*Mr Arndt and Dr Shi of CSA Global Pty Ltd consent 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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