

Aspire Mining Ltd

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Aspire Mining Ltd to soar with new China to Russia rail corridor

Aspire Mining Ltd (ASX:AKM) is set to be a large beneficiary as the presidents of China, Russia and Mongolia have signed off on the establishment of a new rail corridor between Russia and China through Mongolia.

In August 2015, Aspire's rail subsidiary, Northern Railways LLC received the green light to build and operate a 547 kilometre railway to extend Mongolia's national rail network from the city of Erdenet to its flagship Ovoot Coking Coal Project in Mongolia.

The new 3,500 kilometre rail corridor requires the development of 1,414 kilometres of rail to complete the route. The Erdenet to Ovoot 547 kilometre route is part of this undeveloped section.

The establishment of this new rail corridor confirms that the Erdenet to Ovoot railway has developed from being a rail connection to a large coking coal project, to now being part of an important new trade infrastructure route.

David Paull, managing director, commented:

"It is very significant news that the Erdenet to Ovoot railway is now recognised as a key part of a new rail trade route between Russia and China through Mongolia.

"This new corridor will be of significant long term value to the people of Mongolia.

"The Erdenet to Ovoot railway has now officially moved from a rail extension to service a world class coking coal deposit, to a strategic piece of rail infrastructure to facilitate China's Silk Road Initiative and Mongolia's Step Road trade initiative."

Erdenet to Ovoot access to funding

As Erdenet to Ovoot is now part of the new Northern Rail Corridor and part of China's One Belt One Road Trade Infrastructure Policy, it now becomes, subject to the completion of a feasibility study, a priority funding project.

Aspire may soon be able to access funding from China's Policy Banks, Sinosure, Asian Infrastructure Investment Bank (AIIB) and funds such as the Silk Road Fund which has been specifically established to support the establishment of One Belt One Road logistics infrastructure.

Background

Price: 0.014

Market Cap: \$46.57 m

1 Year Share Price Graph



Share Information

Code: AKM

Listing: ASX

52 week High Low
0.03 0.012

Sector: Exploration & Production

Website: www.aspiremininglimited.com

Company Synopsis:

Aspire Mining Ltd (ASX:AKM) is an exploration and development company focused on discovering and developing world class premium coal deposits in Mongolia. Its Northern Railways subsidiary is developing the Erdenet to Ovoot rail project.

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Aspire is the largest coal tenement holder in Mongolia's Northern provinces and is the 100% owner of the Ovoot Coking Coal Project which is the second largest coking coal project by reserves in Mongolia.

The Ovoot project development is dependent on the construction of the Erdenet to Ovoot railway which is being progressed by Aspire's subsidiary Northern Railways.

Production from the Ovoot project can coincide with the commissioning of the Erdenet to Ovoot railway.

Aspire also currently owns a 50% interest in and is the operator of the Ekhgoviin Chuluu Joint Venture (ECJV), and has an option to increase its ownership to 100% of the ECJV.

The ECJV owns a 90% interest in the Nuurstei Coking Coal Project which has a 12.85 million tonne JORC resource.

Analysis

The inclusion of the Erdenet to Ovoot railway in the Northern Rail Corridor is a massive boost and a momentous important milestone for Aspire as it increases the certainty of its construction which is required for the development of Ovoot.

Subject to the completion of a feasibility study, the Erdenet to Ovoot railway may receive priority funding from China's Policy Banks, Sinosure, Asian Infrastructure Investment Bank (AIIB) and funds such as the Silk Road Fund.

The inclusion of the Erdenet to Ovoot railway in the Northern Rail Corridor enhances the value adding opportunity for Ovoot Coking Coal to be blended with Erdenes Tavan Tolgoi non coking coals.

This announcement and recognition of the rail corridor as a key part of a new rail trade route between Russia and China through Mongolia and should ensure that Ovoot, the second largest coking coal project in Mongolia, by reserves, gains in prominence and in priority for development.

As pieces of newsflow and significance go, they do not get much better than this one.

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