



Press Release: #16-03

September 20, 2016

## **Khot to Increase Ownership of Ashid Munkhiin Zam LLC (“AMZ”) to 100%; Confirms Receipt of New Permits and Provides Shareholder Update on Mongolian Infrastructure Policies**

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**Ulaanbaatar, Mongolia - Khot Infrastructure Holdings, Ltd. (“Khot” or the “Company”) (CSE: KOT)** is pleased to provide shareholders with an operational update on the Company in light of new clarity on future infrastructure opportunities under the newly elected majority Mongolian government.

The June 29, 2016 federal elections saw the Mongolian People’s Party win 67 of 76 seats, an impressive majority. This will help ensure political stability for the next four years and enable government to implement new economic policies designed to attract foreign capital and stimulate domestic growth. The Mongolian People’s Party has a mandate to fast track critical Mongolian infrastructure needs and the new government has acted swiftly to address the delays in executing key concessions.

At an extraordinary meeting of parliament on August 26, 2016, the government officially announced its four year master economic development plan. This official operational document addresses the government’s priorities which include a major infrastructure focus including sections outlining building out extensions to the electrical grid network, expanding paved roads connecting all provincial centres and continuation of the announced massive Millennium road project, and finally, a section announcing further rail and rail bed projects linking major trading partners in Russia and China.

In addition, the government has formed the Mongolian Development Agency (“MDA”). This “super agency” assumes complete control and oversight of plan implementation with the MDA director reporting directly to the Prime Minister. A key responsibility of the MDA will be communication with international investor and business communities as well as ensuring clarity and efficiency in the bidding process. These relationships are increasingly critical given the financial challenges facing the country.

The Mongolian in-country management team quoted; “The infrastructure opportunity for Khot and our strategic partners is now more clearly defined than ever. The new majority government and its rapid response to past economic uncertainty are huge steps forward for the business community.”

Khot is also pleased to announce the receipt of an 110 Kilovolt (“kV”) power line construction permit awarded by the Mongolian government. This permit allows AMZ to further increase the scope and scale of bidding opportunities in the power line construction sector.

Erin Chutter, Khot’s COO, emphasized; “We are very pleased to add this permit to our arsenal which now, includes road and bridge building, road maintenance and rail bed construction licenses. The optimism and excitement around the \$5.2 billion expansion of Oyu Tolgoi has brought new investor interest to Mongolia and heightened interest in all four of these burgeoning infrastructure sectors.”

On June 23, 2016, the leaders of Mongolia, China and Russia agreed to cooperate on the development of an economic corridor, including investments in upgrading the Ulan Bator rail line and focus on road transportation infrastructure.

AMZ previously announced the acquisition of three other important licenses in the rail bed, road construction and asphalt provision sectors. All three of these are critical for ongoing relationship negotiations underway with major financial and construction entities that will enable the Company to fully exploit these major infrastructure opportunities.

Khot also intends to acquire a final 25% interest in AMZ from a company controlled by affiliates of Firebird, Khot's largest shareholder, in a non-cash transaction; this acquisition will bring Khot's holdings to 100% of AMZ at a time when significant concession opportunities are planned by the government.

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**About Khot:**

Our goal is to become the leading Mongolian transportation contractor and the preferred choice for employees, shareholders and partners. Our focus is on high margin contracts, such as highways and regional roads. Our mission is to provide the infrastructure needed for one of the world's fastest growing economies.

To find out more about KHOT, please visit our website at [khot-infrastructure.com](http://khot-infrastructure.com), email: [IR@khot-infrastructure.com](mailto:IR@khot-infrastructure.com).

**About AMZ:**

AMZ is a qualified Mongolian company, providing investors a first mover advantage; in effect a proxy on Mongolia and by extension a future opportunity throughout the entire Silk Road Region. The AMZ team includes experienced road engineers and business developers. In addition, the Company has the ability to leverage the Firebird office in the Mongolian capital city and has ready access to other key operational advantages this long-term relationship offers.

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The CSE has in no way passed upon the merits of the proposed transaction and has neither approved or disapproved the contents of this press release.

**Disclaimer for Forward-Looking Information**

Statements containing forward-looking information express, as at the date of this news release, the Company's plans, estimates, forecasts, projections, expectations, or beliefs as to future events or results and are believed to be reasonable based on information currently available to the Company.

Forward-looking statements and information are based on assumptions that financing and personnel will be available when required and on reasonable terms, and all necessary regulatory approvals and shareholder approval will be obtained, none of which are assured and are subject to a number of other risks and uncertainties.

There can be no assurance that forward-looking statements will prove to be accurate. Actual results and future events could differ materially from those anticipated in such statements. Readers should not place undue reliance on forward-looking information.