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ASX RELEASE

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Scoping Study Preliminary Results for Ovoot – Arts Suuri – Kyzyl Rail Alignments

- **Finding suitable rail paths to connect the company's Ovoot Project with Kyzyl in Russia will complete the Steppe Railway, a new rail connection between China and Russia, through Mongolia.**
- **Preliminary results indicate that there are multiple efficient alignment paths available between Ovoot to Arts Suuri and onto Kyzyl in Russia.**
- **Geography is suitable for efficient high capacity bulk commodity rail.**
- **Capital costs per kilometre to construct the base infrastructure range between US\$2m to US\$2.6m per kilometre.**

Mongolian metallurgical coal explorer and infrastructure company, Aspire Mining Limited (ASX: AKM, the **Company** or **Aspire**), is pleased to announce that it has received preliminary results from a scoping study undertaken to identify potential rail alignments from the end point of the Erdenet to Ovoot Railway north west to the Russian/Mongolian border at Arts Suuri, and further north towards the Russian city of Kyzyl in the Tuva province (**Scoping Study**). This rail connection provides the remaining link to create a new trade connection between China and Russia through Mongolia.

The Scoping Study is aimed at providing preliminary capital cost assessments, alignment paths and lengths and the early identification of any engineering, construction or operational challenges to develop rail infrastructure through this terrain. This work has been undertaken to improve the level of confidence in the viability of the Steppe Railway as a new rail connection into Russia extending from the town of Erdenet through Aspire's Ovoot Coking Coal Project (**Ovoot**) and then onto the Russian city of Kyzyl. This rail connection is not only consistent with Chinese driven policy to build the Silk Rail Road but will also unlock the development potential of Russia's Elegest Coking Coal Basin located near Kyzyl.

The Scoping Study was prepared by Aspire's Mongolian rail infrastructure subsidiary, Northern Railways LLC (**Northern Railways**), using data sets and parameters established in the completion of the Pre-Feasibility Study for the Erdenet to Ovoot Railway. The data sets and parameters were then applied specifically to the region between Ovoot and Kyzyl. Northern Railways engaged Trimble Planning Solutions Pty Ltd, based in Melbourne, Australia, to assist with running alignment simulations.

The preliminary results of the Scoping Study are shown in Table 1 with a range of feasible capital costs and alignment lengths identified. The potential alignments between Ovoot and Arts Suuri, and Arts Suuri and Kyzyl, were assessed on the basis of a maximum 0.9% gradient slope in both directions to ensure

operational conditions were in-line with the Erdenet to Ovoot Railway. Additional analysis is required to understand the capital cost and operating cost trade-offs in order to identify the optimal alignments.

Alignment	Distance (km)	Capex Estimate (US\$m)
Ovoot – Arts Suuri	230 - 250	\$450-550
Arts Suuri - Kyzyl	300 - 330	\$675-775

Table 1: Scoping Study estimates

Ovoot – Arts Suuri (230 – 250 km)

The terrain between Ovoot to Arts Suuri is relatively flat and similar to the Erdenet to Ovoot terrain which presents excellent conditions for building and operating efficient bulk commodity rail as demonstrated in Figure 1.

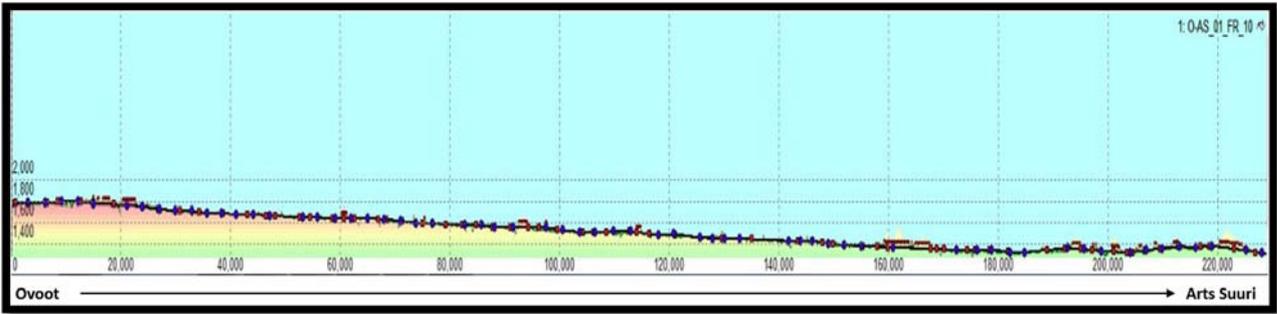


Figure 1: Ovoot to Arts Suuri alignment profile

Arts Suuri to Kyzyl (300 – 330 km)

The Arts Suuri to Kyzyl alignment is also generally flat and suitable for rail development. There is approximately 30 to 40 kms of alignment that needs to traverse a mountain range. The most suitable alignment appears to traverse through a relatively narrow pass. This requires further investigation into alignment and geometric parameters to balance capital construction costs and operational factors to achieve optimal outcomes in both directions (refer Figure 2).

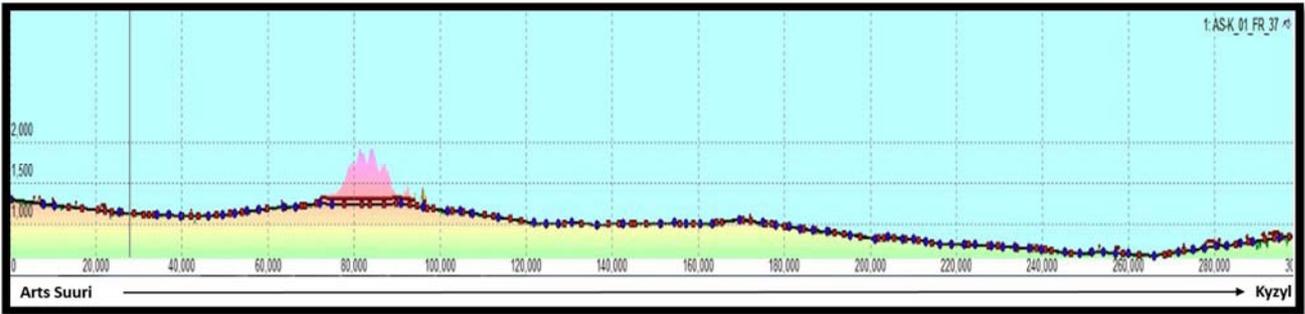


Figure 2: Arts Suuri to Kyzyl alignment profile

The preliminary findings from this Scoping Study indicate that there are no technical obstacles to building an efficient high capacity rail connection from Ovoot in northern Mongolia through to the Russian city of Kyzyl, unlocking substantial new demand for freight services along the Steppe Railway to Erdenet and Mongolia’s Trans-Mongolian Rail network.



Figure 3: Erdenet – Ovoot railway and the potential Ovoot – Arts Suuri alignment part of the Mongolian rail policy forming part of the trilateral Economic Corridor between Russia, Mongolia and China

In August 2015 Northern Railways was granted a 30 year concession by the Mongolian Government to build and operate the Erdenet to Ovoot railway and then transfer 100% to the Mongolian Government. Northern Railways is exclusively engaged with subsidiary companies of China Railway Construction Corporation (**China Railways**) who are currently completing the first stage of a bankable feasibility study over the Erdenet to Ovoot alignment and will be granted the EPC contract to construct the railway.

Aspire Mining Limited's Managing Director Mr David Paull said "Being able to identify an efficient path connecting Ovoot to Kyzyl is important in demonstrating the strategic value of the Steppe Railway from Erdenet through to Kyzyl".

"The Erdenet to Ovoot section of this railway, which Northern Railways has recently received a Concession for, reflects the first half of the Steppe Railway".

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About Aspire Mining Limited

Aspire Mining Limited is listed on the ASX (ASX: AKM) and is the largest coal tenement holder in Mongolia's Northern provinces and is focused on identifying, exploring and developing quality coking coal assets. Aspire 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 (Nuurstei), and following a successful 2014 exploration program, is conducting additional exploration work through 2015 with the aim of identifying a JORC 2012 coal resource and defining coal quality across the deposit. Depending on the results of the 2015 program, future positive economic studies, funding and the grant of necessary approvals and licenses, Nuurstei could commence a road based production operation as early as 2016, and access the new Erdenet to Ovoot Railway as early as two years from commencement of its construction.

Aspire is also the owner of the world class Ovoot Coking Coal Project (Ovoot) 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 Northern Railways LLC (Northern Railways). Northern Railways was granted a rail concession in August 2015 and is progressing the negotiations and completion of a bankable feasibility study, funding, EPC contract, applications for licences, permits and approvals to commence railway construction.

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

About Northern Railways LLC

Northern Railways LLC (Northern Railways) is a Mongolian registered rail infrastructure Company, and mandated to pursue the development of the Erdenet to Ovoot Railway, is supported by a consortium consisting of Aspire Mining, and subsidiaries of fortune 500 listed China Railway Construction Corporation – China Railway 20 Bureau Group Corporation (CR20G) and China Railway First Survey & Design Institute (FSDI).

The Erdenet – Ovoot Railway extends 547 km between the town of Erdenet to Aspire's Ovoot Project, which connects northern Mongolia to China and international markets. In accordance with Mongolian National Rail Policy, the Erdenet – Ovoot Railway is a multi-user rail line and will be available for the transport of bulk materials, agricultural and general freight from the region to export markets including China, Russia and seaborne markets.

The Erdenet to Ovoot Railway will play an important part in the establishment of an Economic Corridor through Mongolia, the subject of a trilateral agreement signed by the Presidents of China, Russia and Mongolia. The Economic Corridor through Mongolia is primarily aimed at improving trade by reducing regulation, improving capacity at borders and to improve road and rail infrastructure to meet this increased demand for transport services. This Economic Corridor through Mongolia links closely with Chinese policies to establish a New Silk Road to improve Euro-Asian trade, and Russia's policy of establishing a Euro-Asian economic zone.

In August 2015 Northern Railways was granted an exclusive 30 year concession by the Mongolian Government to build and operate the Erdenet to Ovoot Railway. Northern Railways is now progressing the completion of a bankable feasibility study and other studies to support applications for licences, permits and approvals, as well as progressing negotiations for the EPC contract and financing of the railway construction.

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