

ASX RELEASE

For Immediate Release – 6 June, 2017

Russia Commits to Construction of the Kyzyl to Kuragino Section of Northern Rail Corridor

Mongolian metallurgical coal explorer and infrastructure company, Aspire Mining Limited (ASX: AKM, the **Company** or **Aspire**), and its rail subsidiary, Northern Railways LLC (Northern Railways), has noted that Russian media are reporting that an agreement was signed during the St Petersburg International Economic Forum on 1 June 2017 to develop the Kuragino – Kyzyl Railway. This is the Russian section of the Northern Rail Corridor that connects to the existing Trans-Siberian Railway at Kuragino.

This Railway is 410 kms long with construction expected to be completed by 2022. It is being financed through a Concession Agreement with the owners, including Tuva Energy and Industrial Corporation, RZD Russian Railways JSC and Leader Asset Management. The total cost is estimated at 163.5 B roubles (Source: www.pppi.ru June 1).



Figure 1 : Map of Mongolia and the Proposed Northern Rail Corridor

The Northern Rail Corridor extends from Tianjin Port on China's North East Coast through Beijing, Ulaanbaatar, Erdenet, Ovoot, Arts Suuri, Kyzyl to Kuragino, where it connects to the existing Trans-Siberian Rail system. Rail currently exists between Tianjin and Erdenet. Erdenet to Ovoot is the subject of a Rail Concession with Aspire's subsidiary, Northern Railways LLC. The Concession for the Kyzyl to Kuragino section of this Corridor has now been agreed. Discussions between Mongolia and Russia are continuing in relation to the remaining connection between Ovoot to Kyzyl.

The new Northern Rail Corridor will provide a new competitive rail connection between North East China and Europe through Mongolia and Russia to support China's One Belt One Road initiative.

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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 is the 100% owner of the world class Ovoot Coking Coal Project (Ovoot 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 being progressed by Aspire's subsidiary, Northern Railways LLC (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 (Nuurstei) which has announced initial JORC Compliant Resources

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 Limited – China Railway 20 Bureau Group Corporation and China Railway First Survey & Design Institute Group Co Ltd.

The Erdenet to Ovoot Railway extends 549km 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 to 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 the Northern Rail Corridor through Mongolia, the subject of a trilateral program agreed by the Presidents of China, Russia and Mongolia. The Northern Rail Corridor through Mongolia is primarily aimed at improving trade by reducing regulation, improving capacity at borders and improving road and rail infrastructure to meet this increased demand for transport services. The Northern Rail 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 years concession by the Mongolian Government to build and operate the Erdenet to Ovoot Railway. Northern Railways is now progressing funding negotiations for 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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